ANDHRA PRADESH LEGISLATURE

(Eleventh Legislative Assembly)

Second Report

of

The Committee on Public Undertakings

(2000 - 2001)

on

The Audit Paragraphs and Review
Appeared in the Reports of
The Comptroller and Auditor General of India
for the years
1992-93 *(Paras)*, 1993-94 *(Review & Paras)*
AND 1994-95 *(Paras) (Commercial)*

on

A.P. STATE ROAD TRANSPORT CORPORATION

(Presented to the Legislature on 6-9-2000)

ANDHRA PRADESH LEGISLATURE (P.U.C.) SECRETARIAT
Public Gardens, Hyderabad - 500 486.

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A.P. STATE ROAD TRANSPORT CORPORATION

(Presented to the Legislature on 6-9-2000)

COMMITTEE ON PUBLIC UNDERTAKINGS
(2000-2001)

(Constituted on the 3rd April, 2000)

CHAIRMAN:

1. Sri A.V. Suryanarayana Raju

MEMBERS:

2. Sri Anne Babu Rao
3. Sri Balli Durga Prasad Rao
4. Sri S.A. Khaleel Basha
5. Sri P. Mahender Reddy
6. Smt. P. Ananta Lakshmi
7. Sri B. Janardhan
8. Sri R. Prakash Reddy
9. Sri Kondabala Koteswara Rao
10. Sri Kanna Lakshminarayana
11. Sri Patil Venugopala Reddy
12. Sri T. Jeevan Reddy
13. Sri M. Narsimhulu
14. Sri Kandula Nagarjuna Reddy
15. Sri Akbaruddin Owaisi

SPECIAL INVITEES:

16. Sri Reddy Satyanarayana
17. Sri M. Dharma Rao

LEGISLATURE SECRETARIAT:

Sri K. Tuljanand Singh, Secretary
Sri R. Bhaskaran, Deputy Secretary
Sri B. Padma Reddy, Assistant Secretary
Sri A. Ram Reddy, Section Officer

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INTRODUCTION

I, the Chairman of the Committee on Public Undertakings (2000-2001) having been authorised by the Committee to present the Report on their behalf, present this SECOND REPORT on A.P. State Road Transport Corporation.

The Committee on Public Undertakings (1998-99) have examined the Reports of the C & AG of India for the years ended 31 March 1993 and 1994 and 1995 (Commercial), but could not present a report on the same for want of time.

The Committee (2000-2001) have considered and approved this Report at their sitting held on 29-8-2000.

A Statement showing the summary of principal recommendations/observations of the committee is appended to this Report.

A record of proceedings (*) of the sitting of the Committee which has been maintained forms part of this Report.

The Committee wishes to express their thanks to the Secretary to Government, T.R. & B Department, the Vice-Chairman and Managing Director and other officials of A.P. State Road Transport Corporation for the co-operation they have extend and for placing the required information and material before the committee.

The Committee places on record their appreciation of the assistance rendered to the Committee by the Accountant General (Audit)-II, Andhra Pradesh the Deputy Accountants General (Commercial) and other officers and staff of the Accountant General's office.

The Committee also places on record their appreciation of the assistance rendered to the Committee by the Secretary to State Legislature and the other Officers and Staff of Legislature Secretariat in the examination of the General

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(*) One cyclostyled copy laid on the table of the House and one placed in the Legislature Library.

working and review relating to A.P. State Road Transport Corporation and in preparation of this Report.

A.V. SURYANARAYANA RAJU,
Chairman
Committee on
Public Undertakings.

Hyderabad,
Dated: 29-8-2000.

REPORT OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (1998-99) PERTAINING TO THE A.P. STATE ROAD TRANSPORT CORPORATION

[ON REPORT OF THE C&AG OF INDIA (COMMERCIAL) FOR THE YEARS 1992-93, 1993-94 AND 1994-95]

AUDIT REPORT FOR 1992-93:

(a) Excess consumption of cost control items (para 4B.2.1)

1.1 The Corporation revised norms for ten important 'A' class automobile spare parts, such as batteries, fan belts, clutch plates, springs etc., (cost control items) and fixed norms for their consumption in the depots depending upon the fleet strength. The norms were fixed after detailed discussion on the trend of consumption over a period of 5 years and also based on the recommendation of the manufacturers and part consumption compared to standard consumption.

