



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

**Report of the  
Comptroller and Auditor General of India  
for the period ended March 2022**



**Government of Andhra Pradesh  
Report No.5 of 2025  
(Performance and Compliance Audit - Civil)**



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## Preface

This Report of the Comptroller and Auditor General of India for the year ended March 2022 has been prepared for submission to the Governor of Andhra Pradesh under Article 151 of the Constitution of India for being laid before Legislature of the State.

The Report contains Performance Audit on Welfare of Building and other Construction Workers under Labour, Factories, Boilers and Insurance Medical Services Department for the period from 2017-18 to 2021-22 and significant results of Compliance Audit of Youth Advancement, Tourism and Culture; Home; Higher Education; Industries & Commerce (Andhra Pradesh Industrial Infrastructure Corporation); School Education; Transport, Roads & Buildings; Tribal Welfare and Women, Children, Disabled & Senior Citizens Departments of Government of Andhra Pradesh.

The instances mentioned in this Report are those which came to notice in the course of test audit during the period 2021-22, as well as those which came to notice in earlier years, and those could not be reported in the previous Audit Reports. Instances relating to the period subsequent to 2021-22 have also been included, wherever necessary.

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

The Office of the Principal Accountant General (Audit), Andhra Pradesh wishes to acknowledge the co-operation and assistance rendered by the officials of the State Government and various Departments during the course of conduct of Audit.



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## Overview

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## Overview

### Introduction

This Report of the Comptroller and Auditor General of India (CAG) on observations arising from the Performance Audit on ‘Welfare of Building and other Construction Workers’ in Andhra Pradesh and Compliance Audit Reports on ‘Mana Badi Nadu Nedu Phase-I’ Scheme, ‘Sampoorna Poshana’ Scheme and ‘Functioning of Andhra Pradesh Industrial Infrastructure Corporation’. The Report also contains Compliance audit observations in Higher Education Department, Tribal Welfare Department, Youth Advancement, Tourism and Culture Department, Transport, Roads & Building Department and Home Department.

The significant observations included in the Audit Report are presented in brief, in the following paragraphs:

#### **A) Labour, Factories, Boilers and Insurance Medical Services Department**

##### ***Performance Audit on Welfare of Building and Other Construction Workers in Andhra Pradesh***

The Performance Audit on Welfare of Building and Other Construction Workers was conducted to assess whether (i) the rules notified by the Government under the Act are consistent with the spirit of the Acts, (ii) there was effective system for registration of establishments and beneficiaries, (iii) Assessment, collection and transfer of Cess to the fund was efficient, (iv) the Government prescribed appropriate health and safety norms, (v) the Government implemented transparent and effective system of inspections to check evasion of labour cess and compliance to health and safety norms by employers and (vi) the administration and utilisation of funds on implementation of welfare schemes by the Board was efficient and effective as per act and rules framed by the State Government.

The major findings of the Performance Audit are presented below:

- The Labour Department did not extend the social security benefits to the construction workers as per Model Welfare Schemes framed by Government of India.

*We recommend that Board should frame modalities in line with Model Welfare Scheme to extend desired Social Security benefits to registered construction workers.*

- The Department has not evolved a robust mechanism to identify the eligible workers to get registered with the Board to avail the entitled benefits extended under the Act and get renewed the registration periodically.

Despite incurring an expenditure of ₹54 lakh, the End to End Online and Mobile Applications (Nava Nirmana Karmikulu App) was not developed to have real-time information on registration of establishments, workers, collection of Cess, accounting of the claims and settlement of benefits to the Building and Other Construction workers.

*We recommend that Government should formulate standard operating procedures or develop end to end online application to identify all establishments and eligible Building and Other Construction Workers to register for availing the benefits of the welfare schemes. The Board should maintain a database of registered establishments and employers along with data on number of workers employed by each of them.*

- Out of the yearly income earned, the amount spent on welfare schemes decreased from 25.12 to 0.53 *per cent* over the period 2017-18 to 2021-22. This was due to instruction of the Government in March 2020 to keep the welfare schemes in abeyance to avoid duplication of benefits since the State Government was implementing similar schemes through other Departments. Further, the Board failed to limit the administrative expenditure to five *per cent* of the total expenditure during the years 2019-20 to 2021-22 which ranged from 13 to 63 *per cent*.
- The welfare scheme claims of BOC workers were not honoured completely and percentage of claims pending with the Department was on increasing trend from 0.26 *per cent* to 100 *per cent* during 2017-22 which resulted in denial of benefit under welfare schemes of the Board to the needy workers.
- We observed that requisite Cash book and cash flow statements were not maintained by the Board for preparation of annual statement of accounts. Reconciliation of cash balances with bank was also not carried out by the Board. The Annual Reports highlighting all the welfare and other activities of the Board during the Financial Year for the period 2017-18 to 2021-22 were not submitted to the Central/ State Governments, as the internal audit by the Chartered Accountant was not conducted timely. Final accounts for the years 2017-18 to 2021-22 were audited by Chartered Accountant only in May 2023 due to which the financial position of the board could not be known at the end of the respective accounting year. Thus, accounts were not maintained, prepared and audited timely.

*We recommend the Board to ensure that the annual accounts are prepared in a timely manner, after carrying out the required checks and balances.*

- The differences in the Personal Deposit (PD) accounts as per the Annual accounts of Government with that of Board ranged from ₹13 crore to ₹205.22 crore during the period 2017-18 to 2021-22. Less balance in the PD accounts as per the accounts of the Board requires to be reconciled at the earliest.
- There was short collection of Labour Cess of ₹5.11 crore in work bills of the test checked Engineering divisions. Further, Commissioner and Director of Municipal

Administration (CDMA) had retained Labour Cess collected amounting to ₹196.79 crore instead of transferring the same to the Board.

*We recommend that the Board should evolve a mechanism to ensure that the Cess collected by the line departments is properly accounted for and transferred to the Board accounts.*

- The Department had not conducted any online or physical inspections during the period 2017-22 on establishments and therefore compliance with the provisions of the Act by various establishments was not ensured by the Labour Department/ Board.

*We recommend that the Department should conduct regular inspections to bring all eligible establishments/ construction works under ambit of Labour Cess.*

- The Board did not implement any welfare schemes after March 2020 as Government had instructed to keep the welfare schemes in abeyance to avoid duplication of benefits since the State Government was implementing similar schemes through other departments. Board funds ₹2,405.14 crore were provided as loans and advances to the State Government on its instructions for other purposes not relevant to the direct welfare of the registered workers in contravention to Supreme Court Orders.

*We recommend that the Board should ensure that the diverted funds are recouped immediately, and Cess is utilised exclusively for welfare of beneficiaries.*

## **B) School Education Department**

### ***Compliance Audit on 'Mana Badi Nadu Nedu Phase-I' Scheme***

Through the scheme of Mana Badi Nadu Nedu Phase I (MBNN Ph-I), rolled out in 2019-20, Government of Andhra Pradesh (GoAP) aimed to facelift all Government schools with nine components in the State by improving the basic infrastructure and providing quality education to children in a phased manner over a period of three years. The works were to be executed by Parents Committees (PC) through community contracting. The audit was taken up to ensure whether procurement, execution and payments followed the existing Rules and Regulations and the monitoring mechanisms were in place as per the Scheme guidelines.

The major findings of the Compliance Audit are presented below:

- MBNN Phase I involved repairs, painting, procurement of Desks, fans, Interactive flat panels, smart TVs etc. Though no assets of permanent character were created afresh, the entire expenditure was booked under Capital Expenditure instead of Revenue Expenditure.
- Selection of Information Technology Agency for procurement of School Transformation Monitoring System (STMS) was made on nomination basis instead of competitive and transparent process.

*We recommend that Government should follow the competitive and transparent process in selection of contractors/agencies, instead of nomination basis.*

- As per the reports of multiple inspection/Quality Control tests, 71 out of 157 (45.22 *per cent*) of the fans tested were having CMM (Cubic Meter per Minute) less than the agreed specification of 210 and 67 out of 220 (30.45 *per cent*) of the fans tested were having the RPM (Rotation per Minute) less than 380.
- During the joint physical verification of the test checked schools, audit observed idling of Green Chalk Boards, non-working of Drinking water system procured after incurring an expenditure of ₹76.80 lakh in 33 (31 *per cent*) out of 108 test checked schools. Further, despite provision of component furniture for students and staff and incurring an expenditure of ₹383.51 crore for procurement of dual desks, in 32 (30 *per cent*) out of 108 test checked schools, 1,973 students were sitting on the floor.

*Government should take necessary steps to evolve a system to ascertain the actual requirement of any components in schools before placing an indent. Further, responsibility should be fixed by Government on those officials who have indented components in excess of requirements.*

## **C) Women, Children, Disabled and Senior Citizens Department**

### ***Compliance Audit on 'Sampoorna Poshana' Scheme***

Sampoorna Poshana Scheme in Andhra Pradesh (being implemented since March 2020) aimed to provide supplementary nutrition to all Pregnant women, Lactating mothers, children aged six to 72 months through Anganwadi Centres (AWC) and to achieve the reduction in malnutrition and anaemia levels among children and Pregnant women and Lactating mothers. This audit was conducted to check whether (i) all the stakeholders complied with the prevalent guidelines to ensure the timelines and quality of food and nutrition kits and (ii) all the eligible beneficiaries are covered in the Scheme and they are receiving supplementary nutrition as per the entitlements.

The major findings of the Compliance Audit are presented below:

- The Department of Women Development and Child Welfare has a Supply Chain Management (SCM) Portal called e-Sadhana Portal to maintain details of beneficiaries, indents, receipts of food items such as rice, dal, oil, eggs, milk and balamrutham. Audit observed shortfalls in the functioning of SCM portal such as indents for food items generated without considering available balances, the quantities of eggs and balamrutham shown in decimals instead of whole numbers and portal data not tallying with records of the Anganwadi Centres (AWCs).

Indents of balamrutham, milk, rice, dal and oil placed by the Department to the respective supplier did not match with the indents placed in the SCM portal.

- Out of 21.7 crore litres milk indented by the Department, AP Dairy Development Cooperative Federation Limited (APDDCF) supplied 17.71 crore litres of milk during the period April 2020 to March 2022, depriving the eligible beneficiaries the benefit of nutrients.

Out of 1,11,984.30 Metric Tonne (MT) of balamrutham indented, Telangana State Nutrition Council (TSNC) had supplied only 83,874.30 MT, leading to short supply of 28,110 MT (25.10 *per cent*) during the period April 2019 to March 2022.

Thus, there was short supply of milk and balamrutham by the agencies to the Department at all State, District and Project levels during the period April 2019 to March 2022.

- A total quantity of 4,761.90 litres of milk was short supplied during test checked six months in 21 test checked AWCs which led to 1,697 beneficiaries out of 3,788 total beneficiaries (44.8 *per cent*) not receiving milk as per their entitlement. A total quantity of 590.50 litres was short distributed in eight AWCs where sufficient milk was available.

There was short distribution of eggs to beneficiaries (20.39 *per cent*) in 13 AWCs over six months. In nine AWCs where sufficient eggs were available, eggs were short distributed to 311 beneficiaries.

Out of 799 enrolled beneficiaries in 10 AWCs, only 558 packets (69.84 *per cent*) against 799 packets of balamrutham were supplied in six months.

Thus, there was short distribution of food items to beneficiaries due to short supplies and delayed supplies to test checked AWCs.

- Anganwadi Centres with shortage of basic infrastructure facilities affects the implementation of Sampurna Poshana and other pre-education programmes for the children and women. Audit however observed that the infrastructure in test checked AWCs lacked basic amenities such as proper buildings, toilets and drinking water facilities, which exposed beneficiaries to unhygienic conditions.

Audit test checked 3160 AWC in 16 ICDS projects in four districts and found that in 44 *per cent* AWCs does not have sanitation (toilet facility), 57 *per cent* AWCs does not have water tap connections, 15 *per cent* AWCs does not have electricity facility; 31 *per cent* AWCs does not have separate kitchen etc.

*We recommend that Government should address the deficiencies in the functioning of the Supply Chain Management Portal such as capturing of actual data from Anganwadi Centres on items to be indented and procurements be made based on available balances to ensure their timely distribution.*

## **D) Industries and Commerce**

### ***Compliance Audit on ‘Functioning of Andhra Pradesh Industrial Infrastructure Corporation (APIIC)’***

The Compliance Audit on ‘Functioning of APIIC’ was taken up to assess whether (i) development of land was done as per the industrial park norms, the objective of APIIC to promote, aid, assist, provide and develop infrastructure facilities, *etc.*, in establishment of industries was achieved as envisaged and the land cost was fixed rationally as per allotment regulations, (ii) the provisions of Allotment Regulations were followed in allotments of land and cancellation of allotments, (iii) Industrial Area

Local Authorities (IALAs) were established and being functioned as local bodies in compliance to the guidelines framed in this regard and (iv) the management of funds was in the best interest of APIIC.

The major findings of the Compliance Audit are presented below:

- APIIC incurred wasteful expenditure of ₹9.18 crore towards publication charges without assessing feasibility of acquisition of private land.

*We recommend that Government may instruct APIIC to make proper survey prior to acquisition of private lands to ensure feasibility of acquisition and suitability of land.*

- Incurred unfruitful expenditure of ₹48.13 crore towards infrastructure without getting approval of layout from competent authorities even after lapse of more than five years. Further, Detailed Project Reports for five Industrial Parks (IP) were not prepared.

- APIIC had allotted lands to red category industries in IP, without facilitating Common Effluent treatment Plants and ensuring proper treatment and safe disposal of wastewater as envisaged in Allotment Regulations, thereby endangering the environment and public health.

*We recommend that Government should ensure that red category industries are made functional only after obtaining necessary pollution & environmental clearances/approvals.*

- There was loss of revenue of ₹5.07 crore due to non-levy of statutory charges via process fee, frontage charges, maintenance charges on allotments made as per the Allotment Regulations. Further, incorrect adoption of land value led to short collection of ₹0.74 crore.

- Inordinate delay in taking appropriate action in cancellation of allotments due to non-execution of sale agreements, non-commencement of projects by the allottees led to idling of land to the extent of 955.86 acres and non-cancellation of deferred applications led to loss of revenue to the extent of ₹8.63 crore.

*We recommend that Government should develop proper monitoring mechanism to avoid idling of lands after allotment and take prompt action against the allottees for delay in commencement of projects.*

- Lack of monitoring mechanism by APIIC on IALAs led to inefficient working of IALAs, non-collection of property tax as demanded from allottees, short remittance of legitimate share of property tax to the concerned local bodies, delays in identification of unauthorised constructions and incurring of administrative expenditure over and above admissible limits.

*We recommend that Government should develop a fool proof internal control mechanism to regulate the functioning of Industrial Area Local Authorities by APIIC.*

- APIIC's improper utilisation of loan amount of ₹2,000 crore, extending unsecured short-term loan of ₹220 crore to Andhra Pradesh Airports Development Corporation Limited, non-realisation of unspent land cost of ₹140.91 crore from Revenue Authorities, non-collection of rental charges of ₹3.12 crore from occupants, and irregular issue of No Objection Certificate to some allottees for availing loans against the provisions of allotment regulations, tantamount to inefficient and ineffective financial management.

*We recommend that Government should ensure that APIIC manages its financial resources efficiently, effectively and economically, to ensure compliance to general principles of financial rules while incurring expenditure and realising revenues for better financial management.*

## **E) Miscellaneous Compliance Audit Paragraphs**

### **i) Higher Education Department**

#### **Avoidable expenditure of ₹1.89 crore due to non-revision of Contracted Maximum Demand (CMD)**

Rajiv Gandhi University of Knowledge and Technology (RGUKT), Idupulapaya failed to assess Contracted Maximum Demand of electricity considering its actual requirement, review the consumption pattern periodically and seek deration timely. This resulted in an excess expenditure of ₹1.89 crore, which was avoidable.

### **ii) Tribal Welfare Department**

#### **Unfruitful expenditure due to non-resumption of construction of buildings for Sri Alluri Sita Rama Raju Memorial Tribal Museum - ₹75.25 lakh**

After incurring an expenditure of ₹34.27 lakh towards consultancy services and ₹41 lakh towards civil works, construction of building of Sri Alluri Sita Rama Raju Memorial Tribal Museum was stalled due to instructions of the Government, thereby rendering the expenditure unfruitful.

### **iii) Youth Advancement, Tourism and Culture Department**

#### **Krishna River Wildlife Park with Bird Arena & Sea Lion Park and Marine Mammals at Bhavani Island – Infructuous expenditure of ₹1.33 crore**

The expenditure of ₹1.33 crore incurred towards development of Wildlife Park at Bhavani Island, Vijayawada became infructuous as result of change in policy of the Government.

### **iv) Transport, Roads & Buildings Department**

#### **a) Non-adoption of provisions of Special Hire Bus charges**

Failure of Andhra Pradesh State Road Transport Corporation to collect Special Hire Bus Charges for the buses given on hire basis resulted in loss

of revenue to the extent of ₹1.66 crore. This also resulted in the loss to the Government to an extent of ₹1.57 crore due to non-levy of Goods and Services Tax on the Special Hire bus charges.

**b) Non-recovery of accidental compensation claims**

The Andhra Pradesh State Road Transport Corporation did not invoke the terms of the agreement to recover the accidental compensation claim from hire bus owners and the deposited ₹1.58 crore with Motor Accidents Claims Tribunal. The non-recovery further resulted in loss of interest of ₹0.76 crore.

**c) Non/short levy of compounding fee**

Non-levy of enhanced rates of compounding fee for offences reported in Vehicle Check Reports (VCRs) and non-forwarding of VCRs by the checking officers to the concerned Road Transport Authorities under Motor Vehicle Act, 1988 resulted in short/non-realisation of compounding fee amounting to ₹13.16 crore.

**d) Non-monitoring of renewal of Fitness Certificates**

The Transport Department did not monitor the renewal of Fitness Certificates of transport vehicles. This had not only resulted in non-realisation of fitness fee of ₹1.45 crore, but also likely to jeopardise road safety.

**e) Non-realisation of quarterly tax and penalty on transport vehicles**

Quarterly tax and penalty as stipulated under Andhra Pradesh Motor Vehicle Taxation Act, 1963 was not realised from the owners of transport vehicles within the prescribed time resulting in non-realisation of revenue of ₹6.51 crore.

**v) Home Department**

**Fast Interceptor Boats kept idle due to requirement of funds for maintenance and repairs**

State Government did not release funds for repairs and maintenance of 18 Fast Interceptor Boats (FIBs) provided by Government of India with the objective of policing coastal area to prevent illegal activities. This resulted in idling of boats since the year 2018 besides compromising coastal security.

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# **Chapter I**

## **General**

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## 1.1 About this Report

This Report of the Comptroller and Auditor General (C&AG) of India contains matters arising from Performance Audit of ‘Welfare of Building and other Construction Workers’ in Andhra Pradesh and Compliance Audit of transactions of Expenditure incurred in various Departments of Andhra Pradesh viz. three Compliance Audit Reports on ‘Mana Badi Nadu Nedu Phase-I’ scheme, ‘Sampoorna Poshana’ scheme and ‘Functioning of Andhra Pradesh Industrial Infrastructure Corporation’ and nine Audit Paragraphs.

Performance audit refers to an independent examination of a program, function, operation or the management systems and procedures of a governmental or non-profit entity to assess whether the entity is achieving economy, efficiency and effectiveness in the employment of available resources. Compliance audit refers to the examination of transactions of audited entities to ascertain whether provisions of the Constitution of India, applicable laws, rules and regulations, various orders and instructions issued by competent authorities are being complied with. Audit is conducted under the Comptroller and Auditor General’s (Duties, Powers and Conditions of Service) Act, 1971.

The primary purpose of this Report is to bring significant results of audit to the notice of the State Legislature. The audit findings are expected to enable the Executive to take corrective action to frame appropriate policies and to issue directives that will lead to improved management of organisations and contributing to better governance.

The audit findings relating to the following topics are presented in the following chapters:

**Chapter II** Performance Audit on ‘Welfare of Building and other Construction Workers’

**Chapter III** Compliance Audit on the Scheme ‘Mana Badi Nadu Nedu Phase-I’

**Chapter IV** Compliance Audit on the Scheme ‘Sampoorna Poshana’

**Chapter V** Compliance Audit on ‘Functioning of Andhra Pradesh Industrial Infrastructure Corporation’ and

**Chapter VI** Compliance Audit observations/ paragraphs relating to various Departments.

## 1.2 Office of Principal Accountant General (Audit)

Under the directions of the Comptroller and Auditor General of India (CAG), Office of the Principal Accountant General (Audit), Andhra Pradesh conducts audit of 16 clusters consisting of 40 Departments and Local Bodies/ Public Sector Undertakings/ Autonomous Bodies under Government of Andhra Pradesh. Out of these, six clusters consisting of nine Departments are covered in this Report. Performance and Compliance Audit Report for the year 2021-22 pertains to nine Departments viz., (i) Labour, Factories, and Insurance Medical Services (ii) School Education (iii) Women, Children, Disabled and Senior Citizens (iv) Industries and Commerce

(v) Higher Education (vi) Tribal Welfare (vii) Youth Advancement, Tourism and Culture (viii) Transport, Roads & Buildings and (ix) Home.

### 1.3 Authority for audit

The CAG's authority for audit is derived from Articles 149 and 151 of the Constitution of India and Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, (CAG's DPC Act) 1971. The CAG conducts audit of expenditure of the Departments under Section 13<sup>1</sup> of the DPC Act 1971. The CAG audits accounts of Government Companies and Corporations under Section 19 (2)<sup>2</sup> of the DPC Act.

Principles and methodologies for various audits are prescribed in the Auditing Standards and the Regulations on Audit and Accounts, 2020 as well as other guidelines, manuals and instructions issued by or on behalf of the CAG.

### 1.4 Planning and conduct of audit and preparation of Audit Reports

The Audit process commences with assessment of risk in respect of Departments/organisations/autonomous bodies/schemes *etc.*, based on expenditure incurred, criticality/ complexity of activities, priority accorded for the activity by Government, level of delegated financial powers, assessment of internal controls and concerns of stakeholders. Previous audit findings are also considered in this exercise. Based on this risk assessment, frequency and extent of audit are decided and an Annual Audit Plan is formulated to conduct audit. After completion of audit of each unit, Inspection Report (IR) containing audit findings is issued to head of the unit with a request to furnish replies within one month of receipt of IR. Whenever replies are received, audit findings are either settled or further action for compliance is advised. Significant audit observations pointed out in these IRs, which require attention at the highest level in Government, are processed for inclusion in Audit Report.

These Audit Reports are submitted to the Governor of Andhra Pradesh under Article 151 of the Constitution of India for causing them to be laid on the Table of the State Legislature.

### 1.5 Audit Entity Profile

A summary of the expenditure incurred by the Departments of Government of Andhra Pradesh during the five year period 2017-18 to 2021-22 is given in **Table 1.1**.

<sup>1</sup> Audit of (i) all transactions from Consolidated Fund of State, (ii) all transactions relating to Contingency Fund and Public Account and (iii) all trading, manufacturing, profit & loss accounts, balance sheets & other subsidiary accounts kept in any Department of a State

<sup>2</sup> The duties and powers of the Comptroller and Auditor General in relation to the audit of the accounts of corporations (not being companies) established by or under law made by Parliament shall be performed and exercised by him in accordance with the provisions of the respective legislations.

**Table-1.1: Expenditure incurred by Departments**

(₹ in crore)

Sl. No.	Name of the Department	Expenditure incurred				
		2017-18	2018-19	2019-20	2020-21	2021-22
1	Youth Advancement, Tourism and Culture	301.74	154.08	87.12	56.78	94.19
2	Home	5,101.18	5,636.08	6,354.99	6,430.33	7,018.36
3	Higher Education	2,148.06	1,711.66	1,573.91	1,692.94	1,912.38
4	Industries and Commerce	1,549.02	1,480.87	984.41	2,353.29	1,004.40
5	Labour, Factories, Boilers and Insurance Medical Services	444.00	671.21	401.49	223.97	307.54
6	School Education	16,978.12	17,506.20	24,313.62	21,921.00	23,353.66
7	Transport, Roads & Buildings	2,525.74	2,610.41	3,011.72	5,395.46	5,121.33
8	Tribal Welfare	1,738.45	1,136.56	2,197.61	2,531.76	1,569.65
9	Women, Children, Disabled and Senior Citizens	1,546.32	1,997.89	2,490.46	3,093.39	2,548.22
<b>Total</b>		<b>32,332.63</b>	<b>32,904.96</b>	<b>41,415.33</b>	<b>43,698.92</b>	<b>42,929.73</b>

*Source: Appropriation Accounts of Government of Andhra Pradesh for relevant years*

## 1.6 Response of Departments to audit findings

### 1.6.1 Response to previous Inspection Reports

Heads of Offices and next higher authorities are required to respond to the observations contained in Inspection Reports (IRs) and take appropriate corrective action. Audit observations communicated in IRs are also discussed at periodical intervals in meetings at District/State levels by officers of the Principal Accountant General's office with officers of the concerned Departments.

Two thousand five hundred and ninety-six IRs containing 18,053 paragraphs pertaining to previous years are pending settlement as on 31<sup>st</sup> December 2022 is detailed in **Table 1.2**. Of these, no replies have been received in respect of 364 IRs containing 4,381 paragraphs. Department wise details are given in **Appendix 1.1**.

**Table-1.2: Position of Inspection Reports**

Year	Number of IRs/Paragraphs as of December 2022		IRs/Paragraphs where no replies have been received	
	IRs	Paragraphs	IRs	Paragraphs
2017-18 and earlier years	2,049	12,913	100	1,505
2018-19	216	2,098	74	924
2019-20	191	1,962	105	1,242
2020-21	18	192	4	98
2021-22	122	888	81	612
<b>Total</b>	<b>2,596</b>	<b>18,053</b>	<b>364</b>	<b>4,381</b>

*Source: Records maintained by the Office of Principal Accountant General (Audit), Andhra Pradesh*

Lack of action on IRs and audit paragraphs is fraught with the risk of perpetuating serious financial irregularities pointed out in these reports. It may also result in dilution of internal controls in the governance process, inefficient and ineffective delivery of public goods/ services, fraud, corruption and loss to public exchequer. State Government therefore, needs to institute an appropriate mechanism to review these IRs

and audit paragraphs and take expeditious action to address the concerns flagged in these.

### **1.6.2 Response of Government to audit observations**

All Departments are required to send their responses to Performance Audit/ Draft Audit Paragraphs/ Compliance Audit Reports proposed for inclusion in CAG's Report within six weeks of their receipt. During the period 2022-23, one Performance Audit, nine Draft Audit Paragraphs and three Compliance Audit Reports were forwarded to the Special Chief Secretaries/ Principal Secretaries/ Secretaries of the Departments concerned, drawing their attention to the audit findings and requesting them to send their response within six weeks. It was brought to their personal attention that these Paragraphs/Reports were likely to be included in the Performance/Compliance Audit Report of the C&AG of India, which would be placed before the State Legislature and it would be desirable to include their comments/responses to the audit findings. In spite of efforts by this office, five Departments<sup>3</sup> did not furnish reply to seven Draft Paragraphs as on the date of finalisation of this Report. The responses of the Government, wherever received, have been appropriately incorporated in the Report.

### **1.6.3 Response of Government to audit paragraphs that featured in earlier Audit Reports**

Administrative Departments are required to submit Explanatory Notes on paragraphs and reviews included in Audit Reports, within three months of their presentation to State Legislature duly indicating action taken or proposed to be taken. For this purpose, the Departments are not required to wait for any notice or call from the Public Accounts Committee. Explanatory Notes<sup>4</sup> were yet to be received from 20 Departments in respect of 93 paragraphs/performance audit reviews that featured in the Audit Reports for the years 2014-15 to 2018-19 as of 30<sup>th</sup> June 2023. Explanatory Notes were also yet to be received from 15 Departments in respect of 62 paragraphs/performance audit reviews relating to the period prior to bifurcation<sup>5</sup> of the erstwhile State of Andhra Pradesh, as of 30<sup>th</sup> June 2023. Details are given in *Appendix 1.2*.

### **1.6.4 Response of Government to recommendations of the Public Accounts Committee**

Administrative Departments are required to submit Action Taken Notes (ATNs) on recommendations of Public Accounts Committee (PAC) within six months from the date of receipt of recommendations. As of 30<sup>th</sup> June 2023, 12 ATNs<sup>6</sup> in respect of five Departments exclusively pertaining to Andhra Pradesh and 499 ATNs<sup>7</sup> in respect of 12 Departments pertaining to the period prior to reorganisation of the State were yet to be received. Details are given in *Appendix 1.3*.

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<sup>3</sup> Youth Advancement, Tourism and Culture, Home, Higher Education, Transport, Roads & Buildings and Tribal Welfare Departments

<sup>4</sup> with regard to the issues pertaining to the State of Andhra Pradesh exclusively

<sup>5</sup> of the erstwhile State of Andhra Pradesh (*i.e.*, those featured in Audit Reports for the years 2006-07 to 2013-14)

<sup>6</sup> with regard to the issues exclusively pertaining to the State of Andhra Pradesh exclusively

<sup>7</sup> of the erstwhile State of Andhra Pradesh

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# Performance Audit

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**Chapter II**  
**Performance Audit on**  
**‘Welfare of Building and other**  
**Construction Workers’**

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## Labour, Factories, Boilers and Insurance Medical Services Department

### Performance Audit on 'Welfare of Building and other Construction Workers'

#### *Summary*

Audit was conducted in the offices of Secretary & Chief Executive Officer of A.P. Building and other Construction Workers Board, Commissioner of Labour and in sampled four DCL offices, four Municipal Corporations, four Municipalities and eight Engineering divisions in four districts from December 2022 to June 2023 covering the period 2017-18 to 2021-22. During the scrutiny of records, audit noticed that:

- *Robust mechanism was not evolved to identify the eligible workers to get registered and renewed to extend the entitled benefits.*
- *Out of the yearly income earned, the amount spent on welfare schemes decreased from 25.12 to 0.53 per cent over the period 2017-18 to 2021-22.*
- *The welfare schemes were not implemented after March 2020. The welfare scheme claims of BOC workers were not honoured completely and percentage of claims pending with the Department was in increasing trend from 0.26 to 100 during 2017-22 which resulted in denial of benefit under welfare schemes of the Board to the needy workers.*
- *Annual accounts were not prepared, maintained and audited timely.*
- *The differences in the PD accounts as per the Annual accounts of Government with that of Board ranged from ₹13 crore to ₹205.22 crore during the period 2017-18 to 2021-22. Less balance in the PD accounts as per the accounts of the Board requires reconciliation.*
- *No mechanism was evolved to ensure that the cess collected by line Departments such as Municipal Administration Department, Engineering divisions etc., is properly accounted for and transferred to the Board accounts.*
- *Department had not conducted any online or physical inspections on establishments.*
- *Board funds diverted as loans and advances for other purposes at the behest of the State Government were not reimbursed.*

## 2.1 Introduction

Building and other construction workers are one of the most numerous and vulnerable segments of the unorganised labour characterised by their inherent risk to the life and limb of the workers. The work is also characterised by its casual nature, temporary relationship between employer and employee, uncertain working hours, lack of basic amenities and inadequacy of welfare facilities.

To safeguard the workers from uncertainties, Government of India considered necessary to constitute Welfare Boards in every State to provide and monitor social security schemes and welfare measures for the benefit of building and other construction workers. For the said purpose, Government of India (GoI) enacted (August 1996) the Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996 (BOCW Act) and the Building and Other Construction Workers' Welfare Cess Act, 1996 (Cess Act) with the aim to provide safety, health and welfare measures for the benefit of construction workers through levy/ collection of Labour Cess (Cess). GoI also framed (November 1998) the Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Central Rules, 1998 (Rules) and Building and Other Construction Workers' Welfare Cess Rules, 1998 (Cess Rules). The Act *inter alia* mandated constitution of a Building and Other Construction Workers' Welfare Board and framing of Rules thereof by every State Government in exercise of the powers conferred under the Act.

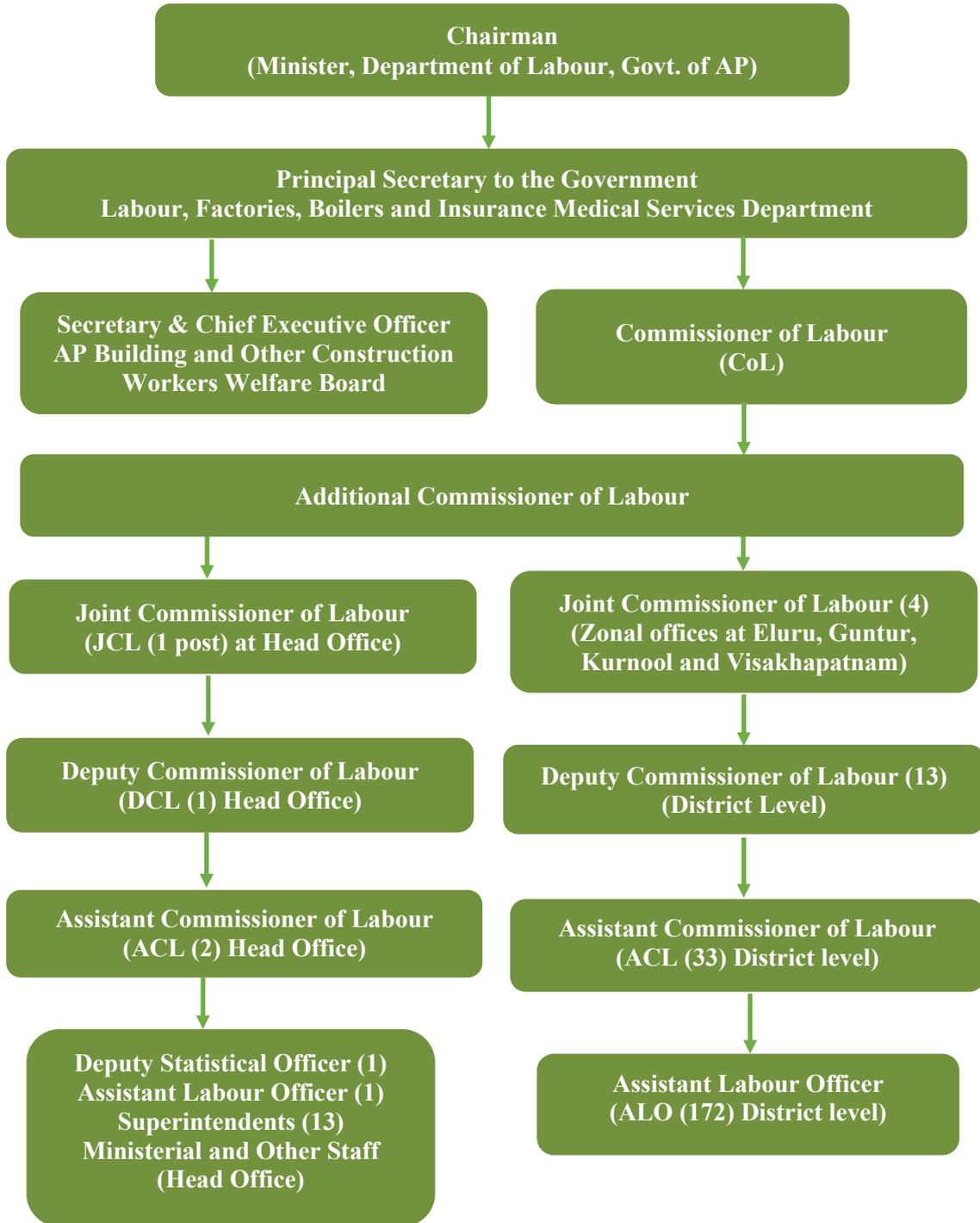
Based on the above Central Act, Government of Andhra Pradesh framed AP Building and Other Construction Workers Rules thereunder in the year 1999 to enforce the provisions of the Act *ibid*. It also constituted the Andhra Pradesh Building and Other Construction Workers Welfare Board (the Board) in April 2007 and issued instructions for assessment (January 2009) and collection (December 2009) of Cess.

## 2.2 Organisational Set-up

To oversee the implementation of the Act, the State Government had appointed officers of Labour Department as Registering Officers and Cess Collectors from the rank of Commissioner of Labour (CoL) to the rank of Assistant Labour Officers (ALO) as Assessing Officers from the rank of CoL to Assistant Commissioner of Labour (ACL) under the Cess Act.

The Minister of Labour, Factories, Boilers & Insurance Medical Services in the State is the ex-officio Chairman of the Board. The Board consists of Commissioner of Labour (CoL) who acts as the Secretary & the Chief Executive Officer (CEO) of the Board; Additional Commissioner of Labour as Advisor who is assisted by the Deputy Commissioners (DCLs), Assistant Commissioners (ACLs) and Assistant Labour Officers (ALOs) at Head office and District levels to monitor/ implement the welfare schemes and general administration. There are 13 district offices headed by DCL wherein collection of Cess as well as registration of construction workers are made. The organisational structure of the Board is shown in **Chart 2.1**.

**Chart 2.1: Organisational Structure**



## 2.3 Audit Objectives

The Performance Audit (PA) was conducted to ascertain whether –

- the rules notified by the Government under the Act are consistent with the spirit of the Acts
- there was effective system for registration of establishments and beneficiaries
- assessment, collection and transfer of Cess to the fund was efficient
- the Government prescribed appropriate health and safety norms
- the Government implemented transparent and effective system of inspections to check evasion of labour cess and compliance to health and safety norms by employers and
- the administration and utilisation of funds on implementation of welfare schemes by the board was efficient and effective as per act and rules framed by the State Government.

## 2.4 Audit Criteria

The audit objectives were benchmarked against the following sources:

- Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
- The Occupational Safety, Health and Working Conditions Code, 2020
- Building and Other Construction Workers Cess Act 1996 and Cess Rules, 1998
- State Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 1999
- State Financial Rules
- Resolutions passed by the Board.
- Inspection Policy notified by State Government

## 2.5 Audit Scope and Methodology

The Performance Audit was conducted between December 2022 and June 2023 pertaining to the period from Financial Year (FY) 2017-18 to FY 2021-22. Audit test checked the records of the Labour Department, Board, and unit offices (JCL/ DCLs) in four districts<sup>8</sup> selected by Probability Proportional to Size Without Replacement method based on circle wise collection and expenditure incurred on welfare schemes as the size measure; two Urban Local Bodies (ULBs)<sup>9</sup> *i.e.*, one Municipal Corporation and one Municipality in each selected district; two Engineering Divisions with highest expenditure on works among R&B, Public Health, Panchayat Raj, Rural water supply & sanitation and Irrigation Divisions<sup>10</sup> in the selected districts.

<sup>8</sup> East Godavari, Guntur, Visakhapatnam and West Godavari

<sup>9</sup> Rajahmundry and Pithapuram in East Godavari; Guntur and Narasaraopet in Guntur; Visakhapatnam and Narsipatnam in Visakhapatnam; and Eluru and Tanuku of West Godavari districts.

<sup>10</sup> R&B, Kakinada of East Godavari; R&B Guntur and Tenali in Guntur; R&B Murrupalem in Visakhapatnam; and PIPLMC, Tuni of East Godavari; PIPLMC, Yelamanchili of Visakhapatnam; PIPRMC, Kovvur and PIPHW Division, Polavaram of West Godavari districts.

Beneficiary survey of 100 registered construction workers in sampled districts was also conducted. Entry conference was held with the Secretary and Chief Executive Officer of the Board on 22 May 2023 wherein the Audit Objectives, Scope & Methodology of audit were explained. The draft Audit Report was forwarded (August 2023) to the Principal Secretary to the Government, Labour Department, requesting their views on the audit observations. The Exit conference was held with the Department on 12 February 2024. Replies from the Government were received (16 May 2024) and the same have been suitably incorporated in the report.

## Audit Findings

### 2.6 Consistency between BOCW Acts, Rules and Registration/ Renewals of Establishments and Workers

#### 2.6.1 Adoption of the Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 (OSHWCC) came into effect in September 2020. As per section 135 (1) of the code, the State Government may, subject to the condition of previous publication and by notification, make rules for carrying out of the provisions this code. As per section 143 (1) (m) of the Code, the Building and Other Construction Workers (Regulation of employment and conditions of service) Act, 1996 stood repealed. Further the corresponding provisions of this code with the previous Act/ Rules shall remain in force to the extent they are not contrary to the provisions of this code.

Audit noticed that the State Government has not made rules for carrying out the provisions of OSHWCC,2020. As per the new code, the State Government shall constitute a Board to be called the State Occupational Safety and Health Advisory Board (SOSHAB) and the Building and Other Construction Workers welfare board has been subsumed in the SOSHAB. It was further noticed that stipulated conditions under the purview of the new Code for total cost of work, definitions of establishment, appropriate Government, procedure for registration of establishment, revoking of the registration of establishment, number of safety officers in every establishment *etc.* in the BOCW Act, 1996 are inconsistent with the code. The difference between these two are detailed in *Appendix 2.1*.

#### 2.6.2 Adherence to BOCW Acts and Rules issued for registration of construction workers by the Board

Section 14 of BOCW Act 1996 stipulates that (1) A building worker who has been registered as a beneficiary under this Act shall cease to be as such when he attains the age of 60 years or when he is not engaged in building or other construction work for not less than 90 days in a year. Further, as per Section 33(A) (2) of the rules, application of registration shall be made together with the certificate of employment issued by authorised persons or authorities.

It was observed that the condition of engagement in construction works for a minimum of 90 days was not checked by the Board as it did not insist on production of certificate of employment for registration.

The Board replied that there was no such requirement to produce the certificate of employment as it is not mandatory, as per the Act or Rules. It was further stated that a self-declaration certificate/ certificate from the local officer like Village Revenue Officer (VRO)/ Ward Secretary confirming that the worker relates to the trade was enough for further renewal of registration.

The reply is not acceptable as the Board has to verify the employability of the worker in the prescribed register maintained by the employer and check the certificate of employment issued by authorised authorities.

Thus, there is no assurance on ineligible beneficiaries being registered, as the Board is unaware of the Act/ Rule provisions.

### **2.6.3 Implementation of social security schemes as per guidelines of Model Welfare Scheme**

The Director General (Labour Welfare) Government of India, Ministry of Labour & Employment has framed Model Welfare Schemes (MWS) in pursuant to the directions (4<sup>th</sup> July 2018) of the Hon'ble Supreme Court for providing social security benefits of MWS to the construction workers.

- **Maternity Cover-** As per MWS, the State BOCW Board has to provide Paid maternity leave to registered construction workers ranging from 90 days to 26 weeks for up to two deliveries.

The Commissioner of Labour stated (January 2023) that the State Board has not made any such provision to female workers.

- **Education-** As per MWS, a minimum financial assistance for education of wards of the beneficiaries should be given per child per annum, *i.e.*, Class 1 to 5 at the rate of ₹1,800; Class 6 to 10 at the rate of ₹2,400, Class 11 to 12 at the rate of ₹3,000, Graduation courses at the rate of ₹10,000, ITI/Vocational course/Professional Course at the rate equivalent to annual fee of Government institutes/colleges. The above benefits will be in addition to any other benefit received from any Government Scheme in this regard.

The Commissioner of Labour stated (January 2023) that BOCW Board has not made any provision in their budget for extending financial assistance in this regard.

- **Pension-** As per MWS, the State BOCW Board should provide pension to workers registered for a minimum of 10 years.

The Commissioner of Labour stated (January 2023) that the BOCW Board has not framed any pension scheme.

