ANDHRA PRADESH LEGISLATURE

(TENTH LEGISLATIVE ASSEMBLY)

FIFTH REPORT

OF

THE COMMITTEE ON PUBLIC UNDERTAKINGS

(1996-97)

ON

THE AUDIT PARAGRAPHS CONTAINED IN THE REPORTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE YEARS 1989-90, 1990-91 AND 1991-92 (COMMERCIAL) AND ACTION TAKEN NOTES ON THE RECOMMENDATIONS CONTAINED IN THE 12TH, 13TH AND 14TH REPORTS OF IX L.A. ON THE ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION.

(Presented to the Legislature on 27-11-1997)

ANDHRA PRADESH LEGISLATURE (P.U.C.) SECRETARIAT,

PUBLIC GARDENS, HYDERABAD - 500 486.

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(Presented to the Legislature on 27-11-1997)

J. 281-1

COMMITTEE ON PUBLIC UNDERTAKINGS
(1996-97)

(Constituted on the 30th September, 1996)

CHAIRMAN:

1. Sri T. Bhadrayya

MEMBERS:

2. Sri M. Vijayapal Reddy
3. Sri R. Krishna Sagar
4. Sri Kagitha Venkat Rao
5. Sri Shikari Viswanatham
6. Dr. Abdul Rehman Shaik
7. Sri P. Keshav
8. Sri J. Venkata Reddy
9. Sri M.A. Gafoor
10. Sri Ch. Raji Reddy
11. Sri M. Anjaneyulu
12. Sri Vanka Satyanarayana
13. Sri M. Sikhamani
14. Sri Gudibandi Venkata Reddy
15. Sri K. Dayakar Reddy (Resigned)

SPECIAL INVITEES:

Sri Chikkala Ramachandra Rao
Sri Pidathala Rambhupal Reddy
Sri K. Achannaidu

LEGISLATURE SECRETARIAT:

Sri C. Venkatesan, Special Secretary
Sri S.D. Kamalakar, Secretary
Sri Khaja Moinuddin, Assistant Secretary
Sri K. Harinarayana Rao, Section Officer

ACCOUNTANT GENERAL'S OFFICE:

Sri A. Satya Vardhana, Accountant General (Audit)-II
Sri B. Narayana, Sr. Dy. Accountant General (Commercial)
Sri K.V.R.K. Prasad, Sr. Audit Officer (CAW/COPU)
Sri N. Ananda Babu, Asst. Audit Officer (CAW/COPU)

INTRODUCTION

I, the Chairman of the Committee on Public Undertakings (1996-97) having been authorised by the Committee to present the report on their behalf, present this Report on Andhra Pradesh State Road Transport Corporation.

2. The Committee on Public Undertakings (1995-96) have examined the Report of C. & A.G. of India for the years 1989-90, 1990-91 and 1991-92 (Commercial) and Action taken Notes on 12th, 13th and 14th Reports of Committee on Public Undertakings of IX L.A. on A.P.S.R.T.C. but could not present a Report on the same for want of time.

3. The present Committee (1996-97) have considered, and approved at the said Report, at its meeting held on 21.11.1997.

4. The Committee wishes to express their thanks to the Principal Secretary to Government, Transport, Roads and Buildings Department, the Vice-Chairman and Managing Director and other Officials of Andhra Pradesh State Road Transport Corporation for the cooperation they have extended.

5. The Committee places on record their appreciation of the assistance rendered to the Committee by the Accountant General (Audit)-II, Andhra Pradesh, the Senior Deputy Accountant General (Commercial) and other Officers and staff of the Accountant General's Office and also the Special Secretary, Secretary to State Legislature, Officers and Staff of the Legislature Secretariat in the examination of the general working and audit paras relating to Andhra Pradesh State Road Transport Corporation and in preparation of this Report.

T. BHADRAYYA,
Chairman,
Committee on Public
Undertakings.

Hyderabad,
Dated : 21.11.1997.

RECOMMENDATIONS OF COMMITTEE ON PUBLIC UNDERTAKINGS (1996-97)

REPORTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE YEARS 1989-90, 1990-91 AND 1991-92 (COMMERCIAL) AND ACTION TAKEN NOTES ON 12th, 13th AND 14th REPORTS OF IX LEGISLATIVE ASSEMBLY

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

Report of the C. & A.G. of India for the year 1989-90 (Commercial) Individual paras.

Delay in revision of special hire rates:

1. (i) The Corporation provides transport services on exclusive basis at prescribed hire rates to industrial establishments, educational institutions etc. However, the special hire charges were not revised simultaneously with the revision in the bus fares for the general public resulting in loss of revenue. (Para 3B.2.1)

(ii) The Corporation in its explanatory notes stated that the revision of special hire rates would not be synchronised with revision of fares to passengers of stage carriages. It would be done by taking various factors into consideration like utilisation of fleet, continuity of business etc.