1.2 During the course of audit of 66 depots, it was noticed that the consumption of cost control items was in excess of norms so prescribed, vide circular issued in April 1987, resulting in extra expenditure of Rs. 2.90 crore during the period from 1989-90 to 1991-92. Though a register or 'cost control' items was maintained in the depots, no control on the consumption as such was exercised in the absence of the review of the register.

1.3 The Management in its explanatory notes stated that the excess consumption was due to the reasons beyond the control of the Corporation such as road conditions, weather conditions, calamities etc.,

1.4 The Management (FA) in his oral evidence stated that except in some depots, the consumption in many depots was normal and wherever there was excess consumption, enquiry would be made and suitable action would be taken to control the things.

1.5 The Committee felt that the norms fixed were as back as during 1987. Hence, the Committee

opines that fresh norms shall be fixed for the consumption of cost control items by taking the latest conditions into consideration.

(b) Loss due to shortage of HSD oil in depots (Para 4B.2.2)

2.1 The Corporation installed underground tanks for storage of HSD Oil. The stocks are being received through trucks and issues are being made through mechanical meter pumps. The Corporation issued instructions in July, 1983, to its units that shortages due to handling losses should not exceed 0.5 per cent. It was noticed in audit that in 81 depots shortages of HSD oil to the tune of 824210 litres valued at Rs. 37.61 lakhs occured over and above the prescribed norm of 0.5 per cent during 1989-90 to 1991-92.

2.3 The shortages were due to leakage in ground tanks and defective dispensing pumps.

2.4 The Management in its explanatory notes stated that the Corporation was not supplying oil to any other institutions or individuals and the oil was exclusively being used for topping up of its own vehicles. Hence, any excess or shortages were due to defective pumps only resulting in wrong computation of oil and did not result in physical loss of oil.

2.5 The Management in its oral evidence (E.D. Operations) stated that the problem was mainly due to the disspensing pumps and rarely due to leakage in underground tanks and also to some extend due to evaporation etc.

2.6 The Committee observed that the shortages are mainly due to the usage of mechanical dispensing pumps which are being used for the delivery of the oil.

The Committee recommends to dispense with the system or mechanical dispensing and the same shall be replaced with the latest technology by introducing electronic dispensing pumps to avoid the losses

(c) Extra expenditure due to delay in placing order for spring assemblies (Para 4B. 2.3)

3.1 The TELCO offered (June 1990) to supply leaf springs and leaf springs assemblies to all State Road Transport Undertakings at a special price of Rs. 23,621/-per tonne (Approx) inclusive of excise duty for single order value to above Rs. 125 lakhs. The landed cost was valued at Rs. 25,357/- per tonne. This offer was received by the Corporation in October 1990, and it was valid till 31 December 1990. The Corporation, however, placed on order on TELCO on 10 January 1991, ie., after the expiry of a time for the special offer scheme. The Corporation finally procured 500 tonnes from TELCO itself duiring January 1991, at a basic price of Rs. 26,134/- (landed cost of Rs. 28,023) per tonne incurring an extra expenditure of Rs. 13.33 lakhs.

3.2 The Corporation in its explanatory notes stated that the rate difference at the time when the special offer of TELCO was given compared to the rates of other manufacturers. But, during the end of December 1990, the difference in rate came down to Rs. 3,000/- per M.T. Hence, the TELCO offer was considered.

3.3 The Management (C.M.E.) in its oral evidence stated that extra expenditure was due to not placing orders on TELCO within the validity period of special offer.

3.4 The Committee feels that due to the belated decision and also due to the inaction of not conducting future negotiations, the corporation had incurred such ruge loss. The Committee recommends the above lapses should not recur in future.