The Labour Department did not extend the social security benefits to the construction workers as per Model Welfare Schemes formulated by Ministry of Labour and Employment in pursuant of Hon'ble Supreme Court directions.

**Recommendation 2.1: Board should frame modalities in line with Model Welfare Scheme to extend desired Social Security benefits to registered construction workers.**

## 2.6.4 Constitution of Board and Committees by State Government

An institutional mechanism is essential for successful implementation of a scheme/ programme and to achieve the intended objectives. It envisages participation of relevant authorities of State/District for effective planning and implementation of schemes/ programmes. As per Section 18(1) of the BOCW Act, every State Government has to constitute the State Workers Welfare Board<sup>11</sup>.

In Andhra Pradesh, the Andhra Pradesh Building and Other Construction Workers Welfare Board was initially constituted in April 2007 with the Labour Minister as the *ex-officio* Chairman with other members<sup>12</sup> to oversee the implementation of welfare schemes relating to BOCWs, State Advisory Committee (June 2007) to advise the Government on the matters arising out of the administration of the Act and District Welfare Committees (November 2015) to identify BOCWs and their registration/ renewal to extend the benefits. Further, GoAP brought Cess Rules<sup>13</sup>, 2009 for collection of cess (one *per cent* on the cost of construction) from the employers undertaking Building or Other Construction Work for implementation of welfare measures for the construction workers who are registered as beneficiaries.

The term of a Board is three years from the date of publication of notification in the Gazette. However, after the completion of the initial term of three years (August 2010), the Board was belatedly constituted only in September 2015<sup>14</sup> and thereafter in July 2021, after a lapse of two and three years respectively.

Thus, during the periods April 2010 to August 2015 and October 2018 to July 2021, the Secretary and Chief Executive Officer (Commissioner of Labour) discharged the functions in the absence of Board.

In the absence of Board, the budget estimates were not prepared to plan for yearly expenditure for welfare of labour, there was no control over the expenditure as there were instances of excess/improper expenditure *viz.*, publicity/advertisement expenses. Further, annual audit reports showing the proper account of receipts were not prepared.

Board was not in existence during October 2018 to July 2021 and the functions of Board was discharged by Secretary and Chief Executive Officer.

## 2.6.5 State Advisory Committee

As per Section 4 of the BOCW Act, 1996, the State Government was required to constitute a State Advisory Committee (SAC) to advise them on matters arising out of the administration of the Act. The SAC was to conduct meetings at least once in six months. The SAC consists of a Chairperson appointed by the State Government, two members of

<sup>11</sup> The Board shall consist of a Chairperson, a person to be nominated by the Central Government and other members, not exceeding fifteen as may be appointed by the State Government. Board shall include an equal number of members of the employers and the builder's workers and at least one member shall be a woman

<sup>12</sup> Special Chief Secretary/ Principal Secretary of Labour Department as *ex-officio* Member; Commissioner of Labour Department (Member Convenor); two Members each representing workers and employers' group; and a member representing the Government of India

<sup>13</sup> G.O Ms.No. 111 & 112 of LET&F Dept. dated 15/12/2009

<sup>14</sup> GO Ms. No.17, LET&F (Lab-II) Dept. dated 04/09/2015

the State Legislature, one member from Government of India, Chief Inspector and CoL as *ex-officio* member, seven to eleven nominees of the State Government representing employers, construction workers, *etc.*

Audit noticed that SAC was constituted in June 2007 after 11 years of introduction of the Act. However, SAC met only twice in its three years tenure up to 2010. Thereafter, SAC was reconstituted in June 2016 and only two meetings were held prior to completion of its tenure in June 2019. The SAC has not been constituted since July 2019 to date.

Thus, for the period July 2019 to June 2021, there was no Board and also SAC to provide advice on matters of administration of the Act provisions.

Commissioner of Labour stated<sup>15</sup> that proposals for constitution of SAC was submitted to Government on 25 July 2023 and 13 February 2024 and the matter was still under consideration of Government. Government accepted (16 May 2024) the audit observation.

Thus, at the apex level the designated Governing Bodies were not in existence.

### **2.6.6 District Level Coordination Committee**

GoAP constituted<sup>16</sup> (September 2009) District Level Coordination Committees (DLCCs) for the purpose of Cess collection under the Cess Act, with the DCL of the District as the Member Convener. The Member Convener of DLCC was to send the progress report relating to the Collection of Cess to the Government through the Commissioner of Labour (CoL) every month which shall be received by the Government on 10<sup>th</sup> of every succeeding month.

Audit noticed that the monthly progress reports were submitted to the Government by the Member Conveners *i.e.*, Deputy Commissioner of Labour (DCL) of only three districts, East Godavari, West Godavari and Krishna during 2017-18 to 2021-22. The other DCLs of 10 districts did not furnish the monthly progress reports.

Hence, the Commissioner of Labour (CoL) was not aware of the collections on monthly basis *i.e.*, the total receipt/collection of cess due to non-submission of monthly progress reports by the ten DCLs.

Government accepted the audit observation and stated that the CoL had instructed<sup>17</sup> the DCLs to conduct the DLCC meetings regularly and submit the progress reports on cess collection on 5<sup>th</sup> of every month and the records at district level on assessment of cess collection to be updated and maintained to prepare demand collection balance statements and coordinate with the cess collecting authorities for remittance of collected cess. However, documents or records were not furnished to ensure the action taken as stated in the reply.

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<sup>15</sup> in the Exit Conference on 12 February 2024

<sup>16</sup> *vide* G.O.Ms.No.84, LET&F (Lab-II) Dept. dt 16/09/2009

<sup>17</sup> Circular Memo No. J/1460/2023, dated 30 November 2023

## 2.7 Registration of establishments and beneficiaries

As per Section I (4) of BOCW Act, 1996, the Act is applicable to every establishment which employs or had employed on any day of the preceding twelve months, ten or more building workers in any building or other construction work. For this purpose, the building workers employed in different relays in a day either by the employer or the contractor shall be considered in computing the number of building workers employed in the establishment.

Section 7 of the BOCW (Regulation of Employment and conditions of service) Act, 1996<sup>18</sup> stipulates that every employer undertaking construction work has to submit an application to the Registering Officer for registration of establishment within 60 days from commencement of work.

In order to assess the status of establishments registered with the Registering Officer, it was requested from CoL to furnish the methodology adopted for registration and number of establishments registered for the audit period.

The CoL replied (January 2023) that the district wise number of registered establishments and beneficiaries for the period 2017-18 to 2019-20 would be obtained from the districts. Further, as of March 2022, a total of 15,335 establishments were registered in the State under this Act.

The reply indicates that the Department had not evolved any methodology to strictly implement the Act provisions of mandatory registration of establishments employing more than 10 construction workers thereby depriving the workers from availing legitimate welfare schemes.

Government replied (15 May 2024) that according to A.P (Issuance of Integrated Registrations and furnishing of Combined Returns under various Labour Laws by Certain Establishments) Act, 2015, the employer/occupier himself should register their construction establishments through mee-seva portal or online. As of March 2024, total of 19,489 establishments were registered under the act through mee-seva.

Though Government facilitated for registration by employers through mee-seva, the methodology adopted to adhere Act provisions for registration of establishment within 60 days from commencement of work was not available.

### 2.7.1 Registration and renewal of workers

As per the Section 12 of the BOCW (Regulation of Employment and Conditions of Service) Act, 1996, every building worker who has completed 18 years of age and not completed 60 years and has been engaged in any building or other construction work for not less than 90 days during the preceding twelve months, shall be eligible for registration as a beneficiary/worker under the Act.

The construction worker would be registered with the board by paying a registration fee of ₹50 and an annual membership fee of ₹12 or ₹60 for five years to the concerned Assistant

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<sup>18</sup> the act was repealed and replaced with new Act No.37 of 2020 'The Occupational Safety, Health and Working conditions Code, 2020'

Labour Officer. Thereafter, the renewal of registration shall be done by the worker. If a beneficiary defaulted on payment of contribution for a continuous period of not less than one year, he would cease to be a beneficiary of the fund.

Audit noticed that the Department had not formulated any procedure to identify the deserving workers to get registered with the Board to make them avail the eligible benefits extended under the Act and get renewed their registrations periodically. Departmental responses to audit questionnaires indicated that no survey was conducted to assess or identify the number of eligible beneficiaries in the State, due to which registration of the eligible construction workers was not ensured and number of eligible workers to be registered was also not known.

Thus, no procedure was formulated to identify the eligible workers to get registered with the Board to avail the entitled benefits extended under the Act and get renewed the registration periodically.

In four test checked districts<sup>19</sup>, out of 7,34,345 registered workers of age between 18 to 60 years, 6,13,856 workers who were due for renewal had not renewed their registrations as of February 2024 as shown in **Table 2.1**.

**Table 2.1: Statement showing number of workers registered, renewed and not renewed**

Name of the District	No. of workers registered	No. of Workers renewed	No. of workers not renewed/ due for renewal
East Godavari	2,32,989	23,477	2,09,512
Guntur	2,29,891	35,624	1,94,267
Visakhapatnam	1,51,105	32,143	1,18,962
West Godavari	1,20,360	29,245	91,115
<b>Total</b>	<b>7,34,345</b>	<b>1,20,489</b>	<b>6,13,856</b>

*Source: Information furnished by department.*

Thus, institutional mechanism to cover all eligible workers to get identified and registered/renewed, was not formulated for the effective implementation of the welfare schemes.

The Commissioner of Labour replied (January 2023) that awareness programmes were being conducted in Mandals and District level for registration and renewal of registration. Further, it was replied that district wise details of renewal membership of registered labour for the period 2017-18 to 2019-20 would be obtained from the districts.

The Department had not evolved any institutional mechanism or methodology to strictly implement the Act provisions of mandatory registration of establishments employing more than 10 construction workers, to cover all eligible workers to get identified and registered/renewed with Board for availing legitimate welfare schemes.

Government replied (15 May 2024) that the Board had given directions to JCL/DCL/ACL and other authorities at district level to conduct regular awareness campaigns and facilitate registration of workers from time to time through video conferences, teleconferences etc. and instructions were issued from time to time to the Registering Officers to visit work

<sup>19</sup> East Godavari, Guntur, Visakhapatnam, and West Godavari

sites and labour addas and take steps to get the workers registered as beneficiaries with the board through online registration and renewal the registrations by themselves through the portal and as on March, 2024, there were 20,09,309 workers registered with the Board.

Reply is not acceptable as it was not supported by any evidence to substantiate the reply.

### **2.7.2 Functioning of website**

GoAP directed<sup>20</sup> (August 2010) the Board to launch a dynamic interactive web portal for registration of the establishments, workers, collection of cess, accounting of the claims and settlement of benefits to BOC workers in order to achieve complete transparency and accountability in the functioning of the Board.

A work order was issued (June 2016) by APB&OCWW Board to NIC for developing 'Nava Nirmana Karmikulu', an End to End Online and Mobile Applications for the Board at a cost of ₹1.08 crore with a condition to complete the work within three months. An initial advance of ₹27 lakh was released (June 2016) to NIC for commencement of work and an amount of ₹27 lakh was released subsequently after two years (June 2018).

We observed that the project remained incomplete as of May 2023 and reasons for stoppage of work by NIC and further correspondence made in this regard were not forthcoming from the records produced to audit.

During Exit Conference, the Commissioner of Labour stated that the Department would conduct meeting with NIC and try to complete the modules.

Thus, despite incurring an expenditure of ₹54 lakh, the End to End Online and Mobile Applications was not developed to have real-time information on registration of the establishments, workers, collection of Cess, accounting of the claims and settlement of benefits to the BOC workers.

Government replied that the web portal "Nava Nirmana Karmikulu (<https://apbocwwb.ap.nic.in/>)" developed by NIC Vijayawada, was working at present and endorsed the departmental reply that the welfare schemes were kept in abeyance by the Government. It was further stated that the Department was unable to provide acceptance test to the NIC, for further development of the welfare scheme modules and after revival of the welfare schemes, by the Andhra Pradesh Building and Other Construction Workers Welfare Board (APBOCW WB), the portal would be operationalised.

***Recommendation 2.2: Government should formulate standard operating procedures or develop end to end online application to identify all establishments and eligible Building and Other Construction Workers to register to avail the benefits of the welfare schemes. Board should maintain a database of registered establishments and employers along with data on number of workers employed by each of them.***

<sup>20</sup> G.O Ms. No.69 date 03/08/2010 of Labour Employment Training and Factories (LAB.IV) Department

## 2.8 Assessment, collection and transfer of Cess

As per provisions of Cess Act, the major source of revenue for the Board is levy<sup>21</sup> and collection of Cess. The Cess levied is to be mandatorily collected (one *per cent* on the cost of construction) from employer of a building or other construction work of Government or of a Public Sector Undertaking or advance cess collection through a local authority where a building plan approval of such building or other construction work by such local authority is done. In addition, the registration fee and renewal of member subscription from workers is a minor source of revenue.

### 2.8.1 Income and expenditure of the Board

The Board's fund includes cess collections and accumulated interest on funds in bank accounts. The fund shall be utilised for meeting administrative expenses of the Board in discharge of its functions and for implementation of welfare schemes for the benefit of workers. The Income and Expenditure of the Board for the period from 2017-18 to 2021-22 are given in **Table 2.2** and the trend is depicted in **Chart 2.2**.

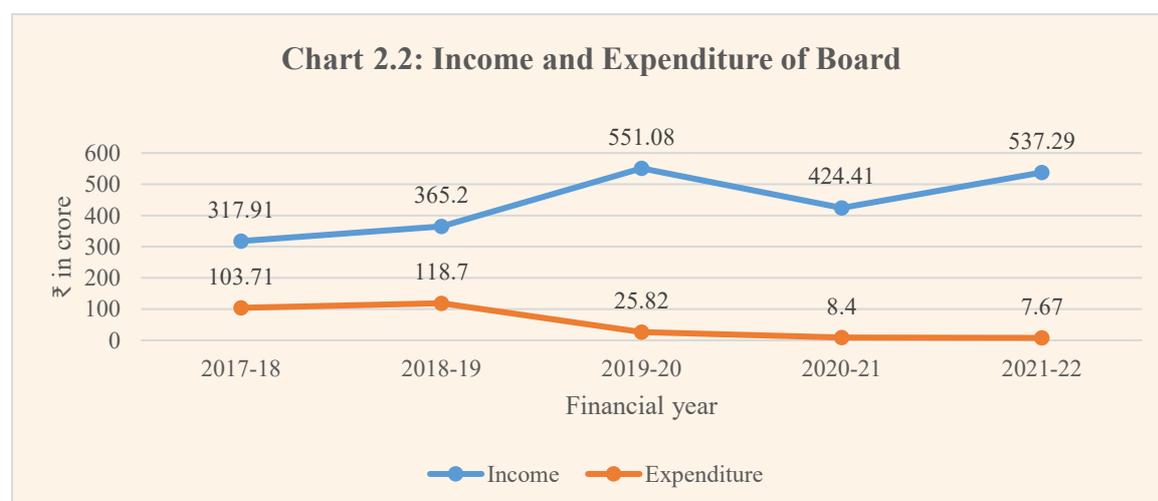
**Table 2.2: Income and Expenditure of the Board for the period 2017-22**

(₹ in crore)

Year	Opening balance	Income			Expenditure				Closing balance
		Cess collected	Other receipts*	Total	Administrative expenses	Welfare schemes (percentage out of total income)	Publicity charges	Total	
2017-18	1,387.04	268.09	49.82	317.91	5.10	79.87(25.12)	18.74	103.71	1,601.24
2018-19	1,601.24	329.11	36.09	365.20	5.25	60.69(16.61)	52.76	118.70	1,847.74
2019-20	1,847.74	506.40	44.68	551.08	3.31	22.50 (4.08)	0.01	25.82	2,373.00
2020-21	2,373.00	365.60	58.81	424.41	4.55	3.31 (0.77)	0.54	8.40	2,789.00
2021-22	2,789.00	486.09	51.20	537.29	4.81	2.85 (0.53)	0.01	7.67	3,318.62
<b>Total</b>		<b>1,955.29</b>	<b>240.60</b>	<b>2,195.89</b>	<b>23.02</b>	<b>169.22</b>	<b>72.06</b>	<b>264.30</b>	

Source: Departmental records

\*other receipts include Registration fee, member subscription, interest on Fixed Deposit Receipts, etc.



<sup>21</sup> at a rate not exceeding two *per cent* but not less than one *per cent* of the cost of construction incurred by the employer

Board stated that Government<sup>22</sup> had instructed (March 2020) to keep the welfare schemes in abeyance to avoid duplication of benefits since the State Government was implementing similar schemes through other Departments.

During beneficiary survey of 50 beneficiaries done telephonically (whose application for sanction of welfare schemes was pending), the beneficiaries expressed that the welfare schemes implemented by State Government and other Departments were not extended and also the welfare schemes of Labour Department were not received.

Out of the total income realised, the amount spent on welfare schemes decreased from 25.12 to 0.53 *per cent* over the period 2017-18 to 2021-22. Further, as per section 24 (2) (C) of BOCW Act 1996, no Board shall, in any financial year, incur expenses towards salaries, allowances and other remuneration to its members, officers and other employees and for meeting the other administrative expenses exceeding five *per cent* of its total expenses during that financial year. It was however observed that administrative expenditure to total expenditure during the period 2019-20 to 2021-22 ranged from 13 *per cent* to 63 *per cent*. Thus, the Board failed to limit the administrative expenditure to five *per cent* of the total expenditure during the years 2019-20 to 2021-22.

Government has endorsed the Board reply, that the APBOCWW Board had addressed the Government for revival of the schemes implemented by the Board.

However, the fact remains that the Building and Other Construction Workers were deprived the benefit of welfare schemes from 2020-21 to 2021-22.

### **2.8.2 Preparation of Annual Budget and submission of annual reports to the Government**

The Secretary of the Board shall cause the budget estimates of the fund laid before the Board by 31<sup>st</sup> January every year and the Board would approve the budget before 15<sup>th</sup> of March. The details of all immovable and movable assets of the Board including the bank deposits, expenditure incurred on welfare schemes, administration and other sub-heads against the current years approved budget and a detailed progress report on the functioning of the Board during the current year shall be placed before the Board as annexure to the Budget. Thereafter, the budget copies shall be forwarded to the Central Government and State Government.

Scrutiny of the records revealed that:

- (a) The annual budget prepared for the period 2017-18 and 2018-19 was approved by the Board. The Budget for the period 2019-22 was not prepared.

Department stated (February 2024) that Budgets for the remaining period 2019-20 to 2021-22 were not prepared due to Reorganisation of the State, and shifting of the Board from Telangana to Andhra Pradesh and Covid-19 pandemic.

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<sup>22</sup> Memo No.3404968/Labour.II/A3/2020 of Labour, Factories, Boilers & Insurance Medical Services (LFB&IMS) Department dated 26/3/2020

Audit noticed that the budget figures were retrospectively prepared by the Board in 2023 for the period 2019-22 instead of yearly basis as envisaged in the APBOCW Rules 1999.

- (b) The Secretary of the Board shall prepare an Annual Report in a descriptive form explaining all the welfare and other activities of the Board during the Financial Year and submit the same to the Central and State Governments along with the Auditor's Report and Balance Sheet, duly approved by the Board, before 15<sup>th</sup> July of the succeeding Financial Year.

Audit noticed that the Annual Reports highlighting all the welfare and other activities of the Board during the Financial Year for the period 2017-18 to 2021-22 were not submitted to the Central/ State Governments, as the internal audit by the Chartered Accountant was conducted only in May 2023.

Thus, the yearly activities of Board were not brought to the notice of the Government to suggest any action for welfare of labour.

- (c) Cess received from the building and other construction work establishments (both from the public and private sectors), Registration fee, member subscription and interest on Fixed Deposit Receipts, etc., are the sources of funds. The allocation, release and expenditure of funds towards implementation of welfare schemes during the period 2017-22 is as indicated in **Table 2.3** and the trend is depicted in **Chart 2.3**.

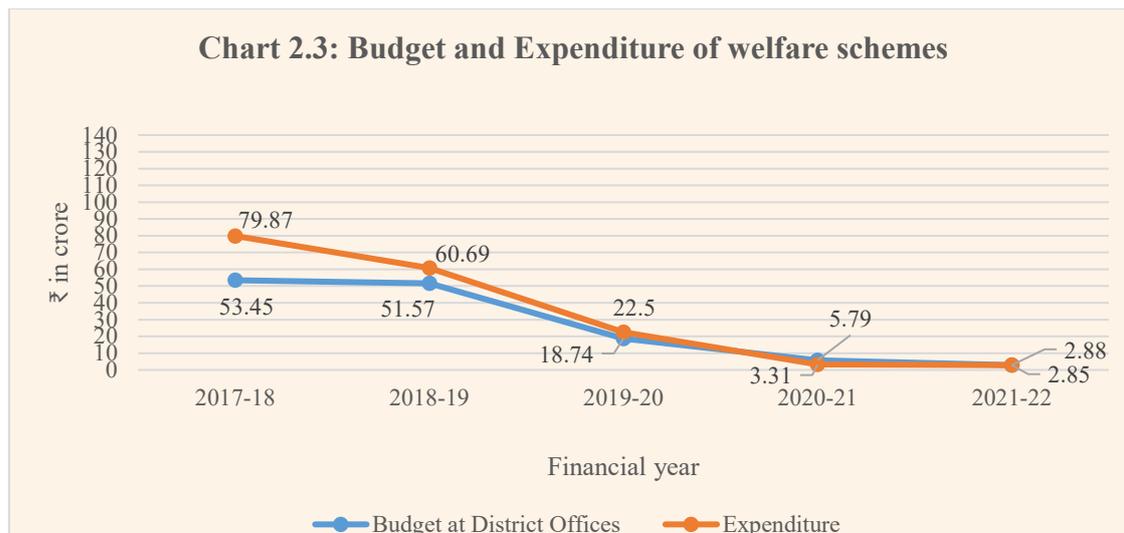
**Table 2.3: Allocation, release, and expenditure of funds on welfare schemes**

(₹ in crore)

Year	Budget allocated	Budget released to District Offices	Expenditure incurred	Excess (-) / Saving (+)
2017-18	53.45	53.45	79.87	(-) 26.42
2018-19	51.57	51.57	60.69	(-) 9.12
2019-20	18.74	18.74	22.50	(-) 3.76
2020-21	5.79	5.79	3.31	2.48
2021-22	2.88	2.88	2.85	0.03
<b>Total</b>	<b>132.43</b>	<b>132.43</b>	<b>169.22</b>	

(Source: information provided by the Department)

# the figures differ from State Finance Audit Report (SFAR) for the year ended 2022 as pre-audited figures were adopted in SFAR.



It could be seen from the above that during the period 2017-20, expenditure in excess of budget provision was made towards welfare schemes. There was huge excess expenditure of about 50 *per cent* more than the funds provided during 2017-18. Similarly, during 2018-19 there was excess expenditure of about 17 *per cent* over the funds released.

During Exit Conference, the Commissioner of Labour stated (February 2024) that Board was not in existence during 2018-21, the accounts for the period were completed and the Board had approved the accounts.

### 2.8.3 Audit of Accounts of Board

As per Section 33 (C) (8) of APBOCW Rules, 1999, the Board shall maintain proper accounts and other relevant records and prepare annual statement of accounts including statements of Income and Expenditure and Balance Sheet, in such form as may be notified by the Government in consultation with the Comptroller and Auditor General of India. Further, the accounts of the Board fund shall be maintained by the Secretary of the Board and to be audited by the Comptroller and Auditor General of India.

Audit noticed that Cash book and cash flow statements are the pre-requisites for preparation of annual statement of accounts and were not maintained by the Board. Reconciliation of cash balances with bank was also not carried out by the Board.

The Annual Reports highlighting all the welfare and other activities of the Board during the Financial Year for the period 2017-18 to 2021-22 were not submitted to the Central/ State Governments, as the internal audit by the Chartered Accountant was conducted only in May 2023.

Government replied (15 May 2024) that the Cash books, Receipts and Expenditure statements including reconciliation of bank accounts have been completed and final accounts for the years 2014-15 to 2022-23 were prepared and produced to audit.

Further, as annual accounts were not prepared, maintained and audited timely, the financial position of the board could not be known immediately at the end of the respective accounting year to prevent, detect errors and frauds.

**Recommendation 2.3: The Board may ensure that the annual accounts are prepared in a timely manner, after carrying out the required checks and balances.**

#### 2.8.4 Maintenance of Personal Deposit Account

The Secretary & Chief Executive Officer of the Board operates the Personal Deposit (PD) Account meant for credit of labour cess. Cess collected as a deduction from the work bills of the agencies gets credited to the Head of Account 8443-00-116-01-09-001-001.

We observed that Cash Books subsidiary to this head were not maintained in the Board. As such the Board was unaware of credits to its account and the payee details. In the absence of any accounting mechanism to record the payee details, the Board was unable to identify the source of remitted cess.

The Board replied (January 2023) that the labour cess collected as a deduction from the work bills of the works Departments<sup>23</sup> is credited to the PD account. In the PD account statement, only the bill number is mentioned, and it is not possible to segregate and provide the Department wise cess collection report. Though the Board had received Cess proceeds deposited by the establishments/ employers/ Cess collecting authorities, they had not correlated the Cess proceeds with Cess depositing authorities to trace the BOC works from which these cess proceeds had originated, with a view to ensure the concerned establishments/ employers/ BOC workers, were duly registered with the Board.

Audit further noticed that the PD account balances as per the audited accounts of the Board substantially varied with that of the State Government accounts as stated below in **Table 2.4**.

**Table 2.4: Difference in PD account balances**

(₹ in crore)

Year	Closing balance of PD account as per Government Accounts	Closing balance of PD account as per Annual Accounts of Board	Difference
2017-18	272.94	67.72	205.22
2018-19	237.10	67.72	169.38
2019-20	288.72	275.72	13.00
2020-21	372.04	343.37	28.67
2021-22	479.73	434.85	44.88

(Source: Government Accounts and Departmental records)

The differences in the PD accounts as per the Annual accounts of Government with that of Board ranged from ₹13 crore to ₹205.22 crore during the period 2017-18 to 2021-22. Less balance in the PD accounts as per the accounts of the Board requires reconciliation at the earliest. The Board needs to develop a mechanism to ascertain the source of cess amount, cess receivable and actually received.

Thus, non-maintenance of the details of payees including cost of work done, cost of constructions taken up deprives the Board to know the demand of cess collectable, collected and balances due. Further, in the absence of accountability for maintenance of PD Accounts, possibility of fraud and/ or misappropriation of these funds cannot be ruled out.

Government endorsed (15 May 2024) the reply of the Board that in respect of revenues credited to PD account of the Board, account statement was available in Comprehensive

<sup>23</sup> R&B, Panchayat Raj, Irrigation, CDMA and CRDA

Financial Management System (CFMS) and the department wise cess remittances to PD account were not available in CFMS. Further, Government added that the Board had initiated a proposal for integration of Comprehensive Financial Management Systems with APBOCWWB to get full details of transactions on real time basis and this proposal would identify the source that remitted the cess.

### **2.8.5 Non/short levy of Cess on building plan approvals**

As per Section 9 of BOCW Welfare Cess Act, 1996 (Act 28 of 1996), if any amount of cess payable by any employer under Section 3 is not paid within the date specified in the order of assessment made under Section 5, it shall be deemed to be in arrears and the authority prescribed in this behalf may, after making such inquiry as it deems fit, impose on such employer a penalty not exceeding the amount of cess.

We observed in Greater Visakhapatnam Municipal Corporation (GVMC) that Cess was not levied under the provision of Section 3 (1) of the Cess Act while approving building plan in one case (2017) where the cost of construction was ₹53.94 crore and the cess at one *per cent* collectable was ₹53.94 lakh and interest and penalty thereon.

Further, it was also observed that there was short collection of cess of ₹3.61 crore in respect of five building plan approvals (Cess collectable: ₹4.60 crore - cess collected: ₹0.99 crore) during 2017-22.

We observed that during 2017-22, Pithapuram Municipality did not deduct Cess on ₹9.05 crore pertaining to 177 work bills at one *per cent* amounting to ₹9.05 lakh.

Thus, there were instances of non-collection and short collection of Cess of ₹4.24 crore in two test checked<sup>24</sup> ULBs.

Government replied (15 May 2024) that instructions were issued to the plan approval authorities on collection of labour cess. Further Government stated that in respect of work bills the respective bill passing authorities were requested to strictly enforce the recovery of labour cess at prescribed percentage and remittance of the same to the board without any delay.

### **2.8.6 Short levy of Labour Cess on work bills**

In test checked units of Six Engineering divisions and GVMC, we observed that in 38 work bills there was short collection of Cess during the period 2017-18 to 2021-22 as given in **Table 2.5**.

<sup>24</sup> GVMC, Pitapuram Municipality

**Table 2.5: Short Collection of Labour Cess in Engineering divisions and GVMC**

Sl. No.	Name of the test checked offices	Number of works/ building plans	Cess collectable (₹)	Cess collected (₹)	Short collection (₹)
1	EE, PIPLMC, Tuni	2 works	14,36,011	12,68,442	1,67,569
2	EE, R&B, Kakinada	6 works	42,08,789	40,69,825	1,38,964
3	EE, PIPLMC, Yelamanchili	4 works	39,65,830	36,14,608	3,51,222
4	EE, PIPRMC, Kovvur	1 work	2,21,865	2,04,905	16,960
5	EE, PIPHW Division-I, Polavaram	3 works	48,99,43,793	47,57,44,546	1,41,99,247
6	ULB, Visakhapatnam	21 works	14,27,519	13,69,714	57,805
7	EE, R&B, Marrlipalem, Vizag	1 work	9,51,667	9,24,601	27,066
<b>Total</b>		<b>38</b>	<b>50,21,55,474</b>	<b>48,71,96,641</b>	<b>1,49,58,833</b>

Source: Departmental records

Thus, out of ₹50.22 crore to be collected only ₹48.72 crore was collected resulting in short collection of labour Cess of ₹1.50 crore.

The test checked Engineering divisions replied that the short collection would be collected in future work bills while GVMC did not furnish reply.

Board requested the Government that work bills processed through CFMS may be monitored by Pay and Accounts Officers of Works Divisions, non-CFMS/non-PAO by respective agencies and controllers of examinations and finance officers of local bodies by the Director of State Audit. Government endorsed the same reply without specifying the action at their end.

### **2.8.7 Remittance of Cess collections by Commissioner and Director of Municipal Administration**

As per Section 3(3) of the Cess Act, the proceeds of Cess collected under sub-section 2 shall be paid by the local authority or the State Government collecting the Cess to the Board after deducting the cost of collection of such Cess not exceeding one *per cent* of the amount collected.

During the period 2017-18 to 2021-22, Commissioner and Director of Municipal Administration (CDMA) collected ₹466.11 crore<sup>25</sup> towards Cess (being part of Building permission fee) on Building Constructions that took place within the jurisdiction of Urban Local Bodies (ULBs) in the entire State as given in **Table 2.6** and the trend is depicted in **Chart 2.4**.

<sup>25</sup> cess collected ₹466.11 crore – remitted ₹269.50 crore = balance retained ₹196.61 crore (₹187.12 crore for cess+₹9.49 crore for charges). Balance to be remitted.

**Table 2.6: Statement showing cess collection and remittance by ULBs**

(₹ in crore)

Year	Labour cess collected	99% cess to be remitted to Board	Cess remitted to Board	Difference (2)-(3)	1% cess can be retained (1) x 1/100	Cess retained by CDMA	Difference (6)-(5)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
2017-18	59.33	58.73	6.87	51.86	0.59	1.19	0.60
2018-19	101.25	100.24	8.67	91.57	1.01	2.03	1.02
2019-20	88.33	87.45	41.16	46.29	0.88	1.87	0.99
2020-21	87.48	86.61	85.69	0.92	0.87	1.79	0.92
2021-22	129.72	128.42	127.11	1.31	1.30	2.61	1.31
<b>Total</b>	<b>466.11</b>	<b>461.45</b>	<b>269.50</b>	<b>191.95</b>	<b>4.65</b>	<b>9.49</b>	<b>4.84</b>

Source: Departmental records



Audit noticed that:

- (i) As per Cess Act, the cost of collection of Cess shall not exceed one *per cent* of the cess collected.

However, the Board entered (December 2018) into a Memorandum of Understanding with CDMA for collection of administrative charges at two *per cent* on the cost of building plan approvals and work bills instead of one *per cent* as per the provisions of the Act.

Thus, Board had entered into agreement with CDMA in deviation to the Act provisions.

- (ii) It could be seen from the above table that instead of collecting administrative charges towards collection of cess at one *per cent* of total cess (₹466.11 crore) i.e., ₹4.66 crore, CDMA had retained ₹9.49 crore i.e. 2.04 *per cent* towards Cess collection/ administrative charges. Thus, there was excess collection of administrative charges of ₹4.84 crore during 2017-22. Further, CDMA had not transferred the eligible Cess amount of ₹461.45 crore (99 *per cent* of ₹466.11 crore) and transferred only ₹269.50 crore to the Board, retaining the balance of ₹191.95 crore.

The Board did not furnish records supporting the efforts made for recollecting the Cess dues and excess Cess retained by CDMA.

During Exit Conference, the Commissioner of Labour stated that the observation was taken to the notice of CDMA and response is awaited.

The Cess Act allows cost of collection of cess not exceeding one *per cent* of the cess collected. However, Department allowed the Municipal Administration Department to collect cost of collection at two *per cent* thereby sustained a loss of ₹4.84 crore during 2017-22.

Government endorsed the reply of the Board that the Board had addressed a letter to CDMA requesting for transfer of pending dues to the APBOCWVB immediately and instructions were issued to the field officers to contact respective urban local bodies (ULBs) for obtaining the details of Cess deducted at source and persuade the ULBs to remit the cess retained by the ULBs. Further with respect to ₹9.49 crore retained by CDMA towards administrative charges for cess collection, *i.e.*, two *per cent* of Cess collection as against the actual provision of one *per cent* as per the act, it was stated that the Government had taken a decision to cancel the MoU and allow CDMA to retain only one *per cent* of cess collected towards cess collection charges and a letter was addressed to CDMA informing the cancellation of MoU and requested to remit the excess amount retained as administrative charges to the Board.

Compliance to Government orders *i.e.* remittance of excess collection of administrative charges of ₹4.84 crore during 2017-22 is awaited.

**Recommendation 2.4: Board should evolve a mechanism to ensure that the Cess collected by the line departments is properly accounted for and transferred to the Board accounts.**

### 2.8.8 Fixed Deposits

As per AP Reorganisation Act, 2014, the Board was not included either in IX Schedule (list of Government Companies and Corporations) or in X Schedule (list of training institutions/centres). However, Section 52 of A.P Reorganisation Act, 2014 specifies that the funds of Board are to be apportioned between the successor states AP and Telangana on the population basis in the ratio of 58.32 *per cent* and 41.68 *per cent* respectively.

After the commencement of the reorganisation, there was a total of ₹976.77 crore in Fixed Deposit Receipts (FDRs) with the former Board, to be divided between two States. The share of AP Board was ₹569.65 crore and Telangana Board was ₹407.11 crore. Out of ₹569.65 crore, ₹244.59 crore was withdrawn by AP Board. Subsequently, in October 2018, the Telangana Board has frozen debit transactions related to the FDRs amounting to ₹325.06 crore and ₹405.94 crore in respect of AP Board and Telangana Board respectively resulting in locking of funds in commercial banks. As a result, the funds intended for the welfare of BOC workers in both States remain parked in banks without resolution/settlement.

The Board stated that the Telangana Board had addressed a letter to all the Banks to freeze the FDs of the Board in the year 2014 and FDs would be released once both the State

Governments come to mutual agreement on bifurcation of the funds and address the Banks with a request to release the FDs.

Government replied that necessary action for sharing of assets by the BOCWW Boards of both Andhra Pradesh and Telangana was in progress.

## 2.9 Provision of Safety and Welfare measures in Establishments

As per Sections 34 to 37 of APBOCW Rules, 1999, the work establishment/ contractor is required to provide safety and other welfare measures at the work site such as Canteens, First-aid facilities, Ambulance, Housing accommodations for workers *etc.* and obtain a registration certificate from the Registering Officer of the Labour Department. As per the conditions of the works agreements the contractor shall submit to the Engineer-in-Charge (EE), the number of several classes of labour employed by the contractor on the site, from time to time, and such other information as the EE (Engineering Divisions) may require.

However, the EEs in the test checked works divisions<sup>26</sup> stated that though they physically inspect and monitor the progress of works, the contractors did not submit reports regarding registration of workers and safety/welfare measures taken for the BOC workers. The EEs further stated that the aspects of registration of establishments, their workers and taking up of safety and welfare measures were looked after by officials of Labour Department.

Thus, as officials of Labour Department had not visited work establishments and reports were not submitted by the contractors to either the EE or the DCL, the BOC workers were at risk of being deprived of adequate safety and welfare measures.

Government replied that the employer *i.e.* work executing authority as well as the contractor had the responsibility to ensure the safety and health of building and other construction workers. Rule provisions ensured the responsibility of the employer for implementation of these provisions. Government further stated the departmental inspecting authorities<sup>27</sup> will visit the construction establishments from time to time and ensure to provide safety, health and welfare measures to the building workers.

The reply of the Department that the employer/contractor was responsible, is not acceptable in view of Government orders<sup>28</sup> that ALOs, ACLs, DCLs, JCLs, AdCLs and CoLs were responsible for ensuring provisions of Safety, Health and Welfare measures for the BOCWs.

## 2.10 Conduct of Inspections

As per Government orders (February 2016 and May 2016)<sup>29</sup>, manual inspections of establishments shall be carried out in case of need only on the orders of Courts / Government or specific written instructions of the Commissioner of Labour. Further the inspecting officers shall take up online inspection of establishments as allocated by the

<sup>26</sup> Engineering divisions (R&B Guntur, Tenali, Kakinada and Murrupalem (Visakhapatnam), Polavaram Irrigation Projects @ Tuni, Kovvur, Polavaram and Yelamanchili)

<sup>27</sup> Assistant Labour Officer, Assistant Commissioner of Labour, Deputy Commissioner of Labour, Joint Commissioner of Labour, Additional Commissioner of Labour, Commissioner of Labour

<sup>28</sup> G.O.Ms.No.37 dated 06 June 2008 LET&F (Lab.IV) Department

<sup>29</sup> G.O.Ms No 27 of LET&F (Lab.II) Deptt. Dt. 31/05/2016

system on daily basis as per Government orders (2016<sup>30</sup>) to provide ease of compliance of Laws by the industry while protecting the interest of the workers. The information about the online inspection shall be publicised by placing it on the web site of the department to bring awareness to the employer to comply with the statutory provisions without physical touch point.

We observed that no inspections were carried out during the period of audit 2017-22 and therefore compliance with the provisions of the Act by various establishments was not ensured by the Labour Department/ Board.

Commissioner of Labour attributed non-conduct of inspections to provisions of Ease of Doing Business (EoDB) policy in which inspections were to be carried out by way of online random allocation of units to the inspecting officers and that software which was used for a period during 2018-19 did not work thereafter. The Department would try to put into operation a procedure that facilitates inspection on random basis.

The reply is not tenable, as the inspecting officers have to take up online inspection of establishments as allocated by the online system on daily basis as per Government orders to provide ease of compliance of Laws by the industry while protecting the interest of the workers.

The conduct of inspections would curb the evasion of Cess payments by establishments, there would be proper account of cess without any omissions and more over inspections of construction sites would allow the Department to have first-hand information on construction workers whether registered or not to take appropriate action.

Government replied (15 May 2024) that online inspection system and online inspection portal were launched vide GO Ms. No.27 of LET&F (Lab.II) Department dated 31 May 2016 by Government of Andhra Pradesh to ensure simplification, transparency and accountability of inspections. Further Government stated that the officials of the Labour Department were instructed not to conduct<sup>31</sup> any physical inspections without permission from the HOD.

The reply of the Government indicating that there are no restrictions for online inspections and for conducting physical inspection permission from the HoD is a prerequisite. However, the department had not conducted any online or physical inspections during the period which is against the provisions of the Act.

***Recommendation 2.5: Department should conduct regular inspections to bring all eligible establishments/ construction works under ambit of Labour Cess.***

## **2.11 Administration and utilisation of fund on implementation of welfare schemes**

### **2.11.1 Implementation of Schemes**

The State Government originally launched (between 2010 to 2018) 14 labour welfare schemes. Out of this, only 10 schemes are being implemented and three schemes viz., Vocational training to workers/ dependents, National Pension System (NPS Lite) 2010

<sup>30</sup> G.O.Ms.No.9 of LET&F (Lab.II) Deptt. Dt.27.02.2016

<sup>31</sup> Memo No. EoDB/Instructions/2021 of Spl. CoL. AP. VJA dated 22 June 2021

(Swavalamban) and Atal Pension Yojana and Providing artificial limbs and other appliances to disabled workers were not implemented during 2017-22.

The details of number of welfare scheme claims received, settled, rejected and pending during the period 2017-18 to 2021-22 is shown in **Table 2.7**.

**Table 2.7: Statement showing year wise number of welfare scheme claims received, settled, rejected, and pending**

Year	Number of Claims received	Number of Claims		
		Settled	Rejected	Pending ( <i>per cent</i> )
2017-18	18,041	16,655	1,338	48 (0.27)
2018-19	29,566	28,261	579	726 (2.46)
2019-20	20,297	9,146	1,873	9,278 (45.71)
2020-21	10,666	218	1,938	8,510 (79.79)
2021-22	7,520	0	0	7,520 (100.00)
<b>Total</b>	<b>86,090</b>	<b>54,280</b>	<b>5,728</b>	<b>26,082</b>

*Source: Reply from the Department*

We observed that out of 86,090 claims received, 26,082 claims were pending with the Department. The *per cent* of claims pending with the department is in increasing trend from 0.26 *per cent* to 100 *per cent* for the period 2017-18 to 2021-22. The scheme wise details of the above table are shown in **Appendix 2.2**.

Board stated (February 2024) that Government had directed to keep the Board welfare schemes in abeyance till all the schemes of the Government were streamlined to avoid duplication of benefits under Navaratnalu<sup>32</sup> and hence claims received under various schemes were not processed. Further, the Board submitted proposals to the Government with a request to issue permission for revival and implementation of the remaining welfare schemes and orders from the Government are awaited.

The reply of the Board is not acceptable as the welfare schemes of Board were not duplication of the schemes covered under Navaratnalu except Marriage Gift covered under YSR Kalyanamasthu, Fatal Accidental Relief, Permanent Disability Relief and Natural Death covered under YSR BIMA. Further, in a joint telephonic survey<sup>33</sup> of 50 pending claim applicants in DCL, Eluru, the consolidated response revealed that the beneficiaries were not extended the entitled benefits of labour welfare schemes either by labour welfare Board or under Navaratnalu.

During Exit Conference, the Commissioner of Labour replied that the Government was addressed from time to time for implementation of the schemes.

Thus, decision to avoid duplication of benefits by Government has resulted in denial of welfare to needy workers.

The welfare scheme claims of BOC workers were not honoured completely and percentage of claims pending with the Department was in increasing trend from 0.26 to 100 during

<sup>32</sup> nine welfare schemes implemented by the State Government

<sup>33</sup> with departmental officials

2017-22 which resulted in denial of benefit under welfare schemes of the Board to the needy workers.

Government did not give specific reply.