(iii) The Corporation assured in its oral evidence that whenever there is fare increase, within a reasonable time, the fares of special hire charges would also be revised in future.

Non-levy of interest on belated payment of special hire charges:

(iv) The terms and conditions of the agreement entered into by the Corporation with each of the undertaking, hiring buses on special hire charges provide that the bills claiming the hire charges should be honoured within a stipulated time, failing which interest should be collected from the organisations. However, it was observed that interest was not levied on the belated payment of hire charges which resulted in loss of revenue to the tune of Rs. 5.49 lakhs (1987-88 and 1988-89) to the Corporation. (Para 3B.2.2)

(v) The Corporation in its explanatory notes stated that the delay in payment of amounts was mainly a procedural delay and with a view to maintain cordial relations with the undertakings who prefer to hire the Corporation buses, the Corporation is not insisting on the payment of interest on belated payments. However, the Corporation is regularly following up with the P.S.U.s to settle the bills in time.

(vi) In its oral evidence the Corporation has assured for speedy settlement of dues from the P.S.Us.

1. Recommendation:

The Committee strongly recommends to have a Resource Mobilisation Committee in the Corporation to streamline the system for the clearance of dues from various organisations and suggests to take the guidance in this regard from the Finance Department, Government of Andhra Pradesh.

Excess payment due to wrong fixation of pay:

2 (i) The Corporation implemented revised scales of pay of its employees with effect from 1.1.1980. Wrong fixation of pay to various employees has resulted in excess payment to the tune of Rs. 5.60 lakhs (Para 3B.2.5).

(ii) The Corporation in its explanation notes stated that Rs. 2.73 lakhs was recovered.

2. Recommendation:

The Committee recommends to recover the remaining amount (Rs. 2.87 lakhs) early as there is abnormal delay of about 17 years in recovering the excess paid amounts.

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE YEAR 1990-91 (COMMERCIAL)

REVIEW:

Revision of fares:

3 (i) During the five years upto 1990-91, the fares on stage carriages operated by the Corporation were revised thrice besides imposing gulf surcharge (Para 3B.4)

(ii) The Corporation in its oral evidence stated that the revision of fares in respect of each category of service is being done by taking various aspects into account, viz., elasticity of traffic demand and paying capacity of different categories of passengers and increase of cost of inputs etc., on each revision.

3. Recommendation:

The Committee recommends that the Corporation would better resort to annual increase of bus fares as is being done by Railways, which will not burden the general public at a time due to abnormal increase of fares after a long spell.

Fare Tables:

4 (i) The fare tables, prepared by Depots of the Corporation were not being forwarded to STA/RTA for approval and displayed for the guidance of travelling public though the same was required to be done under the provisions of M.V. Act (Para 3B.5)

(ii) The Corporation in its explanatory notes stated that the fare tables are being submitted to the R.T.As concerned while obtaining the permits, and the same will be supplied to each service vehicle based on which the fares are collected.

4. Recommendation:

The Committee recommends that the fare tables shall be displayed at proper places at bus stations as per the Rules and the same should be forwarded to the R.T.A. authorities for approval.

Short collection of fares:

5 (i) The fares in case of ordinary services from Gudivada to Machilipatnam (via) Bantumilli and Gudivada - Bhimavaram were fixed properly. However, the fares at four intermittent stages in the routes were fixed less resulting in loss of revenue to the Corporation (Para 3B.7)

(ii) The Corporation in its oral evidence stated that these aspects would be checked.

5. Recommendation:

The Committee expects that these aspects shall be checked and reported back as the Corporation should neither collect less fare nor excess fare from the travelling public.

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE YEAR 1990-91 (COMMERCIAL)

Individual paras:

Locking up of funds with Sulabh International, Patna:

6 (i) The Corporation accorded administrative sanction in January, 1986 for Rs. 9.82 lakhs for construction of 48 seater Public Tiolet block with bio-gas plant at Central Bus Station, Tirupathi. The contract was awarded to Sulabh International, Patna by providing an advance amount. However, the agency has refunded the advanced amount, without paying any interest on the advance. (Para 4B.2.1).

(ii) The Corporation in its oral evidence stated that the agency has backed out by returning the amount and no interest was collected since the company was a philanthropic organisation.

6. Recommendation:

The Committee desires to know whether any such Public Toilet Block has come up in the bus station complex at Tirupathi for the benefit of the passengers as the place is a pilgrim centre.

Extra expenditure due to payment of Current Consumption charges under wrong category:

7 (i) As per the tariff conditions of A.P.S.E.B., the Depot Offices of the Corporation are classified under L.T. category II and garages attached to Depots are to be classified under L.T. Category III. However, in respect of Hakeempet Depot, the current consumption charges for the garrages are also being paid under category II instead of category III resulting in loss to the Corporation to the tune of Rs. 9.94 lakhs (Para 4B.2.3).