(d) Consumption of sub-standard material:

Spring assemblies para 4B.2.6.1)

4.1 The Corporation placed orders in April 1990 on LEAFCO, Hyderabad for spring assemblies at

Rs. 13447 each which were tested and reported as satisfactory. In the meanwhile the Corporation released another purchase order in January, 1991 on TELCO for similar material at Rs. 2,6440/- (front) and Rs. 3,575 (rear) each for 5752 assemblies at an extra cost of Rs. 72.41 lakhs (difference in the cost of LEAFCO and TELCO prices). But the samples supplied by TELCO were rejected (except front right) based on the test reports of CIRT, Pune (May/June) 1992. By then the entire material supplies by the TELCO was consumed by the Corporation. The LEAFCO was asked to supply the material.

4.2 Thus, apart from incurring extra expenditure of Rs. 72.41 lakhs by procuring spring assemblies from TELCO at higher rates, the material procured from TELCO worth Rs. 180.13 lakhs were rejected on sample testing but consumed by the Corporation.

4.3 The Corporation in its explanatory notes stated that almost all the above items manufactured by the vehicle manufactures were not able to withstand the test conducted by Pune institute.

4.4 The Accounts Officer in his oral evidence stated that quality was considered on the relative performance of the material only.

4.5 The Committee observed that it is not fair on the part of the coporation to purchase the material which is of substandard even relatively in its performance.

The Committee recommends that responsibility should be fixed and action should be taken against the erring officer or officers and that this type of procurement of substandard material shall not be done in future.

(e) Non-utilisation of machinery and equipment:

The Triple Hydraulic Dynamo meter

(Para 4B.2.7 (iv))

5.1 This was procured at a cost of Rs. 3.82 lakhs and installed in June 1991 by Cuddapah work shop and was found not functioning, on commissioning in July 1992. There was no response from the supplier for replacement and the machine was lying idle since then.

5.2 The Management in its explanatory notes stated that the machine could not be installed immediately due to non functioning of printer. The supply firms representative visited but could not rectify the printer and subsequently dynamo meter also went out of order.

5.3 The Corporation in its oral evidence stated that the party was pleading on the time barred aspect.

5.4 The Committee recommends that legal action shall be initiated against the firm and the result of the same shall be intimated to the Committee.

(f) Avoidable payment of capacitor surcharge

(Para 4B. 2.9)

6.1 The A.P.S. Electricity Board levied the capacitor surcharge aggregating Rs. 1.67 lakhs through the monthly bills of Hyderabad 1 depot (December 1989 to October 1992) and the same was paid by the depot. Though the depot 1 installed the required capacitors, the depot neither protested for the levy of the surcharge nor brought the fact to the notice of the Board. Thus, the depot incurred an avoidable expenditure of Rs. 1.67 lakhs.

6.2 The Management in its explanatory notes stated that all efforts were being made either to recover the excess charges paid or to adjust in future bills.

6.3 The Corporation in its oral evidence stated that the matter was under pursuance with A.P.S. Electricity Board.

6.4 The Committee felt that the delay in claiming the refund was more than 5 years which was not excusable.

The Committee recommends to get the amount refunded/adjusted early by using good offices at higher level with A.P.S. Electricity Board.

AUDIT REPORT FOR 1993-94

(g) Profit and Loss Account:

Operating Expenditure:

(i) Repairs and maintenance:

7.1 This is overstated by Rs. 69.26 lakhs due to charging off the cost of conversion of buses into DGT (Depot Goods Transport) instead of capitalisation. The depreciation chargeable is not quantifiable in audit.

7.2 The Corporation in its explanatory notes stated that the conversion of buses into DGT did not increase the life of the vehicle. As per the standard procedure of accounting system prescribed by ASRTU the cost of renovation of bus bodies is Revenue Expenditure. Hence, the cost of conversion of bus bodies was charged of as Revenue Expenditure.

7.3 The VC & MD in his oral evidence stated that the conversion did not increase the life. This conversion facilitates only to carry the goods. Hence, the expenditure on this was charged off as revenue expenditure only.