### **2.11.2 Cess amounts granted as loan/ advance on reimbursement basis to Government**

Hon'ble Supreme Court ordered<sup>34</sup> (September 2015) all the State Governments and Union Territory Administrations not to spend the cess fund for construction of buildings for schools, hospitals, training centres, labour shed-cum night shelter, waiting hall, hostels, etc., or for any purpose other than for welfare of BOC workers and their families exclusively.

As per Section 22 of the Act, the Board may grant loan or subsidy to a local authority or an employer in aid of any scheme approved by the State Government for purpose connected with the welfare of BOC workers. Further, in view of the directives (2015) of Hon'ble Supreme Court, as per orders<sup>35</sup> of GoI, the Cess collected is to be utilised only for the purpose of welfare of beneficiaries.

Audit noticed that during the period April 2017 to June 2021, the Board was not in existence. During this period the State Government had utilised the Board funds amounting to ₹2,332.98 crore for purposes other than welfare of BOC workers in contravention to Hon'ble Supreme Court orders. The Funds were utilised towards various payments viz., State share for the centrally sponsored schemes worth ₹1,256.65 crore, payment of publicity charges ₹7.01 crore, payment of premium for Insurance Policy of ₹1,069.30 crore etc., with a clause of either repayment or reimbursement to the Board by the Government. The utilisation of Board's funds for other purposes included:

- An amount of ₹382.72 crore was remitted to Government on reimbursement basis to the Society for Elimination for Rural Poverty (SERP) towards top-up extended as State component under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) -YSR Bima convergence scheme in the interest of dependent families of the deceased un-organised workers, Printing of YSR Bima Cards and settlement of claims for the natural and accidental death cases during the period from 2018 to 2021 on reimbursement.

Out of ₹382.72 crore, ₹95.77 crore was reimbursed by SERP to Board between July 2021 and August 2022, leaving a balance of ₹286.95 crore yet to be refunded.

- An amount of ₹7.01 crore was remitted to the Government (September 2016) towards publicity charges under Chandranna Bima Scheme to the insurance companies (LIC/OIC) as advance payment on behalf of Government.

Even after a lapse of six years, the funds were not remitted to Board by GoAP.

- An amount of ₹333.91 crore was remitted to the Government on reimbursement basis to the Director of Grama Ward/ Ward Volunteers and Village/Ward Secretaries towards

<sup>34</sup> Hon'ble Supreme Court Directives in WP (C) No.318/2006 and orders dated 21/8/2015& 4/9/2015

<sup>35</sup> No.Z/20011/08/2014-BL of Ministry of Labour & Employment dt.7/6/2016

payment of Natural Death claims and Natural Death Relief under YSR Bima Scheme to beneficiaries not covered by the Labour, Factories, Boilers and Insurance Medical Services (LFB&IMS) Departments, during the period from April 2022 to December 2022.

However, even after a lapse of two years, the advance amount was not recouped to the Board.

- An amount of ₹903.08 crore was remitted (2016-22) to Government as advance on reimbursement basis towards payment of premium to Life Insurance Companies in respect of all unorganised workers in the age group of 18-70 years who were eligible to be enrolled. Additional members of the un-organised workers enrolled through Praja Sadhikara Survey under Chandranna Bima Scheme, extension of policy premium under PMJJBY-YSR Bima Scheme, premium for enrolling all the construction workers who are essentially in the Un-organised Sector under the convergence scheme (3<sup>rd</sup> year PMJJBY- Chandranna Bima Scheme), premium for the newly enrolled eligible workers and enrolment of leftover eligible unorganised workers.

Despite lapse of seven years the funds were not recouped to the Board.

- An amount of ₹22.40 crore was remitted to Government on reimbursement basis for payment to National Insurance Company Limited, Vijayawada, to cover 1.41 crore beneficiaries in the age group of 18-70 years, to ensure payment of ₹five lakh/ ₹three lakh under Group Janatha personal accidental policy under YSR Bima Scheme for the year 2020.

Despite lapse of four years the funds were not recouped to the Board.

- An amount of ₹231.49 crore was remitted (September 2016 to July 2022) to Government on loan basis/ advance towards payment of premium<sup>36</sup> under Bhima Scheme to the Oriental Insurance Company Limited.

However, the amount was not refunded to Board as of March 2023.

- An amount of ₹3.07 crore was remitted to Government for payment to the United Insurance Company Limited (UICL) towards premium for Accident Death under PMSBY for the age group of 60 to 70 years policy holders for the year 2018. Despite lapse of six years, the funds were not refunded to Board.
- An amount of ₹113.30 crore was remitted to Government for payment to the M/s United Sompo General Insurance Company Ltd towards premium for Group accidental insurance Policy covering 1.32 crore Primary Bread Earners of BPL families under YSR Bima Scheme for the year August 2018 on reimbursement basis. Despite lapse of four years the funds were not recouped to the Board.

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<sup>36</sup> additional premium for Chandranna Bima Scheme to cover additional member of the unorganised workers enrolled through Praja Sadhikara Survey, two crore unorganised workers in the age group of 18-70 years eligible to be enrolled under the Chandranna Bima Scheme and premium under Group Insurance Policy covering 1.21 crore Primary Bread Earners of BPL families for accidental death/ total disability under YSR Bima Scheme

- An amount of ₹336 crore was remitted to the Government for YSR Bima Fund/ SERP account towards premium for PMJJBY, PMSBY Schemes and Funeral Charges during the period October 2020 to June 2022 on reimbursement basis. Despite lapse of three years the funds were not recouped to the Board.

The funds worth ₹2,237.23 crore given on reimbursement or on repayment basis remained unrealised by Board and not recouped by the Government as of March 2023.

During Exit Conference, the Commissioner of Labour stated (January 2024) that the issue of reimbursement of advances was brought to the notice of the Finance Department.

Audit observed absence of any terms and conditions for expenditure relating to loan and advances such as rate of interest, number of instalments *etc.*, disbursed to SERP, Director of Grama Ward/ Ward Volunteers and to the Government of Andhra Pradesh. Transferring of funds from Board's income directly for incurring expenditure under various schemes of the State Government, may lead to escape of Legislative scrutiny through the Appropriation Account mechanism.

Contrary to the provisions of the Act and directives of Hon'ble Supreme Court, the Board funds were utilised for purposes other than welfare of BOC workers. The cess amounts granted as loan and advances on reimbursement basis to Government was not recouped to the Board account.

Government endorsed (15 May 2024) the reply of the Board that the funds were transferred to the Government on reimbursement basis only for specified purposes.

***Recommendation 2.6: Board should ensure that the diverted funds are recouped immediately and Cess is utilised exclusively for the welfare of beneficiaries.***

### **2.11.3 Utilisation of Board funds for other purpose**

As per Section 22 of the Act, the Board may grant loan or subsidy to a local authority or an employer in aid of any scheme approved by the State Government for purpose connected with the welfare of BOC workers. Further, in view of the directives (2015) of Hon'ble Supreme Court, as per orders<sup>37</sup> of GoI, the Cess collected is to be utilised only for the purpose of welfare of beneficiaries.

Audit noticed that:

- (i) An amount of ₹72.16 crore was utilised towards publicity/ advertisement charges of the welfare schemes and an amount of ₹0.11 crore was utilised towards tour expenses of the delegates for attending the 106<sup>th</sup> session of International Labour Conference at International Labour Organisation, Geneva which is contrary to the provisions of the Act.
- (ii) The Board utilised ₹14.32 crore for construction (February 2017) of Training Centre with hostel facility at Kuppam, Chittoor district by National Academy of Construction (NAC) at a cost of ₹13.83 crore and construction (October 2017) of Karmika

<sup>37</sup> No.Z/20011/08/2014-BL of Ministry of Labour & Employment dated 07/06/2016

Sankshema Bhavan at Ramagiri, Ananthapuramu district at a cost of ₹0.49 crore out of the Cess collections. Thus, utilisation of Cess fund for construction of buildings was contrary to the orders of GoI and directives of Hon'ble Supreme Court mentioned *supra*.

Government endorsed (15 May 2024) the reply of the Board that the funds were transferred to the Government on reimbursement basis only for specified purposes.

In the absence of any time frame for reimbursement, Board needs to address the Government to remit the funds at the earliest.

#### **2.11.4 Supply of Tool Kits**

The Board in its 15<sup>th</sup> meeting passed a resolution to procure one lakh toolkits to construction workers who were imparted with skill upgradation training in trades of Masonry, Electrical and Plumbing. Initially the Board had identified (August 2017) 88,469 workers trained in the said trades through National Academy of Construction (NAC) Centres at district levels. The Board procured (October 2018) 99,996 tool kits for the trained BOC workers of Masonry, Electrical and Plumbing trades at a total cost of ₹28 crore<sup>38</sup> with a view that more number of trainings would be conducted subsequently and the purchased toolkits could be distributed to the trained workers as and when the training is completed. Further, the Government advised the Commissioner of Labour (CoL) to distribute the balance tool kits to those workers who were trained by the Board or who were presently doing skilled jobs and preference may be given to those with five years of registration seniority.

Audit noticed that about 4,133 tool kits worth ₹1.06 crore<sup>39</sup> were not distributed and were lying idle with DCLs. Thus, number of trained and eligible workers and to be trained workers was not enumerated prior to procurement of tool kits.

Government replied that a total of 98,333 tool kits were only received by the Deputy Commissioners of Labour in the State and out of which 94,017 tool kits were distributed to the eligible BOC workers and the remaining 4,316 were yet to be distributed to the eligible workers in future trainings.

Thus, purchase of kits in excess of their requirement had infringed the canons of financial propriety.

#### **2.11.5 Sanction of disability relief**

The Board issued<sup>40</sup> (December 2010) guidelines for processing of claims for total permanent disability/ partial permanent disability relief to Building & Other Construction (BOC) workers who met with an accident at construction site. The DCL shall decide the percentage of disability and eligibility of benefit to be given under the scheme 'Relief for Total Permanent Disability/ Partial Permanent Disability' based on the medical certificate produced by the beneficiary. The rates of relief are as under:

<sup>38</sup> at a cost of ₹2,550 for Masonry kit, ₹2,523 for Electrical kit and ₹2,687 for Plumbing kit

<sup>39</sup> 156 masonry kits at ₹2,550 + 3,010 electrical at ₹2,523 + 967 plumbing at ₹2,687

<sup>40</sup> Memo No.C1/4402/09 of the Board dt.22/12/2010

i)	Total Permanent Disability	-	₹ Five lakh
ii)	50 per cent and above Partial Permanent Disability	-	₹ One lakh
iii)	26 to 49 per cent Partial Permanent Disability	-	₹50,000
iv)	Up to 25 per cent to Partial Permanent Disability	-	₹25,000

We observed that DCL, Visakhapatnam sanctioned relief in excess of the rates prescribed in 13 claims and paid an amount of ₹20.58 lakh proportional to the disability percentage instead of the scale prescribed as shown in **Table 2.8**.

**Table 2.8: Statement showing the excess sanction of disability relief**

Sl No.	Name of the Beneficiary (Sri/Smt.)	Percentage of disability	Relief to be sanctioned as per percentage of disability (₹)	Amount sanctioned (₹)	Excess amount sanctioned (₹)
1	Manthina Lakshmana Rao	53	1,00,000	1,06,000	6,000
2	D.Appala Raju	40	50,000	3,64,847	3,14,847
3	Dabbada Venkata Ramana	50	1,00,000	2,50,000	1,50,000
4	Pasila Subba Rao	60	1,00,000	3,00,000	2,00,000
5	Nakka Ramu	60	1,00,000	3,00,000	2,00,000
6	Isarapu Musaliah	45	50,000	90,000	40,000
7	Pathalam Eswara Rao	60	1,00,000	3,00,000	2,00,000
8	Singampalli Atchimnaidu	60	1,00,000	1,20,000	20,000
9	Ganji Kodanda	70	1,00,000	1,40,000	40,000
10	Nakka Yerriah	75	1,00,000	3,62,500	2,62,500
11	Isarapu Paidi Babu	50	1,00,000	2,50,000	1,50,000
12	Chukka Surya Narayana	70	1,00,000	3,50,000	2,50,000
13	Pilla Gopi	65	1,00,000	3,25,000	2,25,000
<b>Total amount excess paid</b>			<b>12,00,000</b>	<b>32,58,347</b>	<b>20,58,347</b>

*Source: departmental records*

Government endorsed the reply of the Deputy Commissioners of Labour, Visakhapatnam that the sanction of Disability Relief claims would be scrutinised/reviewed and action would be taken for refund of the excess amount from the beneficiaries.

### **2.11.6 Processing of Maternity Benefit claims**

Maternity Benefit Scheme<sup>41</sup> was introduced (July 2010 and October 2013) by the Government for the registered women workers. The scheme is also applicable to the wife of male building workers and also for two daughters of any registered building worker, male or female. The claimant shall submit the claim to the jurisdictional Assistant Labour Officer (ALO)/Assistant Commissioner of Labour (ACL)/Deputy Commissioner of Labours (DCL) within one month from the date of delivery. The ALO/ACL shall conduct enquiry and submit his report to the DCL within seven days. In case the application is found defective, or any documents are missing, the DCL shall return the claim to the claimant within seven days for resubmission, duly rectifying the defects within a week. The DCL shall, then, approve the benefit within a week and forward the claim to the Board for release of benefit. The Board shall release the benefit to the beneficiary's bank account

<sup>41</sup> G.O.Ms.No.62 and 50 of LET&F (Lab.IV) Deptt. Dt.27/07/2010 and 29/10/2013, respectively.

through the DCL within seven days. Thus, the entire process shall be completed within a month from the date of receipt of claim approximately.

We observed in DCL Office, Kakinada that in the case of 26 Maternity Benefit claims there were abnormal delay in processing of claims. In eight out of 26 cases, the delay at ALO level ranged from 11 to 194 days. In 12 cases the delay at DCL level, ranged from 28 to 451 days. In four cases though the claims were submitted to DCL without delay, they were sanctioned after 200 days.

Further, delays in processing of claims were also observed in DCL Offices Kakinada, Eluru and Visakhapatnam as shown in **Table 2.9**.

**Table 2.9: Statement showing the delay in processing of Maternity benefit claims**

Name of the Office	No. of claims	Delay at ALO/ ACL level	Delay at DCL level	Delay in transferring of benefit
DCL Eluru	26	One to 16 days	8 to 322 days	15 to 110 days
DCL Visakhapatnam	18	5 to 146 days	8 to 49 days	14 to 145 days
DCL Kakinada	26	11 to 194 days (eight cases)	28 to 451 days (12 cases)	after 200 days (four cases)

*Source: Departmental records*

Deputy Commissioner of Labour (DCL), Kakinada attributed delay in submission of claims to the Board to filing of large number of applications, time taken for scrutiny and in majority of the claims, non-submission of the required documents and their return and resubmission with delay by the claimants. Similar reasons were stated by the other DCLs also and assured to speed up the processing of claims within the time prescribed.

Government endorsed the reply of the Board that the delay in processing of claims regarding Maternity Benefits was only because of the scrutiny of the documents and verifying records submitted by the beneficiaries but not intentional.

The fact remains that delayed benefit would cause hardship to the beneficiaries and deny timely help as there were instances of inordinate delay in processing of the claims.

### **2.11.7 Non-conduct of appropriate checks- Double payment to beneficiaries**

- We observed in Deputy Commissioner of Labour (DCL), Visakhapatnam that maternity benefit was extended twice to the same beneficiary. A registered beneficiary whose child was born on 18 June 2018 submitted the first claim on 06 August 2018 with a copy of Delivery Certificate. The claim was forwarded by Assistant Commissioner of Labour (ACL) on 11 September 2018 and the benefit of ₹20,000 was credited to her account on 08 October 2018. The same beneficiary submitted the similar claim in duplicate copy on 06 December 2018 by enclosing similar documents as second delivery. The claim was forwarded by the ACL on 25 January 2019 and the benefit was credited to her account on 20 March 2019.

DCL, Visakhapatnam stated that the claim would be scrutinised or reviewed and action would be taken for recovery of excess claim from the beneficiary.

- As per Government orders<sup>42</sup> Funeral expenses of ₹20,000 can be paid to the nominee of deceased BOC worker. In DCL, Visakhapatnam, we observed that funeral expenses claim was submitted on 04 July 2019 by a family member of a registered worker who died on 27 May 2019. The funeral expenses benefit of ₹20,000 was credited to nominee on 19 October 2019. However, funeral expenses benefit of ₹20,000 was again credited to the beneficiary's same account on 25 October 2019 without any claim by beneficiary.

DCL, Visakhapatnam stated that the claim would be scrutinised or reviewed, and action would be taken for recovery of excess claim from the beneficiary.

Government endorsed the reply of the Board that the Deputy Commissioners of Labour, Visakhapatnam, stated that the double payment of Maternity Benefit would be scrutinised /reviewed and action would be taken for recovery of excess Maternity Benefit claim from the beneficiary.

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<sup>42</sup> G.O.Ms.No.5 of LET&F (Lab.IV) Deptt. Dt.04.02.2016

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# **Compliance Audit**

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**Chapter III**  
**Compliance Audit on**  
**‘Mana Badi Nadu Nedu Phase-I’ Scheme**

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## School Education Department

### Compliance Audit on 'Mana Badi Nadu Nedu Phase-I' Scheme

#### Summary

Audit of Phase-I of MBNN for the period 2019-20 to 2021-22 were conducted in the offices of Principal Secretary to the Government in School Education Department, the Commissioner of School Education (CSE), the State Project Director, Samagra Shiksha Society (SPD, SSS) and Andhra Pradesh Education and Welfare Infrastructure Development Corporation (APEWIDC) at State level and Additional Project Coordinators, Samagra Shiksha (APC, SS) in six districts in addition to selected 108 schools in six districts for the period 2019-20 to 2021-22. During the scrutiny of records, audit noticed that:

- *Selection of information technology agency for procurement of School Transformation Monitoring System was made on nomination basis instead of competitive and transparent process as per procedure.*
- *The work-contractor for the painting work in Government Schools was paid ₹292.43 crore for the work done without collecting labour cess at the rate of one per cent. Thus, an amount of ₹2.92 crore towards labour cess was not levied on the bills paid.*
- *During the joint physical verification of the test checked schools, audit observed idling of Green Chalk Boards, non-working of Drinking water system procured after incurring an expenditure of ₹76.80 lakh in 33 out of 108 test checked schools. Further, despite provision of component furniture for students and staff and incurring an expenditure of ₹383.51 crore for procurement of dual desks, in 32 out of 108 test checked schools, 1,973 students were sitting on the floor. Thus, despite incurring an expenditure of ₹3,818.52 crore on the scheme, even the basic amenities such as safe drinking water and benches could not be ensured by the Government.*

### 3.1 Introduction

Education is a primary social development measure. The public school system should act as a strong pillar to contribute to this important measure by providing affordability, accessibility and equity. Infrastructure in public schools is one of the key inputs for making the school system effective. It contributes directly to better learning environment in schools and indirectly to better learning outcomes.

Government of Andhra Pradesh (GoAP), with a view to facelift all schools in the State by improving the infrastructure and providing quality education to children, has brought out the scheme of Mana Badi Nadu Nedu<sup>43</sup> (meaning *Our School – Then and Now*). This scheme proposes to strengthen the infrastructure and transform the existing infrastructure

<sup>43</sup> G.O. Ms No.87 dated 30/11/2019 read with GO Ms No.7, dated 24/02/2020

in schools in mission mode and in a phased manner over a period of three years. The scheme was rolled out in 2019-20.

Government accorded administrative approval (November 2019) under MBNN programme for transformation/upgradation of buildings of Government schools to the Commissioner of School Education to take up basic infrastructure works in all Government schools with nine components *viz.*, Toilets with running water, Electrification with fans and tube lights, Drinking water supply, Furniture for students and staff, Painting of school building, Major and minor repairs, Green chalk boards, English labs and Compound walls.

The works are to be executed by Parents Committees (PC) through community contracting. The PC of each school was to get the detailed estimate prepared by the executive agency for each component based on the actual requirement of the facilities of the school. The Field engineer<sup>44</sup> while preparing the estimates was to consult the PC members and seek their advice in finalising the provisions to be kept in the estimates. A resolution to this extent should be taken from the PC by the Headmaster and the same shall be uploaded into School Transformation Monitoring Software (STMS) by the Field Engineer while preparing the estimates.

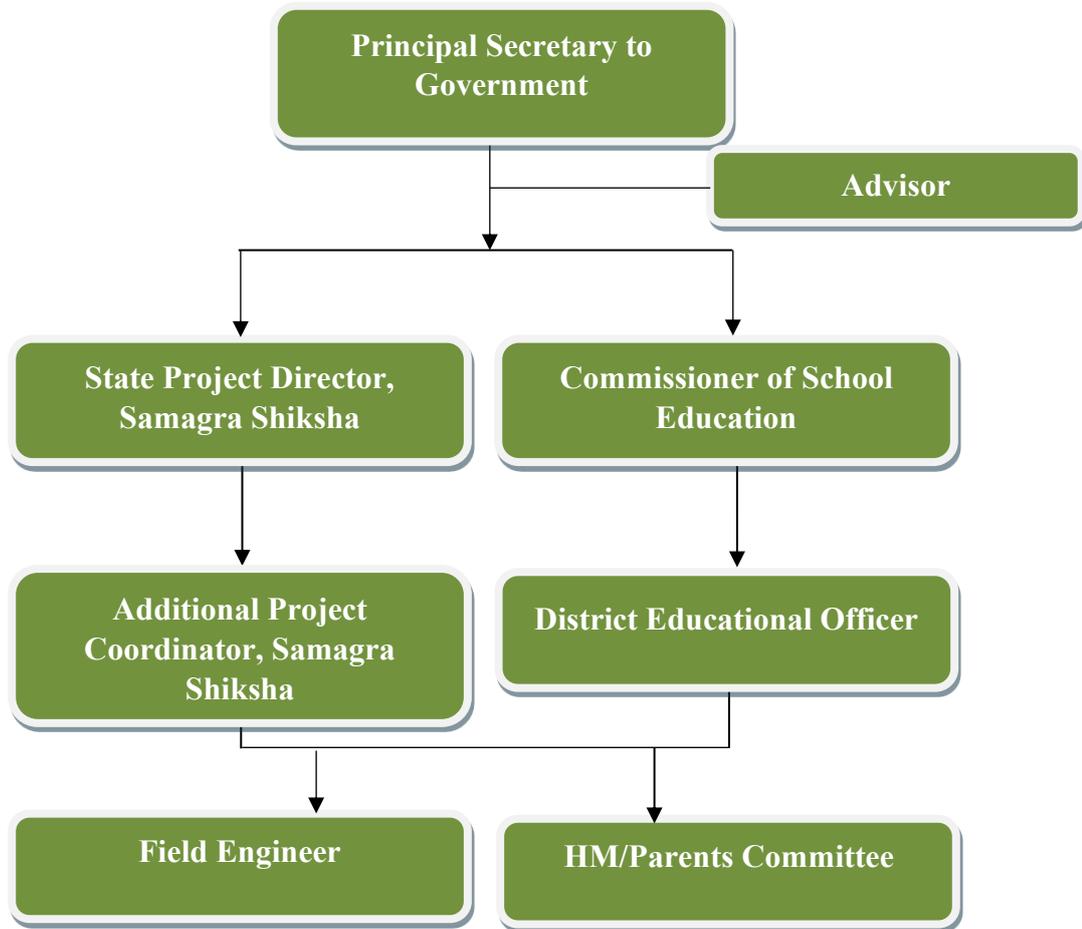
Principal Secretary to the Government heads the School Education Department at State level and is the Chairman of State Level Monitoring Committee, MBNN. The Committee comprises 13 members and Commissioner of School Education as Member-Convener has the responsibility to review and monitor the progress in the implementation of the programme in schools from time to time. The Advisor (Infrastructure) to Government, School Education shall coordinate with all concerned and advise the agencies in implementation of the programme in all aspects.

The District Collector is the Chairman of District level Monitoring committee. The Committee comprises 11 members and District Educational Officer as member-convener has the responsibility for monitoring of the program at the district level.

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<sup>44</sup> the field engineer as authorised by the respective implementing agency of the department concerned depending on the school *viz.* AP Samagra Shiksha (APSS) Engineering Department, Andhra Pradesh Education Welfare and Infrastructure Development Corporation (APEWIDC), Tribal Welfare Engineering Department, Panchayat Raj (PR) Engineering Department, Municipal & Public Health (PH) Engineering Department

**Chart 3.1: Organisational Chart**



Source: Government Orders<sup>45</sup>

### 3.1.1 Audit scope and methodology

The School Education Department implemented MBNN Phase-I during 2019-21. Audit conducted Entry Conference on 03 August 2022 with the Programme Director, Finance Controller and other departmental officials. During audit (October 2022 - February 2023), records pertaining to Phase-I of MBNN were scrutinised in the offices of Principal Secretary to the Government in School Education Department, the Commissioner of School Education (CSE), the State Project Director, Samagra Shiksha Society (SPD, SSS) and Andhra Pradesh Education and Welfare Infrastructure Development Corporation (APEWIDC) at State level and Additional Project Coordinators, Samagra Shiksha (APC, SS) in six districts in addition to selected 108 schools in six districts. Audit conducted Joint physical verification of the test checked schools. Exit conference was held on 05 January 2024 with the Principal Secretary to Government, School Education Department wherein the audit findings were discussed. Response of the department through replies and Government in the exit conference were incorporated in the Report.

<sup>45</sup> GO Ms No.87 dated 30/11/2019 read with GO Ms No.7, dated 24/02/2020

## Audit Sample

The Phase-I of MBNN was implemented in 15,126<sup>46</sup> Schools in 26 newly reorganised districts<sup>47</sup>. Six districts were selected on Probability Proportion to Size without Replacement (PPSWR) on weighted Index (50 *per cent* weight on number of schools and 50 *per cent* weight on the expenditure incurred).

In each District, three Mandals were selected using Simple Random Sampling Method based on the number of schools in which the scheme was implemented. In each Mandal, six schools were selected (the list of schools is in *Appendix 3.1*) using Stratified Random Sampling Method in the following manner:

- (i) All the schools, under the scheme, were divided into three strata *viz.* Primary (up to class V), Upper Primary (up to class VIII) and High Secondary School (up to class XII).
- (ii) Two schools from each stratum were selected based on the Random Sampling Without Replacement method.

### 3.1.2 Audit objectives

The compliance audit of the scheme was taken up to ensure:

- Whether **procurement, execution and payments** were in compliance with the existing Rules and Regulations and
- Whether the **monitoring** mechanisms were in place as per the scheme guidelines.

## 3.2 Audit findings

### 3.2.1 Financing the scheme

The financing was made through budgetary support by Government of Andhra Pradesh. The Budget allocation and expenditure details of the programme for the period 2019-20 to 2021-22 is detailed in the below *Table 3.1*:

**Table 3.1: Budget allocation and expenditure details of the programme MBNN Phase-I**

(₹ in Crore)

Year	Budget allocation	Expenditure
2019-20	100	100.00
2020-21	2,000	1,968.52
2021-22	1,750	1,750.00
<b>Total</b>	<b>3,850</b>	<b>3,818.52</b>

*Source: As per annual accounts of Government of Andhra Pradesh.*

Revenue expenditure is recurring in nature and is intended to be met from revenue receipts.

Capital expenditure is defined as expenditure incurred to create assets of a material and permanent character, or to reduce permanent liabilities. It was seen that the entire expenditure under MBNN Phase-I was booked as Capital Expenditure.

<sup>46</sup> though 15,713 schools were proposed to be taken up as part of Phase I, only 15,126 schools were actually taken up as per STMS application

<sup>47</sup> G.O.Rt.No.173 to 198, Revenue (Lands-IV), 02/04/2022

As per Government Orders<sup>48</sup>, preference shall be given to schools identified in dilapidated condition. However, Government, finalised 1/3<sup>rd</sup> Phase-I Schools with high student strength duly ensuring coverage of all Constituencies and Mandals in Phase-I and dilapidated buildings were not taken into consideration as construction of classrooms was not an approved component of Nadu Nedu Phase-I.

Thus, it is evident from the above that there was no reconstruction of the dilapidated schools and expenditure was of revenue nature (repairs, painting, procurement of desks *etc.*). However, the entire expenditure was booked as Capital expenditure in contravention to Government accounting rules.

### **3.2.2 Procurement, execution and payment process**

Procurement of School Transformation Monitoring System (STMS) software and seven items *viz.*, smart TVs, dual desks, drinking water systems, painting of schools, ceiling fans, sanitary ware and green chalk boards procured centrally by Andhra Pradesh Education & Welfare Infrastructure Development Corporation (APEWIDC) for the purpose of this programme were examined and observed the following:

#### **3.2.2.1 Procurement of School Transformation Monitoring System (STMS) - Selection of IT Agency on nomination basis**

As per Government Order (July 2015)<sup>49</sup>, the services of experts, either as individuals or through a Firm should be obtained through a competitive process that is transparent and follows the principles and guidelines for procurement established by the GoI and the GoAP.

We observed for the development of STMS software, Tata Consultancy Services (TCS) Ltd was selected on nomination basis without following competitive process. An agreement was concluded between Department and M/s TCS in December 2020 for a lumpsum contract of ₹1.55 crore for development and maintenance of STMS portal to facilitate and monitor the works of MBNN. However, we observed that the effective period of Agreement commenced in March 2020 *i.e.* nine months prior to concluding the agreement.

During the exit conference, Principal Secretary stated that IT partner was chosen on nomination basis in view of the knowledge and experience in developing similar application which had similar features for monitoring and supporting centralised procurement of the material and cash payments to labour. Further, Government replied (March 2024) that M/s TCS was selected after cabinet approval.

The reply is not acceptable as Single Source Selection is appropriate when the contract is very small in value or only one consulting organisation has the qualifications or experience required to carry out the assignment. Thus, competitive and transparent process was not followed for single source procurement.

***Recommendation 3.1: Government should follow the competitive and transparent process in selection of contractors/agencies, instead of nomination basis.***

<sup>48</sup> GO Ms No.87 dt 30/11/2019 read with GO Ms No.7, School Education (Prog.II) Dept. dt 24/02/2020

<sup>49</sup> G.O.MS.No. 89 dated 16/07/2015 issued by Finance (HR-I) Department

### 3.2.2.2 Drinking Water System

Supply of Purified Drinking Water System (DWS) Type-III<sup>50</sup> for the Government Schools was awarded (17 October 2020) to 'Livpure Private Limited' for a contract price of ₹59,53,37,750.

As per Clause 7.4 (Milestone programme) of the agreement, the firm was to supply 25 per cent of DWS units within one month, fifty per cent of the quantity within two months and total quantity within 90 days from the date of signing the Agreement (17 October 2020). Further, as per Clause 8.b of Agreement, in case of delay in completion of work as per schedule or as per timelines, the firm shall pay liquidated damages at the rate of 0.1 per cent of contract value for each week of delay, subject to a maximum 2.5 per cent of contract value. Also, EMD shall be forfeited under Clause 4.7 of agreement besides blacklisting.

The firm should have supplied 1,750 DWS units<sup>51</sup> by 16 December 2020. However, the firm had not supplied the DWS units up to 05 January 2021 (*i.e.* more than two months) from the date of Agreement. We observed that no liquidated damages (LDs) were levied for non-supply of DWS units within two months.

The Department stated that DWS units were supplied after 05 January 2021 and the entire quantity within the timelines fixed by the authority and hence, no liquidated damages were imposed considering the hurdles in the COVID situation.

Further, during the exit conference, Managing Director, APEWIDC stated that total supply was made before the last milestone *i.e.* within 90 days.

Reply of the Government is not acceptable as COVID Unlock 5.0 was declared with effect from 30 September 2020 *i.e.*, prior to commencement of the contract on 17 October 2020 and the supplier had not supplied 50 per cent within two months, and the intermittent milestones were also not achieved. Hence, an amount of ₹41,67,364 towards Liquidated Damages were to be charged for the non-supply within two months of stipulated milestone as per the agreement.

### 3.2.2.3 Painting of school building

APEWIDC floated National Competitive Bidding (February 2020 and re-tender in April 2020) for the work painting of Government School in Andhra Pradesh at an estimated contract value of ₹346 crore (including cost of transportation to designated schools, GST and all other taxes), with seven years of warranty from the date of supply.

APEWIDC issued (May 2020) Letter of Award (LoA) to the lowest bidder, M/s Berger Paints India Ltd. APEWIDC entered into an agreement (09 June 2020) for a contract value of ₹269.60 crore. As per the Clause 3(a) of the Agreement, painting work was to be completed in 120 days from the date of agreement with a warranty of seven years.

In this connection the following observations are made:

<sup>50</sup> with TDS reduction to 150-400 ppm from source water having TDS 400-3000 ppm

<sup>51</sup> as per Agreement, total indent was 3,500

### a) Non-levy of penalty for the delayed execution

As per the Milestone programme of the Agreement (clause 7.4), the work was to be completed according to the following timelines and quantities as given in **Table 3.2** below:-

**Table 3.2: Milestone programme of the Agreement**

Milestone	Period of Completion	Completion of work
I	One month	25% of the total quantity
II	Two months	50%
III	Three months	75%
IV	Four months	100 %

**Source:** As per Para 7.4 of the Agreement

As per clause 8(b) of the Contractual Agreement, the firm has to pay liquidated damages at the rate of 0.10 *per cent* of contract value for each week of delay subject to maximum of 2.5 *per cent* of the contract value, except in the event of natural calamities.

Further, as per Para 9 of Agreement, the EMD/Security Deposit shall be forfeited, if at any time, the Managing Director, APEWIDC shall be of the opinion that the firm was delaying commencement of the work or supplying of the product or violating any of the provisions of the contract or firm was neglecting or delaying the progress of the work.

MD, APEWIDC addressed (December 2020) a letter to M/s Berger Paints India Limited to speed up the work and finish the work on or before 31 January 2021, the target date. The firm completed only 612 schools out of 14,784 schools<sup>52</sup>, which was only 4.14 *per cent* progress. However, the State High Power Tender Committee unanimously resolved to allot part of work against indented quantity to the firm Asian Paints who was L2 bidder. It was also directed the Managing Director, APEWIDC, to rope in two more reputed companies on the same terms and conditions and on the rate quoted by the Berger paints India Limited, in order to complete the painting work by 31 January 2021. However, the work was allotted to two firms Asian Paints and Berger Paints.

During the exit conference (January 2024), the Commissioner replied that as the schools were not ready, the contractor had to wait for the repair works to be completed.

The reply of the Commissioner is not verifiable in Audit as the due procedure of granting Extension of Agreement Time was not followed by the Department to extend the milestones for the work.

<sup>52</sup> resolution of the State High Power Tender Committee (SHPTC) in their Meeting No. 16 dated 15 December 2020

## b) Non-levy and collection of Labour Cess

Government agencies<sup>53</sup> are to collect labour cess (LC) at the rate of one *per cent* on the cost of construction *i.e.*, value of the works contract.

An amount of ₹292.43 crore was paid (October 2022) to the contractor towards painting work on completion of work. However, labour cess at the rate of one *per cent i.e.*, an amount of ₹2.92 crore was not levied on the bills paid.

Government accepted (February 2024) the audit observation and assured to recover the labour cess from the amounts due to contractor.

### 3.2.2.4 Quality of ceiling fans

A review of Reports of the multiple inspection/QC tests conducted by six<sup>54</sup> universities/colleges revealed that

- As per the agreed specifications, the CMM<sup>55</sup> should be 210. However, as seen from the consolidated report pertaining to the period from November 2022 to February 2023 prepared by PMU, the CMM was less than the specification of 210 in 71 out of 157 (45.22 *per cent*) of the fans tested.
- The RPM<sup>56</sup> should be 380. However, as seen from the consolidated report pertaining to the period from November 2022 to February 2023 submitted by PMU the RPM was less than 380 in 67 out of 220 (30.45 *per cent*) of the fans tested.

Thus, quality of the fans was compromised as there were deviations from the specifications of the fans. Further during the exit conference, the Commissioner replied that penalty was imposed for the said shortcomings.

Government replied (05 March 2024) that MD, APEWIDC and Commissioner (School Infrastructure) were requested to recover the penalty from the balance amount payable to the firm M/s Crompton Greaves Consumer Electricals limited for non-compliance of quality parameters in supply of ceiling fans.

### 3.2.2.5 Procurement of cement

As per the orders of Commissioner<sup>57</sup>, School Education Department, the cement would be supplied through cement companies at the rates fixed by the Government and no more invoices need to be taken for cement from vendors/hardware shops. The indenting officer (field engineer) shall calculate the school wise theoretical requirement and raise an indent (not less than 400 bags in one indent). Each indent may cover one or more schools and two delivery locations. The APC, SS shall seek the consolidated cement indent to the coordinator of cement companies' association (approved by the Industries Dept) who shall allot to various companies. SMS will be sent to the HMs/CRPs/Field Engineers by the cement companies about delivery details along with date and time and the HMs shall make

<sup>53</sup> G.O. Ms. No.112, GoAP, Labour, Employment, Training & Factories (Lab.II) Dept dated 15/12/2009

<sup>54</sup> Andhra University, Vishakhapatnam; NIT, Tadepalligudem; Acharya Nagarjuna University, Guntur; Sri Venkateswara University, Tirupati; RGUKT, Kadapa; JNTU, Anathapuramu

<sup>55</sup> Cubic Meters per Minute (CMM) is the volume of air by a ceiling fan supplies in one minute

<sup>56</sup> Revolutions Per Minute (RPM) is speed of a ceiling fan in a minute

<sup>57</sup> Cir. Memo. No. 07/19-20/Nadu Nedu dated: 01/04/2020

arrangements to unload the cement. The APC, SS shall seek the consolidated cement indent through YSR Nirman Portal to the coordinator of cement companies' association (approved by the Industries Dept) who shall allot to various companies.

However, we observed that cement bags were purchased locally by paying excess amount other than through YSR Nirman Portal (The rate of cement in YSR Portal hosted by the Department of Industries and Commerce is ₹235 per bag).

The purchase of cement bags in 85 test checked schools out of 108 test checked schools district wise is given in **Table 3.3** below:

**Table 3.3: District-wise purchase of cement bags test checked schools**

Name of the district	No. of Schools	Qty. of cement bag purchased Locally	Amount to be paid @ ₹235/- per bag	Amount paid (in ₹)	Excess amount paid (in ₹)
Chittoor	14	1,590	3,73,650	6,38,982	2,65,332
Kurnool	13	1,919	4,50,965	6,87,433	2,36,468
Konaseema	15	1,148	2,69,780	4,48,159	1,78,379
East Godavari	15	2,046	4,81,280	7,04,485	2,23,205
Krishna	15	2,734	6,42,490	10,07,997	3,65,507
Guntur	13	2,743	6,44,605	9,82,184	3,37,579
<b>Total</b>	<b>85</b>	<b>12,180</b>	<b>28,62,770</b>	<b>44,69,240</b>	<b>16,06,470</b>

Thus, 12,180 cement bags were purchased locally amounting to ₹44,69,240 out of Revolving Fund (RF) in 85 test checked schools. This led to excess expenditure of ₹16,06,470.

The Department replied (June 2023) that due to covid situation certain works were adversely affected due to lack of supply of cement and the instructions were issued for local purchase for limited quantities.

Further, during the exit conference, Principal Secretary added that the work was carried out and in pandemic situation, the schools had to buy at a higher price to avoid idle labour.

The reply is not acceptable as labour would be engaged based on work requirement and cement was to be procured only in limited quantities.

### 3.2.2.6 Non deduction of TDS on GST while making the payments to the suppliers

As per Section 51 of CGST Act, 2017 and Section 51 of AP SGST Act, 2017, TDS is to be deducted at the rate of one *per cent* towards CGST and one *per cent* towards SGST on payments made to the supplier of taxable goods and/or services, where the total value of such supply is more than two lakh fifty thousand rupees.

As per Comprehensive Financial Management System (CFMS) data, across the State an amount of ₹1,140.97 crore was paid to 18 suppliers during January 2021 to March 2023. We observed that no tax was deducted at source at the rate of two *per cent* on ₹1,140.97 crore made to the 18 suppliers as per Act provisions above. Thus, an amount of ₹22.82 crore was due to be deducted towards TDS of two *per cent* as per the GST and remitted into the Government Account.

The details of payments made to the suppliers and the TDS to be deducted in the State are shown in the below **Table 3.4**:

**Table 3.4: Statement showing TDS on GST to be made on central procurement**

Sl. No.	Beneficiary	Item of supply/ Works Contract	Beneficiary code	Gross Payment Amount in ₹	GST TDS to be deducted	
					%	Amount in ₹
1	Ahlada Engineers Limited	Green Chalk Board & Drinking Water Systems	1008657805	67,69,48,786	2	1,35,38,976
2	Aqua Yard	Drinking Water Systems	1008701405	2,26,54,270	2	4,53,085
3	Asian Paints Limited	Painting	1008675822	45,77,33,540	2	91,54,671
4	Bangalore Limited United Tele Links	Smart Tv	1002794254	20,90,63,920	2	41,81,278
5	Berger Paints India Limited	Painting	1000297675	2,92,55,56,254	2	5,85,11,125
6	Cera Sanitaryware Ltd	Sanitary Items	1008220597	42,04,22,942	2	84,08,459
7	Crompton Greaves Consumer Electricals Ltd	Ceiling Fan	1008220054	35,20,93,507	2	70,41,870
8	Innovative Aqua Systems Pvt Ltd	Drinking Water Systems	1008675755	40,11,76,354	2	80,23,527
9	Innovative Industries	Furniture	1008701431	52,95,79,096	2	1,05,91,582
10	Livpure Pvt Ltd	Drinking Water Systems	1008718552	59,98,06,893	2	1,19,96,138
11	Methodex Systems Ltd	Furniture	1000476682	1,72,40,53,578	2	3,44,81,072
12	Mirc Electronics Limited	Smart Tv	1008217493	15,57,80,739	2	31,15,615
13	Prince Board India	Green Chalk Board	1008220223	51,85,39,932	2	1,03,70,799
14	Swadeshi Khadi Gramodhyog	Furniture	1008720110	32,70,90,603	2	65,41,812
15	Synergy Punching Private Limited	Furniture	1008718776	31,67,27,967	2	63,34,559
16	V3 Enterprises Pvt Ltd	Furniture	1008705364	52,65,30,960	2	1,05,30,619
17	Whitemark Ltd	Green Chalk Board	1008657861	14,11,73,981	2	28,23,480
18	Zenith Metaplast Pvt Ltd	Furniture	1008220200	1,10,47,43,634	2	2,20,94,873
<b>TOTAL</b>				<b>11,40,96,76,956</b>		<b>22,81,93,540</b>

In the six test checked districts, an amount of ₹526.75 crore was paid to 18 suppliers. Scrutiny of the bills in CFMS portal revealed that no TDS was deducted on the payments made to the suppliers.

The Commissioner replied in Exit Conference that two *per cent* of TDS towards IT was done. Further, Commissioner replied (30 May 2024) that recovery of IT is not required as per IT Act and hence two *per cent* deduction already made from the suppliers at Additional Project Coordinator (APC) level would be adjusted towards GST. Thus, department promised compliance.

### 3.2.2.7 Observations in test checked schools including joint physical verification

The following observations are made in the test checked 108 schools in six districts during the physical verification conducted from November 2022 to February 2023.

#### (i) Green Chalk boards

As per the Technical Manual, one Green Chalk Board (GCB) was to be fixed in each classroom.