(ii) The Corporation in its explanatory notes/oral evidence stated that the matter is under persuation with the Andhra Pradesh State Electricity Board.

7. Recommendation:

The Committee desires to pursue the matter with A.P.S.E.B. and to collect the amount early. The Committee would also like to be appraised of the position obtaining from the garrages of all Depots of the Corporation.

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE YEAR 1991-92 (COMMERCIAL)

GENERAL

Conversion of share capital:

8 (i) Interest on capital contribution by State Government is payable at the rate of 6.25 per cent, amounting to Rs. 16.51 crores upto the year 1991-92 (Para 1.5.1).

(ii) The Corporation in its explanatory notes and oral evidence stated that an amount of Rs. 7.95 crores has already been paid to the State Government towards interest accrued upto 30 June, 1992. Regarding the balance interest payable, the Corporation stated that sanction of Central Government has already been received for the conversion into equity of entire share capital held by the Central Government. Regarding the State Government contribution towards the share capital, State Government was being requested for the conversion into equity of their portion of share capital.

8. Recommendation:

The Committee desires to be informed of the further developments in the matter.

LAND ALIENATION

Properties and Assets - Fixed Capital Expenditure:

9 (i) Corporation had obtained Government lands at 43 places for which alienation proceedings were pending as on 13 June 1988 (Para 1.5.4D).

(ii) Corporation in its explanatory notes and oral evidence stated that alienation proceedings were finalised in respect of 7 places duly

fixing the land value and the amounts were also deposited with the Collectors. The powers of alienation have now been transferred from the Collector to the Revenue Department. The Corporation also stated that the Government is charging market value for Government lands which are alienated for the purpose of construction of Bus Stations and Bus Depots.

9. Recommendation:

The Committee recommends to the Government that the land for the purpose of construction of Bus Stations and Bus Depots should be given at free of cost to the Andhra Pradesh State Road Transport Corporation.

Stores and Materials:

10 (i) The book value of 'Stores on hand' as on 31 March 1991 stood at Rs. 16.47 crores but the value as per inventory statement was Rs. 18.98 crores resulting in a difference of Rs. 2.51 crores [Para 1.5.4(E)]

(ii) The Corporation in its explanatory notes stated that the difference was mainly due to non-reconciliation of stores at Bhagya Nagar Region and B.B.U. at Miyapur. The reconciliation was in progress in both the stores.

10. Recommendation:

The Committee recommends to complete the reconciliation and to rectify the position early and intimate back by March, 1998.

ACTION TAKEN NOTES ON 12th, 13th AND 14th REPORTS OF IX L.A.

A. Action Taken Notes on the 12th Report of IX L.A. on the A.T.N. on the Recommendations contained in the 8th Report of V L.A. (C. & A.G. Report for the Year 1973-74 [Commercial])

Illicit operations and deviations from the permitted routes by the operators of the private Buses.

Para 3.4: Though the Joint Secretary, T.R. & B, issued instructions to all the Deputy Transport Commissioners to take action against the illicit

operators, complaints were also lodged against illicit operators by the private operators, the illicit operations have not come down as expected.

The previous Committees viewed seriously the casual approach of the Government and for being soft towards the illicit operators. It was also observed by the previous Committees that the private buses were not running on the permitted routes but were deviating from the routes, and the R.T.A. was not taking any action against these cases. The Joint Secretary, T.R. & B. assured the previous Committees to furnish the action taken by the Government. However, the same has not been furnished.

11. Recommendation:

The Committee once again strongly recommends to take action against the illicit operators and also against those operators who are deviating the buses from the permitted routes and report back to the Committee by March, 1998.

Para 3.8: The previous Committees observed that private buses were not running on the permitted routes, but they were deviating from the routes, and the R.T.A. was not taking any action in these cases. The Committee noticed in Nellore, for instance, the private operators were operating upto even 16 Kms. as against the permitted 8 Kms.

The Joint Secretary, T.R. & B. informed the Committee, that this has already came to the notice of the Government and the instructions have already been issued to prosecute the concerned officers also. He promised to furnish to the Committee the action taken so far by the Government in this connection. The previous Committee desired to have a report by June, 1993.

12. Recommendation:

The Committee strongly feels that eventhough the previous Committees viewed it very seriously, the Corporation has been showing lenient view over the issue. Hence, the Committee once again viewing the issue very seriously, strongly recommends to check illegal operations and report back to the Committee by March, 1998.

Action Taken Notes on the 12th Report of IX L.A. on A.T.N. on Recommendations contained in the 9th Report of V L.A. (C. & A.G. Reports for the years 1975-76 to 1977-78) (Commercial).

Concession on various passes etc.

Para 5.4: Corporation is sustaining losses on account of various concessions, viz., employees passes, students passes etc., given by the Corporation in implementing the decisions of the Government. The Corporation informed in the A.T.N. to the previous Committee that in Tamil Nadu and Kerala States the loss on account of these concessions is reimbursed by the respective Governments.