7.4 The Committee feels that the expenditure is on higher side and it is not being reviewed periodically.

The Committee therefore recommends that constant review should be conducted to minimise the expenditure and to keep it as low as possible.

(h) Profit and Loss Account:

Operating Expenditure:

8.1 This is overstated by Rs. 96.15 lakhs being the value of stores held at workshops (Rs. 94.75 lakhs) and depots (Rs.1.40 lakhs) treated as consumed.

8.2 The Corporation in its explanatory notes stated that the workshops do not maintain MTD - 27 returns. In the absence of the return the closing stock can not be assessed accurately. Hence, this was not taken back into account as stock.

The Committee recommends that MTD-27 shall be introduced in the workshops also to show accurate position of the stock in the Balance Sheet which should give true and fair view of the accounts.

(i) Land Purchase cases:

Locking up of funds with other departments

(Para 3B.5.1)

9.1 (1) The Corporation purchased 7.44 acres of land situated in Tirupathi from private land owners in July 1976 for construction of bus station complex. On request from R&B department in September, 1979 for construction of an approach road to railway over-bridge costing Rs. 31.09 lakhs towards cost of the land and Rs. 22.65 lakhs of consequential interest burden. The R & B department was yet to pay the money.

9.2 The Corporation in its explanatory notes stated that the subjects were being pursued.

9.3 The VC & MD of the Corporation in his oral reply stated that even though full amount was paid to the owner of the land the Corporation was yet to receive the amount from the R & B department.

9.4 The Committee feels that the amounts are due for a long time. Hence, the Committee recommends that the Corporation should pursue vigorously to get back the amounts early from both the departments.

(j) Construction of temporary workshop and tyre retreading shop at Nellore-Avoidable expenditure : (Para 3 B. 5.2).

10.1 12 acres of Government land in Kakature village, Nellore acquired in August 1986 ata cost of Rs. 3.00 lakhs (25 acres acquired at a cost of Rs. 6.25 lakhs. Out of this 13 acres were utilised for construction of Regional Training School) which is meant for construction of workshop was not utilised by the Corporation for that purpose. On the plea of urgency for a temporary workshop and tyre retreading shop (TRS) at Nellore, the Corporation instead purchased (May/July 1991) 4.785 acres of land alongwith 2 sheds at Padugupadu village for Rs. 55.59 lakhs and incurred Rs.50.16 lakhs on modification of sheds.

10.2 The Corporation in its explanatory notes stated that the production in the workshop had commended in May, 1992. The sheds and the lands remained a gain to the APSRTC.

10.3 The Corporation in its oral evidence stated that the decision of taking the land with sheds was taken at the Board level, as the Corporation was in financial trouble, it could not construct the entire permanent work-shop which involved heavy expenditure. Hence, the Corporation acquired the land with two sheds and the TRS was being run in those sheds only.

10.4 The Committee opined that before acquiring our land for a specific purpose the issue shall be thoroughly reviewed Otherwise, land acquired may remain as an asset to the Corporation, land would be acquired at different places in the same vicinity for the same purpose resulting in lock up of funds of the Corporation. The Committee recommends that atleast in future, the Corporation shall acquire lands on thorough review of the situation to avoid locking up of valuable funds of the Corporation.

(k) Acquisition of land for bus depot and bus Station at Rajam (Para 3 B.5.3) and Bus Depot at Puttaparthi (Para 3 B.5.4)

11.1 (i) The Corporation acquired 6 acres of land by paying Rs. 4 lakhs as tentative cost to the Endowment department in March, 1991 and boundary pillars were constructed with the help of police during June, 1992 as there was resistance from encroachers. A Civil suit was filed by the encroachers in Civil Court, Rajam and case was yet to be settled (June 1994). (Para 3B. 5.3)

11.2 The Corporation in its explanatory notes stated that the petition was disposed of in favour of the Corporation but an appeal was pending in the District Court, Srikakulam, which was filed by the other party.