However, Audit observed that excess number of GCBs were supplied than required in the test checked schools. In 25 out of 108 test checked schools, 87 GCBs were not put to use as given in **Table 3.5**:

**Table 3.5: Statement showing school wise number of Green Chalk Boards not in use**

Name of the District	No. of schools	No. of GCBs required	No. of GCBs provided	No. GCBs not put to use
Chittoor	10	79	86	29
Kurnool	09	84	94	38
Konaseema	03	15	23	08
East Godavari	01	07	08	01
Krishna	02	23	34	11
<b>Total</b>	<b>25</b>	<b>208</b>	<b>245</b>	<b>87</b>



**Image 3.1:** GCB kept idle in Headmaster's room in ZPHS BNR Peta, Chittoor District



**Image 3.2:** GCB kept idle in MPPS Moolanatham, Nagari, Chittoor District



**Image 3.3:** GCB kept idle in MPUPS MR Palem, Kadiyam Mandal, East Godavari District



**Image 3.4:** GCB kept idle in ZPHS, Kothapalem, Kothapeta Mandal, Konaseema District

Department replied (June 2023) that as Interactive Flat Panels (IFPs) and smart TVs were provided to Phase-I schools, the installed GCBs and the excess GCBs in the test checked schools were shifted/moved to Phase-III schools.

Th reply is not acceptable as the fact remains that the Green Chalk Boards (87 in 108 schools) supplied in the years 2020 and 2021 were lying idle on the dates of joint physical verification.

**(ii) Drinking water System**

Drinking Water Systems (DWS) were procured centrally and supplied to the schools as explained in **Paragraph 3.2.1**. During field visits to the schools, we observed that DWS in 33 test checked schools out of 108 test checked schools were not working. An expenditure of ₹76.80 lakh was incurred on procuring DWS as detailed in **Appendix 3.2**. District-wise information is given in **Table 3.6**:

**Table 3.6: District-wise information on non-function of DWS in test checked schools**

Name of the district	No. of schools in which DWS not functional
Chittoor	11
Kurnool	6
Konaseema	3
East Godavari	2
Krishna	6
Guntur	5
<b>Total</b>	<b>33</b>

The Department stated that DWS issues were monitored closely through webex meetings with the suppliers and the payments withheld would be released only after rectification of defects. Further, M/s Livpure Company (one of the suppliers) was blacklisted for not attending to the issues and the balance payments were also withheld.

However, the objective of providing safe drinking water to the school children was not achieved due to non-functioning of DWS.

**(iii) Painting work****(a) Improper Painting on the walls**

Interior and Exterior painting with wall art was one of the key components of Mana Badi Nadu-Nedu Programme and was a visible component of Nadu-Nedu programme. We observed that painting of the walls was not properly done *i.e.*, without scrubbing and scrapping the old paint in seven out of 18 test checked schools in Chittoor district, in ten out of 16 schools in Kurnool district and two out of 16 schools in Guntur District.



**Image 3.5:** Painting done without scrapping the old paint in ZPHS Pudupet, Nagari

**(b) Excess payment due to variation in quantities with Measurement Book**

The agreed procedure for payment for painting is (i) after work is done, 70 *per cent* of the value of work done based on the invoice furnished by M/S Berger shall be paid to Berger upon uploading of the invoice and work done certificate by the HM, (ii) 20 *per cent* shall be paid after measurement and upload of M-Book by Mandal Engineer and check measurement by Deputy Executive Engineer( DEE) and (iii) remaining 10 *per cent* shall be paid on fulfilment of all agreed conditions.

On a comparison of Measurement Book recording relating to painting work with Expenditure Statements, we observed that excess payments of ₹25,90,478 were made to M/s Berger Paints Ltd. and M/s. Asian Paints Ltd in 35 schools out of 108 test checked schools (*Appendix 3.3*) given in *Table 3.7*:

**Table 3.7: Statement Showing Excess payment under MBNN Phase-I over Measurement Book**  
(Amount in ₹)

District	Name of the agency	No of Schools	Total amount payable as per M.Book	Amount paid	Excess amount paid
Konaseema	M/s Berger Paints Ltd.	12	34,20,925	37,18,799	2,97,874
East Godavari	M/s Berger Paints Ltd.	10	34,76,272	47,64,007	12,87,735
Krishna	M/s Asian paints	7	18,46,300	24,77,982	6,31,682
Guntur	M/s Berger Paints Ltd. & M/s Asian paints	6	4,54,363	8,27,550	3,73,187
<b>Total</b>		<b>35</b>	<b>91,97,860</b>	<b>1,17,88,338</b>	<b>25,90,478</b>

The Department stated that the excess payment in case of painting due to variations in measurements was examined and the same would be deducted while making the final payments<sup>58</sup> to them.

**(iv) Dual desks**

As per the Government Orders<sup>59</sup>, facilities and amenities should be provided to each school selected in MBNN Phase-I to reach desired standards, based on the actual needs of the school. One of the amenities is providing dual desks for students in schools. However, it is noticed that 1,973 students in 32 schools out of 108 test checked schools were sitting on the floor as given in *Appendix 3.4*.



The Department stated that the indents were furnished by Parent Committees (PCs) and the works were based on the requirements of the schools and certain central procurement material (CPM) items had to be cut down. Further, the Department stated that the proposals were sent to Government to provide furniture to all students in Phase-I schools.

The fact however remains that despite incurring an expenditure of ₹3,818.52 crore on the scheme, even the basic amenities such as benches could not be provided by the Government.

**Recommendation 3.2:** Government should take necessary steps to evolve a system to ascertain the actual requirement of components before placing an indent. Further, responsibility should be fixed by Government on those officials who have indented components in excess of requirements.

**(v) English lab**

English lab is an educational part for students to learn and understand the basics of English in a structured way through audio visual devices such as smart TVs, smart screens, etc.

- a) As per the specifications, the smart TVs should have a minimum total storage of 32 GB, out of which minimum of 8 GB should be inbuilt and rest may be integrated storage. However, it was observed that, the smart TVs (TCL-55P615) had 16 GB internal storage

<sup>58</sup> as per Para 3(k) of Agreement, due payments would be released after testing the quality (7.5 per cent) and after completion of two years (2.5 per cent)

<sup>59</sup> G.O Ms 87 dated 30/11/2019

and no external storage for rest of 16 GB in all the 108 schools in the six test checked districts.

- b) As per the specifications, the brightness should be greater than or equal to 300 nits. However as per the specifications of the TVs (55P615) supplied, the brightness was 270 nits.
- c) As per the specifications, TVs should have two USB ports, one inbuilt USB port and RS 232 port. However, during the school visit and as per the specifications, it was observed that the TVs had only one USB port and no RS-232 port.
- d) Detachable sound bar of  $\geq 20$  Watt was to be supplied with each TV in Primary and Upper primary schools. However, we observed that soundbar was supplied only in seven<sup>60</sup> out of 72 test checked Primary and Upper primary schools in six districts and one primary school (MPPS, Atmakur) did not place indent for TV.

The Department stated that the details would be sent to the vendor through APEWIDC for rectification and for supplying the missing components in the above mentioned places.

The reply is not tenable as 11,000 schools were supplied with smart TVs (2020-21) and the supplying of detachable soundbars could have been monitored/ensured at the time of supply only. The shortfall may be assessed in all the schools supplied with smart TVs and the TVs supplied not as per the specifications as mentioned in contract agreement may be replaced.

Supply of TVs as per specifications or missing accessories showed lack of monitoring during/after the supply of Smart TVs (centrally procured item).

#### (vi) Execution of works to be taken up by MGNREGS

As per the Circular<sup>61</sup> of the Commissioner, filling the low-lying ditches in the premises, filling and raising low level area in and around the school buildings was to be done. If the quantity of filling work exceeds 30 cubic meters, such work should be taken up under MGNREGS only.

We noticed that in 26 schools out of 108 test checked schools (*Appendix 3.5*), work of filling of low lying areas exceeding 30 cubic meters was undertaken under the component Major & Minor Repairs of MBNN instead of MGNREGS as given in *Table 3.8* below:

**Table 3.8: work of filling of low lying areas exceeding 30 cubic meters was undertaken under the component Major & Minor Repairs of MBNN instead of MGNREGS**

Name of the district	No. of schools	Total Qty. executed (in Cubic Meter)
Chittoor	4	303.60
Kurnool	6	505.21
Konaseema	3	397.00
East Godavari	6	1,136.82
Krishna	7	891.30
<b>TOTAL</b>	<b>26</b>	<b>3,233.93</b>

The Department assured to take appropriate action.

<sup>60</sup> MPPS Main Pedavadlapudi, MPL Ps, 7th Ward, Mangalagiri, MPL UPS Bhl 22ward, MPPS Penumaka (He), MPPS R.R.Nagar, MPUPS Nulakapet (U), MPUPS Kunchinapalli

<sup>61</sup> para 3.h.iv of Circular Rc.No. 1138010/DC/MBNN/2020 dt. 03/05/2020

**(vii) Funds kept idle in bank accounts of PCs**

To facilitate<sup>62</sup> transfer of funds from surplus schools to needy schools within the District, provision was made to implement Transfer Entry Order (TEO) system for funds with the approval of Joint Collector (Development). The Additional Project Coordinator (APC) and Joint Collector (Development) shall obtain the list of schools and surplus amount available from the Mandal Educational Officers (MEOs) in the prescribed format. The District Educational Officer (DEO) shall propose the transfer entry from one school to another school based on the actual need and take approval from the Joint Collector (Development) and the same shall be entered in STMS by Finance and Accounts Officer (FAO).

We observed during November 2022 to February 2023 that an amount of ₹27,50,673 was lying idle from July 2021 in 51 schools out of 54 test checked schools in Konaseema, East Godavari and Krishna districts (*Appendix 3.6*) in the PC Bank Accounts.

The Department stated that instructions were issued to utilise the amounts available with PCs for fixing of the IFPs. However, no document in support of such instruction being issued was provided by the Department. The funds were lying idle after completion of the MBNN Phase-I *i.e.* August 2021.

**(viii) Non-conduct of Quality Control tests**

As per Para-XV of the Guidelines<sup>63</sup> all the Quality Control (QC) wings of implementing agencies<sup>64</sup>, shall inspect the works exceeding ₹15 lakh at least once before its closure. They also shall get 0.5 *per cent* of the estimated cost towards quality assurance services.

Audit could not ascertain whether QC tests were conducted by the implementing agencies in the test checked schools as no records were maintained relating to QC tests. Thus, payment of ₹6.38 crore (0.5 *per cent* of the payment on service charges) made to APEWIDC could not be vouchsafed by Audit.

The Department stated that the QC checks were made by the implementing agencies as per G.O M.No.27 and payments for QC Checks were allowed only for APEWIDC.

**(ix) Testing for drinking water after installation**

Technical training manual of MBNN stipulated that the drinking water shall be tested for quality every six months by authorised Department. Total dissolved solids (TDS) shall be less than 400 PPM and the fluoride content shall be less than 1.5 mg per litre. Audit noticed that in all 108 test checked schools, the testing of water was carried out before installation of DWS but was not done afterwards periodically.

In its reply, the Department has stated that every pre-monsoon from April to June 2023, the Rural Water Supply (RWS) Department will test the quality of drinking water in Schools and Anganwadis. In support of this under the program Jal Jeevan Mission program the activities are monitored in Schools and Anganwadis.

<sup>62</sup> Circular no: 1322231/MBNN/2021 Date 05/02/2021

<sup>63</sup> G.O.Ms.No.87 School Education (Prog.II) Department, dated 30/11/2019

<sup>64</sup> Para XV of the Guidelines

The reply of the Department is not acceptable as the testing of water was never done after installation of the water purifiers in the test checked schools. Further, audit conducted water quality tests using Total Dissolved Solids (TDS) meter in the test checked schools of three districts<sup>65</sup>. It was noticed that the Total Dissolved Solids in the drinking water ranged from 400 mg/l to 1,408 mg/l wherein the permissible limit is only 400 mg/l, as per the norms.<sup>66</sup>

### 3.3 Monitoring

#### 3.3.1 Cluster level monitoring

As per the Circular Memo<sup>67</sup> of the Commissioner, the Coordinators and Cluster monitoring officers were to be nominated and cluster monitoring officers should visit five schools every day and upload the details of work.

As per the Guidelines<sup>68</sup>, two committees *viz.*, at State level and District level to review and monitor the implementation process and progress of the schools should be formed. The formation of committees with the required number of members and their functioning could not be ascertained from the records provided. Department replied (October 2023) that at field level, every week officers were visiting, checking the progress, and recording the progress online. Further, during exit conference, the Commissioner replied that every work would be monitored every week and the data was maintained in the form of photos.

However, as the Cluster Monitoring Officer has to upload the details of daily visits, the monitoring in the form of photos would not suffice as proper monitoring of the Programme. Further, no record was provided to substantiate the reply.

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<sup>65</sup> Chittoor, Guntur, Kurnool

<sup>66</sup> Technical Manual of MBNN

<sup>67</sup> as per para 3(h) of Memo No. 13021/69/MBNN/2020 dated 20/05/2020

<sup>68</sup> para 3 V (b) of G.O.Ms.No.87 dated 30/11/2019



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**Chapter IV**  
**Compliance Audit on**  
**‘Sampoorna Poshana’ Scheme**

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## Women, Children, Disabled and Senior Citizens Department

### Compliance Audit on 'Sampoorna Poshana' Scheme

#### *Summary*

Audit was conducted in the offices of Directorate of Women Development and Child Welfare (WD&CW), four District Women and Child Welfare and Empowerment Offices (DW&CW&EOs), 16 Child Development Project Offices (CDPOs) and 32 Anganwadi Centres (AWCs) from June 2022 to January 2023 covering the period 2019-20 to 2022-23. Audit observations on the implementation of Sampoorna Poshana Scheme are:

- *Shortfalls in the functioning of Supply Chain Management (SCM) portal such as indents for food items generated without considering available balances, non-availability of information regarding nutrition kits provided to beneficiaries and portal data not tallying with records of the Anganwadi Centres (AWCs), indents of balamrutham, milk, rice, dal and oil placed by the department to the respective supplier did not match with the indents placed in the SCM portal.*
- *Indents of eggs and nutrition kits by the Department were made without considering available stock and requirement of AWCs.*
- *Due to delays in supply and short supply of food items, distribution to beneficiaries was hampered in test checked AWCs.*
- *Infrastructure in test checked AWCs lacked basic amenities such as proper buildings, toilets and drinking water facilities, which exposed beneficiaries to unhygienic conditions.*
- *Non-constitution of monitoring and review committee resulted in lack of supervision in implementation of the scheme. Grievances of beneficiaries could not be addressed due to non-constitution of grievance redressal committee.*

#### 4.1 Introduction

The Department of Women and Child Welfare implements various schemes and activities like Integrated Child Development Services (ICDS), Integrated Child Protection Scheme (ICPS), Rajiv Gandhi National Crèche Scheme for Children of Working mothers, One Stop Centres, etc. ICDS Scheme is a Centrally Sponsored Scheme (CSS) launched in the State in October 1975. Supplementary Nutrition is one of the packages under ICDS. The objective of this package is to ensure access for supplementary nutrition to all Pregnant women, Lactating mothers, children aged six to 72 months through Anganwadi Centres (AWC) and to achieve the reduction in malnutrition and anaemia levels among children and Pregnant women and Lactating mothers. Gorumuddalu (September 2014)<sup>69</sup>, Amrutha

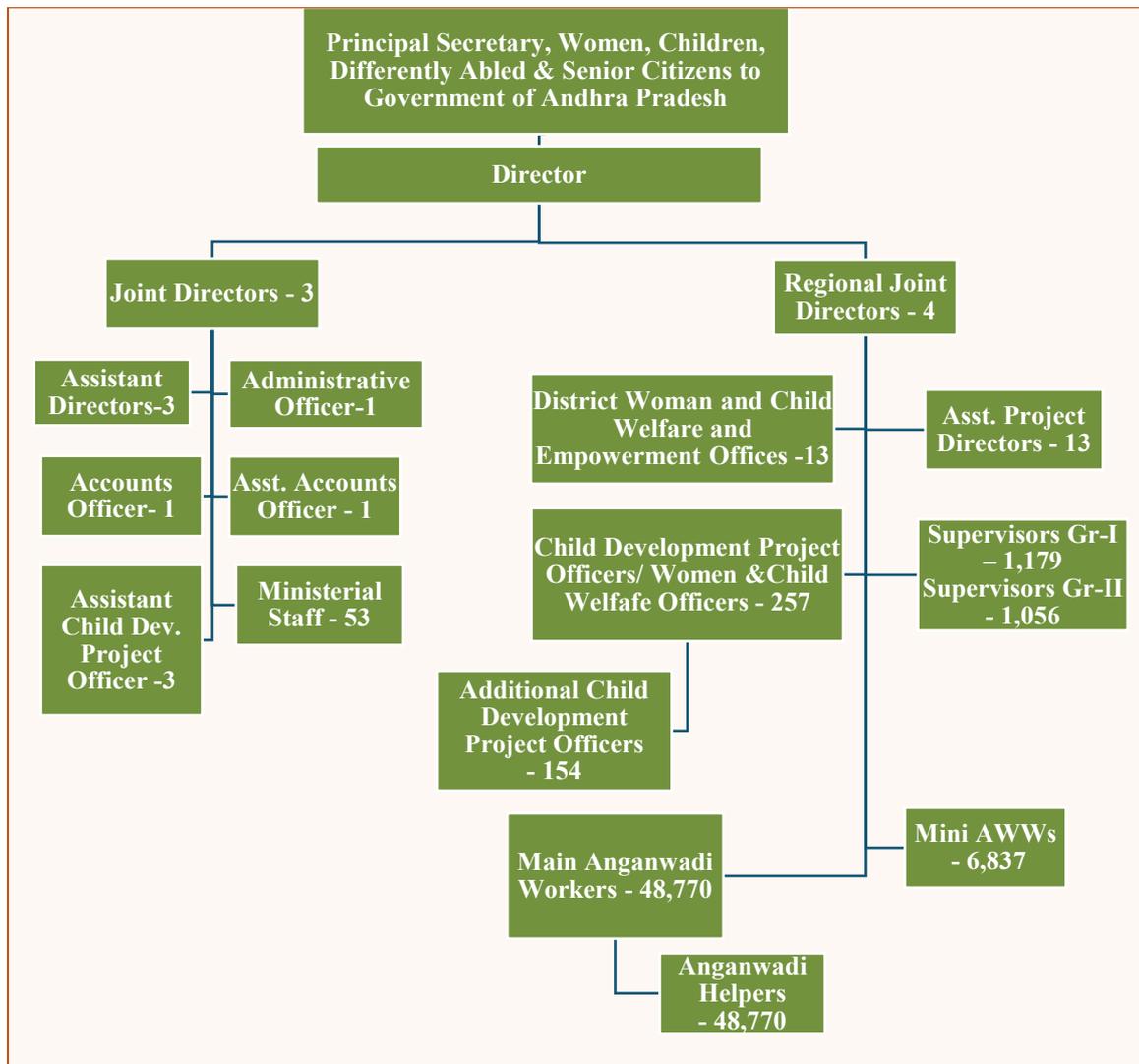
<sup>69</sup> special care and supervising feeding for children up to five years categorised under Severely Underweight (SUW)/Severe Acute Malnutrition (SAM)/Moderate Acute Malnutrition (MAM)

Hastham<sup>70</sup> (May 2017), and Balasanjeevini schemes<sup>71</sup> (October 2018) were implemented up to 2019-20 in Andhra Pradesh. All these schemes have been amalgamated into Sampoorna Poshana Scheme with effect from March 2020 in Scheduled and Tribal Sub Plan mandals and from June 2020 for the remaining areas of the State.

#### 4.1.1 Organogram

Department of Women Development and Child Welfare involved the following officials for implementation of Sampoorna Poshana Scheme under ICDS Scheme as shown in **Chart 4.1:**

**Chart 4.1: Organogram**



<sup>70</sup> with an objective of providing 'One full meal' for Pregnant and Lactating women to improve health and nutrition status of women and children in the State

<sup>71</sup> Special Nutrition Programme for Pregnant women and Lactating mother, children below six years to Scheduled Caste (SC) under SC Sub Plan and Scheduled Tribe (ST) under ST Sub Plan and also other categories to improve the nutrition status

## **4.1.2 Implementation Process**

### **Identification and Registration of Beneficiaries**

All eligible children and women in the service area of Anganwadi Centres (AWCs) are enrolled through survey by the Anganwadi Workers (AWWs). The beneficiaries are registered through Common Application Software (CAS) developed for this purpose.

### **4.1.3 Indenting Mechanism**

The Department of Women Development and Child Welfare, Government of Andhra Pradesh maintains e-Sadhana portal for indenting six food items - milk, eggs, balamrutham, rice, dal and oil. The beneficiary's registration is done monthly by the Anganwadi Workers (AWWs) through YSR Sampoorna Poshana App pre-installed in their mobiles. As per the registration data, one month's requirement of rice, dal, oil, milk and balamrutham are indented by Director of Women and Child Welfare Department (HOD) and in respect of eggs and nutrition kits, indenting was done at district level by District Women and Child Welfare and Empowerment Officer.

### **4.1.4 Procurement, Supply and Distribution of Food items**

The procurement process of the food items is as detailed below:

- a) Rice, dal and oil are procured from Andhra Pradesh State Civil Supplies Corporation Limited (APSCSC Ltd.) and supplied to the Anganwadi Centres through Fair Price shops (FP shop) using e-POS (Electronic Point of Sale) application.
- b) Milk is procured from Andhra Pradesh Dairy Development Co-operative Federation (APDDCF) Limited and supplied at doorsteps of Anganwadi Centres (AWC).
- c) Balamrutham is procured from Telangana State Nutrition Council (TSNC) and supplied to ICDS project godowns of the Child Development Project Officer (CDPO) from where it is distributed to Anganwadi Centres through local transport.
- d) Eggs and nutrition kits are procured by concerned District Women and Child Welfare and Empowerment Officer at district level through District Purchase Committee (DPC) headed by Joint Collector and stocks are supplied at doorstep of Anganwadi Centre.
- e) Vegetables, Condiments, Firewood (Fuel)/Cooking Gas are procured by Anganwadi Workers from local vendors/ Gas Agency.

### **4.1.5 Coverage of the scheme and Financial Resources**

Integrated Child Development Services scheme 'Sampoorna Poshana' has covered (as on March 2022) 28.86 lakh beneficiaries (Pregnant women, Lactating mothers, and children) in 55,607 Anganwadi Centres (AWCs) under 257 ICDS Projects in the State. The following food models are planned for the total nourishment of the beneficiaries under the scheme:

- One hot cooked meal per day and nutrition kit<sup>72</sup> per month are provided to each Pregnant women and Lactating mother at AWC,
- One hot cooked meal per day is provided per Child in the age group of 36 to 72 months at AWCs and
- Balamrutham<sup>73</sup>, eggs and milk are provided to children age group of six to 36 months as Take-Home Ration (THR) as per the entitlements.

As per ICDS guidelines, the sharing pattern of expenditure with Government of India (GoI) for Supplementary Nutrition Programme<sup>74</sup> (SNP) for Andhra Pradesh is 50:50, which is being implemented as Sampoorna Poshana. Food models and estimated cost of YSR Sampoorna Poshana Plus and YSR Sampoorna Poshana Scheme are detailed in **Appendix 4.1** and **Appendix 4.2**.

The details of funds received from Central and State Government for implementation of Sampoorna Poshana Scheme during the period 2019-20 to 2021-22 is given in **Table 4.1** and **Table 4.2**.

**Table 4.1: Details of funds received from Central and State Government**

(₹ in crore)

Year	CSS fund Allocation	GoI Releases (CSS)	Funds released by GoAP towards CSS*	Funds released by GoAP towards MSS*	Total Funds released (CSS+MSS)	Expenditure incurred by the Department
2019-20	369.89	327.26	306.99	332.96	639.95	579.77
2020-21	459.35	371.36	429.87	436.55	866.42	905.37
2021-22	492.37	382.68	463.02	358.69	821.71	867.06

**Source:** Grant Audit Register of the respective year and information provided by Women Development and Child Welfare Department- GoI releases Details are shown in **Appendix 4.3**

\*CSS: Central Sponsored Scheme; MSS: Matching State Share

Government stated (February 2024) that Personal Deposit (PD) Account was not operated in 2019-20, and Green Channel PD account<sup>75</sup> was operated from March 2020, and funds were transferred from Treasury to GCPD account. Single Nodal Account (SNA) was started from October 2021 and the balances in the GCPD account were transferred to SNA.

Government further stated that State Development Scheme (SDS) funds were utilised based on Comprehensive Budget Release Orders (CBROs) issued by the State Government and payments to the vendors were made directly based on the bills raised by the Department in CFMS (Comprehensive Financial Management System). Hence there are no opening and closing balances towards these releases.

This indicates that bills were paid based on the budget allocations in CFMS irrespective of the releases made by the Government of India. Thus, it is evident that release of grants were not reconciled with corresponding releases made by the State Government to the Department.

<sup>72</sup> Nutrition Kit (Sampoorna Poshana Plus: Multigrain Atta, Groundnut Chikki, Ragi/Bajra/Jowar Flour, Jaggery, Dry Dates in 77 TSP Mandals; Sampoorna Poshana: Ragi Flour, Jaggery, Groundnut Chikki, Dry Dates, Bajra/Jowar Flour, Rice Flakes in remaining mandals)

<sup>73</sup> Balamrutham (2.5 kg packet) containing Sugar-500 gms, Oil-250 gms, Milk Powder-250 gms, Roasted Wheat- 1,375 gms and Bengal Gram-125 gms

<sup>74</sup> from the financial year 2009-10

<sup>75</sup> G.O.Ms.No.20, dated 19/03/2020 of Finance (Cash and Debt Management) Department - a Green Channel PD Account for every Central Assisted State Plan (CASP) Scheme

#### 4.1.5.1 Utilisation of State Development Scheme funds

State Development Scheme funds were utilised towards Sampoorna Poshana scheme. The releases made through CBROs, and expenditure incurred through treasury (CFMS) is indicated in **Table 4.2**.

**Table 4.2: Details of State Development Scheme funds**

(₹ in crore)					
Year	Opening Balance	Fund Allocation	CBRO release	Expenditure Incurred	Closing Balance
2019-2020	Nil	227.91	377.92	377.92	Nil
2020-2021	Nil	698.00	654.50	308.78	Nil
2021-2022	Nil	1,103.38	750.38	752.68	Nil

*Source: Grant Audit Register of the respective year and information provided by Women Development and Child Welfare Department*

It is seen from the above that the expenditure incurred in 2020-21 was ₹308.78 crore, whereas the expenditure incurred in 2021-22 was ₹752.38 crore, which is 143 per cent more than that of expenditure incurred in the previous year. Department replied that food models were superseded by Sampoorna Poshana plus Scheme in 77 Scheduled and Tribal sub-plan mandals and Sampoorna Poshana Scheme in the remaining mandals.

#### 4.1.6 Audit Scope and Methodology

The Compliance Audit was conducted to examine implementation of Amrutha Hastham, Gorumuddalu and Balasanjeevini (Supplementary Nutrition Programme -SNP) during the year 2019-20 and Sampoorna Poshana Scheme during the years 2020-21 to 2021-22.

Audit methodology included scrutiny of records at Office of the Principal Secretary, Women, Children, Differently Abled and Senior Citizens to Government of Andhra Pradesh, Directorate of Women Development and Child Welfare (WD&CW), select District Women and Child Welfare and Empowerment Offices (DW&CW&EOs), Child Development Project Offices (CDPOs) and Anganwadi Centres (AWCs) for examining the implementation of the scheme. The data from the web portal/e-Sadhana used by the Department was analysed for insights wherever available.

Entry conference was held on 13 June 2022 wherein the Audit Objectives, Scope & Methodology of audit were explained. The draft Audit Report was sent (18 July 2023) to the Principal Secretary to the Government, Women, Children, Differently Abled and Senior Citizens Department, requesting views on the audit observations. The Exit conference was held with the Department on 26 February 2024. Replies from the Government were received (27 February 2024) and the same have been suitably incorporated in the report.

#### 4.1.7 Audit Objectives

This audit was conducted to check whether

- all the stakeholders complied with the prevalent guidelines to ensure the timelines and quality of food and nutrition kits, and
- all the eligible beneficiaries are covered in the scheme and they are receiving supplementary nutrition as per the entitlements.

### 4.1.8 Audit sample

1. Selection of Districts: Four<sup>76</sup> out of erstwhile/combined thirteen districts were selected through risk analysis based on the Growth Monitoring Report<sup>77</sup> for YSR Sampoorna Poshana.
  - a. Two districts from five districts having tribal projects: (i) Visakhapatnam (ii) Vizianagaram
  - b. Two districts from remaining eight districts having only general projects: (i) Kadapa (ii) Prakasam
2. Selection of ICDS Projects: A total of 16 ICDS projects were selected in the following manner:
  - a. Six projects were selected in two districts under Tribal Set (Visakhapatnam–5 and Vizianagaram–1)
  - b. Ten projects were selected in four districts under General Set (Kadapa-4; Prakasam–4; Visakhapatnam-1; and Vizianagaram-1)
3. Selection of AWCs: 32 AWCs, *i.e.* two AWCs from each project were selected. (Details of sampled units are shown in *Appendix 4.4*).

For detailed verification of indenting, supply and distribution of food items, records of six sampled months *viz.*, April 2019, December 2019, June 2020, February 2021, August 2021 and November 2021 in three years (two months from each year) were scrutinised at select AWCs to ascertain whether proper indenting, supply and utilisation/ distribution of food items to the beneficiaries were carried out.

In addition to this, survey of 384 beneficiaries *i.e.* Pregnant women/Lactating mother/parents of the children was conducted in test checked 32 Anganwadi Centres to ascertain whether the beneficiaries knew the first-hand information about the scheme, their entitlement and quality standards of food and nutrition kits of the scheme. However, the beneficiaries for the survey were selected based on their availability during the audit visit.

## 4.2 Audit Findings

### 4.2.1 Supply Chain Management

The Department of Women Development and Child Welfare has a Supply Chain Management (SCM) Portal called e-Sadhana Portal to maintain details of beneficiaries *viz.*, Pregnant women, Lactating mothers and Children in the age group of six months to three years (6M–3Y) and three years to six years (3Y–6Y), indents, receipts of food items such as rice, dal, oil, eggs, milk and balamrutham. Anganwadi Supervisors (AWS) collect requirement of food items from Anganwadi Workers in sectoral meetings being conducted at the end of the month and accordingly indents are raised through the portal based on the number of beneficiaries and their requirement of food items. The portal is being maintained at Project level, District level and State level.

<sup>76</sup> Tribal Project Districts: Vizianagaram and Visakhapatnam; General Project Districts: Prakasam and Kadapa

<sup>77</sup> growth monitoring (height and weight monitoring) of every child to be done at Anganwadi centre every month

We observed during the Audit that:

- 1) Closing balances of previous months were not reckoned at the time of placing the indents in the portal. Entering the number of beneficiaries in the portal would automatically generate the indents without reducing the closing balances from the indents. As a result, indents were made in excess of requirement of food items. Closing balances of the previous months were not carried forward to the opening balances of the subsequent month.
- 2) In case of beneficiaries enrolled during the month, there was no provision for additional indenting. As a result, there is no assurance that the beneficiaries who joined in during the month are provided food items.
- 3) The information regarding the food items such as milk, eggs, balamrutham, rice, dal and oil was available in the portal. The information regarding nutrition kits provided to beneficiaries was not in the portal.
- 4) Balamrutham and eggs were supplied in full packets and as whole eggs respectively. The data of these items should be available or entered in the portal in whole numbers. However, data of quantity received and utilised was shown in decimals in the portal, which is not reliable.
- 5) In test checked AWCs, portal data was not matching with that of basic records maintained in the AWCs. Thus, validation of the data entered in SCM was not carried out to ensure the correctness of the quantity with the basic records.
- 6) Whenever there were no stocks of food items available/not received at AWCs, AWWs borrowed stocks from nearby AWCs and similarly wherever excess stocks was available, they were utilised in nearby AWCs. However, there was no provision in the portal regarding borrowing or lending of food items to show continuous supply/ distribution, which defeats the purpose of management of 'Supply Chain'.
- 7) Payments to AP Civil Supplies Corporation in respect of rice, dal and oil was made through e-POS at fair price shops. Payments towards milk supply were made as per certificates generated through YSR Sampoorna milk App maintained by AP Dairy Development Cooperative Federation Limited (APDDCF). Payments towards balamrutham supply were done as per invoices submitted by TSNC. A huge exercise was made by Anganwadi Supervisors every month to enter the data of food items of 55,607 AWCs in Supply Chain Management Portal, which was not utilised by the Department for making payments. Thus, utilisation of portal was partial.

Government stated (27 February 2024) that:

- i. A mechanism was introduced to collect actual stock availability at AWC and collect the estimated closing balance of each commodity. Closing balance of previous month was taken into consideration while placing indent in the present portal.

- ii. Cut-off date 15<sup>th</sup> of each month was fixed to consider the registration counts for calculation of indents and action was initiated to include provision for addition indenting in the portal.
- iii. Provision to capture indent, supply and distribution of nutrition kits was incorporated in the portal and steps were being taken to ensure 100 *per cent* entry at all levels.
- iv. System was established to validate the data of quantity received and utilised and hence the issue of decimal entry would not arise in the present system.
- v. System was established to validate the online data with physical records and supervisors were given the task of validating the data entry wherever offline entries were made, and the details were collected in the portal.
- vi. Lending provisions were not enabled at present to avoid misappropriation. However, new beneficiaries were identified, validated, and included for the following month.
- vii. The commodities were received from different suppliers on different time frames in each district and mode of receipt authentication differs, hence the department was taking steps to streamline the payment system through portal.

However, supporting documents were not furnished to substantiate the reply.

#### **4.2.2 Indenting**

While making the indent, it is the responsibility of the indenter to take into account stock position, number of beneficiaries, past consumption pattern *etc.*

The Department is using Supply Chain Management Module for raising the indent for proposed food items. The Anganwadi Supervisors collect monthly data regarding enrolled beneficiaries, stock receipts, utilisation of food items from individual Anganwadi Workers (AWWs) at the end of the month. After enrolling the number of beneficiaries, the indents were automatically generated in SCM module. However, audit observed variations in indents placed by the Directorate and indents requisitioned by the Child Development Project Officers (CDPOs), as explained below:

##### **a) Directorate level Indenting**

###### **Balamrutham:**

Telangana State Nutrition Council (TSNC, earlier AP State Nutrition Council) had an agreement with the State Government to supply quantity of balamrutham indented by the later to 257 ICDS projects in the State before 15<sup>th</sup> of a particular month.

Comparison between monthly indents raised by the Department to TSNC and monthly indents in SCM as received from CDPOs revealed that two indents did not match during the period 2019-20 to 2021-22 except for March 2022, as detailed in *Appendix 4.5*.

**Milk:**

Indent was issued to the supplier (APDDCF) on or before 5<sup>th</sup> of every month for supply of milk for the subsequent month. On scrutiny of records relating to indents issued to the supplier by the Department with indent placed in SCM, it was observed that out of 24 months, only two months (December 2021 and March 2022) matched for the period April 2020 to March 2022, as detailed in *Appendix 4.6*.

**Rice, dal & oil:**

Indent was issued to the Andhra Pradesh State Civil Supplies Corporation on or before 5<sup>th</sup> of next month for supply of rice, dal and oil.

On scrutiny of records relating to Indent issued to the Civil Supplies Department with indent placed in SCM, it was observed that indents did not match for all the months during the period April 2019 to March 2022. Indent issued to Corporation was either high or low as compared to indent raised in SCM as detailed in *Appendix 4.7*.

Government assured (27 February 2024) to rectify the omissions pointed out by Audit.

As a consequence, there were instances of non-supply/inadequate supply of food items during the audit period as detailed in *Paragraph 4.2.3*.

**b) District level Indenting**

In respect of eggs and nutrition kits, indenting was done at district level by District Women and Child Welfare and Empowerment Officer.

**Eggs:**

During scrutiny of 12 test checked ICDS projects, audit observed that the indents for eggs were in excess or less than the requirements as shown in *Table 4.3* below:

**Table 4.3: Variations in indenting of eggs between Supply Chain Management Portal and requirement as per Beneficiaries during 2019-20 to 2021-22**

Sl. No.	Name of the Project	No. of Months with variations	Total Beneficiaries	Requirement of eggs as per number of beneficiaries	Opening stock	Total indent to be placed	Indent actually raised by the Dept.	Excess indent placed
1	Maddipadu	06	64,509	12,23,626	0	12,23,626	13,25,955	1,02,329
2	Santhamaguluru	36	4,88,352	93,35,335	0	93,35,335	97,53,026	4,17,691
3	Bestavaripeta	36	3,44,181	65,52,017	0	65,52,017	68,08,554	2,56,537
4	Hukumpeta	24	1,83,566	49,88,145	16,51,132	33,37,013	51,84,176	18,47,163
5	V. Madugula	20	1,45,141	39,60,780	5,86,792	33,73,988	41,76,606	8,02,618
6	Bheemunipatnam	34	4,76,083	93,31,644	13,46,667	79,84,977	95,93,197	16,08,220
7	Badvel	18	1,57,055	39,26,375	4,73,902	34,52,473	39,22,013	4,69,540
8	Jammalamadugu	18	1,59,351	39,83,775	5,06,520	34,77,255	39,68,829	4,91,574
9	Pulivendula	18	2,94,186	73,54,650	6,11,610	67,43,040	73,32,607	5,89,567
10	Rajampeta	18	2,55,754	63,93,850	10,07,538	53,86,312	63,46,960	9,60,648
11	Bobbili Urban	18	70,655	17,66,375	2,17,566	15,48,809	17,84,400	2,35,591
12	Kurupam	18	1,69,994	46,22,820	16,00,301	30,22,519	47,98,670	17,76,151

*Source: e-Sadhana portal and information provided by the Child Development Project Officers.*

### Nutrition kits:

During scrutiny of six test checked ICDS projects, audit noticed that excess/short indents of kits were placed against enrolled beneficiaries as shown in **Table 4.4** below:

**Table 4.4: Variations in indenting of nutrition kits between Supply Chain Management Portal and requirement as per Beneficiaries during 2019-20 to 2021-22**

Sl. No.	Name of the Project	No. of Months	Total beneficiaries (Pregnant women + Lactating mother)	Actual kits to be indented	Indent placed by the dept.	Variation in indenting
1	Santhamaguluru	36	98,273	98,273	91,587	-6,686
2	Araku	12	17,065	17,065	17,019	-46
3	Dumbriguda	15	24,001	24,001	23,908	-93
4	Paderu	23	33,778	33,778	33,859	81
5	V. Madugula	18	27,426	27,426	26,822	-604
6	Bheemunipatnam	24	74,237	74,237	73,714	-523

*Source: e-Sadhana portal and information provided by the Child Development Project Officers.*

This indicated that indents were placed by the Directorate level authorities and District Women and Child Welfare and Empowerment Officers without taking into stock position and number of beneficiaries.

Government stated (27 February 2024) that:

- i. Cut-off date 15<sup>th</sup> of each month was fixed to consider the registration counts for calculation of indents.
- ii. Introduced a mechanism to collect actual stock availability at AWC and collect the estimated closing balance of each commodity.
- iii. Special provision given for project administration to modify the egg indent requirement based on previous week utilisation, since the supply of eggs are in four phases, to avoid wastage and ensure quality.

However, supporting documents were not furnished to ensure the reply.

Thus, flawed Indent mechanism used by the department to raise indents resulted in excess or short indents.

## 4.2.3 Supply

### 4.2.3.1 Short supply of milk

The beneficiaries are entitled to receive regular supply of milk to meet their nutritional needs, the details are shown in **Table 4.5**:

**Table 4.5: Milk supplied in Tribal and Non-Tribal areas**

Non-Tribal	Beneficiaries group	Before September 2020 <sup>78</sup>	From September 2020 <sup>79</sup>
	Pregnant women and Lactating mothers	200ml x 25 days: 5 Ltrs./month	200ml x 25 days: 5 Ltrs./month
Preschool Children (3Y-6Y)	- Nil -	100ml x 25 days: 2.5 Ltrs./month	
Children (6M-3Y)	- Nil -	2.5 Ltrs. per month (THR)	

<sup>78</sup> G.O.Ms.No.14, dated 28/02/2014 and G.O.Ms.No.4, dated 03/05/2017

<sup>79</sup> G.O.Ms.No.9, dated 27/06/2020, Poshana and Poshana Plus

	Beneficiaries group	Before April 2020 <sup>80</sup>	From April 2020 <sup>81</sup>
Tribal	Pregnant women and Lactating mothers	200ml x 25 days: 5 Ltrs./month	200ml x 25 days: 5 Ltrs./month
	Preschool Children (3Y-6Y)	100ml x 25 days: 2.5 Ltrs./month	200ml x 25 days: 5 Ltrs./month
	Children (6M-3Y)	2.5 Ltrs. per month (THR)	6 Ltrs. per month (THR)

Source: Government Orders

### i) State Level

#### Short supply of milk – 3.99 crore Litres

Government ordered that milk to be supplied by the APDDCF Ltd., to 55,607 Anganwadi Centres in 257 Projects for the period April 2020 to March 2022. We observed that out of 21.7 crore litres milk indented by the Department, the agency supplied 17.71 crore litres of milk, depriving the eligible beneficiaries the benefit of nutrients. The short supply of 3.99 crore litres of milk (18.4 *per cent*) is detailed in **Appendix 4.8(a)**.

We observed that the Principal Secretary, WD&CW issued instructions to impose penalty on delayed supplies of milk in the review meeting held on 12 February 2018. Further, the Special Commissioner, Women Development and Child Welfare Department, Guntur requested<sup>82</sup> the Managing Director, APDDCF Ltd., to furnish draft agreement including penalty clause for delayed supplies at the rate of one *per cent* per week and one *per cent* for non-supply of milk. Though a reminder was also issued (16 July 2018) to APDDCF for entering into an Agreement, the same was not concluded by the supplier. However, the Department had not made the agreement as such with the supplier till date and penalty amounted to ₹74.23 lakh (as on March 2022) was imposed and collected for delay in supply at the rate of one *per cent* per month during the period from April 2019 to July 2021 without executive orders or agreement in line with such orders.

Government stated (27 February 2024) that issue of short supply is sorted out by increasing the production capacities and by providing milk in Tetra packs.

However, supporting documents were not furnished to ensure the reply.

### ii) District Level

Scrutiny of records pertaining to milk supplied by the APDDCF Ltd., in four test checked DW&CW&EOs during the period April 2019 to March 2022 revealed that out of 7.77 crore litres of milk indented, the agency had supplied 6.11 crore litres of milk, resulting in short supply of 1.66 crore litres of milk (21.36 *per cent*) depriving the benefits to beneficiaries as detailed in **Appendix 4.8(b)**.

Thus, observation in four test checked DW&CW&EOs confirms the State level scenario.

### iii) Project (CDPO) Level

On scrutiny of records pertaining to milk supplied by the APDDCF Ltd., to 16 test checked projects in four districts during the period April 2019 to March 2022, it was noticed that

<sup>80</sup> G.O.Ms.No.14, dated 28/02/2014 and G.O.Ms.No.36, dated 13/11/2015

<sup>81</sup> G.O.Ms.No.16, dated 26/11/2019, Poshana Plus, Memo No.WDC02-24028/3/2020-SNP, dated 03/04/2020

<sup>82</sup> Lr.No.114/J2/2017, dated 20/02/2018

out of 111.43 lakh litres of milk indented by the Department, the agency supplied only 71.30 lakh, which resulted in short supply of 40.12 lakh litres (36 per cent) of milk as detailed in **Appendix 4.9**.