The Joint Secretary, T.R. & B., in his oral evidence stated that the subsidy extended to the freedom fighters has been reimbursed by the State Government to the extent of Rs. 1.20 crores and the General Administration Department of Secretariat, Government of Andhra Pradesh, is regularly reviewing the concessions extending to the others and reimbursement of concessions extended to students and journalists is under consideration of the Government.

13. Recommendation:

The Committee unanimously and strongly recommends for the reimbursement of the amounts by the Government which help in reducing the losses of the Corporation.

Action Taken Notes on the 12th Report of IX L.A. on A.T.N. on 'Recommendiations contained in the 2nd Report of VII L.A.' (Report of C. & A.G. of India for the year 1973-74 [Commrcial])

T.T.D. - Expansion of Bus Depot:

Para 12.3: The Regional Manager has brought to the notice of the previous Committee that the request of the Region to T.T.D. authorities to allot 4.00 acres of land on hills was pending with T.T.D. Board. The previous Committee recommended to the T.T.D. to give the land required by the Corporation immediately for the expansion of the Bus Depot for providing better services to the public.

The Corporation in its A.T.N. stated that 4.00 acres of lands on Tirumala Hills for construction of Bus Depot as required by the R.M. is not yet considered by T.T.D. and the matter would be pursued with them.

The M.D., A.P.S.R.T.C. has stated in his oral evidence that the T.T.D's Urban Development Authority is trying to identify some important places which are useful for construction of Bus Station, Railway Station, etc., and the matter would be pursued at the appropriate time.

14. Recommendation:

The Committee recommends to pursue the matter at highest level to get the clearance early as it is very useful for the public as Tirupathi is a great pilgrim centre which is visited by lakhs of pilgrims every day.

B. ACTION TAKEN NOTES ON THE 13th REPORT OF IX L.A. ON THE REPORT OF THE C. & A.G. OF INDIA FOR THE YEAR ENDED 31 MARCH 1998 (COMMERCIAL)

PROCUREMENT OF LAND

Para 6.4: In reply to a query raised by the previous Committee, the Executive Director of the Corporation informed that the site selected earlier for construction of Bus Station at Bantumilli was on a tank bed and that selection of an alternative site was pending with District Collector for finalisation.

The Corporation in its A.T.N. stated that to an extent of 1.18 acres of Government land was handedover to the Corporation on 20th February, 1993 for the purpose.

Para 6.6: The site in Jogipet where foundation stone was laid for construction of a bus station was in litigation and the alternative site proposed by the Government was pending with Commissioner of Land Revenue.

The Corporation selected alternative land of 10 acres of Government land at S.No. 1141 for bus station and the application for alienation of the land in favour of the Corporation was filed with the District Collector, Medak on 7th August, 1991.

The Committee has already recommended to have a progress report in the above cases. The M.D. in his oral evidence stated that Jogipet site would be handedover in the coming month.

15. Recommendation:

The Committee would like to have a progress report in respect of both the cases (Bantumilli and Jogipet) by March, 1998.

Pending cases of land acquired:

Para 7: Audit pointed out that as on 31 March 1988, 378 cases of land acquisition relating to the period from 1974-75 to 1986-87 were pending finalisation at various stages.

The previous Committee found that out of 245 cases (currently pending) as many as 127 cases were pending with the Corporation awaiting finalisation. The Committee directed that the corporation should analyse all the cases of land acquisition pending settlement with Revenue authorities as on 31 March 1992, and finalise these cases as expeditiously as possible. The Committee was of the opinion that any delay in acquisition of land would only lead to cost over run and consequently financial burden on resources of the Corporations.

The Corporation in its Action Taken Notes stated that out of 127 cases pending with Corporation, 74 cases were disposed of. The M.D. in his oral evidence stated that out of 127 cases 80 cases were finalised and 42 were under finalisation.

16. Recommendation:

The Committee strongly recommends to analyse all the cases and finalise them early as these cases pertain to the period from 1974-75 to 1986-87 and submit a report by March, 1998.

Registration of acquired land:

Paras 9.1 to 9.5: Audit observed that sale deeds in respect of 72.54 acres of land acquired at a cost of Rs. 41.97 lakhs through negotiations during July 1984 to March 1984 were not executed so far (October, 1988). A test check of 14 cases of

land and buildings purchased through private negotiations during the above period revealed that sale deeds had not been got registered by the Executive Engineer concerned (June 1988) despite issue of instructions in this regard in May, 1963..

The previous Committee recommended that the Corporation might ascertain the details of all such cases awaiting registrations as on 31st March, 1992 and expedite their registration. The previous Committee also felt that the Corporation may, if necessary, recruit some officers for the purpose and finalise the cases expeditiously and the Committee desired a report by June, 1993.

The M.D. in his oral evidence and Action Taken Notes stated that out of 14 cases 8 cases were finalised and the remaining are under constant pursuance.