(ii) The Corporation without ensuring the alienation of land in its favour (4.14 acres), took up leveling work and incurred an expenditure of Rs. 1.16 lakhs (Para 3B.5.4)

11.3 The Corporation in its explanatory notes stated that the Corporation acquired the land rightfully, but the District Collector, who had given permission at the beginning, informed subsequently (September 1993) that the site was falling below full tank level and asked the Corporation to stop any further work.

11.4 The VC & MD in his oral evidence stated that the collector gave permission at the initial stage but ordered to seek for alternative site as the site was under full tank level.

11.5 The Committee recommends to pursue both the matters with the concerned authorities and settle the issues early. The Committee desires to have a report in the matter immediately.

(l) Construction of 4 lane bridge across Bandar Canal at Vijayawada. (Para 3B.6.2)

12.1 Construction of 4 lane bridge across Bandar Canal at Vijayawada was started in May, 1991 and opened to traffic in September, 1992. The estimated cost was Rs. 107.41 lakhs and actual cost incurred was Rs. 124.50 lakhs. The cost was to be borne by the Municipal Corporation of Vijayawada, APSRTC and Vijayawada, Guntur Tenali Urban Development Authority (VGTUDA) equally. The amounts due were Rs. 10.50 lakhs from Municipal Corporation of Vijayawada and Rs. 41.50 from VGTUDA (June, 1994), besides loss of interest.

12.2 The Corporation in its explanatory notes stated that the VGTUDA did not make any commitment to pay their share.

12.3 The Special Chief Secretary (TR & B) in his oral evidence stated that the issue was discussed with Principal Secretary concerned and he promised to adjust the amounts from the grants to be appropriated to the respective Bodies concerned and settle the claim of the Corporation.

12.4 The Committee recommends that their duties shall be collected early from the respective Bodies concerned by pursuing the matter at higher levels.

(m) Construction of Bus depot at Penukonda

(Para 3B.6.3)

13.1 The Corporation without obtaining the approval of plan and clearance from Archaeological Survey of India, commenced (October, 1993) construction of a bus depot at Penukonda incurring an expenditure of Rs. 8.50 lakhs (Rs. 4.08 lakhs for land and Rs. 4.51 lakhs for construction) As the area falls within 200 meters from the protected/ prohibited area of the monument, Penukonda Fort, the Archaeological Survey of India did not permit the construction of the depot. The work was stopped in March 1994.

13.2 The Corporation in its explanatory notes stated that the alternative site measuring AC 4.27 belonging to Agriculture Marketing Committee was selected and an amount of Rs. 4.08 lakhs towards cost of land could be obtained and further an amount of Rs. 4.08 lakhs was realised by retaining

useful material. Hence, the unfruitful expenditure would be only Rs. 2.00 lakhs.

13.3 The VC & MD in his oral evidence stated that the value of the land could be realised from the Endowments Department as so many works were being undertaken by obtaining lands from the Endowments Department.

13.4 The Committee felt that proper care was not taken before obtaining the land for the purpose, duly observing the rules and regulations.

The Committee, therefore, recommends that responsibility shall be fixed for not taking proper care for obtaining the land and the amount incurred shall be recovered from the officials concerned who are responsible for the negligence.

(n) Construction of quarters for Depot Manager and staff at Atmakur, Nellore (Para 3B.6.5)

14.1 In order to provide suitable accommodation to staff, the Corporation decided to construct eight quarters at Atmakur in Nellore District and to complete the work by November, 1989. After spending Rs. 2.27 lakhs the work was stopped due to administrative reasons.

14.2 The Corporation in its explanatory notes stated that the work could not be continued due to financial constraints and would be considered at appropirate time.

14.3 The VC & MD in his oral evidence stated that because of financial problems the work could not be completed.

14.4 The Committee recommends that as the construction is half way through it shall be completed early and the quarters alloted to the staff.

(o) Purchase and usage of sub-standard cement (Para 3B.6.6)

15.1 A purchase order was placed on a firm (September, 1991) for supply of 150 tonnes of cement to Khammam sub-division at a cost of Rs. 2.24 lakhs. The samples of the cement were rejected by the quality control unit of the Corporation as the cement did not meet the specified standard strength. In the mean time the entire cement was utilised on various works in the sub-division.