The CDPOs replied confirming that milk was not received adequately as per the requirement/indent. The details of the number of beneficiaries who did not receive milk are stated in **Paragraph 4.2.4**.

#### 4.2.3.2 Supply of balamrutham

Balamrutham was supplied by TSNC through M/s TS Foods to 55,607 Anganwadi Centres in 257 Projects during the period April 2019 to March 2022. Out of 1,11,984.30 MT of balamrutham indented, the agency had supplied only 83,874.30 MT, leading to short supply of 28,110 MT (1,12,43,816 packets) (25 per cent) balamrutham as shown in **Appendix 4.10**.

The Department of Women and Child Welfare, AP signed a Memorandum of Agreement (MOA) with TSNC on 20 July 2017 to supply balamrutham to the ICDS godown of CDPOs on monthly basis for one year and thereafter extended the agreement till 31 January 2022. No further agreement was concluded between the parties as of January 2023.

We observed that TSNC did not supply the required quantity though the indent was raised. Further, in four test checked districts during the period April 2019 to March 2022, out of 101.68 lakh packets of balamrutham indented, the agency supplied only 69.01 lakh packets. This resulted in short supply of 32.66 lakh packets (32.12 per cent), depriving better nourishment to beneficiaries.

**Table 4.6: District-wise short supply of balamrutham during 2019-20 to 2021-22**

Name of the district	No. of Projects	No. of AWCs	No. of Months where short supply was noticed	Indent Quantity	Supplied Quantity	Short Supply
Kadapa	15	3,621	22	23,14,246	14,20,206	8,94,040
Prakasam	21	4,244	21	22,52,952	15,13,382	7,39,570
Visakhapatnam	25	4,952	32	41,85,558	30,90,503	10,95,055
Vizianagara	17	3,729	20	14,15,644	8,77,887	5,37,757
<b>Total</b>	<b>78</b>	<b>16,546</b>	<b>95</b>	<b>1,01,68,400</b>	<b>69,01,978</b>	<b>32,66,422</b>

*Source: Information provided by the DW&CW&EOs*

Thus, observation in four test checked DW&CW&EOs confirmed the State level scenario. Government stated (27 February 2024) that TS Foods had supplied as per indents placed for the months of September, October and November 2023.

However, supporting documents were not furnished to ensure the reply.

#### 4.2.3.3 Supply of eggs

The beneficiaries are entitled to receive a regular supply of eggs to meet their nutritional needs as shown **Table 4.7**:

**Table 4.7: Eggs supplied in Tribal and Non-Tribal areas**

Tribal areas	Beneficiaries group	Before April 2020 <sup>83</sup>	From April 2020 <sup>84</sup>
	Pregnant women, Lactating mothers and Preschool Children (3Y-6Y)	One egg per day/ 25 eggs per month	One egg per day/ 25 eggs per month
	Children (6M-3Y)	25 eggs per month	30 eggs per month (THR)
Non-Tribal areas	Beneficiaries group	Before September 2020 <sup>85</sup>	From September 2020 <sup>86</sup>
	Pregnant women and Lactating mothers	One egg per day/ 25 eggs per month	One egg per day/ 25 eggs per month
	Preschool Children (3Y-6Y)	Four eggs per week	One egg per day/ 25 eggs per month
	Children (6M-3Y)	Two eggs per week	25 eggs per month (THR)

Source: Government Orders

In four test checked districts during the period April 2019 to March 2022, we observed that out of 49.99 crore eggs indented, the agency supplied only 46.44 crore (as detailed in *Appendix 4.11*), which resulted in short supply of 3.56 crore eggs (7.1 per cent) depriving the envisaged benefits to some beneficiaries.

Similarly, in 14 test checked projects in four districts, during the period April 2019 to March 2022, out of 8.06 crore eggs indented (as detailed in *Appendix 4.11*), the agency had supplied 7.38 crore, resulted in short supply of 67.9 lakh eggs (8.4 per cent).

Government replied (27 February 2024) that previously supply was done at the district level with very few local players and this issue was sorted out by calling tenders at the State level by engaging suppliers with good supply capacity.

#### 4.2.3.4 Supply of Nutrition kits

Government of Andhra Pradesh has introduced Special Nutrition Programme<sup>87</sup> aimed to reduce malnutrition and anaemia by providing additional supplements to Pregnant women and Lactating mothers. Prior to the implementation of YSR Sampoorna Poshana Scheme, the District Purchase Committee procured commodities based on the local specific socio-cultural food practices. From March 2020<sup>88</sup>, the Scheme was implemented to provide nutrition kits to residents of tribal areas. Further, from September 2020<sup>89</sup> onwards, the Scheme was expanded to beneficiaries in remaining areas of the State.

**Table 4.8: Nutrition kits supplied in Tribal and Non-Tribal areas<sup>90</sup>**

Tribal areas		Non-Tribal Areas	
Item	Qty. per month	Item	Qty. per month
Multigrain Atta	2 kgs	Ragi Flour	1 kg
Groundnut Chikki	500 gms	Jaggery	250 gms
Ragi/Bajra/Jowar Flour	500 gms	Groundnut Chikki	250 gms
Jaggery	500 gms	Dry Dates	250 gms
Dry Dates	500 gms	Ragi/Bajra/Jowar Flour	1 kg
		Rice Flakes	1 kg

Source: Government Orders

<sup>83</sup> G.O.Ms.No.14, dated 28/02/2014 and G.O.Ms.No.36, dated 13/11/2015

<sup>84</sup> G.O.Ms.No.16, dated 26/11/2019, Poshana Plus, Memo No.WDC02-24028/3/2020-SNP, dated 03/04/2020

<sup>85</sup> G.O.Ms.No.14, dated 28/02/2014 and G.O.Ms.No.4, dated 03/05/2017

<sup>86</sup> G.O.Ms.No.9, dated 27/06/2020, Poshana and Poshana Plus

<sup>87</sup> G.O.Ms.No.7, dated 13/04/2018

<sup>88</sup> G.O.Ms.No.16, dated 26/11/2019

<sup>89</sup> G.O.Ms.No.9, dated 27/06/2020

<sup>90</sup> G.O.Ms.No.9, dated 27/06/2020

Single Kit containing the above items should be distributed to every beneficiary every month. Hence, the indent should be placed based on exact number of beneficiaries every month, so that the monthly nutrition intake will be helpful to Pregnant women and Lactating mothers especially in tribal areas.

Out of 2,17,988 kits indented by eight test checked projects in three<sup>91</sup> districts during the period April 2019 to March 2022, the contractor had supplied only 1,88,833 kits. This resulted in short supply of 29,155 kits (13.37 per cent), thereby denying benefits to some beneficiaries as shown in **Table 4.9**:

**Table 4.9: Project-wise short supply of nutrition kits during 2019-20 to 2021-22**

Sl. No.	Name of the ICDS Project	No. of AWCs	No. of Months	Indent Quantity	Supplied Quantity	Short Supply
<b>Kadapa District</b>						
1	Badvel	153	15	29,440	28,538	902
2	Jammalamadugu	140	13	27,395	26,798	597
3	Pulivendula	293	17	62,891	60,776	2,115
4	Rajampet	242	7	20,073	19,396	677
<b>Prakasam District</b>						
5	Santhamaguluru	264	7	16,828	0	16,828
<b>Visakhapatnam District</b>						
6	Araku Valley	164	5	6,541	0	6,541
7	Paderu	184	8	11,687	11,508	179
8	Bheemunipatnam	232	14	43,133	41,817	1,316
<b>Total</b>		<b>1,672</b>	<b>86</b>	<b>2,17,988</b>	<b>1,88,833</b>	<b>29,155</b>

Source: Data provided CDPOs

Government replied (27 February 2024) that District Purchase Committee has issued notices to the suppliers and action is being initiated.

Thus, supply of milk and balamrutham was inadequate throughout the State. Further, there was short supply of eggs in four test checked districts and nutrition kits in eight test checked projects.

#### 4.2.4 Distribution to beneficiaries

Pregnant women and Lactating mothers are entitled for one full meal along with egg and milk as spot feeding at AWC. Children aged three to six years are eligible to eggs, milk, and a full meal as per their entitlements at the AWC at 9:30 AM, 10:30 AM, and 12:00 noon respectively. Children aged six months to three years are provided with Take-Home Ration (THR) in accordance with their entitlement, while Pregnant women and Lactating mothers receive monthly nutrition kit as THR. Period-wise spot feeding and THR distributed in the State is depicted in **Chart 4.2**:

<sup>91</sup> Kadapa, Prakasam and Visakhapatnam. In Vizianagaram District supply of nutrition kits was adequate

Chart 4.2: Details of spot feeding and THR distribution during 2019-20 to 2021-22



We observed the following discrepancies in distribution of the food items to the beneficiaries at AWCs:

#### 4.2.4.1 Distribution of milk

- A total quantity of 4,761.9 litres of milk was short supplied during test checked six months in 21 test checked AWCs which led to 1,697 beneficiaries out of 3,788 total beneficiaries (44.8 per cent) not receiving milk as per their entitlement.

For instance, in August 2021, 335 litres<sup>92</sup> of milk was not supplied to Yanadi Colony AWC for the entire month. Due to which, milk was not distributed to 116 beneficiaries as per their entitlement.

- A total quantity of 590.5 litres was short distributed in eight AWCs<sup>93</sup> where sufficient milk was available.

For instance, at P. Jakaravalasa AWC records in June 2020, we observed that the total milk to be supplied to beneficiaries as per entitlement was 204 litres<sup>94</sup>, however only 136.5 litres of milk was distributed as THR, which resulted in short distribution of 67.5 litres to 18 beneficiaries even though sufficient milk (OB+Receipt= 287 litres) was available at AWC.

#### 4.2.4.2 Distribution of eggs

- Audit noticed short distribution of 4,082 eggs to 655 out of 3,213 beneficiaries (20.39 per cent) in 13 AWCs over six months.

For instance, in N.V. Palem AWC, total eggs required for 20 children of age six months to three years (6M-3Y) for the month of February 2021 were 500. However, only 160 eggs were distributed due to short supply of 340 eggs.

- It was further noticed that, in nine AWCs where sufficient eggs were available, 2,865 eggs were short distributed to 311 beneficiaries.

For instance, at Lampeli AWC, for the month of December 2019, number of eggs to be provided to 32 beneficiaries<sup>95</sup> were 800. However, only 400 eggs were

<sup>92</sup> P&L: 18x5L; 6M-3Y: 68x2.5L; 3Y-6Y: 30x2.5

<sup>93</sup> Pradhaniputtu (M), Bheemunivalasa, Podujola, P. Jakaravalasa, Jodimamidi, Mondemkallu-II, Akularelliveedhi and Velamavariveedhi AWCs

<sup>94</sup> P&L: 3x5L + 6M-3Y: 19x6L+3Y-6Y: 15x5L

<sup>95</sup> P&L: 5x25 eggs + 6M-3Y: 15x25 eggs + 3Y-6Y: 12x25 eggs

provided resulting in short feeding of 400 eggs even though sufficient stock was available at AWC.

#### 4.2.4.3 Distribution of balamrutham

- It was noticed in audit that, out of 799 enrolled beneficiaries in 10 AWCs, only 558 (69.84 *per cent*) against 799 packets of balamrutham were supplied in six months.

For example, at Pradhaniputtu AWC, for the month of August 2021, we observed that 17 packets of balamrutham was required for 17 children of age 6M-3Y. However, balamrutham was not distributed for that month, due to non-receipt of the same in the AWC.

#### 4.2.4.4 Distribution of rice

- A total quantity of 57.18 kg rice was not supplied in four AWCs, due to which meals were not provided in some of the days during the months of April 2019 and December 2019.

For example, at Narayanarajupeta AWC for the month of December 2019, we observed that rice was belatedly supplied on 09 December 2019 due to which meals were not provided to 14 beneficiaries for six days from 01 December 2019 to 08 December 2019.

- There was short distribution of 32 kg of rice in two test checked AWCs, where sufficient rice was available but not supplied to beneficiaries as per their entitlement.

#### 4.2.4.5 Distribution of dal

- Audit noticed that in seven AWCs, 38.6 kg of dal was not supplied/provided.

For instance, at Narayanarajupeta AWC for the month of December 2019, we observed that dal was belatedly supplied on 09 December 2019, due to which complete meals were not provided to 15 beneficiaries for six days from 01 December 2019 to 08 December 2019.

- In five AWCs, 27.18 kg of dal was short distributed, where sufficient dal was available but not distributed to beneficiaries as per their entitlement.

#### 4.2.4.6 Distribution of Nutrition kits

- It was noticed that, out of 691 beneficiaries in 16 AWCs, nutrition kits were not supplied to 149 beneficiaries (21.56 *per cent*).

We observed that the supply chain management was not well organised, as there were shortfalls in supply and delay in distribution. Thus, the objective of the scheme to provide supplementary nutrition to all Pregnant women, Lactating mothers and children in the age group of 6 to 72 months was not achieved.

Government stated (27 February 2024) that, Facial Recognition System is introduced from October 2023 for pregnant and Lactating mother to authenticate the receipt of entitlements (THR) through beneficiary face capturing through mobile application.

Thus, there was no timely delivery of services at AWCs due to delays in the supply of food items. This led to inadequate distribution to the beneficiaries in all the AWCs test checked by audit.

#### 4.2.5 Physical verification and beneficiary survey at test checked Anganwadi Centres

Physical verification of 32 test checked Anganwadi Centres was conducted. Shortfalls in AWCs are shown in **Table 4.10**: (details of Physical verification is given in **Appendix 4.12 (a)**).

**Table 4.10: Shortfalls noticed during physical verification in test checked AWCs**

Particulars	Audit observations
THR Kit/food item details displayed at AWC (which is requirement as per G.O.Ms.No.14, dated 28 February 2014)	Not displayed in 15 AWCs (47 per cent)
SAM/MAM/ SUW beneficiaries are identified in AWC	Identified in 15 AWCs (47 per cent)
Growth indicator charts	Charts not displayed in 11 AWCs (34 per cent)

Government stated (27 February 2024) that action is taken for display of THR kit/food items, Growth Indicators and identification of SAM/MAM/ SUW beneficiaries in AWCs and the mothers were given counselling. However, supporting documents were not furnished to substantiate the reply.

Further, Beneficiary Survey was also conducted and the results show the following shortfalls in amenities as shown in **Table 4.11**: (details of Beneficiary Survey are given in **Appendix 4.12 (b)**):

**Table 4.11: Shortfalls in amenities noticed during beneficiary survey in test checked AWCs**

Particulars	No. of Beneficiaries	No. of AWCs
Own building/repairs required	78	9 AWCs
Sanitation facility required	61	9 AWCs
Playing equipment required	26	5 AWCs
Compound wall required	58	8 AWCs
Electricity required	30	3 AWCs
Drinking Water required	28	3 AWCs
THR Required	16	5 AWCs
THR/Milk/ Eggs are eaten/ consumed by family members	29 beneficiaries in six AWCs stated that family members also consume THR items along with the beneficiary.	
Food not taken	10 beneficiaries in four AWCs stated the cooked meals were not consumed at AWC due to house works, private job etc.	

Beneficiary survey revealed that there were shortfalls in providing vital amenities like electricity, supply of drinking water, sanitation facilities etc. in 12 out of 32 test checked Anganwadi Centres especially which were located in tribal areas.

Government replied (27 February 2024) that 1,776 AWCs were taken up for partial repairs, providing furniture and playing equipment at ₹5 lakh per AWC under Nadu-Nedu Phase-II programme. Out of 1,776 AWCs, 1,210 works were completed and 566 works were in progress. Further, Government stated that they had prioritised improving infrastructure

facilities at AWCs along with providing three basic facilities *i.e.* safe drinking water, electricity and functional toilets. The Government issued administrative sanction <sup>96</sup> for ₹214.227 crore with the tie-up of ₹28.28 crore under Swachh Bharat Mission (SBM) and ₹85.95 crore under Jal Jeevan Mission (JJM) with the State grant of ₹99.997 crore for up-gradation of 20,534 AWCs under Mana Anganwadi-Nadu-Nedu programme in co-ordination with School Education Department.

#### 4.2.6 Infrastructure at AWCs

##### Non/Short availability of basic infrastructure facilities in AWCs

As per Paragraph 4 of Guidelines for Construction of AWCs under MGNREGA in convergence with ICDS, AWC building should be child friendly with all relevant infrastructure, separate sitting room for children/women, separate kitchen, store for storing food items and child friendly toilets and space for children to play and equipped with safe drinking water.

The Anganwadi Worker (AWW) should periodically take measurements of children (6M-6Y) and Pregnant women and Lactating mothers and record weights accurately in the Growth Charts to identify high risk children and Pregnant women. For this purpose, Salter scales (baby weighing scales) and adult weighing scales were to be provided to AWCs and for measuring height of Children and Pregnant women and Lactating mothers, Infanto<sup>97</sup> meter and Stadio<sup>98</sup> meter were also to be provided to AWCs.

##### a) State Level

The data furnished by the Department on infrastructure facilities existing in the Anganwadi Centres (AWCs) in the State revealed (**Chart 4.3**) that out of 55,607 AWCs, 23,747 (43 *per cent*) were functioning in rented buildings

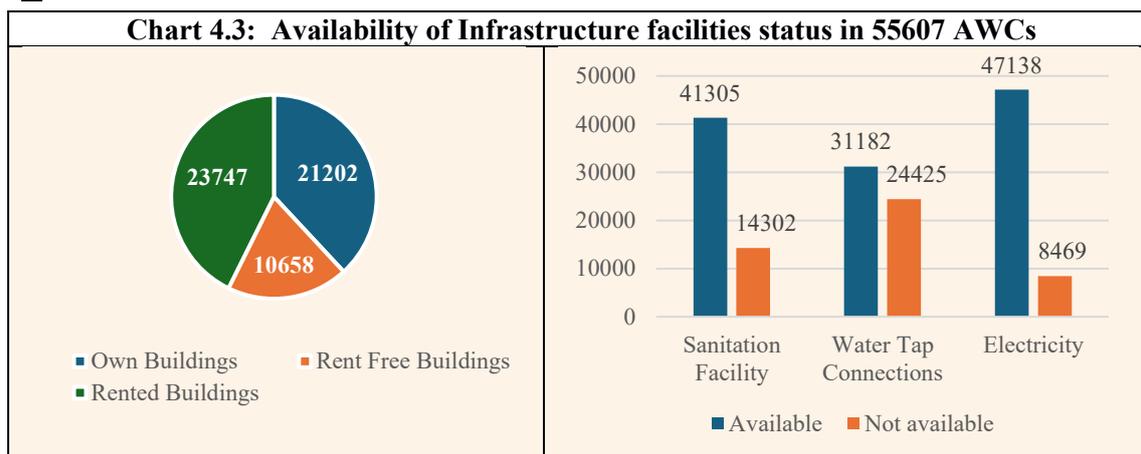
- 10,658 (19 *per cent*) were accommodated in rent-free buildings<sup>99</sup>
- 14,302 (26 *per cent*) AWCs are not having sanitation (toilets) facilities
- 24,425 (44 *per cent*) AWCs are not having water tap connections
- 8,469 (15 *per cent*) AWCs are not having Electricity facility.

<sup>96</sup> G.O.Rt.No.116, dated 18/10/2023 of Department for WCDA&SCs

<sup>97</sup> Infanto meter measuring the height of the children six months to 24 months

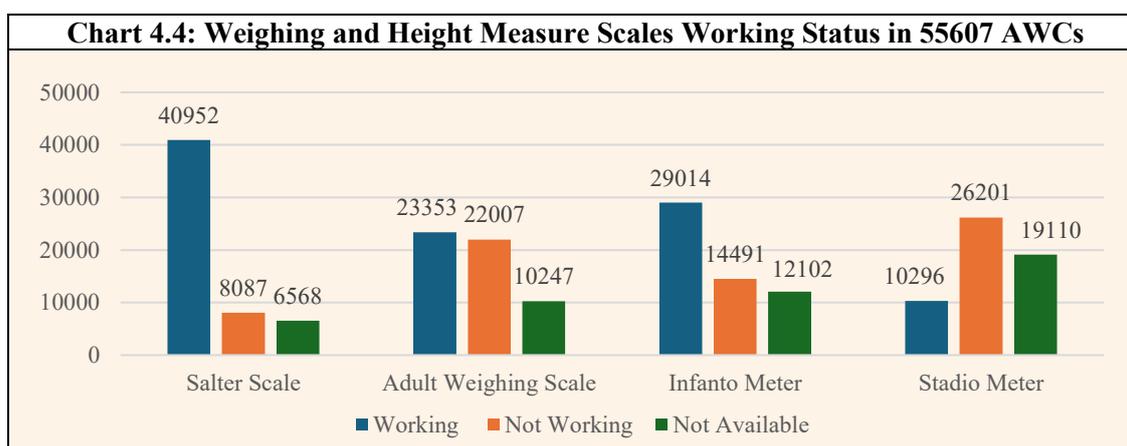
<sup>98</sup> Stadio meter measuring the height of the Adults and children above two years

<sup>99</sup> Accommodation was provided by Education Department without any rent, AWCs located in Government school premises and community buildings



Source: Data provided by the Directorate

- For measuring weight and height of children and Pregnant and Lactating mothers, 14,655 (26 per cent) Salter scales, 32,254 (58 per cent) Adult weighing scales, 26,593 (48 per cent) Infanto meters and 45,311 (81 per cent) Stadio meters were not in working condition/not available as shown in **Chart 4.4**.



Source: Data provided by the Directorate

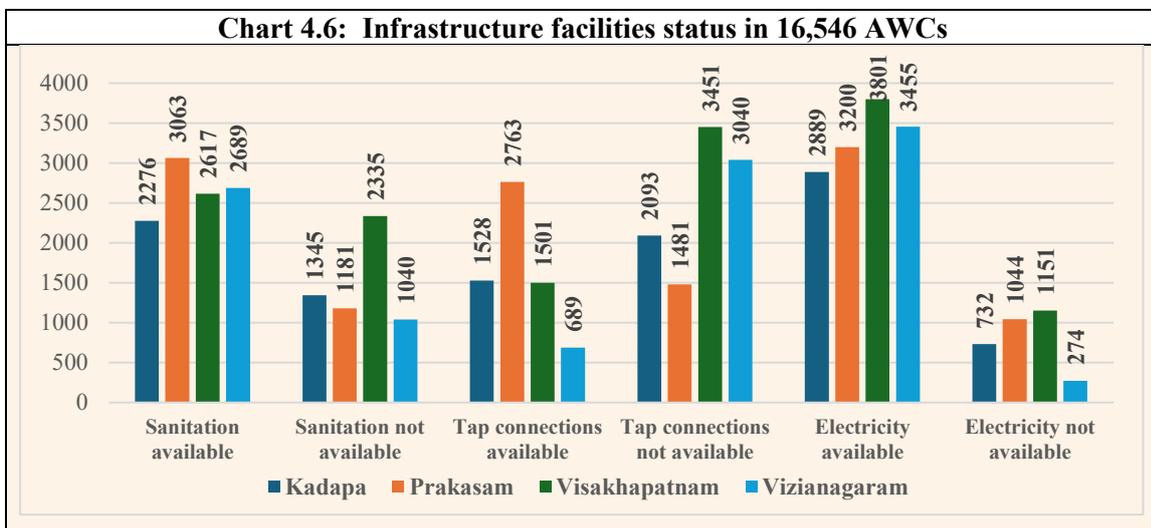
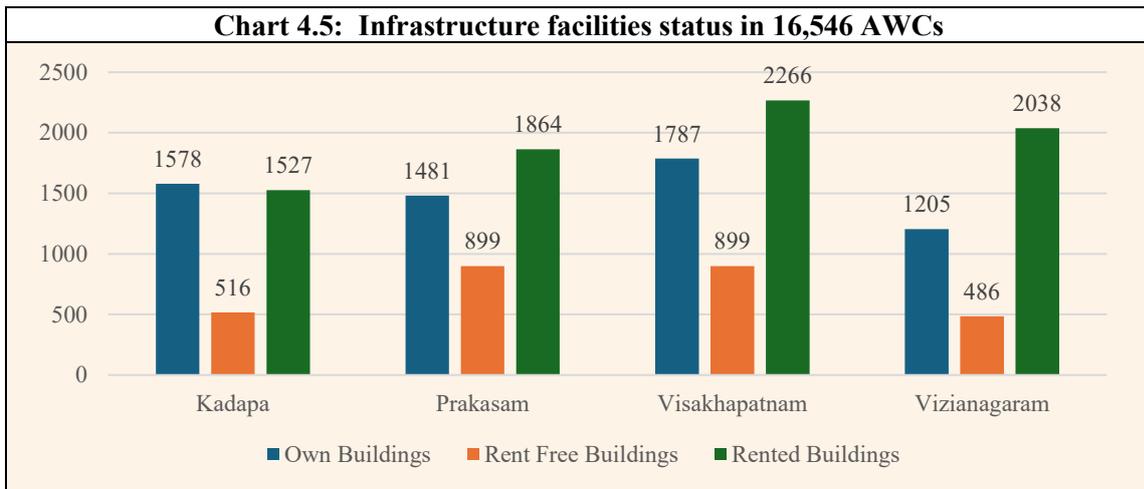
Absence of above basic infrastructural facilities in AWCs have adverse implications on the delivery of services to the targeted beneficiaries.

Government replied (27 February 2024) that now 23,287 AWCs were functioning in rented buildings. Stadio meters, Infanto meters, infant weighing scales and mother & child analog scales were supplied in 55,607 AWCs during 2023-24 under Poshan Abhiyan Scheme.

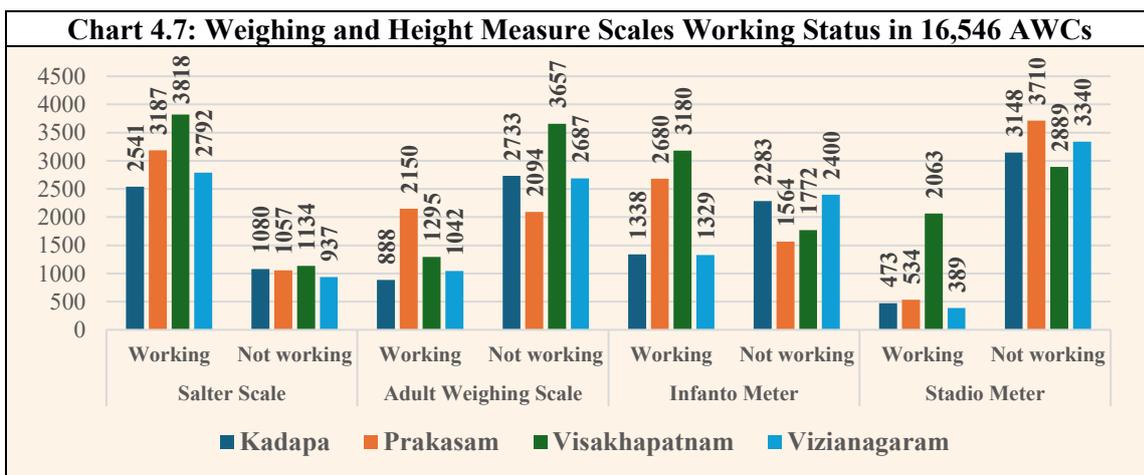
#### b) District Level

Data relating to infrastructure facilities existing in the Anganwadi Centres (AWCs) in four test checked districts revealed that out of 16,546 AWCs, 7,695 were functioning in rented buildings and 2,800 were accommodated in rent-free buildings, 5,901 AWCs are not having sanitation (toilets) facilities, 10,065 AWCs are not having water tap connections and 3,201 AWCs are not having Electricity facility. For measuring weight and height of children and Pregnant women and Lactating mothers, 4,208 Salter scales, 11,171 Adult weighing scales, 8,019 Infanto meters and 13,087 Stadio meters were not in working condition/not available. Details are shown in **Appendix 4.13**. The infrastructure facilities in 16,546 AWCs in the

four test checked districts is depicted in *Chart 4.5, Chart 4.6 and Chart 4.7.*



*Source: Data provided by the Directorate and DW&CW&EOs*



*Source: Data provided by the Directorate and DW&CW&EOs*

Absence of above basic infrastructural facilities in AWCs have adverse implications on the delivery of services to the targeted beneficiaries.

**c) ICDS Project Level:**

Data relating to infrastructure facilities existing in 3,160 AWCs in the 16 test checked ICDS projects in four districts revealed that:

- 1,149 (36 per cent) were functioning in rented buildings, 656 (21 per cent) were in rent-free buildings and 1,355 (43 per cent) were in own buildings,
- 1,390 (44 per cent) AWCs did not have sanitation (toilets) facilities and 1,770 (56 per cent) have sanitation (toilets) facilities,
- 1,796 (57 per cent) AWCs did not have water tap connections and 1,364 (43 per cent) have water tap connections,
- 470 (15 per cent) AWCs did not have electricity facility and 2,690 (85 per cent) have electricity facility,
- 1,344 (43 per cent) AWCs did not have storage facility for food items and 1,816 (57 per cent) have storage facility for food items,
- 979 (31 per cent) AWCs did not have separate kitchen and 2,181 (69 per cent) have separate kitchen,
- 1,910 (60 per cent) AWCs did not have playground facility for children and 1,250 (40 per cent) have playground facility for children, and
- 1,862 (59 per cent) AWCs did not have compound walls and 1,298 (41 per cent) have compound walls.

For measuring weight and height of children and Pregnant women and Lactating mothers,

- 462 (15 per cent) Salter scales were not in working condition/not available and 2,698 (85 per cent) were working/available,
- 2,049 (65 per cent) Adult weighing scales were not in working condition/not available and 1,111 (35 per cent) were working/available,
- 1,067 (34 per cent) Infanto meters were not in working condition/not available and 2,093 (66 per cent) were working/available,
- 1,901 (60 per cent) Stadio meters were not in working condition/not available and 1,259 (40 per cent) were working/available.

**d) Infrastructure facilities at Test checked Anganwadi Centres**

Anganwadi Centres with shortage of basic infrastructure facilities affects the implementation of Sampoorna Poshana and other pre-education programmes for the children and women. Anganwadi centres play an important role in children overall growth from early childhood by providing nutritious food and by imparting pre-school education and games.

On scrutiny of records relating to infrastructure facilities existing in 32 test checked AWCs in 16 ICDS projects, we noticed the following:

Particulars	Audit observations
Out of 32 AWCs, 14 AWCs were functioning in rented buildings and seven were functioning in rent-free buildings.	Out of 14 rented buildings, one AWC was functioning in open verandah, one AWC in bad condition and one AWC functioned in Metal roofing shed at top of a house.



Image 4.1<sup>100</sup>: Cherlopalli AWC, Rajampet ICDS, Kadapa Dist., where AWC functioned from the room in first floor. Further, narrow and unsafe staircase may pose problems to children and lactating mothers

The status of amenities in the test checked 32 AWCs is shown in **Table 4.12**:

**Table 4.12: Shortfalls in amenities in test checked AWCs**

Name of amenities/measuring scales	Status of amenities in Test checked AWCs
Drinking Water Tap connection	Not provided Tap connections in 23 AWCs (72 per cent)
Electricity facility	Not provided in four AWCs (13 per cent)
Compound Wall facility	Not provided in 11 AWCs (34 per cent)
Sanitation facility	Not provided in 16 AWCs (50 per cent)
Space for Storage of Food Commodities	Not provided in 14 AWCs (44 per cent)
Adequate cooking space	Not provided in 13 AWCs (41 per cent)
Outdoor space for children playing	Not provided in 21 AWCs (66 per cent)
Adult Digital weighing scale	Not working in 22 AWCs and not available in two AWCs (69 per cent)
Salter scale for children	Not working in five AWCs (16 per cent)
Infanto meter for measuring height of children	Not working in four AWCs (13 per cent)
Stadio meter for measuring height of adults	Not working in 13 AWCs and not available in two AWCs (41 per cent)

During the physical verification of the test checked AWCs, we observed the following shortfalls:

- In Jodimamidi AWC in Paderu ICDS project (Tribal), we noticed that the centre was operating in a rent-free building and lacked sanitation facilities. As a result, beneficiaries would be forced to use open areas facing unhygienic conditions.
- Similarly, during physical verification of Kukatlapalli SC-2 AWC in Santhamaguluru ICDS project, we observed that the centre was functioning in rent-free accommodation

<sup>100</sup> as on 17/11/2022

in a small veranda of an MPP school, and no separate room was allocated for the centre. Lack of proper infrastructure caused inconvenience to the beneficiaries, and during beneficiary survey separate AWC was requested by the beneficiaries.

- In Pradhaniputtu AWC (Tribal) in Araku ICDS project, we noted that the centre lacked drinking water facilities. The AWW provided water from a nearby well, which may pose health risks to the beneficiaries.

Government stated (27 February 2024) that administrative sanction was accorded for ₹214.23 crore with the tie-up of ₹28.28 crore under Swachh Bharat Mission (SBM) and ₹85.95 crore under Jal Jeevan Mission (JJM) with the State grant of ₹99.997 crore for 20,534 up-gradation of Anganwadi Centres under Mana Anganwadi-Nadu-Nedu in co-ordination with School Education Department.

Government further replied that works have been taken up under the Nadu-Nedu Phase II for upgradations and repairs and are at various stages of completion. It was further stated that weight/ height measuring scales were procured and supplied to the AWCs in the year 2023-24.

Thus, the infrastructure in test checked AWCs lacked basic amenities such as proper buildings, toilets and drinking water facilities, which exposed beneficiaries to unhygienic conditions.

#### 4.2.7 Quality Control

As per Supplementary Nutrition (under ICDS Scheme) Rules, 2017, it shall be the responsibility of District Programme Officer (DPO) *i.e.*, District Women and Child Welfare and Empowerment Officer (DW&CW&EO) and the Child Development Project Officer (CDPO) under Anganwadi services (ICDS) to ensure the quality of supplementary nutrition with reference to the norms of food safety, as well as food composition. The Food and Nutrition Board, in collaboration with State Government, shall carry out periodic checks and test the meal or get it tested through accredited Government Food Research Laboratory to ensure that the meal meets with the nutritional standards. Similarly, the officers as authorised by the State Government, shall also conduct surprise checks and test the meal and get them tested through above laboratories to ensure quality and nutritional value of the meal.

As per tender conditions for supply of YSR nutrition kits/balamrutham, the supplying agency should submit batch-wise quality testing/food analysis reports from Regional Laboratory.

In four<sup>101</sup> test checked Districts and 16<sup>102</sup> ICDS projects, District Women and Child Welfare and Empowerment Officer (DW&CW&EO)/Child Development Project Officer (CDPO) had not collected and sent any food samples to laboratories for quality checks

<sup>101</sup> Kadapa, Prakasam, Visakhapatnam and Vizianagaram Districts

<sup>102</sup> ICDS Projects (CDPOs): 1) Badvel, 2) Jammalamadugu, 3) Pulivendula, and 4) Rajampeta in Erstwhile Kapada District; 5) Ongole Urban, 6) Maddipadu, 7) Santhamaguluru, and 8) Bestavaripeta in Erstwhile Prakasam District, 9) Araku 10) Dumbbriguda, 11) Paderu, 12) Hukumpeta, 13) V. Madugula and 14) Bheemunipatnam in Erstwhile Visakhapatnam District; and 15) Bobbili, and 16) Kurupam in Erstwhile Vizianagaram District

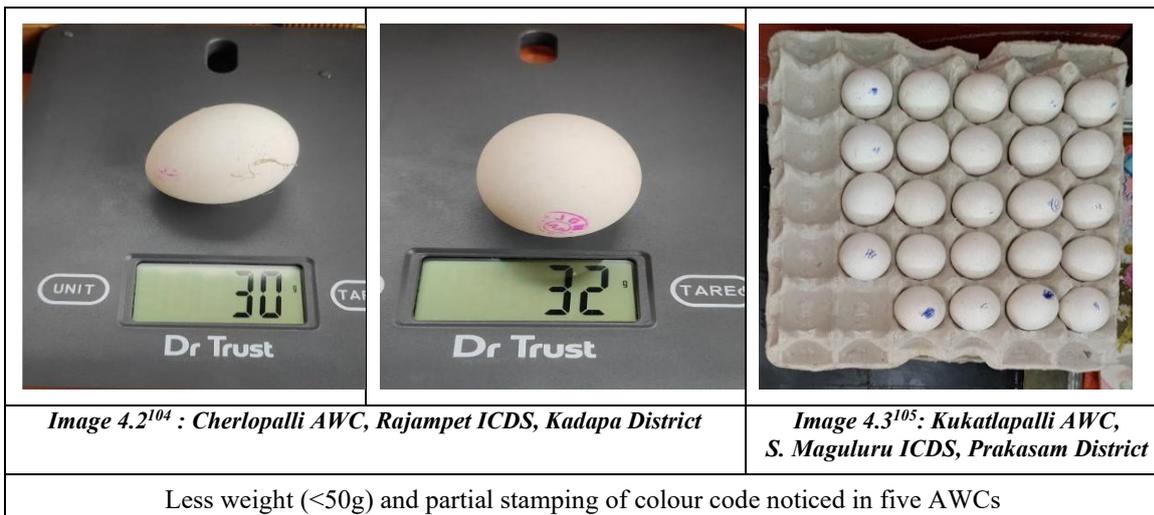
during the period 2019-20 to 2021-22.

During physical verification of Anganwadi centres, we observed several discrepancies in the quality assurance of food items being supplied. Details are shown in **Table 4.13**:

**Table 4.13: Lack of Quality control in respect of eggs and nutrition kits at test checked AWCs**

S. No.	Name of AWC	Remarks
1	N.V. Palem	Dates and Chikkies were issued without manufacturing and expiry date
2	Kamepalavaripalem	Dates and Chikkies were issued without manufacturing and expiry date
3	Lampeli	Chikkies were less weight
4	L. Kothapalli	Five out of seven Chikkies less weight and two out of seven Jaggery less weight
5	Cherlopalli ST Colony	12 out of 20 eggs were less weight
6	Kondampalli	Five out of 10 eggs were less weight
7	Kukatlapalli	Eggs were not stamped
8	Nallapureddypalli-I	Eggs were not coloured
9	Ulimella-I	Eggs were not coloured

As per the instructions<sup>103</sup> of the Director, WD&CWD, eggs are to be supplied to Anganwadi Centres in three phases. First phase should be supplied between 1<sup>st</sup> to 10<sup>th</sup> of every month with Yellow colour stamp and 2nd phase should be supplied in between 11<sup>th</sup> to 20<sup>th</sup> of every month with Green colour stamp and 3rd phase should be supplied in between 21<sup>st</sup> to 30<sup>th</sup>/31<sup>st</sup> of every month with Blue and weight of the eggs should be 50gms or the egg tray should not be less than 1500 gms excluding tray weight. In Rajampet ICDS project, during the physical verification, it was noticed that eggs with a weight of less than 50 gms were supplied in Cherlopally AWC, and eggs with partial stamping were also supplied in three AWCs, contrary to the guidelines.



Further, in L. Kothapalli AWC, V. Madugula ICDS project, we observed that Chikkies and Jaggery with less than stipulated weight of 500 gms were supplied as shown **Image 4.4**.

<sup>103</sup> Memo.No.7656/J1/2016-SNP, dated 07/10/2021

<sup>104</sup> as on 17/11/2022

<sup>105</sup> as on 17/08/2022

Similarly, in N.V. Palem AWC, Maddipadu ICDS project, Chikkies and Dates without expiry dates were supplied as shown in **Image 4.5**.



**Image 4.4<sup>106</sup> : L. Kothapalli AWC, V. Madugula ICDS, Visakhapatnam District**

Less weight (<500g) of Chikkies and Jaggery noticed in two AWCs



**Image 4.5<sup>107</sup>: N.V. Palem and Kamepallevaripalem AWCs, Maddipadu ICDS, Prakasam District**

Date of manufacturing and expiry date not available in respect of Dates and Chikkies noticed in two AWCs.

Government stated (27 February 2024) that steps are being taken to streamline the process of testing and quality assurance of all commodities.

### 4.2.8 Monitoring Mechanism

Rules<sup>108</sup> are provided for monitoring committees at various levels *i.e.*, State, District and Block levels.

Monitoring and review committee was not formed at State level as well as in all test checked 16 ICDS projects.

We also observed that, out of 32 test checked AWCs, Anganwadi level monitoring committees were not constituted in 29 AWCs.

Non constitution of monitoring and review committees at State/Project/AWC level resulted in lack of monitoring/supervision in implementation of the scheme at State/Project/AWC level.

<sup>106</sup> as on 07/12/2022

<sup>107</sup> as on 03/08/2022

<sup>108</sup> G.O.Ms.No.38, dated 21/12/2012 of Department for Women Children (ICDS) Disabled and Senior Citizens

Government assured (27 February 2024) to form State level monitoring committee, Block level monitoring committee (BLMC) and Anganwadi level monitoring and support committee (ALMSC).

#### 4.2.9 Grievance Mechanism

The Government appointed the Grievance Redressal Officers at State/District level and accorded to constitute<sup>109</sup> Grievance Redressal Committees at State (SGRC)/District level (DGRC) for implementing of citizen engagement and Grievance Redressal Mechanism.

Based on the instructions of Lokayukta, Andhra Pradesh, the Director, WD&CW issued Memorandum<sup>110</sup> regarding supply and distribution of eggs, to all the Project Directors in the State to form a Compliant/ Grievance Redressal Mechanism so that the beneficiaries can complain easily to the authorities regarding their grievances and to resolve the matters at the earliest.

Further, DGRC should meet every month to discuss the progress and resolve any challenges. The Minutes of the meeting should be shown with State Grievance Redressal Officer every month.

On scrutiny of the test checked units<sup>111</sup> it was noticed that Grievance Redressal Committee was not constituted at State/District level. In Vizianagaram District, DGRC was stated to be constituted, however, no documentary evidence was provided to Audit to substantiate the reply.

Government stated (27 February 2024) that the grievances of the beneficiaries were being redressed through common redressal programme 'Spandana' by District Collector covering all departments.

The reply is not acceptable as a separate complaint/grievance redressal mechanism was to be formed as per the Government Order issued based on the instructions of Lokayukta.