17. Recommendation:

The Committee once again recommends to finalise the issue early and intimate back to the Committee by March, 1998. The Committee further recommends to advise the R.D.Os concerned to deposit the advances given for the purpose in nationalised banks to get interest on the amounts, besides to have the data of adjustments pending as on 31st March, 1993.

Execution of Civil Works - Excess over estimates:

Paras 12.1 to 12.4: As per para 2014 (G) of Civil Engineer Manual (C.E.M.) if expenditure on a work is likely to exceed the sanctioned estimate by over 5 per cent, a revised estimate has to be prepared and got sanctioned by the competent authority. A test check of the records of 6 out of 11 divisions revealed that 81 works were completed during the years 1980-81 to 1987-88 where the variations ranged between 5.2 and 100 per cent of the sanctioned estimates were yet to be (October 1988) regularised.

The previous Committee recommended that the Corporation may analyse the works which were executed upto 31st March, 1992 and which require regularisation and take immediate action to regularise the same and to intimate by 30th June, 1993..

The Corporation in its A.T.N. stated that out of 81 works, 49 cases were regularised and for the remaining works the regularisation will be made after the final expenditure on the works are arrived at. The M.D. in his oral evidence stated that 26 works are in progress, and will be completed within 3 months.

18. Recommendation:

The Committee recommends that the works should be analysed and regularised by March, 1998.

Construction of Commercial Complex at Karimnagar:

Paras 14.1 to 14.4: The Corporation resolved in December, 1984 to construct office-cum-commercial complex at Karimnagar at an estimated cost of Rs. 30.25 lakhs at the old bus station premises on 1.4 acres of land taken free of cost from Government in 1958, as the bus station was shifted to a new premises in December, 1980. The Corporation submitted plans to Karimnagar Municipality in June, 1985 for their approval, which were rejected in January, 1986 on the ground that the particular piece of land was earmarked to Government use under the master plan. Meanwhile the construction work was commenced in October, 1985. The Corporation represented (October, 1986) to the Director of Town and Country Planning of the State Government to advise the Municipal Commissioner, Karimnagar to accord permission for construction as any stoppage of work at that stage would seriously effect the developmental programme of the Corporation. As nothing was heard, the construction was carried on and the complex was nearing completion and an amount of Rs. 24.00 lakhs was incurred upto the end of March, 1988. Thus the construction of the complex was without approval of plans and layout.

In its written statement, the Corporation explained to the previous Committee that approval of the Director of Town and Country Planning has not been received so far despite repeated reminders. In the meanwhile the Municipality has, however, been demanding and collecting necessary tax, implying thereby the regularisation of the construction by the Municipality.

In his oral evidence during the previous Committee the V.C. & M.D. stated that the Corporation took up the matter with the Director of Town and Country Planning and admitted that it was not pursued vigorously and promised that the Corporation would pursue it and get the construction regularised.

In his deposition before the previous Committee, the Principal Secretary to Government assured that the Government would give necessary permission, if necessary and direct the Corporation not to indulge in such things in future.

The previous Committee observed that even as on that day the building is an unauthorised construction and the Government has not explained about the absence of reponse by the Director of Town and Country Planning. The previous Committee recommended to the Government to issue necessary instructions to the D.T.C.P. to accord the necessary approval without any further delay.

The Corporation in its reply stated that a request was made to the Director of Town and Country Planning, Government of Andhra Pradesh, vide Lr.No. D1/130(64)/84-85-CED, dt. 25.10.86 through the Commissioner, Karimnagar Municipality. It is learnt that the Commissioner of Karimnagar Municipality has not forwarded the letter to the Director of Town and Country Planning. It was also stated that Director of Town and Country Planning was also addressed directly. Although permission was not accorded by the Director of Town and Country Planning, Karimnagar Municipality was demanding and collecting property tax from A.P.S.R.T.C. regularly.

19. Recommendation:

The Committee feels that mere collection of property tax from A.P.S.R.T.C. did not make the construction authorised. Hence action should be taken by the Government to regularise the construction.

Avoidable expenditure on abandoned works:

Paras 16.1 to 16.4: The Corporation took possession (May, 1983) of Government land measuring 33.38 acres of land for construction of Bus Body Building Unit (B.B.U. and Regional Work Shop (R.W.S.) at

Miyapur pending alienation and without preliminary survey as to its suitability. The Corporation invested Rs. 0.74 lakh (Rs. 0.57 lakh on compound wall and fencing, Rs. 0.11 lakh on a well and Rs. 0.06 lakh for consultancy on preparation of designs and detailed plans) for the layout of R.W.S. Subsequently, it was noticed (October, 1983) that 21.46 acres of land was under a tank bed. The management agreed (November, 1983) that 21.46 acres of land was under a tank bed. The management agreed (November, 1983) to the Collector's proposal to delete this portion in lieu of allotment of equal area elsewhere. However, the equivalent area has not yet (October, 1988) been identified and allotted by the Collector. Thus, the investment of Rs. 0.74 lakh rendered unfruitfull.