15.2 The Corporation in its explanatory notes stated that till date there were no complaints on the structures wherein the above cement was used. Besides this, the Corporation changed the testing procedure by collecting a full bag from a lot received from the manufacturer instead of collecting 5 kgs samples for testing.

15.3 The Chief Engineer, of the Corporation in his oral evidence stated that out of 5 para meters the cement satisfied 4 para meters when tested in the above case.

15.4 The Committee recommends that the required grade of cement should be ordered and purchased after getting clearance from the quality control department in future.

(p) Irregular expenditure (Para 3B.7.1):

16.1 Recruitment of personnel on casual/contract basis was totally banned by the Corporation in 1984 and again in 1989. In spite of this an amount of Rs. 32.03 lakhs was incurred during 1991-92 to 1993-94 (upto January, 1994) on causal/contract labour through agencies.

16.2 The Corporation in its explanatory notes stated that as the engagement of casual/contract labour was in accordance with the estimates approved by the competent authority and the actual engagement was need based, incurring of expenditure was regular and authorised.

16.3 The VC & MD in his oral evidence stated that eventhough appointments were made before 1994 Act came into force, these appointments were to be made through employment Exchange only after the Act comes into force from 1994. But the trade unions were pressuring the Corporation to take

these persons on permanent basis as these. Persons had been taken before February, 1994 Act comes into force. However, the Corporation would take the persons only through the Employment Exchange only.

16.4 The Committee recommends that the Contract workers Act shall be implemented strictly and the persons shall be taken as per the provisions of the Contract Act only.

AUDIT REPORT 1993-94

(q) Infractuous expenditure on production of a tele-film (Para 4B.2.4)

17.1 During May, 1990, the State Government directed the Corporation to sponsor production of a 20 minute duration tele-film on Hyderabad culture. The Corporation made advance payments aggregating Rs. 2.50 lakhs to the producer. (M/s Lalithasri Combines) even before entering into the agreement. As on date the tele-film had not been screened. The very purpose for which the tele-film was proposed to be produced was defeated due to efflux of time and the entire expenditure of Rs.2.50 lakhs had become infractuous.

17.2 The Corporation in its explanatory notes stated that a civil suit was filed against the firm for realisation of the amount, in 1st Additional Judge, City Civil Court, Hyderabad.

17.3 The VC & MD in his oral evidence stated that the Court decreed in its forum and that the house of the producer was sealed on the orders of the Court. Action was under process for the recovery of the amount.

17.4 The Committee recommends that the case shall be pursued vigorously and action shall be taken to recover the amount early.

(r) Extra expenditure due to delay in finalisation of tenders (Para 4B.2.6)

18.1 The Corporation invited tenders in June, 1989 for construction of the Depot Manager's office and traffic section on the first floor over the existing bus station at Medchal, Ranga Reddy district. The estimated cost was Rs. 3.05 lakhs. But, at the first instance, the lowest tender for a value of Rs. 3.63 lakhs was rejected on the ground that offer was 10 percent above the estimated cost. At the second instance (on calling the tenders for second time) the lowest tender of Rs. 3.73 lakhs could not be finalised as there was time lapse on the past of the Corporation in finalising the tenders and the tenderer refused to extend the validity period of the tender. Finally (third time) the Corporation accepted a tender of Rs. 4.74 lakhs and the work was completed (May, 1992). Thus, the Corporation incurred an extra expenditure of Rs. 1.01 lakh, due to failure to finalise the second tender itself within the validity period.

13.2 The Corporation in its explanatory notes stated that excess amount on the 3rd occasion was very reasonable as the tender amount was to be compared with the existing SSR rates (i.e., 22.67 per cent only)

18.3 The Secretary (R&B), Government of Andhra Pradesh in his oral evidence stated that Government issued a G.O. on preparation of SSRs which is not practicable at present and not based on the current market rates. Hence, while preparing the estimates, market rates of all the items shall be taken care of to be more practicable.

18.4 The Committee recommends that proper care shall be taken not to recur such type of lapses while finalising the tenders which resule in loss to the Corporation.