### 4.3 Conclusion

***Sampoorna Poshana scheme aims to address the nutritional and developmental needs of Pregnant women, Lactating mothers, and children between the ages of six months and six years. Despite the scheme's universal applicability, the implementation process was marred by shortcomings in the entire chain from indenting till distribution.***

### 4.4 Recommendation

***Government should address the deficiencies in the functioning of the Supply Chain Management Portal such as capturing of actual data from Anganwadi Centres on items to be indented and procurements be made based on available balances to ensure their timely distribution.***

<sup>109</sup> G.O.Rt.No.149, dated 27/09/2020 of Department for Women, Children, Differently Abled and Senior Citizens (Prog.I)

<sup>110</sup> Memo No. 7656/J1/2016-SNP, dated 07/10/2021, Director of Women Development & Child Welfare

<sup>111</sup> Directorate of WD&CW, Guntur; and four DW&CW&EO (Kadapa, Prakasam and Visakhapatnam )

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**Chapter V**  
**Compliance Audit on**  
**‘Functioning of Andhra Pradesh Industrial**  
**Infrastructure Corporation’**

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## Industries and Commerce Department

### Compliance Audit on 'Functioning of Andhra Pradesh Industrial Infrastructure Corporation'

#### Summary

Audit Scrutinised the records relating to “**Functioning of Andhra Pradesh Industrial Infrastructure Corporation (APIIC)**” during the period 2017-18 to 2021-22. Out of 15 zones, five zones were selected for detailed scrutiny. Vice-Chairman and Managing Director (VC & MD) is the Chief Executive head, assisted by Executive at various functional head viz., asset management, electrical, finance, etc. During the scrutiny of records, Audit noticed the following:

- *APIIC incurred wasteful expenditure towards publication charges without assessing feasibility of acquisition of private land. APIIC allotted 88 plots without obtaining approval of layout which included eleven red categories industries without having Environmental clearances.*
- *Inordinate delay in taking appropriate action in cancellation of allotments due to non-execution of sale agreements, non-commencement of projects by the allottees led to idling of land to the extent of 955.86 acres.*
- *Non-formation of Service Societies in IALAs, lack of monitoring mechanism by APIIC led inefficient working of IALAs caused non-collection of property taxes from the allottees, short remittance of property tax to the concerned local bodies, delays in identification of unauthorised constructions and incurred administrative expenditure over and above admissible limits.*
- *APIIC's improper utilisation of loan amount of ₹2,000 crore, extending unsecured short-term loan of ₹220 crore to APADCL, non-realisation of unspent land cost from Revenue Authorities, and irregular issue of No Objection Certificates to some allottees for availing loans against the provisions of allotment regulations tantamount to inefficient and ineffective financial management.*

## 5.1 Introduction

The Industries and Commerce (I&C) Department, Government of Andhra Pradesh (GoAP) regulates the development of industries. The I&C Department assists and guides Entrepreneurs in setting up industrial units. Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) was incorporated (September 1973) as wholly owned undertaking of GoAP, with the objective of providing industrial infrastructure through the development of industrial areas. Besides, APIIC also develops sector focused parks like apparel park/food processing parks/leather parks in the State. APIIC is the principal facilitator in Mega Projects and Nodal Agency for Government Sponsored schemes.

## 5.1.1 Functions of Andhra Pradesh Industrial Infrastructure Corporation Limited

### (a) Functions/Duties of Andhra Pradesh Industrial Infrastructure Corporation

- Acquisition /alienation of private/government lands for Industrial Parks, identification of sites for Industrial Areas and development of layouts.
- Provision of infrastructure facilities in developed and existing layout, allotment of developed plots.
- Planning and development of projects under Project Development programme.
- Promotion of infrastructure projects under Public Private Partnership mode.
- Nodal Agency for all Industrial Infrastructure Projects including IT Parks, Biotech Parks, Apparel Parks and Special Economic Zones in the State.

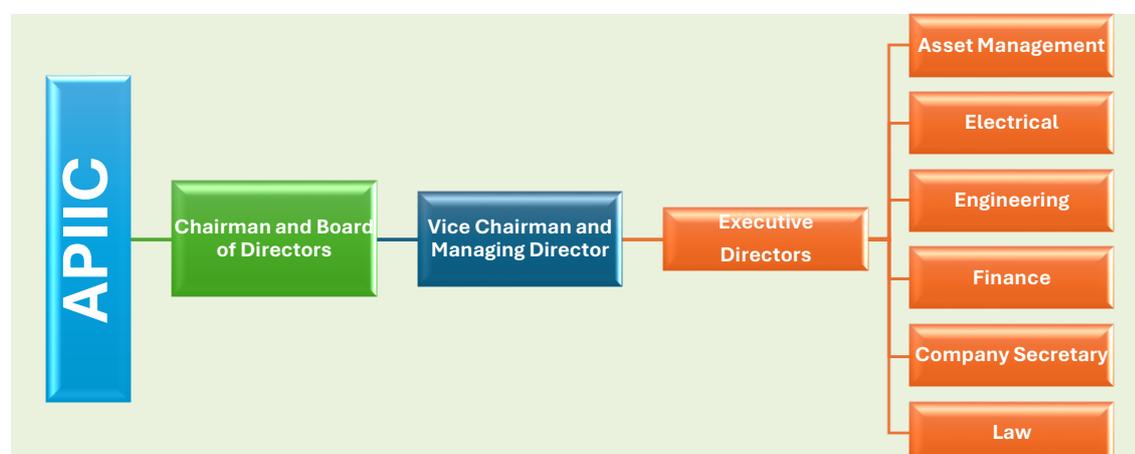
### (b) Functions of Industrial Area Local Authority (IALA)

GoAP transferred (September 1994) certain powers and functions of local bodies to APIIC with respect to Industrial Parks/SEZs established by APIIC, duly amending the local bodies Acts (Andhra Pradesh Municipalities Act 1965). APIIC established Industrial Area Local Authorities (IALAs) for performing local body functions. The Commissioner/Executive Officer exercises administrative powers in maintenance of all civic services in IALA area, collection of property taxes, approval of building plan *etc.*, and discharge duties as per the powers delegated by GoAP.

## 5.1.2 Organisational structure

The administrative hierarchy of APIIC comprises of Board of Directors (BoDs) headed by a Chairman and Directors including Vice-Chairman and Managing Director (VC & MD), the Chief Executive head. The VC & MD is assisted by Executive Directors (EDs) at various functional head *viz.*, asset management, electrical, finance, legal and administration and engineering. The organisational structure of APIIC is as shown in **Chart 5.1** below:

**Chart 5.1: Showing the administrative hierarchy of APIIC**



Source: APIIC website

The functional hierarchy at field level is organised in the form of 15 Zonal offices, each headed by a Zonal Manager who is responsible for implementing programs and policies of APIIC. IALAs function under the control of VC&MD of APIIC and are headed by the Commissioners/Executive Officers.

### 5.1.3 Status of land bank

As land is the primary input for development of industrial infrastructure, APIIC had started its operations for land bank by adding land through acquisition/alienation of Patta/Government land from private individuals/Government through State Revenue Authorities. The lands are acquired by APIIC either at cost or free of cost.

As per Allotment Regulations 5.1 to 5.4 & 6.2 of 2015, Price Fixation & Infrastructure Committee (PF&IC) constituted by APIIC assess the value of land and determines the level of infrastructure to be developed in Industrial Park. The value of land includes cost of raw land plus ex-gratia as fixed in land acquisition award by GoAP. In addition, rehabilitation and resettlement cost, establishment charges of land acquisition unit *etc.*, and any other charges incurred during acquisition/alienation of land are included.

The PF & IC may review the value of land, in any industrial park from time to time, depending on market conditions, enhanced land compensation claims made/received, additional infrastructure costs incurred, *etc.* The VC&MD, APIIC may approve or modify land value, mandatorily recording the reasons for the same and place it before the Board for information. The land cost shall be updated on websites of APIIC & Commissioner of Industries from time to time.

The status of year-wise details of extent of land and value of land inventory held by APIIC during 2017-22 was as shown in **Table 5.1**.

**Table 5.1: Showing land inventory held by APIIC**

(₹ in crore)

Sl. No.	Year	Extent of land (in acres)	Land value as fixed by PF&IC	Land Development cost	Cost of construction materials	Total value of land
1	2017-18	64,962.34	2,820.21	142.74	0.44	2,963.39
2	2018-19	70,003.73	3,224.27	146.85	0.44	3,371.56
3	2019-20	63,175.80	2,988.94	220.62	0.46	3,210.02
4	2020-21	58,019.56	2,708.47	175.59	0.46	2,884.52
5	2021-22	65,071.48	3,116.17	135.51	0.46	3,252.14

Source: Information furnished by APIIC

### 5.1.4 Audit Framework

#### 5.1.4.1 Audit Objectives

The Compliance Audit on 'Functioning of APIIC' was taken up to assess whether:

- Development of land was done as per the industrial park norms, the objective of APIIC to promote, aid, assist, provide and develop infrastructure facilities, *etc.* in establishment of industries was achieved as envisaged in Government Orders issued by GoAP at the

time of incorporation of APIIC and the land cost was fixed rationally as per allotment regulations.

- The provisions of Allotment Regulations were followed in allotment of land and cancellation of allotments.
- Industrial Area Local Authorities (IALAs) were established and being functioned as local bodies in compliance to the guidelines framed in this regard.
- The management of funds was in the best interest of APIIC.

#### 5.1.4.2 Audit Criteria

The Audit findings were benchmarked against the criteria sourced from the following documents:

- Government of Andhra Pradesh (GoAP) Land Allotment Policy, 2012, APIIC Allotment Regulations 2012, 2015 and 2020.
- The rules, orders, guidelines issued by GoAP and APIIC for alienation/acquisition, allotment, fixation of land cost and functioning of IALAs.
- Terms and conditions of the agreements/Memorandum of Understandings of developers with GoAP.
- Minutes of the meetings of APIIC Board and Price Fixation and Infrastructure Committee, *etc.*
- Andhra Pradesh Financial Code and Income Tax provisions.

#### 5.1.4.3 Audit Scope and Methodology

The Compliance Audit was conducted during June-September 2022 covering a period of five years from 2017-18 to 2021-22. The audit was focused on acquisition, development and allotment of land for industrial purpose along with collection of land cost, proper assessment, collection and remittance of property tax in industrial area. Out of 15 zones, five zones<sup>112</sup> were selected and covered based on the number of allotments and extent of land allotted. An Entry Meeting was held in June 2022 and an Exit conference in December 2023 with the Government.

Previously, a Thematic Audit on Land Allotments by APIIC was conducted on GoAP and featured in CAG's Report (Report No. 2 of 2013). The Report was yet to be discussed by the Committee on Public Undertakings.

Scrutiny of records of APIIC and zonal offices revealed various shortcomings which are discussed in subsequent paragraphs.

## 5.2 Development of land

Development of land involves acquisition of private lands or alienation of Government lands through Revenue Authorities, conversion of land into small/large plots and facilitate

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<sup>112</sup> Ananthapuramu, Hindupur, Nellore, Tirupati and Visakhapatnam

infrastructure<sup>113</sup> for allotment to aspiring Entrepreneurs. APIIC initiates land acquisition proposals for development of Industrial Parks (IPs)/Micro Small Medium Enterprises (MSMEs), etc. either on its own or as per the directions of the Government or on specific request from aspirant entrepreneur.

## **5.2.1 Irregularities in acquisition and development of land**

### **5.2.1.1 Wasteful expenditure towards publication charges for acquisition of private land**

As per procedural aspects for acquisition/alienation of lands issued from time to time by Lands Wing of APIIC, Zonal Managers (ZM) of respective zones shall identify the land and its feasibility and suitability along with demand analysis, verify revenue records (Revenue Survey Reports, Adangal (a type of land record), Field Measurement Books etc.), maps, inspection report, and submit report of joint inspection carried out with Revenue Authorities concerned. The ZM concerned shall submit report to Head office about status of land & feasibility of acquisition. Accordingly, the Lands Wing (Head Office) would process and accord permission for acquisition after approval of VC & MD, APIIC.

The Zonal Manager, Vijayawada filed (August 2015) a requisition with District Collector, Krishna for acquisition of Patta land admeasuring 12,144.86 acres<sup>114</sup> for formation of Industrial Corridor for Machilipatnam Deep Water Port (MDWP). From the proceeding orders of the District Collector, it was noticed that the Revenue Authorities issued (August 2015) orders for publication of preliminary notification in local newspapers as well as at conspicuous places duly exempting conduct of Social Impact Assessment (SIA) as MDWP was under exempted projects<sup>115</sup>.

Scrutiny of minutes of APIIC Board meeting (August 2016) revealed that Revenue Authorities informed APIIC to deposit an amount of ₹12 crore initially towards Gazette Publication and miscellaneous charges. Subsequently, APIIC paid an amount of ₹9.18 crore (from April 2017 to June 2018) to meet preliminary notification, publication and miscellaneous charges to newspaper agencies through Revenue Authorities.

Subsequently, Machilipatnam Urban Development Authority (MUDA) informed (June 2018) that the notification to acquire 12,144.86 acres of Patta land is not required currently as 21,542.23 acres of alternate land was available for industrial corridor and related infrastructure. Further, preliminary notification for acquisition of land (12,144.86 acres) was under consideration by the Government for cancellation owing to the resistance from the farmers. The status of acquisition of land measuring 21,542.23 acres by the APIIC was not on record.

Government replied (December 2023) that based on the information received from Land Acquisition Officer/Revenue, APIIC had filed requisition for acquisition of Patta land. Subsequently, the Government had issued orders (March 2017) to allot Government vacant

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<sup>113</sup> roads, water supply, drainage, and electricity

<sup>114</sup> in 22 villages of Machilipatnam and Pedana mandals of Krishna District

<sup>115</sup> Section 10(A) of Right to Fair Compensation and Transparency in Land Acquisition & Rehabilitation and Resettlement Act, 2013 being an Industrial corridor

land to APIIC on free of cost basis. Further, District Collector informed (November 2019) to MUDA that alternate Government & assigned land was available for formation of industrial corridor usage and further several farmers had filed representations to de-notify the lands requisitioned by APIIC. In view of the above, APIIC had not initiated further steps for acquiring Patta land to minimise the budget on requisition of lands. The APIIC had acted as per directions of higher authorities.

It is evident from the reply that APIIC had not followed the due procedure (as prescribed by Land Wing of APIIC) of verifying revenue records, maps, inspection reports and conduct of joint physical verification with Revenue Authorities prior to acquisition of land to ascertain the feasibility of acquisition and suitability of land. Further, there was no documentary evidence on record in support of instructions (issued in March 2017) of GoAP, as replied.

Had APIIC followed the laid down procedure prior to placing of requisition for acquisition of Patta land, which involves cost of compensation, the wasteful expenditure of ₹9.18 crore made towards publication charges for acquisition of Patta land could have been avoided.

Thus, APIIC incurred wasteful expenditure of ₹9.18 crore towards publication charges without assessing feasibility of acquisition of private land.

**Recommendation 5.1: Government may instruct APIIC to make proper survey prior to acquisition of private lands to ensure feasibility of acquisition and suitability of land.**

#### **5.2.1.2 Unfruitful expenditure towards infrastructure development without obtaining approval of layout**

As per Clause 2.1 of Allotment Regulation of 2012 & 2015, for the purpose of allotment of lands, APIIC shall prepare layout as per applicable norms and get it approved by the Competent Authority.

The APIIC planned (July 2015) to develop/modernise Information Technology (IT) Layout at Kapuluppada village of Visakhapatnam district. The Zonal Manager, Visakhapatnam requested (July 2015) Visakhapatnam Urban Development Authority (VUDA), the Competent Authority to process for change of land use measuring 1,350 acres from Hill/forest area to mixed-land use to develop an IT layout in the Kapuluppada village. APIIC paid (April 2017) an amount of ₹16.68 crore to VUDA towards change of land use. Accordingly, Government approved (May 2017) the conversion to mixed land use subject to approval of layout as per norms of VUDA.

Subsequently, Zonal Manager informed (November 2017) APIIC Head Office that VUDA demanded an amount of ₹2.94 crore towards cost of processing, development, notification charges for approval of layout (Phase-I) to an extent of 250.43 acres and requested to accord sanction for payment to VUDA, which was still pending. Meanwhile, as of July 2022, Zonal office without obtaining layout approval, incurred an expenditure of ₹48.13 crore towards providing infrastructure facilities on the said land.

Government replied (December 2023) that to comply the statutory norms as mandated in government order, it is mandatory to complete all developmental works. On obtaining necessary consent from Information Technology Electronics & Communication (ITE & C) with a budget of ₹24.60 crore, APIIC had complied all relevant norms for development of infrastructure. However, there was no concurrence from ITE&C Department for allotment of land. Since APIIC is a nodal agency, it implements the orders of ITE&C Department.

Thus, despite incurring an expenditure of ₹48.13 crore towards infrastructure, the land remained unutilised even after a lapse of more than five years, as layout was not approved by VUDA.

### 5.2.1.3 Non-Preparation of Detailed Project Reports for Industrial Parks

As per Government Land Allotment Policy 2012, APIIC shall prepare Detailed Project Reports (DPRs) for Industrial Clusters in different parts of the State to meet the industrial land requirement. GoAP allots land to APIIC based on DPRs which details the extent of land required, proposed investment, employment potential, infrastructure needs and the impact on environment. Based on DPR, land alienation proposals are submitted to the concerned District Collectors.

To verify the preparation of DPRs for Industrial Clusters, Audit requested APIIC to furnish DPRs in respect of five Industrial Parks<sup>116</sup>(IPs).

APIIC did not furnish the required DPRs called for. Further Zonal Manager Anakapalli without furnishing the required DPRs to audit, replied that for tapping of Central/State Government funds for establishment of Industrial Parks/Clusters in the State, DPRs are prepared and submitted to the respective Departments. However, the procedure for preparation of DPRs prior to development of IPs would be followed henceforth. Zonal Manager, Vijayawada stated that henceforth prior to the development of IPs, DPRs would be prepared.

During Exit conference (December 2023), Government stated that APIIC does not acquire land for specific purposes. APIIC acquires land based on demand survey, develops land for allotment to Entrepreneurs. Generally, wastelands are identified which are not required for agriculture and requisition is placed with Revenue Authorities for acquisition. Detailed Project Report is submitted by the prospective Entrepreneur for development of Industry. Government did not insist APIIC for DPR for acquisition of land. Lands acquired for any GoI assisted Schemes/Projects, DPRs are prepared and submitted to GoI.

Thus, it is evident from the above that APIIC did not prepare DPRs for development of IPs, as stipulated in land policy guidelines, to assess the extent of land requirement, infrastructure needs and impact on environment. Due to non-preparation of DPRs for IPs, Audit could not ascertain whether the objectives of acquiring the land, creating infrastructure, attracting investment and generating employment were fulfilled and whether there was any adverse impact on the environment.

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<sup>116</sup> IP Veerapanenigudem, IP Peddavaram, IP Parawada (Phase-III), IC Pudi, YSR Jagananna Mega Industrial Hub

#### 5.2.1.4 Irregularities in Development of Industrial Park, Parawada (Phase-III)

##### (a) Allotment of plots to entrepreneurs without obtaining approval of layout

As per Clause 2.1 and 3.2 of Allotment Regulation of 2012 & 2015, for the purpose of allotment of premises, APIIC shall prepare layout as per applicable norms and get it approved by the Competent Authority. Bifurcation of plots shall not be allowed, without the permission of the Competent Authority.

Jawaharlal Nehru Pharma City (JNPC) at Parawada, Visakhapatnam district was developed in an extent of 2,443.20 acres. Out of 2,443.20 acres, the layout was approved (2007) by the then VUDA for an extent of 2,143.23 acres duly reserving an extent of 249.05 acres for Summer Storage Tank (SST) and 50.92 acres for road widening. Out of reserved 249.05 acres, APIIC constructed SST in an extent of 125.00 acres under phase-I and remaining extent of 124.05 acres was left for Phase-II development of SST.

The Zonal Manager (ZM) addressed (August 2019) VC&MD for development of an Industrial Park Phase-III in reserved area of SST and submitted modified layout plan for an extent of 123.27 acres.

Subsequently, Chief Engineer, APIIC Head office, communicated (March 2022) that Vice Chairman & Managing Director (VC&MD) had accorded approval for preparation of revised layout plan and requested for submission of revised layout plan to the Competent Authority *i.e.*, Visakhapatnam-Kakinada Petroleum, Chemical & Petro-Chemical Investment Region (VKPCPIR). Subsequently, ZM requested (March 2022) VKPCPIR to arrange to change the land use from water storage reservoir to industrial zone in VKPCPIR Master Plan so as to submit the revised layout plan of IP, Parawada, Phase-III for approval.

In response, VKPCPIR informed (December 2022) Zonal Manager to obtain clearance from the State Environmental Impact Assessment Authority (SEIAA) or Ministry of Environment, Forest (MoEF), Government of India prior to change of land use. The details of environmental clearances obtained was not available in the records produced to audit. The layout was yet (as of September 2023) to be approved by competent authority.

Scrutiny of records revealed that out of 121.76 acres, APIIC developed 88.06 acres with 88 plots leaving the balance space for roads, amenities, *etc.* Out of 88 plots, 85 plots were allotted (between September 2019 and December 2022) to the Entrepreneurs.

Audit noticed that contrary to the provisions of Allotment Regulation, APIIC without obtaining approvals for change of land use and layout plan from Competent Authority, bifurcated the plots and commenced allotment of plots to Entrepreneurs from September 2019.

During Exit conference (December 2023), Government stated that the entire land meant for Industrial development cannot be developed in one go. This Industrial Park was developed in phased manner, in which some extent was meant for Summer Storage Tank (SST) for supply of water to Industries. If originally the land is a Water Resource Body, then for change of its use to non-water source, APIIC has to approach Urban Authority and follow the set rules. If APIIC have proposed the land to be developed as SST (not being a water

body originally) and later changes the plan to supply water through the pipeline, then there is no need to go for change of land use plan.

However, the fact remains that APIIC had not obtained the environmental clearance as instructed by VKPCPIR and as a result, the layout was not approved by the competent authority. Hence, development and allotment of plots without the approval of Competent Authority is against the provisions of allotment regulations.

**(b) Allotment of plots to red category industries without obtaining environmental clearances**

As per Clause 2.3 of Allotment Regulation 2015, it is mandatory that all layouts shall provide space for waste disposal/waste management. It is the responsibility of Industrial units to take necessary actions/make arrangements for safe disposal of treated waste complying with norms prescribed by Andhra Pradesh Pollution Control Board (APPCB). Further, APIIC shall facilitate setting up of Common Effluent Treatment Plants (CETP) in the industrial parks for treatment of waste water.

The Zonal Manager, intimated (August 2019) VC&MD, APIIC that Environmental Clearances (EC) are required to be obtained for proposed area of development of IP, Parawada, Phase-III, if the plots in the area are proposed for allotment to red category industries like Pharma & Chemical Industries and requested to issue necessary instructions for obtaining EC.

Meanwhile, APPCB noticed allotment of plots adjacent to Pharma city without common infrastructure and treatment facilities. APPCB directed (July 2021) ZM, APIIC to assess the environmental impact due to the proposed industries in IP, Parawada, Phase-III and initiate action to arrest the wastewater discharge from IP and submit proposals for preparation of Environmental Management Plan (EMP) in the interest of environment and public health.

Scrutiny of records revealed that 11 allotments<sup>117</sup> were made (between September 2019 to March 2022) to the industries whose line of activity was Pharma/biotech. However, submission of EMP proposals to APPCB and obtaining of EC were not forthcoming from the records produced to Audit.

Audit noticed that though construction of CETP was not proposed in the layout for treatment of effluents, allotments were made to red category industries like Pharma and Biotech. Further, a firm which was allotted plot in the layout had requested APIIC for provision of collection and treatment of effluents and sought clarification regarding user charges for CETP services from ZM.

During Exit Conference (December 2023), Government stated that red category industries are first allotted the land and then the industries obtain all EC approvals from the concerned authorities. In other cases, APIIC obtains the EC and then allots the land. Unless statutory clearances are obtained, the activity would not take place.

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<sup>117</sup> Out of 11 allotted industries, three are functioning, lease of four allottees was cancelled and four industries are yet to start operations

Thus, APIIC had allotted lands to red category industries in IP, without facilitating CETP and ensuring proper treatment and safe disposal of wastewater as envisaged in Allotment Regulations, thereby endangering the environment and public health. Responsibility should be fixed against officials for allowing functioning of red category industries without having environmental clearances.

**Recommendation 5.2: Government should ensure that red category industries are made functional only after obtaining necessary pollution & environmental clearances/approvals.**

**(c) Non-provisioning of power infrastructure to the allottees**

As per Clause 1.10 of Allotment Regulation 2015, Industrial Park means an estate developed by APIIC primarily for establishment of industrial units to manufacture any product or service, and having basic infrastructural facilities like internal roads, water distribution facilities, power distribution, sewage and such other facilities as may be required.

The APIIC requested (July 2020) Andhra Pradesh Eastern Power Development Corporation Limited (APEPDCL) for providing power infrastructure to Parawada Phase-III layout. In response, Executive Engineer, APEPDCL informed (September 2020) that it was very difficult to provide power supply from existing sub-station and requested to allot five acres of vacant land for construction of new 132/33KV sub-station.

The Zonal Manager also requested (August 2021) Andhra Pradesh (AP) TRANSCO to allot power supply from existing 220 KV substation. Further, ZM informed (August 2021) Engineer-in-Chief, APIIC that both APEPDCL and APTRANSCO insisted requirement of three to five acres of land for erecting 132 KV substation to cater the needs of power supply to the existing industries. Meanwhile to avoid delay, APIIC proposed for provision of substation to layout and requested (December 2021) APEPDCL to approve the proposal and submit estimated charges to be paid by APIIC.

Scrutiny of records revealed that a joint inspection was conducted (January 2023) by APEPDCL, APTRANSCO and APIIC for providing power infrastructure at an estimated cost of ₹5.77 crore. The ZM submitted (March 2023) the estimated proposal to Chief Engineer (N), APIIC (Head Office) and requested to obtain administrative and technical sanction. As of September 2023, grant of administrative and technical sanctions by APIIC (Head Office) were not forthcoming from the records made available to audit and there was no further progress on the issue.

Audit noticed that eight Entrepreneurs had already represented (August to December 2022) to APIIC that due to non-availability of Power Infrastructure, construction works for establishment of industry within stipulated time could not be completed. Though 85 plots were allotted since September 2019, only two industries commenced (December 2019/February 2020) production, one company has done trial production and another has erected machinery.

Failure of APIIC to provide power infrastructure to the allottees in Parawada Phase-III layout even after lapse of four years (since September 2019) led to non-establishment of industries.

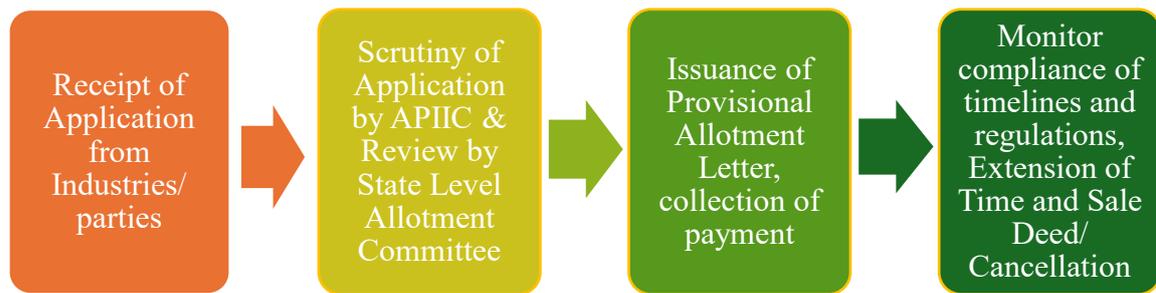
During Exit Conference (December 2023), Government stated that generally, substation is provided in the Industrial Park and the industries needs to approach DISCOM (Electricity Department) to get the connection. In this case due to lack of resources, the provision for power infrastructure could not be made in time and there was delay. Now, APIIC has taken up the work of providing power infrastructure.

Thus, the objective of developing the Industrial Park at Parawada (Phase-III) could not be achieved due to the reasons highlighted above.

### 5.3 Allotments & cancellations of land

As per Allotment Regulations (2015 & 2020), APIIC allots land in all Industrial/Theme Parks to the aspiring Entrepreneurs and also cancels allotment, if Entrepreneurs violate any regulations. The allotment process followed is as shown in **Chart 5.2** below.

**Chart 5.2: Showing process of Allotment of land**



*Source: APIIC key consideration of Detailed Project Report*

#### 5.3.1 Allotment of land

Allotment of land to Entrepreneurs is done as per the provisions of Allotment Regulations of APIIC and Industrial Development Policy issued from time to time by GoAP.

##### 5.3.1.1 Short collection of land cost due to incorrect adoption of land rate

As per Clause 5 & 6.2 of Allotment Regulation 2015, value of land includes cost of raw land, administrative charges, open space charges at applicable rate as decided by APIIC from time to time. Valuation of land is recommended by PF & IC, however, VC & MD can modify the rate recommended or approve the rate.

Scrutiny of the records revealed that a firm<sup>118</sup> filed (December 2015) an online application for allotment of land measuring 77.11 acres. Chief General Manager, APIIC communicated (December 2015) to ZM concerned that PF & IC had fixed the land rate as ₹62 or ₹65 per Sq.m or ₹2.51 lakh per acre. Subsequently, Asset Management wing, Head Office communicated (May 2017) ZM to release allotment orders at ₹65 per Sq.m which

<sup>118</sup> M/s Zuari Cement Limited

was approved by VC & MD. However, ZM issued (May 2017) provisional allotment letter and collected an amount of ₹1.82 crore<sup>119</sup> considering the rate as ₹2.51 lakh per acre.

Audit noticed that as per rate approved by VC & MD, the land rate was ₹65 per Sq.m which amounts to ₹2.63 lakh per acre (₹65 per Sq.m x 4,047 Sq.m) and not ₹2.51 lakh as mentioned in provisional allotment order. The actual cost to be collected should be ₹2.56 crore<sup>120</sup>. However, APIIC collected ₹1.82 crore which resulted in short collection of land cost by ₹0.74 crore (₹2.56 crore - ₹1.82 crore).

Government replied (December 2023) that APIIC has considered acreage rate fixed by the PF& IC, the land cost was worked out as ₹2.51 lakh per acre and collected ₹1.93 crore. While issuing provisional allotment letter, the ZM arrived the cost of land excluding process fee of ₹11.56 lakh which was paid separately.

The reply is not acceptable. As per Allotment Regulation valuation of land is recommended by PF & IC, however, VC&MD can modify the rate and the rate approved by VC & MD is final. Consideration of acre rate fixed by PF & IC of ₹2.51 lakh instead of VC & MD approved rate at ₹65 per Sq.m (₹2.63 lakh per acre) resulted in short collection of land cost by ₹0.74 crore (₹2.56 crore - ₹1.82 crore).

### 5.3.1.2 Non levy of process fees and additional process fees

As per Clause 9.4 of Allotment Regulations 2015, APIIC shall levy and collect a non-refundable process fee in case of developed plots at 0.1 *per cent* of upfront cost subject to a minimum of ₹1,000 and in case of application for undeveloped land (UDL), the additional process fee at ₹15,000 per acre up to 100 acres in addition to the process fee.

Further, APIIC also undertakes acquisition of land on the request of other companies (under Land Acquisition for others) exclusively for development of industries. In such cases, a non-refundable process fee as fixed by APIIC at prevailing rates per acre or part thereof for the extent of land sought for acquisition shall be levied in allotment of land after completion of land acquisition process. Scrutiny of records revealed the following irregularities in levy and collection of process fee while allotment of land.

#### (a) Non levy of process fee under land acquisition for others

A firm<sup>121</sup> requested (July 2006) for acquisition of 604.38 acres of land in Kodur village, Kadapa Zone. APIIC requested (November 2006) the firm to pay process fee at ₹10,000 per acre considering it as acquisition of land under “Land Acquisition for others”. Subsequently, in May 2017 the firm requested for allotment of a part of above said land to the extent of 77.11 acres for expansion of existing cement plant. Accordingly, APIIC had issued (May 2017) allotment orders and levied process fee for allotment of land. However, APIIC had not levied process fee under acquisition of land for others and sustained a loss of ₹7.71 lakh<sup>122</sup>.

<sup>119</sup> (77.11 acres x ₹2.51 lakh per acre + 10 *per cent* open space charge) + 15 *per cent* administrative charges

<sup>120</sup> (77.11 acres x ₹2.63 lakh per acre + 10 *per cent* open space charge) + 15 *per cent* administrative charges

<sup>121</sup> M/s Zuari Cement Limited

<sup>122</sup> 77.11 acres x ₹10,000 per acre

Government (December 2023) replied that process fee of 0.1 *per cent* on land cost of ₹1,58,30,518 which works out to ₹15,831 for allotment of land was collected. However, Government was silent about non-levy of process fee for acquisition of land.

**(b) Non levy/ non-collection of process fee under allotment of land**

In case of developed plots, a non-refundable process fee at 0.1 *per cent* of upfront cost shall be levied and collected from the allottee subject to a minimum of ₹1,000.

Audit noticed that APIIC had not levied/obtained the process fee in four cases s detailed in **Table 5.2**.

**Table 5.2: Showing non levy/non collection of process fee**

Name of the unit	Date of provisional allotment	Total cost of land (₹ in crore)	Process fee to be levied (0.1 <i>per cent</i> of land cost) (in ₹)	Total process fee inclusive of 18 <i>per cent</i> GST (in ₹)
VTPL*	07.06.2022	130.00	13,00,000	15,34,000
Dowell Surgicals	03.10.2019	1.12	11,109	13,109
Inn-Pharma Technologies	12.04.2018	0.45	4,450	5,251
M/s Bharat Forage	05.01.2018	21.56	2,15,600	2,54,408
<b>Total</b>			<b>15,31,159</b>	<b>18,06,768</b>

*Source: Information furnished by APIIC*

\* In respect of VTPL, process fee and additional process fee was levied. However, the collection of same was not on record.

APIIC replied (September 2022) that demand notice have been issued to one firm (Bharat Forage), In respect of one firm (VTPL), APIIC had written letter to the firm for the payment, however, no amount was received. No reply was given for remaining two firms.

Government has not replied in respect of non- levy of process fee at the time of allotment of land. Hence, APIIC has not complied with the provisions of Allotment Regulations and sustained loss of ₹0.18 crore.

**(c) Non-levy of additional process fee under allotment of land**

In case of application for Undeveloped land, APIIC shall levy additional process fee as per the extant regulations in addition to the process fee at the time of allotment. As per Allotment Regulation 9.4 of 2015, additional process fee is to be levied at ₹15,000 per acre upto 100 acres of land.

Scrutiny of records revealed that additional process fee amounting to ₹0.62 crore was not levied and collected from eight allottees as detailed in **Table 5.3**.

**Table 5.3: Statement showing non-levy of additional process fee**

(Amount in ₹)

Sl. No	Name of the unit	Date of provisional allotment	Extent of land (in acres)	Additional Process fee to be levied	Total process fee inclusive of 18 <i>per cent</i> GST
1.	M/s VTPL, Visakhapatnam	07.06.2022	130	19,50,000	23,01,000
2.	M/s Century Ply Boards India Ltd.	22.12.2021	100	15,00,000	17,70,000
3.	M/s Bharat Forge Ltd.	05.01.2018	98	14,70,000	17,34,600

Sl. No	Name of the unit	Date of provisional allotment	Extent of land (in acres)	Additional Process fee to be levied	Total process fee inclusive of 18 per cent GST
4.	M/s Navco Industries, Nellore	30.12.2020	5.93	88,950	1,04,961
5.	R N Paper Mills	02.08.2019	5.70	85,500	1,00,890
6.	Dowell Surgicals	03.10.2019	5.00	75,000	88,500
7.	Inn-Pharma Technologies	12.04.2018	4.80	72,000	84,960
8.	M/s Sai Sresta Industries	24.08.2017	1.54	23,100	27,258
<b>Total</b>					<b>62,12,169</b>

*Source: Information furnished by the APIIC*

Government replied (December 2023) that demand notices were issued in respect of five<sup>123</sup> firms.

During Exit Conference (December 2023) Government stated that if orders are issued then payment of such charges don't arise where they are exempted. There must be specific instruction for such exemption, otherwise the industries have to pay the charges. As these are not exempted cases, action would be taken to collect the charges. Government stated that presently everything is computerised to prevent such lapses.

Thus, in total, APIIC had incurred a loss of ₹0.88 crore<sup>124</sup> due to non-levy of process and additional process fee as per the provisions of Allotment Regulations.

### 5.3.1.3 Non/short collection of frontage charges

As per Clause 6.8 of Allotment Regulation 2015, frontage charges for premises facing/abutting the National Highways/ State Highways/ District Roads shall be levied at 15/10 and five per cent respectively on allotted rate.

Audit noticed that even though allotments were made abutting National/State Highways and District roads, APIIC did not levy frontage charges in the provisional allotment orders issued to eight entrepreneurs and in one case there was short levy of frontage charges. As a result, there was non/short collection of frontage charges of ₹0.30 crore (as detailed in *Appendix 5.1*).

Government replied (December 2023) that demand notices<sup>125</sup> to six firms had been issued.

Thus, it is evident that APIIC did not incorporate the relevant clause relating to frontage charges in the provisional allotment order which resulted in non/short realisation of frontage charges.

### 5.3.1.4 Short and non-levy of maintenance charges

As per Clause 7.15 (a) and (e) of Allotment Regulation 2020, maintenance charges would be collected for all units existing within APIIC developed industrial parks for the purpose of maintenance and upkeep of the assets created by APIIC. The maintenance charges are

<sup>123</sup> M/s Navco, RN Paper Mills, Dowel surgical, Inn pharma, Sai sresta Industries

<sup>124</sup> ₹0.08 crore + ₹0.18 crore + ₹0.62 crore

<sup>125</sup> M/s Paladugu structural, Paladugu pipes and tubes, Heritage food, RR chemicals, Paladugu steels, Indo precision

to be collected at ₹one per sq. m per annum from all existing units within the developed industrial parks.

Scrutiny of records of APIIC revealed that information regarding levy and collection of maintenance charges was available only in respect of Kadapa and Vijayawada Zone as detailed in **Table 5.4** below.

**Table 5.4: Showing the details of non/short levy of maintenance charges**

(Amount in ₹)

Zone	Total area of existing units (in Sq.m)		Maintenance Charges to be levied		Actual Levied/collected		Short and non-levy	
	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22
Kadapa	1,32,67,234	1,43,19,581	1,32,67,234	1,43,19,581	7,668	1,27,125	1,32,59,566	1,41,92,456
Vijayawada	57,67,945	57,76,575	57,67,945	57,76,575	0	0	57,67,945	57,76,575
<b>Total</b>	<b>1,90,35,179</b>	<b>2,00,96,156</b>	<b>1,90,35,179</b>	<b>2,00,96,156</b>	<b>7,668</b>	<b>1,27,125</b>	<b>1,90,27,511</b>	<b>1,99,69,031</b>

*Source: Information furnished by APIIC*

It could be seen from the above that maintenance charges as envisaged in Allotment Regulation was not collected from all units existing in Industrial Parks for the purpose of maintenance and upkeep of the assets created by APIIC. An amount of ₹3.90 crore (₹1.90 crore + ₹2.00 crore) was short/non-levied in two zones of APIIC. The information in respect of other zones was not furnished.

During Exit Conference (December 2023) Government stated that the land given to industry is at higher rate than the lands available in market, which is a costly affair. If maintenance charges are insisted, the industries would not come forward. Therefore, a provision is made wherever industries are willing to pay, the same would be collected based on the facilities made available. It is not mandatory to collect these charges from every industry.

The reply is not acceptable. As per Allotment Regulation maintenance charges are to be collected from all units existing within APIIC developed industrial parks for the purpose of maintenance and upkeep of the assets created by APIIC. Non collection of these charges would cause financial burden on APIIC in maintenance/upkeep of industrial parks.

### **5.3.2 Cancellations of Allotments**

#### **5.3.2.1 Delay in cancellation of allotments led to idling of land**

As per Clause 19.3 & 19.15 of Allotment Regulation 2015, the allottee should implement the project as envisaged and commence commercial production within the stipulated period after taking possession of the plot/land. If the project is not implemented, the allotment made shall remain cancelled and APIIC shall have a right to resume possession of the subject plot/land. If the allottee fails to implement the project within the stipulated time from the date of possession, Zonal Manager shall issue notice to the allottee for violation of terms & conditions of final allotment orders and advise the allottee to surrender the vacant possession of the premises. In cases where the allottee, after payment of upfront /allotment cost of the premises, fails to execute the 'Agreement for Sale/Lease' within the stipulated time of 30 days, the allotment is liable to be cancelled.

Scrutiny of records at Zonal Office Anantapuramu revealed that due to non-compliance to above allotment regulations, the Zonal Manager, Anantapuramu issued show cause notices to 19 allottees in Rappthadu seeking reason and documentary evidence as to why the allotment should not be cancelled. It was also informed to allottees that in case no reply or documentary evidence is produced, action would be initiated for cancellation of allotment without any further notice.

Audit noticed that despite lapse of stipulated period of 30 days, agreement for sale was not executed in respect of five allottees. Even after a lapse of period ranging between 655 to 1,182 days (as of June 2022) there was no action taken in this regard. As a result, 1,347 Sq.m of land held by the allottees was lying idle without any fruitful use (as detailed in **Appendix 5.2(A)**).

Further, 14 allottees to whom land measuring 7,977.75 Sq.m was handed over did not commence the projects within the stipulated period of one year. Despite lapse of period ranging between 565 to 604 days (as of June 2022) no action was taken by APIIC. This has resulted in idling of lands measuring 7,977.75 Sq.m held with the allottees without any use (as detailed in **Appendix 5.2(B)**).

In a similar case, Zonal Manager, APIIC, Srikakulam issued (March 2017) provisional allotment order to a firm<sup>126</sup>. Due to non-response from the firm to execute sale agreement and to take possession of land within 30 days from the date of final allotment order, the allotment was cancelled (October 2019). Subsequently, GoAP instructed (November 2019) APIIC to reconsider the allotment based on the request of the firm. Accordingly, the land to the extent of 172.84 acre was restored (June 2020) in favour of the firm, after collection of restoration fee of ₹24.76 lakh with due date of cancellation of allotment in July 2020. However, sale agreement was not executed by APIIC as of June 2022.

Further, in case of cancellation an amount equivalent to 50 per cent of upfront cost (Clause 19.14 of Allotment Regulations) is to be forfeited.

Government replied (December 2023) that allotments<sup>127</sup> were proposed to be cancelled in PMIC committee meeting held in September 2023. During Exit Conference (December 2023) Government accepted the Audit observation and stated that there is inherent loss to APIIC as industry had not commenced its activity. However, in Anantapuramu area there is no market pressure, hence, Extension of Time (EoT) was given instead of cancellation. Further, EoT comes with huge fees which is a revenue to APIIC. The information regarding grant of EoT and charges collected would be furnished to audit.

Due to inaction of Government, there was no clarity of instruction to APIIC either to give EoT or cancel the allotment. This led to idling of land without being allotted to any prospective Entrepreneur. No supporting documents regarding grant of EoT and charges collected thereon were furnished to audit.

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<sup>126</sup> M/s. Patanjali Ayurved Limited

<sup>127</sup> M/s SB industries, Shameer Engineering Works, Maruthi Industries, Haji Industries

### 5.3.2.2 Non commencement of commercial production within stipulated timeline

As per Clause 18.5 of Allotment Regulation 2012, in case of allotments for large projects, the time for implementation shall be as per milestones/timelines given in the project report and as approved by the allotment committee. Further, as per Clause 18.7 of Allotment Regulation 2012, Zonal Manager or any other officer authorised by ZM, shall inspect the premises at least once in every three months to verify progress on the implementation and assess the progress and record the findings in the proforma prescribed.

GoAP alienated (June 2009) 750 acres of land in favour of APIIC for development of Industrial Park for establishment of project for manufacturing of Power Plant Equipment by a firm (NTPC and BHEL Projects Private Limited). The land for the project was allotted (September 2009) at a cost of ₹100 per acre.