In its written statement to the previous Committee the Corporation informed that although the corporation agreed to the Collector's proposal to delete the tank bed portion in lieu of allotment of an equal area elsewhere, the entire land is now under the possession of the Corporation in as much as the alternative land was not allotted by the Collector as promised.

In his oral evidence to the previous Committee the Principal Secretary to Government informed that the Corporation is prepared to take the entire land including the tank bund area, which is only about 8 acres.

The previous Committee observed that the case has been pending with the Commissioner for Land Records since 1983. It was informed to the previous Committee that the alienation could be done only after change of classificatin of the land and that such change of classification was not difficult. The previous Committee, therefore, recommended that the Government to instruct the Commissioner of Land Records to finalise the alienation as early as possible since the case had been pending with the Government for the last 9 years. The previous Committee would like to have a progress report by June, 1993.

The Corporation in its A.T.N. stated that the Collector, Ranga Reddy had sent land alienation proposals to the Commissioner of Land Revenue in respect of only Ac. 14.01 Guntas Government land in

S.No. 159 of Serilingampally village in favour of A.P.S.R.T.C. The C.R. had also sent the alientation proposals to the Government in Revenue Department for issue of alienation orders.

20. Recommendation:

The Committee further recomends to the Government to clear the alienation proposals immediately.

C. ACTION TAKEN NOTES ON 14th REPORT OF IX L.A. ON THE PARAS CONTAINED IN TEH REPORT OF C. & A.G. OF INDIA FOR THE YEAR ENDED 31 MARCH 1989 (COMMERCIAL)

Non-Availment of S.T. Rebate on purcahse of H.S.D. Oil-Extra expenditure of Rs. 17.44 lakhs.

Paras 5.1 to 5.4: The State Government ordered in March 1984 levy of concessional S.T., at the rate of 4 per cent from 1st April, 1984 for specified goods manufactured in the State and supplied to State and Central Government Departments, Corporations and Public Sector Undertakings situated in the State. The concession was, however, withdrawn from 1st November, 1984 in respect of petroleum products. The Corporation was not aware of the concessional S.T. rate and therefore, it did not avail the benefit in respect of H.S.D. Oil procured from H.P.C.L. from its Vizag refinery. On being pointed out by Audit, the Corporation approached H.P.C.L., in June, 1987 for refund of Rs. 19.44 lakhs paid in excess towards S.T., H.P.C.L. expressed its inability to refund the amount at that stage as they did not maintain separate invoices for supplies from Viag refinery. Non-application of the changes in the statutory levies immediately had resulted in incurring avoidable expenditure of Rs. 19.44 lakhs. The Corporation has also not fixed any responsibility for the lapse.

As seen from the Explanatory Notes given by the Corporation to the previous Committee, H.P.C.L. informed the Corporation that the S.T. so collected from the Corporation had already been paid to the State Government and that their assessment for the year 1984-85 was also finalised. H.P.C.L., however, opined that the Corporation's claim may be

sustainable only in respect of supplies made from Vizag refinery and advised the Corporation to revise the claims in respect of supplies made from Vizag refinery so that H.P.C.L. would file a supplementary appeal before the Appellate Authority. Accordingly the Corporation submitted a revised claim for Rs. 7.09 lakhs.

The D.E. (P.R.O.) of the Corporation in his deposition stated (to the previous Committee) that when the Corporation preferred that revised claims for Rs. 7.09 lakhs, H.P.C.L. contended that they had already paid the money to State Government and therefore, they could not pay unless the Government refunded the amount to H.P.C.L. He has also informed the Committee that when the Corporation approached the Government, the Government said that it was a matter to be settled between H.P.C.L. and the Corporation.

The previous Committee found that the issue is pending right from 1984 with the Corporation/Government for final decision. The Committee is at a loss to understand as to how H.P.C.L. could collect more tax than what was required when the State Government orders were very clear. The previous Committee recommended that the Corporation might approach the Government afresh, with necessary documentation immediately and the Secretary T.R. & B. might take up the case with the concerned Department so that long pending issue will come to an end finally. The Committee suggested that the corporation may evolve a suitable system to keep itself aware of all the provisions of various Laws and Acts, so as to enable itself informed of the developments in the tax concessions. The previous Committee opined that whatever had been collected by the Government in excess had to be refunded by the Government only to the dealer and in this case dealer is H.P.C.L. and therefore, the Government cannot say that it is the case between the Corporation and H.P.C.L. However, the Committee desired the Corporation to examine issuing legal notice to H.P.C.L. since the amounts to be received finally is only from H.P.C.L. but not from the Government.

The Corporation in its A.T.N. stated that the amount to be recovered would be Rs. 7.09 lakhs only and legal notice was issued in January, 1993.