AUDIT REPORT 1994-95

(s) Properties and Assets (1.5.4.2)
Land Rs. 22.11 crore.

19.1 Non-inclusion of lands valued at Rs. 72.51 lakhs in the accounts, since 1987-88. Even in the current year (1992-93) the value of the land was not brought to books of accounts.

19.2 The estimated cost of Government lands, Rs.72.51 lakhs over after 29.1.1981 for which the amount has to be paid in cash. Unless alienation and land acquistion proceedings are finalised and directive is receivedd from Government to pay the cash, the valuation of the land can not be taken into books of accounts.

19.3 The Corporation in its oral evidence stated that these lands are being valued at higher rates and Government was requested to reduce the rates and finally Government would settle the same for reasonable amount. In the mean while, the asset would get floated and value also would get increased. This was the reason why the value of the land was not being shown in the books of accounts. The same procedure was being followed for the last forty years.

19.4 The Committee opines that the process of alienation is taking abnormal time even sometimes it is taking 20 years also, which is not either reasonable or justifiable.

Hence, the Committee recommends that the process of alienation shall be completed within five years from the date of acquisition and the value shall be brought into the books of accounts of the Corporation (Balance Sheet).

(t) Adoption of short route length and resultant short collection of fares (Para 4B.3.1)

20.1 Narayanpet Depot of Mahabubnagar Region adopted a distance of 85 KMs between Jedcherla and Hyderabad instead of 89 KMs fixed by Headquarters office resulting in short collection of fares to the tune of Rs. 6.89 lakhs for the period from February, 1993 to October, 1994.

20.2 The Corporation in its explanatory notes stated that the circular Dated 21.1.1993 issued by Head office of the Corporation only dealt with distance between Bangalore and different points and did not specify and distance between Hyderabad and Jedcherla.

20.3 The VC & MD of the Corporation in his oral evidence stated that there is variation of distances as per the surveys conducted by R & B department and A.P.S.R.T.C. due to various reasons.

20.4 The Committee recommends that to avoid unnecessary confustion regarding the route lengths, the survey as proposed by the APSRTC, shall be completed early and all the route lengths shall be adopted accordingly.

(u) Loss of revenue due to avoidable cancellation of services (Para 4B.3.5)

21.1 It was noticed in 16 depots that the total cancelled revenue KMs were 70.13 lakh for want of crew, buses, late supply of buses, etc., eventhough the Corporation was maintaining spare vehicles to the extent of 10 per cent of fleet strength and ensuring positioning of sanctioned crew strength and engagement of causal drivers and conductors.

21.2 The Corporation in its explanatory notes stated that it was the endeavour of the Corporation to strive continuously to improve the efficiency of preventive maintenance and ensure healthy fleet. The percentage of mechanical cancellation had come down from 1.43 to 0.77.

21.3 The VC & MD of the Corporation in his oral evidence stated that the Corporation was always

taking care of the public inconvenience whenever there were cancellation of services.

21.4 The Committee opined that the cancellation of services is not only a loss to the Corporation but also it creates inconvenience to the general public.

Hence, the Committee recommends that as far as possible the Corporation shall take care not to cancel the services, and if can cellation becomes inevitable due to the reasons beyond the control of the Corporation, alternative arrangements shall be made to avoid in convenience to the public in future.

SUMMERY OF RECOMMENDATIONS

(1) The Committee felt that the norms fixed were as back as during 1987. Hence, the Committee opines that fresh norms shall be fixed for the consumption of cost control items by taking the latest conditions into consideration.

(Paragraph No. 1.51)

(2) Committee observed that the shortages are mainly due to the usage of mechanical dispensing pumps which are being used for the delivery of the oil.

The Committee recommends to dispense with the system of mechanical dispensing and the same shall be replaced with the latest technology by introducing electronic dispensing pumps to avoid the losses.

(Paragraph No.2.6)

(3) The Committee feels that due to the belated decision and also due to the inaction of not conducting future negotiations, the corporation had incurred such huge loss. The Committee recommends the above lapses should not recur in future.