After execution of sale deed (November 2009), the land was handed over (November 2009) to the firm. Due to disputes with Forest Department on the land, another parcel of land with total extent of 753.85 acres was proposed to be alienated (May 2010) to APIIC by Government. A sale deed was executed (June 2010) with the firm for 753.85 acres. As per condition 3(c) of sale deed, the allottee should implement the project as envisaged and commence the commercial production within 10 years (by June 2020) of taking possession of the land and if no such steps were taken, the allotment was liable for cancellation.

Zonal Manager, Tirupati issued (May 2022) a show cause notice to the firm for non-commencement of commercial production by June 2020 as per sale deed. Further, second show cause notice was issued (June 2022) as the firm had itself claimed that an investment of only ₹129 crore was made and employment was generated to only 63 people against the proposed investment of ₹6,000 crore and employment generation of 30,000.

Further, APIIC incurred (September 2010) an amount of ₹91.97 lakh towards the works relating to laying of roads and other event management works taken up along with District Administration in connection with the inauguration of the project. However, the firm did not reimburse the said amount.

Audit noticed that as per sale deed, the allottee shall go into commercial production within 10 years. However, the allottee had not commenced the project within the said period, thereby intended benefit of either investment or employment generation was not achieved.

Further, payment of ₹0.92 crore towards event management for inauguration of the project was made by APIIC without any vested interest. Due to this there was blockade of funds and land of APIIC.

Government replied (December 2023) that the firm had taken up works in two phases. The present business was focused on phase-I and NBPPL (NTPC and BHEL Projects Private Limited) has to go for phase-II after four to five years. Therefore, due to credentiality & existence of firm, APIIC awaited with confidence that the project would definitely be implemented despite there being substantial delay. It was replied that discussions are going on in this regard at Government of India level. For blockade of funds, it was replied that

the firm was requested for reimbursement of the amount. However, the same was yet to be reimbursed and issue was taken up the with the firm for settlement.

The reply is not acceptable, as during the period of implementation of project, APIIC should have inspected the progress of work as per milestones irrespective of credibility of the allottee. Due to non-cancellation of the allotment, land was kept idle for a long period with no allotment to prospective Entrepreneurs. The objective of investment and employment generation was also not achieved. Further, APIIC could not recover the amount spent on behalf of the firm of ₹0.92 crore.

### 5.3.2.3 Non-deferment of application led to loss to Exchequer

As per Clause 9.2 of Allotment Regulation 2012, the incomplete applications filed on-line shall be rejected and the applicants are to be informed about the reasons for rejection. All the deferred applications are deemed to be rejected for the purpose of validity of the land rate.

The Government of India notified (February 2008) an area measuring 21.36 hectare as Special Economic Zone (SEZ) for IT/ITES<sup>128</sup> sector at Putlampalle village, Kadapa District. Subsequently, GoAP gave (October 2020) 'No Objection Certificate' to the proposal made by APIIC to de-notify SEZ. Accordingly, GoI had rescinded (November 2020) the proposed IT SEZ.

Meanwhile, a firm (M/s Shirdi Sai Electrical Limited) applied (September 2016 *i.e.*, prior to issue of de-notification orders of the IT-SEZ) for allotment of land (line of activity: Transformers) in CP Brown IT Park, Kadapa through online application for an extent of 38.75 acres (1,56,821.25 Sq.m) and paid an amount of ₹2.66 crore towards Earnest Money Deposit (EMD), process fee and Service Tax. The application was placed (October 2016) before the State Level Allotment Committee (SLAC) and SLAC recommended for allotment of land extent of 52.76 acres and referred to Government for approval since it was more than 50 acres. However, no action was taken in this regard.

Subsequently, GoAP clarified (July 2021) APIIC to allot 49.80 acres in the IT Park and instructed to consider allotment price at ₹1,680 per Sq.m, as APIIC had neither rejected the online application received (September 2016) nor refunded the amount even after more than four years.

Accordingly, APIIC had issued (September 2021) provisional allotment order in favour of the firm for the land measuring 49.80 acre (2,01,545.569 Sq. m) at a cost of ₹33.86 crore (as per land rate of 2016 at ₹1,680 per Sq. m) on lease basis for a period of 33 years in C.P. Brown I.T Park, Kadapa. Subsequently, APIIC issued (January 2023) modification orders to the allottee and sale agreement was executed (May 2023).

Audit noticed that:

- (i) The firm was in no way concerned with IT/ITES Sector as its line of activity was Transformers (an electrical item). Hence the firm was not eligible for allotment of land

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<sup>128</sup> Information Technology Enabled Services

in IT/ITES SEZ and acceptance of application was incorrect.

- (ii) APIIC had accepted online application for allotment of land in IT SEZ prior to denotification order (November 2020) of GoI. However, the application was neither rejected nor amount was refunded to allottee for more than four years.

APIIC replied (September 2023) that as there was no demand for IT companies for allotment of land in IT-SEZ, APIIC allowed allotment of land to other than IT units to avoid idling of land without any development and creation of jobs.

- (iii) As the application was accepted before denotification of SEZ and kept pending for more than four years, the application was to be treated as deferred and the allotment made in September 2021 is to be treated as fresh. Further, there was also change in requirement of land from initially 38.75 acres to 49.80 acres. As such, the land should have been allotted at rates prevailing as of September 2021.

The non-deferment of application resulted in allotment of land at old rate of ₹1,680 per Sq. m (price prevailing as of September 2016) instead of ₹2,108 per Sq. m the rate prevailing on the date of allotment *i.e.*, in September 2021 which put APIIC to sustain a loss of revenue of ₹8.63 crore<sup>129</sup>.

During Exit Conference (December 2023) Government stated that APIIC had accepted the application of the firm but land was not allotted as APIIC waited for GoI orders for denotification of SEZ. After de notification the application was considered for allotment. Further, Government promised to verify the issue.

The reply is not tenable, since, as per the allotment regulations, the application should be deferred and deemed to be rejected. The non-deferment of application led to loss of revenue to the extent of ₹8.63 crore.

Thus, on the whole, inordinate delay in taking appropriate action in cancellation of allotments due to non-execution of sale agreements, non-commencement of projects by the allottees led to idling of land to the extent of 955.86 acres<sup>130</sup> and non-cancellation of deferred applications led to loss of revenue to the extent of ₹8.63 crore.

**Recommendation 5.3: Government should develop proper monitoring mechanism to avoid idling of lands after allotment and take prompt action against the allottees for delay in commencement of projects.**

### 5.3.3 Industrial Area Local Authority

The Local body functions within an Industrial Park/Special Economic Zones established by APIIC are being performed by Industrial Area Local Authority (IALAs). The IALAs are exercising the functions with a condition that 35 or 50 *per cent* of the property tax collected is remitted to the parent local body.

<sup>129</sup> cost of land as on 21/09/2021 as per PF&IC: ₹2,108 - Cost of land on 22/09/2016 as per PF&IC rate: ₹1680 x 2,01,545.569 Sq. m

<sup>130</sup> 1,347 sqm (0.33 acres) + 7,977.75 Sq. m (1.97 acres) + 26.87 acres + 753.85 acres (NBPPL) + 172.84 acres (Patanjali)

Further, APIIC issued (October 2013) guidelines duly explaining the role of APIIC and other officials of APIIC in working of IALA and Service Societies. The circular also provided details on financial and administrative powers transferred to IALA and its officials.

### 5.3.3.1 Non-formation of Service Societies

To promote the practice of self-governance, the concept of Service Societies has been introduced and it would comprise all industrial units within the limits of Industrial Park/SEZ/Industrial Estate. The guidelines issued stipulate constitution of Service Societies under the supervision of Zonal Managers who shall nominate Election Officer for conduct of election to Service Societies. The Service Society would elect a Management Committee having five office bearers.

The Service Societies should participate in all decisions which concern them, coordinate the functioning of IALA, involve the constituent industrial units in different development activities within IALA area and bring transparency in the working of IALAs. The Service Societies would form the Sub Committees. One of the office bearers from the Management Committee would be the Head of the Sub Committee. The Management Committee may nominate other members of the Sub Committee. Commissioner of IALA would be the Convenor of each of the Sub Committee.

Scrutiny of records of APIIC revealed that the Service Societies as well as Sub Committees were not constituted as envisaged in the guidelines in three test checked Zones.

- In Vijayawada Zone there existed 28 IPs. However, only one Service Society at Kondapalli was functioning.
- In Visakhapatnam Special Zone, there were three IALAs. In one of the IALAs (APSEZ-Atchutapuram) Service Society was registered in June 2022, however, approval of APIIC to make Service Society functional was yet to be received as of September 2023. In respect of JNPC-Parawada, Service Society was withdrawn (March 2021) by APIIC.
- In YSR Kadapa Zone, out of 13 IALAs, seven Service Societies were functioning and Service Societies for six IALAs were not functioning as entrepreneurs were not showing interest and had not come forward to form committee.

Thus, due to non-functioning/non-formation of Service Societies, the objective to promote the practice of self-governance could not be achieved.

- As per Para-V of the guidelines, the Commissioner, IALA should enter into a Memorandum of Understanding (MoU) with Local Body concerned for lifting of garbage collection and sharing of Central/ State Government grants. Audit noticed that no such MoUs were entered by IALAs with the local bodies concerned in any of the test checked IALAs.

Zonal Manager, Vijayawada replied (August 2023) that no committees were formed as elections to the Service Societies was not conducted. The Zonal Manager, Vijayawada also replied (August 2023) that APIIC and IALA authorities are attending the meetings with

local bodies concerned to discuss and redress the issue of lifting of garbage collection and there were no specific MoUs entered into with local bodies.

The response of the Government is awaited.

### 5.3.3.2 Non-collection of property tax

The IALAs were granted (September 1994) powers to assess, levy and collect property tax from the occupants of Industrial Areas. The Demand, Collection and Balance (DCB) statements of property tax of IALAs were analysed and summary is as detailed in *Appendix 5.3*.

Scrutiny of DCB data revealed that as of March 2022, out of total demand of ₹99.88 crore, only ₹64.77 crore was collected by IALAs and balance of ₹35.11 crore remained unrealised from the allotted plot owners. In cases where there were no IALAs, the details of property tax to be collected could not be ascertained.

This shows that IALAs were not efficient in doing their core activity of collection of property tax from industrial units under their jurisdiction.

Government replied (December 2023) that due to covid, property tax collection during 2020-21 & 2021-22 was less. However, a special drive for collection of property tax had taken up in 2022-23 and collected ₹42 crore towards property tax demand and arrears. Further, orders were issued (March 2023) for waiver of interest arrears on property tax up to 2022-23 as one-time measure, which provided the assesseees to pay the total arrears with current year tax in one lump-sum on or before March 2023. In the process an amount of ₹7.64 crore was collected by enforcing government order.

The reply is not acceptable, as APIIC had not furnished the recovery particulars of the amounts stated to be recovered from the assesseees.

### 5.3.3.3 Short remittance of share of property tax to concerned local bodies

As per guidelines issued (October 2013), IALAs shall remit 35 or 50 *per cent* (as the case may be) of the property tax collected in their jurisdiction to the concerned Rural/Urban local body.

The demand and collection of property tax by all IALAs was analysed and the collection and remittance of property tax to local bodies was as detailed in *Appendix 5.4*.

Audit noticed that share of property tax amounting to ₹5.94 crore was pending to be remitted to the concerned local body as of March 2022.

Government replied (December 2023) that after reconciliation with parent local body, the short fall in remittance, if any, would be adjusted in the current year payment.

Thus, it is evident that IALAs are not discharging duties to remit the share of property tax to the local bodies. Non-remittance may affect the provisioning of basic facilities *viz.*, sanitation, connecting roads, street lighting, *etc.* outside the premises of IPs. Lack of basic facilities may discourage firms from considering establishing industries in those IPs.

#### 5.3.3.4 Delay in identification of unauthorised constructions

As per Section 211 and 228 of Andhra Pradesh Municipal Act 1965, the construction or reconstruction of a buildings shall not commence unless and until the Commissioner IALA has granted permission for the execution of work in the Industrial Parks (IPs). Further, in case of unlawful constructions, a show cause notice (within a reasonable time) is to be issued to the allottee, requiring reasons on why demolition order should not be confirmed. If the allottee fails to submit the show cause to the satisfaction of the said officer, IALA may confirm the order with such modification as thought fit, and such order shall then be binding on the owner.

Scrutiny of records revealed that the Municipal Administration and Urban Development Department issued (November 2020) instructions to change the system of levying of property tax from Annual Rental Value to Capital Value (CV) and issued rules for levy and assessment of property tax effective from April 2021.

In the light of the above instructions, IALA, Gajuwaka and Industrial Area, Visakhapatnam reviewed the property tax assessments of all the units and revised property tax as per CV for the year 2021-22 and raised the demand. For arriving at the property tax, measurements of site and type of constructions made by industries were taken into consideration. During measurement, IALA authorities noticed 896 units (IALA Autonagar, Gajuwaka: 872 units and IALA Visakhapatnam: 24 units) of unauthorised constructions out of 1,303 units (IALA Autonagar, Gajuwaka: 1,159 units and IALA Visakhapatnam: 144 units) in the IPs.

The unauthorised constructions taken up without the notice of IALA authorities highlights lack of strict monitoring mechanism and protection of assets. Over the period, IALA had lost the property tax on these constructions. Action taken on these unauthorised constructions was not on record. There is every possibility of unauthorised constructions in other Industrial Parks also.

Government replied (December 2023) that instructions were given in June 2022 to all IALAs to conduct survey and move to capital value method. Penalties would be levied as per rules for unauthorised constructions.

Thus, the unauthorised constructions had caused loss of revenue by way of property tax and building plan charges. Hence, there is a dire need to monitor the construction activities continuously in all the Industrial Parks either under IALAs or not.

#### 5.3.3.5 Administrative expenditure in excess of admissibility

APIIC issued (October 2013) circular and stated that total expenditure on administrative head by IALAs should not exceed 20 *per cent* of total revenue generated (excluding the share of local bodies) or ₹20 lakh whichever is less, per year.

Scrutiny of records revealed that during the period 2017-22, in 15 Zones the administrative expenditure incurred of ₹25.58 crore was over and above the admissible limit as detailed in *Appendix 5.5*.

Government replied (December 2023) that unrelated expenditure was shown under administrative expenses in few IALA, that was rectified. Skeleton outsourced staff were engaged in small IALAs. Since minimum wages and statutory contributions like provident fund are to be paid to the outsourced staff, there was excess administrative expenditure. Further, common administrative officers and staff for smaller IALAs are planned and would be implemented.

The reply is not acceptable, as the recommendations for revised charges (April 2022) were issued after the expenditure had already been incurred. However, no circular/Inter Office Memo was issued in this regard. Therefore, excess expenditure made towards administrative expenditure led to non-adherence of guidelines issued in respect of the financial powers given to IALA. The hiring of outsourcing staff should have been done within the amount allowed for the expenditure.

Thus, lack of monitoring mechanism by APIIC on IALAs led to inefficient working of IALAs, non-collection of property tax as demanded from allottees, short remittance of legitimate share of property tax to the concerned local bodies, delays in identification of unauthorised constructions and incurring of administrative expenditure over and above admissible limits.

**Recommendation 5.4: Government should develop a fool proof internal control mechanism to regulate the functioning of Industrial Area Local Authorities by APIIC.**

### 5.3.4 Financial Management

Effective financial management ensures that decisions taken at the policy level are implemented successfully at the administrative level without wastage or diversion of funds.

#### 5.3.4.1 Improper utilisation and management of funds

##### (a) Diversion of loan amount

(i) The APIIC requested (March 2016) the Government to arrange guarantee for an amount of ₹5,000 crore for acquisition of land in various projects. An amount of ₹2,000 crore was required for already committed works in Andhra Pradesh Special Economic Zone, Atchutapuram, Naidupet and other industrial parks. The Government provided (June 2017) guarantee<sup>131</sup> for an amount of ₹2,000 crore.

The APIIC had taken (October/December 2017) loan amount of ₹520 crore<sup>132</sup> from the sanctioned amount of ₹2,000 crore. The Finance Department, GoAP instructed<sup>133</sup> (January 2018) APIIC to avail the balance loan amount of ₹1,480 crore and deposit the same in Personal Deposits (PD)<sup>134</sup> account of APIIC with a condition that amounts would be

<sup>131</sup> ₹40 crore (₹10 crore paid on 17/01/2018 and via book adjustments ₹29,63,26,590) "Due to Government of AP-Misc" + ₹36,72,410 "Due to GoAP-Miscellaneous -Business Promotion Expenses" on 31/03/2018 from the amounts due from Government

<sup>132</sup> ₹500 crore from Union Bank of India on 31/10/2017, ₹10 crore each from Canara Bank and Bank of India on (10/12/2017)

<sup>133</sup> Ir.No.21025/23/CM/ 2017 dated 02/01/2018

<sup>134</sup> are maintained in the treasuries of the State Government in the nature of banking accounts

released immediately to facilitate ways and means of Government as and when cheques are raised by APIIC. The interest payable by APIIC for keeping money in PD accounts would also be paid by the Government.

Accordingly, APIIC availed (January 2018) remaining loan amount of ₹1,480 crore. As of March 2022, out of total loan amount of ₹2,000 crore, APIIC spent an amount of ₹505 crore for committed projects of APSEZ, Achuthapuram, Nakkapalli, Naidupeta and other Industrial Parks, an amount of ₹1,020 crore was still lying in PD account, ₹46 crore was lying with APIIC and an amount of ₹429 crore was spent towards infrastructure facilities of a firm<sup>135</sup> subject to reimbursement as per Government orders.

Audit noticed that:

- The APIIC had projected requirement of ₹2,000 crore for committed works in Industrial Parks, however, ₹1,480 crore was immediately transferred to PD account without using for the intended activities.
- Government accorded (September 2017) sanction to incur an amount of ₹450.29 crore towards concession on land cost and for committed Infrastructure facilities of a firm subject to reimbursement and accordingly an amount of ₹429 crore was spent by APIIC till March 2022. However, neither any reimbursement was requested by APIIC, nor the amount was refunded by the Government till date.

The APIIC replied (October 2022) that land acquisition involves a lengthy process, hence land acquisition as proposed could not be completed immediately. Out of total loan amount availed, land was acquired for ₹584.80 crore, infrastructure expenditure incurred for a firm was to a tune of ₹348.72 crore and balance left over was ₹1,066.48 crore only.

During Exit Conference (December 2023) Government stated that the amount of loan taken was shown under Loans as liability in the APIIC accounts. As the amount was deposited in PD account the same was also shown under deposits, as APIIC is following double entry system of accounting.

The reply of Government is silent regarding reasons for non-utilisation of loan amount for committed works in industrial Parks and diversion to other non-commercial activities which resulted in financial mismanagement such as depositing of loan amount into PD account and incurring expenditure on behalf of a firm. Thus, Government should examine the reasons on diversion of loan amount for other than the intended purpose and fix responsibility for such act.

#### **(b) Non-reimbursement of short-term loan by Andhra Pradesh Airports Development Corporation Limited**

Special Chief Secretary to Government instructed (August 2020) that Government accorded permission to the Managing Director, Andhra Pradesh Airports Development Corporation Limited (APADCL) for taking a short-term loan from APIIC amounting to

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<sup>135</sup> M/s Kia Motors Corporation

₹230 crore for meeting the expenditure towards land acquisition charges for development of Bhogapuram International Airport.

Accordingly, APIIC transferred (August 2020) ₹220 crore to the bank account of APADCL. The amount was transferred by withdrawing ₹120 crore from the Current Bank account and ₹100 crore from fixed deposits made by APIIC. This was ratified (August 2020) by VC & MD, APIIC with instructions to address APADCL to repay the loan at the earliest.

Subsequently, due to lack of sufficient funds, APIIC (August 2020) requested APADCL to refund the amount of short-term loan granted. In this regard, multiple requests were made to APADCL, however, the amount was not received till September 2022.

Audit noticed that:

- The amount was directly transferred to APADCL and no formal agreement was entered into. There was no mention of important loan parameters like rate of interest, dates of repayment, guarantees, penalty, etc. Transfer of amount as unsecured loan without any commitment may lead to non-payment from the borrower side.
- The amount was given to APADCL by withdrawing the amount from the fixed deposits which led to loss of opportunity cost.

Government has not given reply in this regard, however during Exit Conference (December 2023), Government accepted that agreement has to be entered into for the amount advanced and directed APIIC to look into it.

Extending short term loan without proper documentation and specifying critical parameters led to non-reimbursement of loan and interest thereon by APADCL. Further, foreclosing the fixed deposits and transferring the funds to APADCL without specifying interest rate was a loss of opportunity cost and tantamount to bad financial management.

#### 5.3.4.2 Non-realisation of unspent land cost from Revenue Authorities

As per Article 4 of AP Financial Code, it is the duty of every Government servant not merely to observe complete integrity in financial matters, but also to be constantly watchful to see that the best possible value is obtained for all public funds spent by him or under his control and to guard scrupulously against every kind of wasteful expenditure from public funds.

Audit noticed that APIIC had deposited ₹179.84 crore with Revenue Authorities in respect of twenty land acquisition cases. Out of this, an amount of ₹140.91 crore was shown as pending realisation as of March 2022 as detailed in **Table 5.5** below:

**Table 5.5: Showing non-realisation of unspent amount with Revenue Authorities**

(₹ in crore)

Sl. No.	Name of the Zone	Number of acquisition cases	Total amount deposited with Revenue Authorities	Unrealised amount with the Revenue Authorities	Amount pending with Revenue Authorities (in days)
1	Srikakulam	2	32.66	11.02	499 to 2,100
2	Visakhapatnam	3	26.77	23.17	1,832 to 2,219

Sl. No.	Name of the Zone	Number of acquisition cases	Total amount deposited with Revenue Authorities	Unrealised amount with the Revenue Authorities	Amount pending with Revenue Authorities (in days)
3	Visakhapatnam Special Zone	7	34.78	34.78	530 to 2,040
4	Tirupathi	2	2.50	0.70	1,039 to 1,956
5	Chittoor	4	14.83	2.94	512 to 2,485
6	Kadapa	2	68.30	68.30	Between 2007 & 2015
<b>Total</b>		<b>20</b>	<b>179.84</b>	<b>140.91</b>	

*Source: Information furnished by the respective Zonal Managers*

Audit also noticed that APIIC did not take any action to reconcile and get back the unspent amount from the Revenue Authorities which was locked up for days ranging between 499 to 2,485 days.

Government replied (December 2023) that the balance with Revenue Authorities decreased over a period of time from ₹271.63 crore (as of April 2021) to ₹186.18 crore (as on March 2023). APIIC is making correspondence with concerned District Collectors for refund of unspent amounts. APIIC is also taking steps not to make further deposits and if any demands received from deposits, the same are being adjusted with the available deposits with Revenue authorities.

Thus, APIIC should be constantly watchful to see that public funds spent were utilised gainfully for the purpose meant for and should pursue regularly with Revenue authorities to get back unspent amount.

#### 5.3.4.3 Non-collection of rental charges

The APIIC had allotted office spaces (July 2020 to March 2022) to various Departments and Offices of the Government in APIIC building. The lease rent was fixed at ₹45 per square feet per month and the maintenance charges at ₹eight per square feet /per month (as per allotment letters).

Based on the test check of the six allotments made during the above period, Audit noticed that:

- Lease agreement was not entered into with any of the occupants except Dr YSR Aarogyasri Health Care Trust. No records were available to ascertain whether the space allotted to 'The Commissioner of Survey, Settlement & Land Records' was on lease basis or free of cost.
- None of the occupants had paid the lease rent and maintenance amount till date. As a result, ₹3.12 crore remained unrealised as of March 2022 from the occupants towards lease rent and maintenance charges.

Government replied (December 2023) that since all the allottees are Government Departments, APIIC had been pursuing for execution of lease agreement and payment of monthly rentals.

It is evident that there is no formal agreement with the occupants and rent was not being paid by any of the occupants. Due to financial mismanagement on the part of APIIC, there was non-collection of ₹3.12 crore of revenue in the form of lease rents.

#### 5.3.4.4 Issue of No Objection Certificates to allottees for availing loans

As per Clause 34.3 of Allotment Regulation 2015, whenever allotments are made as per the directions of the Government, No Objection Certificate (NOC) for mortgaging the land in favour of banks/financial institutions by allottees can only be given with the approval of the Government.

Scrutiny of records of Industrial Parks revealed that Government accorded (July 2016) permission to develop an Engineering Cluster at Veerapanenigudem, Krishna District in an extent of land measuring 86.32 acres at ₹eight lakh per acre based on the individual applications filed by the project proponents. Similarly, Government accorded (May 2017) permission to allot lands for Multi Product Industrial Park for an extent of 1,341.67 acres in Mallavalli, Krishna District at ₹16.50 lakh per acre.

Audit noticed that in nine cases, NOCs were issued (August 2018-December 2019) by APIIC directly without bringing it to the notice of Government contrary to the regulations and in six cases, firms have raised loans without obtaining NOC from APIIC. Further, five firms have obtained loans more than the proposed project cost (with NOC: three firms and without NOC: two firms) furnished to APIIC in the project report for allotment of land.

During Exit Conference (December 2023), Government stated that land is a mortgageable asset which the allottee pledges for loan. However, most of the banks are not giving loan merely based on the NOC given by Government, in addition collateral security has to be submitted by the allottee to Bank. Wherever there is violation action is being taken.

The reply is not acceptable, as mortgaging APIIC land in favour of banks/financial institutions by allottees without NOCs and without the approval of Government may allow the allottees to pledge more money than eligible. In case of default by allottees in repayment of loan, APIIC would be forced to make defaulted payment more than the actual cost of asset causing extra financial burden.

Thus, APIIC's improper utilisation of loan amount of ₹2,000 crore, extending unsecured short-term loan of ₹220 crore to APADCL, non-realisation of unspent land cost of ₹140.95 crore from Revenue Authorities, non-collection of rental charges of ₹3.12 crore from occupants, and irregular issue of NOC to some allottees for availing loans against the provisions of allotment regulations, tantamount to inefficient and ineffective financial management.

**Recommendation 5.5: Government should ensure that APIIC manages its financial resources efficiently, effectively and economically, to ensure compliance to general principles of financial rules while incurring expenditure and realising revenues for better financial management.**



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**Chapter VI**  
**Compliance Audit Paragraphs**

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## Compliance Audit Paragraphs

## Higher Education Department

## 6.1 Avoidable expenditure of ₹1.89 crore due to non-revision of Contracted Maximum Demand (CMD)

*Failure to assess Contracted Maximum Demand based on actual requirement, review the consumption pattern periodically and seek deration timely resulted in avoidable expenditure of ₹1.89 crore.*

Clause 6.4 of Andhra Pradesh Retail Power Supply Tariff Rules, 2021-22<sup>136</sup> stipulates that the Billing Demand<sup>137</sup> shall be the maximum electricity consumed during the month or 80 *per cent* of the Contracted Maximum Demand<sup>138</sup> (CMD), whichever is higher at the rates applicable from time to time.

Clause 5.9.4.2 of General Terms and Conditions of Supply (GTCS) of electricity issued by Andhra Pradesh Electricity Regulatory Commission<sup>139</sup> states that the consumer can seek reduction of CMD or termination of the HT Agreement by giving not less than one month<sup>140</sup> notice after expiry of the minimum period of one year<sup>141</sup> of the Agreement. If for any reason, the consumer chooses to derate the CMD or terminate the Agreement before the expiry of the minimum one year period of the Agreement, the CMD will be derated or the Agreement will be terminated with effect from the date of expiry of the initial one year period of the Agreement or after expiry of one month notice period whichever is later.

Rajiv Gandhi University of Knowledge and Technology (RGUKT), Idupulapaya, Vempalli Mandal had four High Tension (HT) electricity connections<sup>142</sup> viz., CDP-172<sup>143</sup>, CDP-692, CDP-233 and CDP-264 for various purposes such as water supply arrangements, Sewage Treatment, Hostels, Lab Complex Buildings, Offices, Classrooms *etc.*, with CMD agreed 1000 KVA, 1500 KVA, 83 KVA and 450 KVA respectively. For the period November 2013 to June 2022 in respect of four HT connections<sup>144</sup>, University paid consumption charges relating to connections ranging from 5.4 to 79 *per cent*, 0 to 5 *per cent*; 0 to 75 *per cent*; 7 to 78 *per cent*. The half yearly average consumption of electricity relating to four HT connections is shown in the **Chart 6.1** below:

<sup>136</sup> Abstract of Andhra Pradesh Electricity Regulatory Commission (APERC) order on Tariff for Retail sale of Electricity during FY 2021-22 on 25/03/2021

<sup>137</sup> for High Tension (HT) consumers except Category-I(B):HT *i.e.*, Townships, Colonies, Gated Communities and Villas

<sup>138</sup> CMD means the maximum demand the consumer intends to put on the system and is so specified in the supply Agreement between the parties

<sup>139</sup> proceedings No. Secy/01/2006 dated 06/01/2006 read in updated version dated 13/04/2018

<sup>140</sup> modified from earlier three months' notice as per Proceedings No. Secy/01/2006 dated 06/01/2006

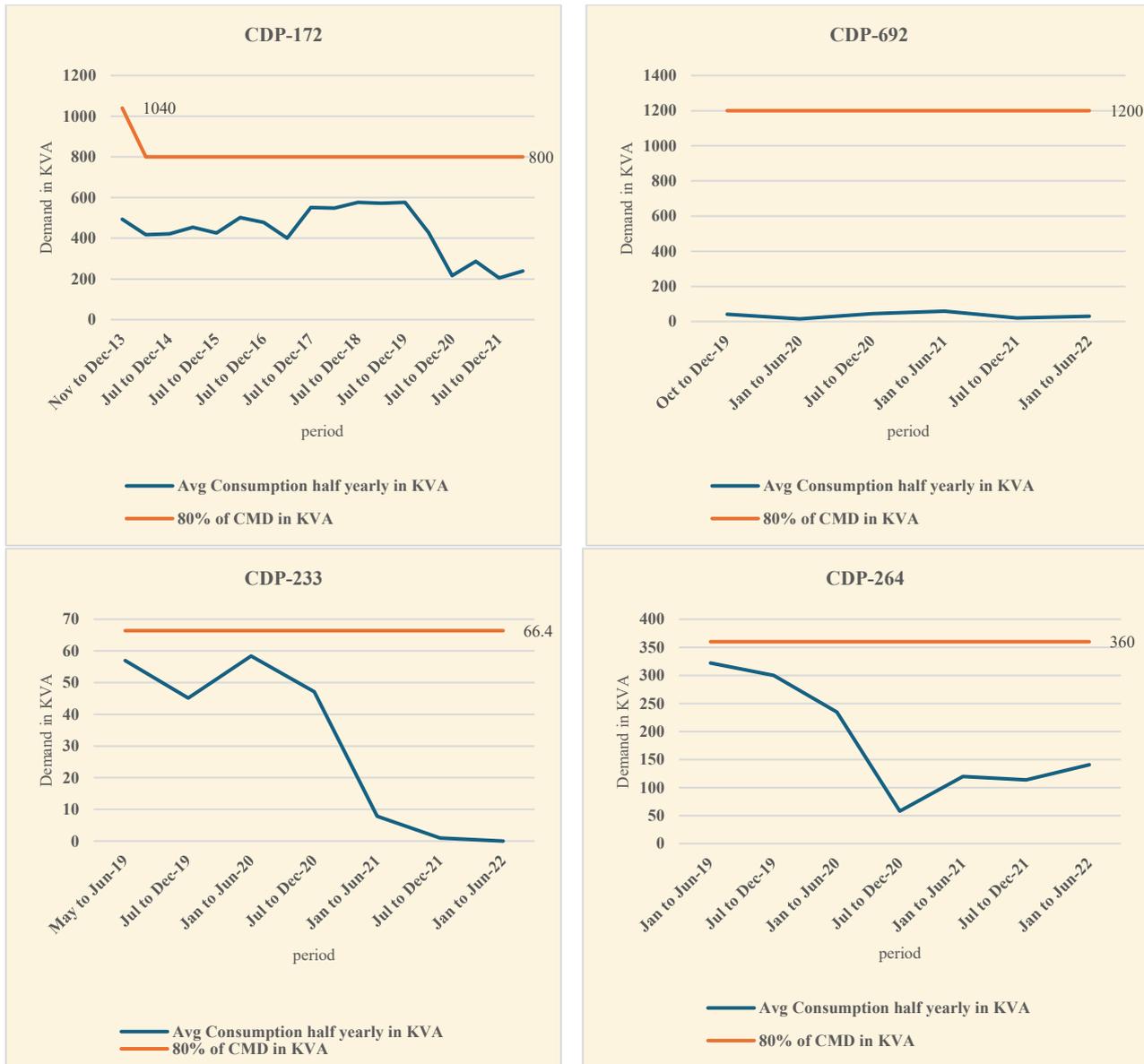
<sup>141</sup> proceedings No. Secy/01/2006 dated 06/01/2006 read in updated version dated 13/04/2018

<sup>142</sup> CDP-172 from 11/08/2008, CDP-692 from 18/09/2019, CDP-233 from 20/03/2010, CDP-264 from 12/09/2011

<sup>143</sup> consumption exceeding its 100 *per cent* in case of two months

<sup>144</sup> consumption range 54 KVA to 800 KVA for CDP-172; 0 to 78 KVA for CDP-692; 0 to 62 KVA for CDP-233; 31 KVA to 350 KVA for CDP-264

**Chart 6.1: Chart showing trends in consumption of electricity half yearly basis.**



It can be seen from the charts above that the electricity consumed by above four connections during the period November 2013 to June 2022 was actually less than 80 per cent of CMD. The University replied (20 September 2022) that the consumption lower than expected CMD was due to idling/non-installation of either equipment or buildings for which HT connections were applied for and other incidentals as detailed below: -

- Service No. CDP 172 was taken to cater to the power requirements of the Academic Block-1, old campus, Messes – 1,2,3,4, Water sump, Boys Hostel-1, Girls Hostel-1 and Guest House. CDP 172 was underutilised as two 1500 ton Chillers, 16 10HP Motors located in air handling units and one Auto Door elevator with eight passengers’ capacity in Academic Block-1 were non-functional since October 2013.

- Service No. CDP 692 was taken to cater to power requirements of the seven new academic buildings & labs, Student Activity Centre (SAC) building, Sewage Treatment Plant (STP), Water Treatment Plant (WTP) and new canteen. CDP 692 was underutilised as the labs in academic buildings and SAC building were not fully installed.
- Service No. CDP 233 was taken to cater to power requirements of the Gandhi water supply Project which consists of four 25 HP motors. Underutilisation was due to corona and therefore the classes were not held from March 2020 to November 2021. Further, in November 2021, Heavy floods of River Papagni completely damaged the service. This service had not been utilised since March 2020 and was disconnected from July 2022.
- Service No. CDP 264 was taken to cater to power requirements of the Academic Block-2, Messes-5-8, Central Library, Boys Hostel-2, Girls Hostel-2, Lab Complex Building, Workshop and Laundry. This service was underutilised as the academic classes were shifted to a different Building.

Buildings and equipment for which the expected consumption was initially estimated in respect of all the four HT connections were neither constructed nor made functional partly or completely. Thus, consumption of electricity below 80 per cent of CMD led to an excess expenditure of ₹1.89 crore detailed in *Appendix 6.1*, *Appendix 6.2*, *Appendix 6.3* and *Appendix 6.4* and abstracted in *Table 6.1* hereunder:

**Table 6.1: Abstract of Avoidable Expenditure due to underutilisation below CMD**

(Amount in ₹)

HT connection	CMD	Avoidable expenditure period	Total avoidable expenditure	Remarks
CDP-172	CMD = 1300 KVA up to January 2014 CMD = 1000 KVA with effect from February 2014	Nov 2013 - Feb 2020 & Dec 2021 - June 2022	1,10,09,419	This includes avoidable expenditure after installation of solar plant in Feb 2021 - ₹18,77,699
CDP-233	83	May 2019 - Feb 2020 & Dec 2021 - June 2022	2,77,686	
CDP-692	1500	Oct 2019 - Feb 2020 & Dec 2021 - June 2022	66,45,014	This includes avoidable expenditure after installation of solar plant in Feb 2021 - ₹38,88,825
CDP-264	450	Jan 2019 - Feb 2020 & Dec 2021 - June 2022	10,17,374	
<b>Total</b>			<b>1,89,49,493</b>	

*Note* : excluded COVID pandemic months March 2020 to November 2021

Though the deration of CMD from 1500 KVA to 1000 KVA in respect of HT connection CDP 692 was approved by Andhra Pradesh Southern Power Distribution Company Limited (APSPDCL) with effect from 14 October 2021, the minimum

consumption charges (80 per cent of CMD) was charged on 1200 KVA (i.e., 80 per cent of 1500 KVA) instead of 800 KVA (i.e., 80 per cent of 1000 KVA) from October 2021 to June 2022 (nine months) resulting in excess payment of ₹17,10,000<sup>145</sup>. Thus, the excess paid amount of ₹17,10,000 was to be refunded to University by APSPDCL.

University replied (5 July 2022) that the University concluded an agreement with M/s Varshini Exim Pvt. Ltd. and New & Renewable Energy Development Corporation of AP Ltd., (NREDCAP) to establish a grid connected Solar Plant in August 2020 nearby the University to reduce expenditure on power and the Solar Plant required HT connections with CMD not less than 1000 KVA. Thus, the HT connections No. CDP 172 and CDP 692 were being maintained with CMD of 1000 KVA to support Solar Grid. Further, University added that the utilisation of energy from Solar grid which required the supply of 1000 KVA HT connections with effect from February 2021 resulted in savings of ₹85.62 lakh.

The reply that utilising Solar grid and thereby saving as above is not acceptable, as the burden of expenditure has continuously been more or less the same (*Appendix 6.1 & Appendix 6.2*) after February 2021 in respect of HT Service Connections CDP 172 and CDP 692.

Hence, it is evident that failure to assess the CMD realistically duly considering all the equipment, buildings and other requirements in use and review the consumption pattern periodically and seek deration of CMD has eventually resulted in excess payment of ₹1.89 crore towards consumption charges, which was avoidable.

## Tribal Welfare Department

### 6.2 Unfruitful expenditure due to non-resumption of construction of buildings for Sri Alluri Sita Rama Raju Memorial Tribal Museum - ₹75.25 lakh

*After incurring an expenditure of ₹34.27 lakh towards consultancy services and ₹41 lakh towards civil works, the construction of building of Sri Alluri Sita Rama Raju Memorial Tribal Museum was stalled due to instructions of the State Government, thereby rendering expenditure unfruitful.*

Government of Andhra Pradesh (GoAP) accorded administrative sanction<sup>146</sup> for construction of buildings for Sri Alluri Sita Rama Raju Memorial Tribal Museum at Kapuluppada Village, Bheemunipatanam Mandal, Visakhapatnam District with an estimated cost of ₹15 crore under Education Infrastructure Grant. Initially, a land of four acres site was allotted in survey No 407 of Kapuluppada (V) for construction of buildings. Subsequently, an additional extent of three acres site was also allotted in survey No 407/1 of Kapuluppada for construction of other proposed components such as revolving restaurant, amphitheatre, etc.

<sup>145</sup> ₹51,30,000 (1200\*475\*9) - ₹34,20,000 (800\*475\*9) = ₹17,10,000

<sup>146</sup> GO Ms No.43 dated 02/07/2015

GoAP also accorded (April 2015) permission<sup>147</sup> to the Engineer-in-Chief (ENC) (Tribal Welfare) to engage private consultant for preparation of layout plan for finalisation of conceptual drawings, estimates and designs of the Tribal Museum. Accordingly, a Consultant<sup>148</sup> was engaged for finalising designs. As per Clause 7 of Agreement, fee shall not exceed 3.5 *per cent* of the actual cost (excluding establishment charges and payments made for services directly by the Department) of works for which services are rendered, including one *per cent* payable to the Andhra University College of Engineering (AUCE), Visakhapatnam towards structural designs and field inspections of AU Engineers at every stage as and when required by the department. We observed that instead of total payment to the Consultant, Department paid ₹24,47,813<sup>149</sup> towards consultancy charges to the Consultant in two instalments and ₹9,79,200 (December 2018) to AUCE, Vishakhapatnam separately which is not in line with agreement conditions.

Further, an agreement<sup>150</sup> was entered (28 October 2017) with the Contractor<sup>151</sup> at the rate of 16.22 *per cent* less than the estimated contract value on tender basis for construction of buildings for Sri Alluri Sita Rama Raju Memorial Tribal Museum with a stipulated completion time of two years *i.e.* before 27 October 2019. As the site was on a hillock and on the suggestion of the consultant, it was decided to level the site by cutting the hill as per provisions made in the estimate as per the levels taken. Accordingly, the contractor grounded the work and executed the cutting of earth to a certain level. However, during execution of the work, presence of a solid rock was noticed. Therefore, a deviation statement was prepared and submitted to the Engineer-in-Chief (TW), Vijayawada for approval. As stated by EE, Tribal Welfare, Paderu, the Contractor was unwilling to execute further work without approval for deviation from the Competent Authority, the work did not progress and meanwhile, agreement period expired. An amount of ₹40,97,772 (March 2018) was paid to the Contractor towards excavation/levelling work done.

Government issued instructions<sup>152</sup> (May 2019) to stop all works for which expenditure incurred was less than 25 *per cent* of estimated cost.

As of 24 March 2018, an expenditure of ₹34,26,813 was incurred towards consultancy charges<sup>153</sup> and ₹40,97,772 was paid to the Contractor towards the civil work done. We observed that building work was not yet started and it was still at ground level stage only (December 2022).

<sup>147</sup> Memo No.9688/TW.GCC/2014 dated 25/04/2015

<sup>148</sup> Mr Nitish Roy , Consultant Architect, Kolkata

<sup>149</sup> ₹9,79,200 (September 2016) and ₹14,68,613 (October 2017)

<sup>150</sup> Cir.Agt.No. 247/2017-18 dated 28/10/2017

<sup>151</sup> M/s Haigreeva Infra Tech Projects Ltd.

<sup>152</sup> UO Note Fin/01-FMU0ASD(WR-1)/80/2019 date 29/05/2019

<sup>153</sup> Nitish Roy Designs and Media, Hyderabad (₹24,47,813) and Registrar, Andhra University, Visakhapatnam (₹9,79,000)

The Department replied (December 2022) that the Engineer-in-Chief requested (August 2019 & Oct 2022) the Government for resumption of the work, for which the orders of the Government are awaited till date.

Thus, the non-resumption of construction of buildings for Sri Alluri Sita Rama Raju Memorial Tribal Museum resulted in unfruitful expenditure of ₹75.25 lakh.