21. Recommendation:

The Committee shall be informed of the recovery of the amount by March, 1998.

Non-utilisation/delays in procurement and commissioning of Boilers:

Paras 7.1 to 7.3: In February, 1984, the Corporation purchased one coal-fired boiler for utilisation at Tyre Retreading Shop (TRESS) Vizianagaram considering that there would be a regular conventional process in the workshop. But after purchase of the coal fired boiler decision was taken to introduce procured process with oil-fired boilers and the coal fired boiler was kept as a spare boiler for use in other T.R.S. in case of need. In 1984, the coal fired boiler was sent from Vizianagaram to Karimnagar to be used as a standby but the same was not erected and put to use resulting in locking up of funds to the extent of Rs. 2.20 lakhs. No action for its disposal was taken so far (June 1989). The Management stated (August 1989) that the delay in the disposal of the coal fired boiler was a result of the request made by the Executive Engineer (Projects) for utilising in a Civil Engineering Project which has not materialised. The Management decided (October, 1989) to dispose off the boiler through tender-cum-auction under 'New Disposal'. The boiler was still lying at Karimnagar (April, 1990).

While giving oral evidence to the previous Committee, the V.C. & M.D. explained that as a part of expansion programme, the Corporation placed orders for 3 boilers in 1982, first boiler was installed at Vijayawada, by the time the 2nd boiler was received the technology of procured process which was more effective and economical was brought into the industry and therefore decision was taken that the second boiler could be utilised in some other plant as a stand by and that the boiler was however, found to be replaced later and therefore, it was decided to dispose it off.

The previous Committee observed that while the decision to switch over to the procured process was taken sometime in April 1986, the second boiler which was received in February, 1984 was not installed either at the intended place or at the

place where it was proposed to be kept as a standby. The Corporation has not explained why the boiler could not be erected and commissioned in these two years. The previous Committee wanted to have report from the corporation after the boiler was disposed off.

The Corporation in its A.T.N. stated that there was an offer of Rs. 60,000 for the boiler which was accepted and action would be taken soon for fulfilment of statutory requirements.

The Corporation in its oral evidence stated that the boiler would be disposed off at an earliest possible date.

22. Recommendation:

The Committee once again recommends to dispose off the boilers as the technology is fast changing and the report shall be submitted to the Committee by March, 1988.

Deficiencies in maintenance of stores:

Paras 8.1 to 8.3: For advance payments made to various suppliers of materials till 1978-79, the prescribed procedure of preparation of receipt orders for accountal of materials and sending the receipt orders to Advance Payment section for clearing of advance was not followed regularly by the stores wing of the Bhagyanagar Region. Consequently, out of Rs. 1.27 crores advanced to various suppliers and remained unadjusted in the accounts of Regional Stores, Bhagyanagar, a sum of Rs. 45 lakhs was adjusted in 1987-88 and 1988-89 by identifying the issues as receipt orders were not at all prepared on receipt of materials. For the balance unadjusted advance of Rs. 82 lakhs the Corporation had no information regarding (i) party-wise details of the advance made, (ii) details of the quantity of materials supplied and yet to be supplied by the parties, (iii) the quantity of materials rejected and to be rectified by the parties, if any.

In its Explanatory Notes submitted to the previous Committee, the Corporation stated that regular monitoring was being done by calling returns from the Regions and instruction or

cautioning the Regions when the advance amount kept under suspense went beyond a reasonable limit. In its supplementary explanatory notes, the Corporation informed the Committee that all the payments were decentralised at Regional levels, that details of the advances pending at the end of 1991-92 were under collection and that a final report would be submitted to the Committee by April, 1993.

The previous Committee was surprised to note that the Corporation had no information regarding party-wise details of pending advances and details of quantities of materials already received and yet to be received against these advances etc. The Committee directed the Corporation to collect/ prepare full details in respect of the advances as pending at the end of 1991-92 in respect of all the Regions, adjust the same to the extent of materials already received by linking up with the store records and pursue with the suppliers in respect of balance materials yet to be received or rejected materials yet to be replaced by the suppliers etc. The previous Committee wanted a detailed report in this regard by June, 1993.

The Corporation in its A.T.N. stated that the suspence balances would be cleared early and they pertain mainly to Bhagyanagar Region.

The V.C. and M.D in his oral evidence stated that the adjustments were mainly paper adjustments and would be done early.

23. Recommendation:

Though the earlier Committee recommended to submit a detailed report early, the Corporation is yet to take final action to clear the suspense balances. The Committee once again strongly recommends to clear the suspense balances early and submit a detailed report by March, 1998 as the balances pertain prior to 1991-92.

Shortages and excesses:

Paras 10.1 to 10.4: The Committee observed that as on 31 March, 1989, the excesses and shortages found during physical verification and awaiting adjustment well to the extent of Rs. 196.45 lakhs and Rs. 227.75 lakhs respectively. The previous Committee noticed further that these excesses and

shortages were not investigated and necessary adjustments made and also that the Corporation did not furnish to Audit the year-wise breakup of these excesses and shortages.