(Paragraph No.3.4)

(4) The Committee observed that it is not fair on the part of the Corporation to purchase the material which is of substandard even relatively in its performance.

The Committee recommends that responsibility should be fixed and action should be taken against

the erring officer or officers and that this type of procurement of substandard material shall not be done in future.

(Paragraph. No. 4.5)

(5) The Committee recommends that legal action shall be initiated against the firm and the result of the same shall be intimated to the Committee.

(Paragraph No.5.4)

(6) The Committee felt that the dealy in Claiming the refund was more than 5 years which was not excusable.

The Committee recommends to get the amount refunded/adjusted early by using good offices at higher level with A.P.S.Electricity Board.

(Paragraph No.6.4)

(7) The Committee feels that the expenditure is on higher side and it is not being reviewed periodically.

The Committee therefore recommends that constant review should be conducted to minimise the expenditure and to keep it as low as possible.

(Paragraph No. 7.4)

(8) The Committee recommends that MTD-27 shall be introduced in the workshops also to show accurate position of the stock in the Balance Sheet which should give true and fair view of the accounts.

(Paragraph No.8.2)

(9) The Committee feels that the amounts are due for a long time. Hence, the Committee recommends that the Corporation should pursue vigorously to get back the amounts early from both the departments. (Paragraph No. 9.4).

(10) The Committee opines that before acuqiring any land for a specific purpose the issue shall be thoroughly reviewed. Otherwise, land acquired may remain as an asset to be corporation, land would be acquired at different places in the same vicinity for the same purpose resulting in lock up of funds of the Corporation. The Committee recommends that atleast in future, the Corporation shall acquire lands on thorough review of the situation to avoid looking up of valuable funds of the Corporation.

(Paragraph 10.4)

(11) The Committee recommends to pursue both the matters with the concerned authorities and settle the issues early. The Committee desires to have a report in the matter Immediately.

(Paragraph 11.5)

(12) The Committee recommends that their dues shall be collected early from the respective Bodies concerned, by pursuing the matter at higher levels.

(Paragraph 12.4)

(13) The Committee felt that proper care was not taken before obtaining the land for the purpose, duly observing the rules and regulations.

(Paragraph 13.4)

Hence, the Committee recommends that responsibility shall be fixed for not taking proper care for obtaining the land, and the amount incurred shall be recovered from the officials concerned who are responsible for the negligence.

(Paragraph 13.4)

(14) The Committee recommends that as the construction is half way through, it shall be completed early and the quarters allotted to the staff.

(Paragraph 14.4)

(15) The Committee recommends that required grade of cement should be ordered and purchased after getting clearance from the quality control department in future.

(Paragraph 15.4)

(16) The Committee recommends that the Contract workers Act shall be implemented strictly and the persons shall be taken as per the provisions of the said Act only.

(Paragraph 16.4)

(17) The Committee recommends that the case shall be pursued vigorously and action shall be taken to recover the amount early given the producer.

(Paragraph 17.4)

(18) The Committee recommends that proper care shall be taken not to recur such type of lapses while finding the tenders, which result in loss to the Corporation.

(Paragraph 18.4)

(19) The Committee opines that the process of alienation is taking abnormal time even some times it is taking 20 years also, which is not either reasonable or justifiable.

Hence, the Committee recommends that the process of alienation shall be completed within five years from the date of acquisition and the value shall be brought into the books of accounts of the Corporation (Balance Sheet)

(Paragraph 19.4)

(20) The Committee recommends that to avoid unnecessary confusion regarding the route lengths, the survey as proposed by the APSRTC, shall be completed early and all the route lengths shall be adopted accordingly.

(Paragraph 20.4)

(21) The Committee opined that the cancellation of services is not only a loss to the Corporation but also it creates inconvenience to the general public.

Hence, the Committee recommends that as far as possible the Corporation shall take care not to cancel the services, and if cancellation becomes inevitable due to the reasons beyond the control of the Corporation, alternative arrangements shall be made to avoid inconvenience to the public in future.

(Paragraph 21.4)

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