In a written statement submitted to the previous Committee, explaining the procedure followed for regularisation of the excesses and shortages, the Corporation stated that major shortages were on account of H.S.D. oil and that circular instructions were issued to take expeditious action for adjustment of such shortages by the Regional Authorities.

The previous Committee observed that the reply given by the Corporation was general in nature and it did not contain replies to the specific issues viz., Non availability, non-production of year-wise breakup and reasons for delay in regularisation of the excesses and shortages.

The previous Committee recommended that the Corporation should prepare year-wise details of these suspense balances outstanding as on 31st March, 1992 and it should take immediate effective steps to clear the old cases. The previous Committee wanted a report on the progress made in this regard by June, 1993.

The Corporation in its A.T.N. explained that age-wise breakup for suspense balances for the shortages and excess outstanding as on 31.3.1992 were prepared, which stood at Rs. 6.22 lakhs. Separate and Region-wise details were also submitted in respect of stores and spares.

24. Recommendation:

The Committee recommends to utilise the opportunity to reconcile the suspense balances till 31.3.1992 and report back by 31.3.1998.

SUMMARY OF RECOMMENDATIONS

1. The Committee strongly recommends to have a Resource Mobilisation Committee in the Corporation to streamline the system for the clearance of dues from various organisations and suggests to take the guidance in this regard from the Finance Department, Government of Andhra Pradesh.

2. The Committee recommends to recover the remaining amount (Rs. 2.87 lakhs) early as there is abnormal delay of about 17 years in recovering the excess paid amounts.

3. The Committee recommends that the Corporation would better resort to annual increase of Bus Fares as is being done by Railways, which will not burden the general public at a time due to abnormal increase of fares after a long spell.

4. The Committee recommends that the fare tables shall be displayed at proper places at bus stations as per the Rules and the same should be forwarded to the R.T.A. authorities for approval.

5. The Committee expects that these aspects shall be checked and reported back as the Corporation should neither collect less fare nor excess fare from the travelling public.

6. The Committee desires to know whether any such Public Toilet block has come up in the bus station complex at Tirupathi for the benefit of the passengers as the place is a piligrim centre.

7. The Committee desires to pursue the matter with A.P.S.E.B. and to collect the amount early. The Committee would also like to be appraised of the position obtaining from the garrages of all Depots of the Corporation.

8. The Committee desires to be informed of the further developments in the matter.

9. The Committee recommens to the Government that the land for the purpose of construction of Bus Stations and Depots should be given at free of cost to the Andhra Pradesh State Road Transport Corporation.

10. The Committee recommends to complete the reconciliation and to rectify the position early and intimate back by March, 1998.

11. The Committee once again strongly recommends to take action against the illicit operators and also against those operators who are deviating the buses from the permitted routes and report back to the Committee by March, 1998.

12. The Committee strongly feels that eventhough the previous Committee viewed it very seriously, the Corporation has been showing lenient view over the issue. Hence, the Committee, once again viewing the issue very seriously, strongly recommends to check illegal operations and report back to the Committee by March, 1998.

13. The Committee unanimously and strongly recommends for the reimbursement of the amounts by the Government which help in reducing the losses of the Corporation.

14. The Committee recommends to pursue the matter at highest level to get the clearance early as it is very useful for the public as Tirupathi is a great pilgrim centre which is visited by lakhs of pilgrim every day.

15. The Committee would like to have a progress report in respect of both the cases (Bantumilli and Jogipet) by March, 1998.

16. The Committee strongly recommends to analyse all the cases and finalise them early as these cases pertain to the period from 1974-75 to 1986-87 and submit a report by March, 1998.

17. The Committee once again recommends to finalise the issue early and intimate back to the Committee by March, 1998. The Committee further recommends to advise the R.D.O's concerned to deposit the advances given for the purpose in nationalised banks to get interest on the amounts, besides to have the data of adjustments pending as on 31st March, 1993.

18. The Committee recommends that the works should be analysed and regularised by March, 1998.

19. The Committee feels that mere collection of property tax from A.P.S.R.T.C. did not make the construction authorised. Hence, action should be taken by the Government to regularise the construction.

20. The Committee further recommends that the Government to clear the alienation proposals immediately.

21. The Committee shall be informed of the recovery of the amount by March, 1998.

22. The Committee once again recommends to dispose off the boilers as the technology is fast changing and the report shall be submitted to the Committee by March, 1998.

23. Though the earlier Committee recommended to submit a detailed report early, the Corporation is yet to take final action to clear the suspense balance. The Committee once again strongly recommends to clear the suspense balance early and submit a detailed report by March, 1998 as the balances pertain prior to 1991-92.

24. The Committee recommends to utilise the opportunity to reconcile the suspense balances till 31.3.1992 and report back by 31.3.1998.

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