## Youth Advancement, Tourism and Culture Department

### 6.3 Krishna River Wildlife Park with Bird Arena & Sea Lion Park and Marine Mammals at Bhavani Island – Infructuous expenditure of ₹1.33 crore

*The expenditure of ₹1.33 crore incurred towards development of Wildlife Park became infructuous due to change in policy of the Government.*

The Bhavani Island Tourism Corporation (BITC) proposed "Krishna River Wildlife Park with Bird Arena, Sea Lion Park and Marine Mammals" at Bhavani Island, Vijayawada with an intention to develop an international standard open-air park showcasing a number of fascinating wildlife species and to attract new visitors making it as an international tourist hub. The estimated cost of the project was ₹10 crore. The Project was awarded (May 2018) to M/s Okyanus Akvaryum Infra Pvt Limited, Turkey (Agency) for ₹9.99 crore duly following the tender procedures. As per the Letter of Acceptance (01 June 2018), the project was to be taken up in two parts *viz.*, Services Part and Installation Part as per the estimates as detailed in **Table 6.2:**

**Table 6.2: Details of contract value for each part of the project**

(₹ in Lakh)

Sl No	Description	Services Part (Detailed design, Project Management, specialist services)	Installation Part (Relating to procurement, transportation and acclimatisation of birds and animals)
1	Bird Show Arena	325	33.20
2	Sea Lion Arena	421	65.20
3	Bird Aviaries	139	15.60
	<b>Total</b>	<b>885</b>	<b>114.00</b>

The work commenced with effect from the date of Agreement *i.e.*, from 27 June 2018. As per the payment schedule of the Agreement<sup>154</sup> read with Letter of Acceptance, the BITC made payment of ₹1.33 crore<sup>155</sup> to the Agency (May 2019) on completion of detailed design and acceptance of design documents of the project *i.e.* 15 per cent of services part<sup>156</sup> of the work.

As per payment schedule (vii) of letter of acceptance, 10 per cent Mobilisation payment on acceptance of the proposal under installation part of work was to be paid. Accordingly, Agency submitted (September 2018) a bill for a payment of ₹11,40,000. However, the bill was cancelled (May 2019) before payment due to change in policy of

<sup>154</sup> Execution date 27 June 2018 and expiration of Agreement was 9 months

<sup>155</sup> ₹63,15,000 and ₹69,60,000 including applicable GST

<sup>156</sup> Detailed design, Project Management, specialist services at ₹8,85,00,000

Government that the works grounded but expenditure made less than 25 per cent of originally estimated value, should be reviewed afresh.

However, the Agency did not start the installation part<sup>157</sup> of the work immediately after completion of the designs due to non-release of payments due to them. Further, BITC also did not insist on grounding the work and the project was withdrawn temporarily<sup>158</sup>.

The BITC sought AP Tourism Authority (December 2020) to confirm on the continuation of the project. No reply was received (August 2023) from AP Tourism Authority.

Thus, the expenditure of ₹1.33 crore incurred towards development of Wildlife Park became infructuous due to non-review of the work by the appropriate authority (Tourism Department).

## Transport, Roads & Buildings Department

### 6.4 Non-adoption of provisions of Special Hire Bus charges

***Failure of Andhra Pradesh State Road Transport Corporation to collect Special Hire Bus Charges for the buses given on hire basis resulted in loss of revenue to the extent of ₹1.66 crore. This also resulted in loss to the Government to an extent of ₹1.57 crore due to non-levy of Goods and Services Tax on the Special Hire bus charges.***

As per the provisions of Andhra Pradesh State Road Transport Corporation (APSRTC) Manual of Operations, APSRTC arranges buses on hire basis to the public<sup>159</sup>/private parties for the purpose of pilgrimages, marriage, leisure travel, meetings, excursion, etc. under Special Hire Charges. The parties who desire to hire buses shall submit details<sup>160</sup> in advance to the concerned Depot Manager. APSRTC shall collect the estimated amount (EA) plus caution<sup>161</sup> deposit of 15 per cent extra on EA in advance from the hirer. A rebate of 10 per cent is allowed in case of buses provided to students of recognised Educational Institutions. Further, GST has to be collected from the hirer at 18 per cent on special hire charges as per circular issued in March 2020.

Scrutiny of records revealed cases of non-observance of the above provisions, as detailed below.

(a) APSRTC had received<sup>162</sup> a requisition for supply of 1,823 buses for transportation of people to attend (July 2022) plenary sessions organised by a political party<sup>163</sup> from nine<sup>164</sup> districts to Acharya Nagarjuna University grounds, Guntur. The hirer requested for concession, as large number of buses were booked. APSRTC calculated (July 2022)

<sup>157</sup> relating to procurement, transportation and acclimatisation of the birds and animals at ₹1,14,00,000

<sup>158</sup> Lr.No.53/BITC/ED(P&E)/Wildlife Park/2018, date 24/07/2019

<sup>159</sup> Central/ State Government, various departments and to political parties

<sup>160</sup> name and address, type of bus needed, seating capacity, date of journey, distance in Kms,

<sup>161</sup> refundable after the completion of the program

<sup>162</sup> without having date and details as per Manual of Operations

<sup>163</sup> Yuvajana Sramika Rythu Congress Party, a regional political party

<sup>164</sup> West Godavari, Eluru, Krishna, NTR, Guntur, Palnadu, Bapatla, Prakasam and Nellore

EA at normal fare rate which amounts to ₹3.74 crore<sup>165</sup> and further extended concession of 10 per cent on EA considering plenary sessions as educational tour. The Vice Chairman and Managing Director (VC&MD) accorded (July 2022) permission for the same and supplied buses. Accordingly, hirer deposited (July 2022) an amount of ₹3.38 crore<sup>166</sup> with APSRTC after completion of the session.

(b) Similarly, in another case, APSRTC had received a requisition from District Administration of respective districts for supply of 1,439 buses for attending Backward Classes Mahasabha convened by elected and nominated representatives to be held (December 2022) at Vijayawada. The District Administration informed that transportation charges would be paid after completion of the meeting. Accordingly, APSRTC supplied buses and collected (March 2023) an amount of ₹3.99 crore towards transportation charges at the instance of audit.

Audit noticed that APSRTC in contravention to the provisions of Manual of Operations, supplied buses without collecting Special hire bus charges advance and details of the program from hirer. Further, instead of fixing and collecting the charges as applicable under Special Hire Charges, APSRTC collected charges at normal fare. In first case, APSRTC extended 10 per cent concession on EA to political party's plenary session (meeting) considering as educational tour, which is not appropriate/justifiable. Non adoption of provisions of Special hire bus charges, resulted in short collection of hire charges in both cases as detailed below. Further, Goods & Services Tax (GST) at 18 per cent was also not levied from the hirer.

**Table 6.3: Statement showing details of Special Hire charges and GST charges**

(₹ in crore)

Detail of the Meetings for which buses supplied	Special Hire bus charges to be collected as per the provisions	Actual amount collected by APSRTC	Difference amount (loss of revenue due to short collection)	Non collection of GST (18 per cent) on hire charges
Plenary Sessions at Acharya Nagarjuna University grounds, Guntur (July 2022)	4.13 <sup>167</sup>	3.38	0.75	0.72 <sup>9</sup>
Backward classes Mahasabha at Vijayawada (December 2022)	4.90 <sup>168</sup> (audit worked out calculation given in <i>Appendix 6.5</i> )	3.99	0.91	0.85 <sup>10</sup>
<b>Total</b>	<b>9.03</b>	<b>7.37</b>	<b>1.66</b>	<b>1.57</b>

Government replied (October 2023) that buses were supplied as a special case on the amount to be charged per Km at the rate of 100 per cent occupancy. The average occupancy of the APSRTC for June 2022 was 77.37 per cent with ₹38.34 Earning per

<sup>165</sup> Estimated amount ₹3.61 crore+ ₹0.13 crore

<sup>166</sup> Estimated amount ₹3.61 crore - 10 per cent concession on ₹3.61 crore + ₹0.13 crore toll charges

<sup>167</sup> Special hire charges: ₹4.00 crore and Toll charges: ₹0.13 crore: GST on Special hire charges ₹4.00\*0.18=₹0.72 crore

<sup>168</sup> Special hire charges: ₹4.74 crore and Toll Charges: ₹0.15 crore: GST on Special hire charges -4.74\*0.18=₹0.85 crore

Km (EPK), therefore considering realisation of 90 per cent occupancy with ₹49.67 EPK is reasonable in the first case. Similarly in the second case, EPK of the APSRTC for November 2022 was ₹36.42, therefore considering realisation of EPK of ₹38.31 was reasonable. Further, granting 10 per cent concession was justified due to operation of buses without conductors by avoiding expenditure to an extent of ₹ eight per km. If buses were not supplied by APSRTC, the hirers would have gone for other modes of transport including private buses and APSRTC would have lost the opportunity of earning ₹7.37 crore. As the buses were not operated on special hire basis, therefore, GST was not collected.

The reply is not justifiable, as supply of buses to private parties for the purpose of meetings should be charged as per the charges fixed under Special Hire Charges and further giving concession to plenary meeting considering it as educational tour does not stand appropriate as per the provisions Manual of Operations. The VC & MD is not authorised as per the delegation of financial powers to change the nature of hiring (special hire charges to ordinary hire charges). There was no documentary evidence in support of the directions of the Government in the record for the second case. Further, GST is to be levied for hiring of transport vehicles by private parties.

Due to non-adoption of provisions of special hire bus charges, APSRTC suffered loss of revenue to an extent of ₹1.66 crore. This also resulted in loss to the Government to an extent of ₹1.57 crore due to non-levy of Goods and Services Tax on the Special Hire bus charges.

## 6.5 Non-recovery of accidental compensation claims

***The Andhra Pradesh State Road Transport Corporation did not invoke the terms of agreement to recover the accidental compensation claim from hire bus owners and deposited ₹1.58 crore with Motor Accidents Claims Tribunal. The non-recovery further resulted in loss of interest of ₹0.76 crore.***

The Andhra Pradesh State Road Transport Corporation (APSRTC), in addition to own buses, operates buses on hire<sup>169</sup> basis duly executing a standard agreement with the owners of the hire buses.

As per the terms of agreement<sup>170</sup>, “The hire bus owner shall be liable for all claims<sup>171</sup> that may arise due to accidents payable under the provisions of Motor Vehicle Act 1988/Rules. The APSRTC shall under no circumstances be made liable or responsible to pay compensation that may be awarded by Motor Accidents Claims Tribunal (MACT) in respect of accidents. In the event of payment of compensation by APSRTC to the injured persons/dependents of deceased persons or to the owners of the property damaged, by any award of the MACT/ order of the Court in cases involving accident to hire buses, the APSRTC shall have the right to recover the said compensation from the hire bus owner.”

<sup>169</sup> as of June 2022, APSRTC hired 2,224 buses

<sup>170</sup> statutory obligations to Hire Bus Owner

<sup>171</sup> the APSRTC shall reimburse or facilitate the actual cost of comprehensive insurance premium paid by the hire bus owner

Audit noticed that in respect of 89 hire bus accident cases, the injured/ dependents of deceased/ owners of damaged property appealed (1999-2018) in MACT and claimed ₹4.58 crore as compensation. The MACT awarded (during 2006-2020) compensation amount of ₹2.99 crore for payment by APSRTC. Against the MACT award, the APSRTC appealed (February 2006 to February 2020) in the Hon'ble High Court for stay orders and deposited<sup>172</sup> ₹1.18 crore with MACT. The matter is pending with Hon'ble High Court till to date without any settlement.

In addition to above, in the accounts of APSRTC (as of March 2022), an amount of ₹0.40crore<sup>173</sup> (as detailed in **Appendix 6.6**) was shown as amount paid<sup>174</sup> to MACT for hire buses pending recoverable. The possibility of recovery is not feasible as APSRTC did not have the details of hire vehicle number, hire bus owner name and Aadhar particulars of the owners.

In a similar case, the Hon'ble Supreme Court had directed/ordered<sup>175</sup> (June 2020) that the “sum awarded by MACT shall be payable only by the Insurance Company”. Further, it was also ordered that in case any payment is made by the Road Transport Corporation (Corporation) in compliance of any order of Court, etc., the Corporation shall be authorised to recover the same. Hence, the Insurance Company is liable to pay the compensation in case of hire bus accidents.

Though the terms of agreement spells out to recover the compensation amounts paid by APSRTC from the hire bus owners, the APSRTC did not initiate any action to recover the deposited amount of ₹1.18 crore from the hire bus owners. This had consequently, resulted in loss of interest of ₹0.76 crore (as detailed in **Appendix 6.7**) by APSRTC. Further, in the light of Hon'ble Supreme Court orders, the Lok Adalat of High Court of Andhra Pradesh awarded (November 2022) judgement pronouncing that the Insurance Company shall deposit the amount already deposited by APSRTC with MACT and MACT shall release the deposited amount on receipt of claims from APSRTC.

The APSRTC replied (February 2023) that the Operation Department had issued instructions to unit offices for recovery of compensation amount of ₹0.40 crore from hire bus owners. Regarding, recovery of ₹1.18 crore, it was stated that the matter was brought to the notice of Hon'ble High Court in the light of Hon'ble Supreme Court order and accordingly one of the Insurance Company<sup>176</sup> had settled 15 cases (November 2022) during the National Lok Adalat and other insurance companies are taking time to come forward.

The reply is not acceptable. The recovery of ₹0.40 crore is remote, as APSRTC did not have the details of the hire bus owners from whom the amount is to be recovered.

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<sup>172</sup> Section 173 of Motor Vehicle Act, 1988 stipulated to deposit 50 per cent of amount awarded or ₹25,000 whichever is less of compensation

<sup>173</sup> as reflected in the accounts (as of March 2022) under Accounting Head 2456: “MACT paid for Hire Vehicle – Recoverable”

<sup>174</sup> Payment of ₹20.21 lakh paid prior to 2017-18 and ₹19.81 lakh paid during 2018-19 to 2021-22

<sup>175</sup> Civil Appeal No. 2526 of 2020 between Uttar Pradesh State Road Transport Corporation and Smt Rajenderi Devi and others

<sup>176</sup> M/s New India Assurance company (NIAC)

Though 15 cases were stated to be settled, APSRTC did not receive the proportionate deposited compensation amount from the Insurance Company and till date ₹1.18 crore remained unrecovered from hire bus owners.

Due to non-invoking of agreement conditions and inaction on the part of APSRTC, an amount of ₹1.58 crore<sup>177</sup> remained unrecovered from the hire bus owners which consequently resulted in loss of interest of ₹0.76 crore.

## 6.6 Non/short levy of compounding fee

***Non-levy of enhanced rates of compounding fee for offences reported in Vehicle Check Reports (VCRs) and non-forwarding of VCRs by the checking officers to the concerned Road Transport Authorities under Motor Vehicle Act, 1988 resulted in short/non-realisation of compounding fee amounting to ₹13.16 crore.***

Under Section 200 of the Motor Vehicles (MV) Act, 1988, the Assessing Authority may compound certain offences punishable under the Act by collecting compounding fee in lieu of the penal action as prescribed by the Government. The Government, in its order (G.O.Ms.No.108 Transport, Roads and Buildings (TR1) Department dated 18 August 2011), prescribed minimum rates of Compounding fee for various offences, which was enhanced<sup>178</sup> from October 2020. The Government orders specifies the officers of the Transport Department not below the rank of Assistant Motor Vehicles Inspectors to compound offences<sup>179</sup>.

The checking officers of the Transport Department prepare Vehicle Check Reports (VCRs) on the motor vehicles checked by them and in case, compounding fee is not collected, they forward these to the Regional Transport Authorities (RTAs) concerned for taking departmental action against the defaulting permit holders/owners of the concerned vehicles.

Scrutiny of records and analysis of data of the offices of Transport Commissioner (TC) and 10 Deputy Transport Commissioner (DTCs)<sup>180</sup> revealed the following.

- (a) In six DTCs<sup>181</sup>, 4,445 cases were registered (between April 2020 to March 2022) for various offences as of March 2022. Audit noticed that in these cases, the CF was levied at lesser rates as per pre-revised rates (fixed in August 2011) instead of at enhanced rates as fixed in October 2020. Though VCRs were sent to respective RTAs, action was not initiated to recover the revised CF. This resulted in short realisation of compounding fee of ₹6.47 crore as detailed in **Appendix 6.8**.
- (b) In 10 DTCs<sup>182</sup>, 25,002 cases were registered (Between April 2020 to March 2022) for various offences as of March 2022. Audit noticed that CF collected at applicable

<sup>177</sup> ₹1.18 crore plus ₹0.40 crore

<sup>178</sup> G.O. Ms. No. 21, Transport Roads & Buildings (TR-I) Department, dated 21/10/2020. Enhanced from minimum ₹150 to maximum of ₹20,000 depending upon offences committed

<sup>179</sup> for overloading, not producing Driving license and Registration Certificate, carrying more passengers than authorised, alteration of motor vehicle and driving dangerously, etc

<sup>180</sup> Deputy Transport Commissioners: Anantapuramu, Chittoor, Eluru, Guntur, Kakinada, Kadapa, Nellore, Vijayawada, Visakhapatnam and Vizianagaram

<sup>181</sup> Deputy Transport Commissioner: Anantapuramu, Chittoor, Eluru, Guntur, Kakinada and Nellore

<sup>182</sup> Deputy Transport Commissioners: Anantapuramu, Chittoor, Eluru, Guntur, Kadapa, Kakinada, Nellore, Vijayawada, Visakhapatnam and Vizianagaram

rates remained unrealised due to non-forwarding of VCRs to respective RTAs. This resulted in non-levy and non-recovery of CF worth ₹6.36 crore as detailed in **Appendix 6.9**.

- (c) In four DTCs<sup>183</sup>, 692 cases were registered (between April 2021 to March 2022) as of March 2022 under section 196 (a) of MV Act, 1988 “plying of vehicles without insurance certificate”. Audit noticed that in these cases, the CF was levied in second and subsequent offence at lesser rates instead of at enhanced rates<sup>184</sup> as fixed in October 2020. Though VCRs were sent to respective RTAs, action was not initiated to recover the compounding fee. This resulted in short realisation of CF of ₹0.14 crore as detailed in **Appendix 6.10**.
- (d) In eight DTCs<sup>185</sup>, 1,620 cases were registered cases (between April 2019 to March 2022) as of March 2022 under section Section 86(5) of Motor vehicle Act 1988 read with Government order (November 2008)<sup>186</sup> issued in this regard.

As per above said Government order, the motor vehicles plying “without payment of tax”<sup>187</sup> are liable to pay CF to prevent cancellation or suspension of permit.

Scrutiny of VCRs revealed that the CF was levied at lesser rates than the rates prescribed above in Government order. This led to short realisation of CF of ₹0.19 crore as detailed in **Appendix 6.11**.

In response, DTCs Eluru, Chittoor and Kakinada replied (July/September 2023) that Department initiated action against registered cases and collected difference of CF from some of the owner of the vehicles. The reply from other DTCs is awaited. Thus, overall there was short/non -recovery of Compounding fee of ₹13.16 crore causing loss to exchequer.

The above lapses/mechanism followed indicates that the online system for levying of Compounding Fee was not updated as and when there was enhancement of fees to prevent short/non collection of revenue causing loss to exchequer. The Transport Department should update the online system/software from time to time so that there is prompt realisation of revenue.

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<sup>183</sup> Deputy Transport Commissioners: Chittoor, Eluru, Guntur and Nellore

<sup>184</sup> Of ₹2,000 instead of ₹4,000

<sup>185</sup> District Transport Commissioners: Anantapuramu, Chittoor, Eluru, Guntur, Kadapa, Kakinada, Nellore and Vijayawada

<sup>186</sup> G.O.Ms.No.332, Transport R&B (TR-I) dt. 13.11.2008

<sup>187</sup> Educational Institution buses with seat capacity above 13 are liable to pay ₹2500, Motor Cab to pay ₹1,000, Private service vehicles with seat capacity above 13 seats to pay ₹1,250 and Contract carriage above 13 seats to pay ₹2,500

## 6.7 Non-monitoring of renewal of Fitness Certificates

***The Transport Department did not monitor the renewal of Fitness Certificates of transport vehicles. This had not only resulted in non-realisation of fitness fee of ₹1.45 crore, but also likely to jeopardise road safety.***

Section 56 of the Motor Vehicles (MV) Act, 1988, stipulates that registration of a transport vehicle shall not be deemed to be validly registered, unless it carries a Certificate of Fitness (FC) issued by the prescribed authority. As per Rule 62 of the Central Motor Vehicles (CMV) Rules, 1989, the FC in respect of the transport vehicles shall be renewed every year.

Rule 81 of CMV Rules, specifies the fee to be charged for grant or renewal of FC from Transport Vehicles. The Transport Department made amendments<sup>188</sup> under Rule 81 of CMV Rules, 1989 and accordingly revised (January 2017) the Fee for conducting test of a vehicle for grant or renewal of FC.

Analysis of the data provided by Transport Commissioner and five DTCs<sup>189</sup> for the period 2021-22 revealed that the validity of FC in respect of 24,183 transport vehicles, though their status shown as 'active' in the Department's database, had expired and remained un-renewed. This resulted in non-realisation of FC fee of ₹1.45 crore as detailed in the **Appendix 6.12**. Allowing vehicles without FC not only affects revenue but also impacts road safety and environment adversely.

In response, DTC Kakinada replied (September 2023) that out of 625 vehicles, 41 vehicles owner have paid FC whereas in remaining cases DTC Kakinada and DTC Eluru replied (August 2023) that Department cannot compel the Registered owner to apply for FC renewal. DTC, Chittoor replied (July 2023) that whenever the registered owner of the transport vehicles approaches the office for any transactions, no application would be entertained if such vehicles is not covered by valid FC. In spite of voluntary collection of FC fee from the owner of the transport vehicles, however, efforts are being made to conduct special drives for detecting transport vehicles plying without FC. The replies from other DTCs are awaited.

The Department's contentions are not tenable as under section 56 of the MV Act, it is mandatory to renew the FC. Further, Rule 62 of the CMV Rules prescribes that FC in respect of transport vehicles shall be renewed every year. The above lapses indicates that the online system for renewal of FC and realisation of FC fee was not monitored/updated, as and when there was revision of fees to prevent non collection of revenue causing loss to exchequer. Thus, the failure of the Department to ensure checking of fitness of these 'active' vehicles led to non-realisation of fitness fee.

<sup>188</sup> Circular Memo No. 81/R/2017 dated 12/01/2017

<sup>189</sup> Deputy Transport Commissioners: Chittoor, Eluru, Guntur, Kakinada and Nellore

## 6.8 Non-realisation of quarterly tax and penalty on transport vehicles

*Quarterly tax and penalty as stipulated under Andhra Pradesh Motor Vehicle Taxation Act, 1963 was not realised from the owners of transport vehicles within the prescribed time resulting in non-realisation of revenue of ₹6.51 crore.*

Section 3 of Andhra Pradesh Motor Vehicles Taxation (APMVT) Act, 1963, stipulates that tax should be levied on motor vehicles used or kept for use in public in the State, at the rates specified by Government from time to time. Section 4 of the Act, specifies that tax shall be paid in advance either quarterly, half yearly or annually on a licence to be taken out within 15 days from the commencement of the quarter, half year or year as the case may be.

Further, as per Section 6 of the Act read with rule 13 of the APMVT Rules, 1963 and Government order (November 2008)<sup>190</sup>, penalty of minimum of 50 *per cent* shall be leviable as quarterly tax, if detected for belated payment of tax beyond one month, from the beginning of the quarter.

Scrutiny of records<sup>191</sup> (2020-2022) in Transport Commissioner (TC), and eight Deputy Transport Commissioner (DTCs)<sup>192</sup> revealed that quarterly tax amounting to ₹4.06 crore was not paid by 5,164 vehicle owners within the stipulated period. In addition, penalty in 6,578 cases, amounting to ₹2.45 crore was also not collected. This resulted in non-realisation of quarterly tax and minimum penalty worth ₹6.51 crore as detailed in *Appendix 6.13*.

In response, DTC Chittoor replied (July 2023) that quarterly tax was collected up to March 2021 and recovery for further period of 2021-22 is still pending. DTC Eluru replied (August 2023) that they initiated action against 1,336 vehicles owners and collected tax up to 31 March 2022, however, no penalty was collected. DTCs Kakinada replied (September 2023) that out of 88 cases, in 31 cases tax was collected, however, no penalty was collected as of now. DTC Vizianagaram replied (May 2022) that, in 47 cases tax was collected, however, no penalty was collected as of now. Two DTCs<sup>193</sup> replied that, Show Cause Notices were issued to the owners and action would be taken for collection of quarterly tax with arrears due. The replies from other DTCs are awaited.

Response from Government is awaited.

<sup>190</sup> G.O.Ms.No.318 Transport, Roads & Buildings (Tr. 1) Department, dated 03.11.2008

<sup>191</sup> an IT application 'Citizen Friendly Services in Transport Department' (CFST) for providing online services to the public

<sup>192</sup> Deputy Transport Commissioners: Anantapuramu, Chittoor, Eluru, Guntur, Kadapa, Kakinada, Nellore and Vizianagaram

<sup>193</sup> Deputy Transport Commissioners: Anantapuramu and Kadapa

## Home Department

## 6.9 Fast Interceptor Boats kept idle due to requirement of funds for maintenance and repairs

*Non-responsiveness of the State Government in releasing funds for repairs and maintenance resulted in idling of Fast Interceptor Boats (FIBs) since the year 2018, besides compromising coastal security.*

Government of India (GoI) approved setting up of six Marine Police Stations (MPSs) in November 2005 at a cost of ₹32.67 crore under ‘Coastal Security Scheme’ with 100 per cent central assistance. The main objective of the scheme was to provide additional line in coastline defence of the country and to address the critical gap in policing of the coastal waters against infiltration, intrusion and other illegal activities. Under the scheme, GoI had provided (between July 2009 and November 2011) 18 Fast Interceptor Boats (FIBs) at an estimated cost of ₹30 crore to the State Government. The Government deployed these FIBs at six Marine Police Stations<sup>194</sup> for patrolling sea waters and each boat was to be tasked (January 2018) for a minimum of 1,800 hours per year (150 hours per month). The maintenance cost of the FIBs was borne by the GoI up to 19 July 2017 and repeatedly informed (December 2016 and April, May, July, August of 2017) the State Government to make efforts to arrange funds for payment of maintenance cost from their budget. Subsequently, the Director General of Police (DGP), Andhra Pradesh concluded (April 2018) a Memorandum of Understanding (MoU) with the Director of Ports, Kakinada for undertaking repairs of the FIBs.

Audit test checked (September 2020) the records relating to utilisation of the FIBs and the observations are detailed in the subsequent paragraphs.

- (i) The DGP requested (July 2018) State Government for allocation of ₹2.75 crore for repair works of FIBs. The Government however, informed (August 2018) that the cost of repairs has to be borne by the GoI and advised the DGP to approach GoI for extending the maintenance period beyond July 2019.

The stand of the State Government for not providing funds is not justifiable as the responsibility was transferred



FIBs kept idle at Marine Police Station, Visakhapatnam (dated: 17 May 2023)

<sup>194</sup> Kalingapatnam of Srikakulam, Rushikonda of Visakhapatnam, Vakalapudi of East Godavari, Gilakaladindi of Krishna, Suryalanka of Guntur and Dugarajapatnam of SPS Nellore

to the State Government and there were clear instructions from GoI to make arrangement for maintenance with separate budget support. This adversely affected scheduled maintenance and repairs of the FIBs. Consequently, all FIBs became non-operational since August 2018<sup>195</sup>.

- (ii) For certifying the suitability of FIBs for coastal operations, the Indian Register of Shipping (IRS) verified and submitted (March 2018) a detailed report duly compiling the deficiencies and informed that fitness certificates would be issued upon rectification of the deficiencies. The Department had paid (March 2018) an amount of ₹44.10 lakh for verification of boats by IRS. Even after lapse of more than three years, the deficiencies were not rectified due to non-release of funds by the Government. Due to inordinate delay in rectifying the deficiencies further deterioration of the boats cannot be ruled out.
- (iii) Since the boats were not in operation, the Department hired private mechanised fishing boats for the joint coastal security exercise<sup>196</sup> viz., 'Sagar Kavach' held twice annually between the personnel of the Coast Guard and the Coastal Security Police (Marine Police). An amount of ₹31.70 lakh was paid during the period from April 2018 to June 2020 for this activity. Had the boats were in operation the payment would have been avoided.
- (iv) A paragraph titled 'Sub-optimal utilisation of Interceptor boats' was featured in the Audit Report (Civil) for the year ended March 2011. Public Accounts (PAC) recommended<sup>197</sup> that conformance to the GoI norms regarding patrolling hours in respect of each boat as well as optimum utilisation of the interceptor boats should be ensured by the Department. The Department stated (February 2020) that a standardised protocol was fixed for patrolling. It was however, observed that the average utilisation of FIBs decreased from 18.65 *per cent* in 2017 to 0.68 *per cent* in 2019 and no patrolling was carried out during first two quarters of the year 2020. It is evident from the above that the FIBs were not optimally utilised despite specific recommendation of PAC due to requirement of funds.

Thus, adequate attention was not paid by the State Government in providing financial assistance for an important scheme concerning coastal security. The main objective of infiltration, intrusion and other illegal activities, thus, remains compromised.

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<sup>195</sup> of the 18 FIBs, 16 became non-operational on different dates and earliest since December 2016 and latest August 2018. One was semi operational and another though operational, could not be operated for want of IRS certification

<sup>196</sup> the objective of the training is to enhance synergy between the forces which involves hands-on training in various aspects like safety, navigation, maintenance, surveillance and investigation at seas territorial waters, etc.

<sup>197</sup> paragraph 1.52 of Report No. 14 PAC – XIII Andhra Pradesh Legislative Assembly

On this being pointed out, the Inspector General of Police, Visakhapatnam replied (March 2022) that proposals were submitted (September 2021) to the Government to sanction ₹6.50 crore towards repairs and ₹6.00 crore towards annual maintenance for one year and sanction orders were awaited.

The matter was referred to the Government (September 2022); their reply is awaited (April 2023).

Vijayawada  
The 30 June 2025

  
(SARAT CHATURVEDI)  
Principal Accountant General (Audit)  
Andhra Pradesh

Countersigned

New Delhi  
The 03 July 2025

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



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## **Appendices**

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**Appendix-1.1**  
**(Reference to paragraph 1.6.1, page 3)**  
**Department-wise breakup of Outstanding Inspection Reports and Paragraphs**

Sl. No.	Department	Number of IRs/Paragraphs pending as of 31 <sup>st</sup> December	
		IRs	Paragraphs
1.	Women, Children, Disabled and Senior Citizens	14	106
2.	Minority Welfare	21	191
3.	BC Welfare	41	420
4.	Tribal Welfare	64	1,020
5.	Social Welfare	26	234
6.	Health Medical & Family Welfare	103	1,546
7.	School Education	217	2,587
8.	Higher Education	214	1808
9.	Youth Advancement Tourism & Culture	56	522
10.	Skill Development & Training	192	1,161
11.	Labour, Factories, Boilers & Insurance Medical Services	74	418
12.	Agriculture and Cooperation	223	1,394
13.	Animal Husbandry, Dairy Development and Fisheries	137	879
14.	Consumer Affairs Food & Civil supplies	08	63
15.	Energy	85	282
16.	Information Technology, Electronics and Communication	07	47
17.	Industries and Commerce	83	517
18.	Water Resource	449	1,465
19.	Transport, Roads and Buildings	429	2,365
20.	Home	153	1,068
<b>Total</b>		<b>2,596</b>	<b>18,053</b>

**Appendix-1.2**  
**(Reference to paragraph 1.6.3, page 4)**  
**Position of Pending Explanatory Notes (as of 30<sup>th</sup> June 2023)**

**A. Exclusively pertaining to the State of Andhra Pradesh**

Department	2014-15	2015-16	2016-17	2017-18	2018-19	Total
General Administration	-	-	-	-	1	1
Health, Medical and Family Welfare	-	2	-	-	-	2
Higher Education	-	-	1	2	2	5
Labour, Employment, Training and Development	-	-	-	1	-	1
Municipal Administration and Urban Development	-	-	1	3	3	7
Minorities Welfare	1	-	-	-	-	1
Panchayat Raj and Rural Development	-	-	2	-	2	4
School Education	1	-	-	-	-	1
Tribal Welfare	-	-	1	-	-	1
Women, Children, Disabled and Senior Citizens	1	1	-	-	-	2
Youth Advancement, Tourism and Culture (Sports)	-	-	-	-	1	1
Agriculture and Cooperation Department	-	0	1	0	0	1
Water Resources Department	-	1	2	0	0	3
Industries and Commerce Department	-	2	0	1	0	3
Animal Husbandry and Fisheries Department	-	0	1	0	0	1
Transport, Roads & Buildings	-	6	5	4	7	22
Revenue Department	-	0	1	0	0	1
State Public Sector Undertakings (PSUs)	-	31	5	0	0	36
<b>Total</b>	<b>3</b>	<b>43</b>	<b>20</b>	<b>11</b>	<b>16</b>	<b>93</b>

**B. Pertaining to both the States of Andhra Pradesh and Telangana**

Department	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Backward Classes Welfare	-	-	1	-	-	1
Finance	1	-	1	1	-	3
Home	-	-	-	-	1	1
Rural Water Supply and Sanitation	-	-	1	-	-	1
Tribal Welfare	-	1	-	-	1	2
Youth Advancement, Tourism and Culture	1	-	-	-	1	2
Agriculture and Cooperation Department	-	-	0	1	0	1
Water Resources Department	-	-	0	0	-	0
Industries and Commerce Department	-	-	1	0	1	2
Animal Husbandry and Fisheries Department	-	-	0	0	0	0
Transport, Roads & Buildings	-	-	1	1	3	5
Revenue Department	-	-	0	-	0	0
Municipal Administration and Urban Development	-	-	0	0	0	0
Panchayat Raj and Rural Development	-	-	0	0	0	0
State Public Sector Undertakings (PSUs)	-	-	38	4	2	44
<b>Total</b>	<b>2</b>	<b>1</b>	<b>45</b>	<b>8</b>	<b>13</b>	<b>62</b>

**Appendix-1.3**

(Reference to paragraph 1.6.4, page 4)

**Position of Pending Action Taken Notes (as of 30th June 2023)****A. Exclusively pertaining to the State of Andhra Pradesh - Legislative Assembly (LA) wise**

Department	XIII LA	XIV LA	Total
	2009-14	2014-18	
Higher Education Department	1	-	1
Municipal Administration & Urban Development Department (MA)	6	-	6
Municipal Administration & Urban Development Department (PH Wing)	1	2	3
Revenue Department	-	1	1
Infrastructure & Investment Department	0	1	1
<b>Total</b>	<b>8</b>	<b>4</b>	<b>12</b>

**B. Pertaining to both the States of Andhra Pradesh and Telangana - Legislative Assembly (LA) wise**

Department	Up to X	XI LA	XII	XIII LA	XIV LA	Total
	1994-99	1999-2004	2004-2009	2009-14	2014-18	
Backward Classes Welfare Department	-	-	-	1	-	1
General Administration Department	-	-	-	3	-	3
Health, Medical and Family Welfare Department	-	-	-	2	2	4
Higher Education Department	-	-	-	1	-	1
Municipal Administration & Urban Development (MA)	-	-	-	1	1	2
Municipal Administration & Urban Development (PH Wing)	-	-	-	1	-	1
Panchayat Raj & Rural Development Department	-	3	-	-	-	3
School Education Department	-	-	-	2	-	2
Women, Children, Disabled & Senior Citizens Department	-	-	-	1	1	2
Water Resources Department	--	--	1	0	1	2
State Public Sector Undertakings (PSUs)	378	52	32	0	0	462
Transport, Roads & Buildings	15	0	1	0	0	16
<b>Total</b>	<b>393</b>	<b>70</b>	<b>35</b>	<b>12</b>	<b>5</b>	<b>499</b>

**Appendix-2.1**  
**(Reference to paragraph 2.6.1, page 9)**  
**Comparison of BOCW Act 1996 and OSHWC Code 2020**

Sl. No.	Section	BOCW Act 1996	Section	OSHC Code 2020
1	1(4)	It applies to every establishment which employs or had employed on any day of the preceding twelve months, ten or more building workers in any building or other construction work.	2 (u) (v)	Establishment means a place where any industry, trade, business, manufacturing or occupation is carried on in which ten or more workers are employed.
2	2(a)	appropriate Government means: (i) in relation to an establishment (which employs building workers either directly or through a contractor) in respect of which the appropriate Government under the Industrial Disputes Act, 1947 (14 of 1947), is the Central Government, the Central Government; (ii) in relation to any such establishment, being a public sector undertaking, as the Central Government may, by notification, specify which employs building workers either directly or through a contractor, the Central Government.	2(d)	appropriate Government means: (i) in relation to, establishments carried on by or under the authority of the Central Government or concerning any such controlled industry as may be specified in this behalf by the Central Government or the establishment of railways including metro railways, mines, oil field, major ports, air transport service or telecommunication service, banking company or any insurance company established by a Central Act or a corporation or other authority established by a Central Act or a Central public sector undertaking or subsidiary companies set up by the Central public sector undertakings or autonomous bodies owned or controlled by the Central Government.
3	2(j)	Establishment means any establishment belonging to, or under the control of, Government, any corporate body or firm, an individual or association or other body of individuals which or who employs building workers in any building or other construction work; and includes an establishment belonging to a contractor, but does not include an individual who employs such workers in any building or contract work in relation to his own residence the total cost of such construction not being more than rupees ten lakh.	2(h)	The building or other construction work where such work is for own residential purposes of an individual or group of individuals for their own residence and the total cost of such work does not exceed rupees fifty lakh or such higher amount and employing more than such number of workers as may be notified by the appropriate Government.
4	7(3)	Registration of establishment: After the receipt of an application for registration of establishment, the registering officer shall register the establishment and issue a certificate of registration to the employer thereof in such form and within such time and subject to such conditions as may be prescribed.	3(3)	If the registering officer fails to register an establishment under the application so made or to entertain the application within the prescribed period, then, such establishment shall be deemed to have been registered under this Code immediately on the expiration of such period and the electronic certificate of registration shall be auto generated and the responsibility of such failure shall be on the registering officer.
	7(4)	Where, after the registration of an establishment under this section, any change occurs in the ownership or management or other prescribed particulars in respect of such establishment, the	3(4)	Any change in the ownership or management or in any particulars which occurs after the registration of an establishment under this Code, shall be intimated by the employer electronically to the

Sl. No.	Section	BOCW Act 1996	Section	OSHWC Code 2020
		particulars regarding such change shall be intimated by the employer to the registering officer within thirty days of such change in such form as may be prescribed.		registering officer within thirty days of such change in such form as may be prescribed by the Central Government and thereafter the registering officer shall make amendment in the certificate of registration electronically in such manner as may be prescribed by the Central Government.
	9(2)	On receipt of an appeal under revocation of registration of establishment in certain cases, the appellate officer shall, after giving the appellant an opportunity of being heard, confirm, modify or reverse the order of revocation as expeditiously as possible.	4	On receipt of an appeal under revocation of registration of establishment in certain cases the appellate officer shall, after giving the appellant an opportunity of being heard, dispose of the appeal within a period of thirty days from the date of receipt of such appeal.
5	30(1)	Maintenance of registers and records:- Every employer shall maintain such registers and records giving such particulars of building workers employed by him, the work performed by them, the number of hours of work which shall constitute a normal working day for them, a day of rest in every period of seven days which shall be allowed to them, the wages paid to them including wage slips, the receipts given by them and such other particulars in such form as may be prescribed.	33(a)	The employer has to maintain register in prescribed form, electronically or otherwise for all the items mentioned in the previous Act.
6	38	In every establishment which is a building or other construction work wherein five hundred workers or more are ordinarily employed, the employer shall also appoint such number of safety officers, who shall possess such qualifications and perform such duties, as may be prescribed by appropriate Government.	22 (2) (c)	In every establishment which is a building or other construction work wherein two hundred fifty workers or more are ordinarily employed, the employer shall also appoint such number of safety officers, who shall possess such qualifications and perform such duties, as may be prescribed by appropriate Government.

**Appendix-2.2**  
**(Reference to paragraph 2.11.1, page 27)**  
**Statement showing the No. of claims received, settled, rejected, and pending**

Year	Name of the Scheme	No. of Claims received	No. of Claims settled	No. of Claims rejected	No. of Claims pending
2017-18	Marriage Gift	1,857	1,695	114	48
	Maternity Benefit	11,432	10,507	925	0
	Accident Relief	108	104	4	0
	Natural Death	2,478	2,256	222	0
	Funeral Expenses	1,421	1,409	12	0
	Hospitalisation Relief	398	337	61	0
	Disability Relief	26	26	0	0
	Relief to Unregistered Workers	19	19	0	0
	Skill Training	302	302	0	0
	Toolkits	0	0	0	0
	Scholarships	0	0	0	0
	<b>Total</b>		<b>18,041</b>	<b>16,655</b>	<b>1,338</b>
2018-19	Marriage Gift	1,628	1,613	15	0
	Maternity Benefit	16,639	16,130	509	0
	Accident Relief	55	54	1	0
	Natural Death	1,582	1,564	18	0
	Funeral Expenses	1,149	1,148	1	0
	Hospitalisation Relief	455	420	35	0
	Disability Relief	7	7	0	0
	Relief to Unregistered Workers	5	5	0	0
	Skill Training	191	191	0	0
	Toolkits	7,667	7,027	0	640
	Scholarships	188	102	0	86
	<b>Total</b>		<b>29,566</b>	<b>28,261</b>	<b>579</b>
2019-20	Marriage Gift	322	64	56	202
	Maternity Benefit	16,262	8,036	1,592	6,634
	Accident Relief	31	11	0	20
	Natural Death	1,020	196	58	766
	Funeral Expenses	1,146	605	98	443
	Hospitalisation Relief	417	225	67	125
	Disability Relief	13	6	2	5
	Relief to Unregistered Workers	3	3	0	0
	Skill Training	0	0	0	0
	Toolkits	0	0	0	0
	Scholarships	1,083	0	0	1,083
	<b>Total</b>		<b>20,297</b>	<b>9,146</b>	<b>1,873</b>
2020-21	Marriage Gift	264	2	21	241
	Maternity Benefit	9,149	175	1,794	7,180
	Accident Relief	28	2	3	23
	Natural Death	558	14	36	508
	Funeral Expenses	499	15	53	431
	Hospitalisation Relief	162	10	30	122

Year	Name of the Scheme	No. of Claims received	No. of Claims settled	No. of Claims rejected	No. of Claims pending
	Disability Relief	6	0	1	5
	Relief to Unregistered Workers	0	0	0	0
	Skill Training	0	0	0	0
	Toolkits	0	0	0	0
	Scholarships	0	0	0	0
	<b>Total</b>		<b>10,666</b>	<b>218</b>	<b>1,938</b>
2021-22	Marriage Gift	497	0	0	497
	Maternity Benefit	6,027	0	0	6,027
	Accident Relief	35	0	0	35
	Natural Death	589	0	0	589
	Funeral Expenses	276	0	0	276
	Hospitalisation Relief	93	0	0	93
	Disability Relief	3	0	0	3
	Relief to Unregistered Workers	0	0	0	0
	Skill Training	0	0	0	0
	Toolkits	0	0	0	0
	Scholarships	0	0	0	0
	<b>Total</b>		<b>7,520</b>	<b>0</b>	<b>0</b>

**Appendix-3.1**  
**(Reference to Para No.3.1.1 Page No.38)**  
**Statement showing the list of selected schools for physical verification**

Sl. No.	DISTRICT NAME	MANDAL NAME	SCHOOL ID	SCHOOL NAME	SCHOOL CATEGORY
1.	Chittoor	Punganur	28233700510	APMS Adavinathunikunta	Up. Pr. Secondary and Higher Sec
2.	Chittoor	Punganur	28233790849	L MPLHS Nagappalyam	Upper Pr. and Secondary
3.	Chittoor	Punganur	28233700106	MPPS Kummaragunta	Primary
4.	Chittoor	Punganur	28233790820	MPLPS Melupatla (T)	Primary
5.	Chittoor	Punganur	28233700308	MPUPS Patra Palle	Primary with Upper Primary
6.	Chittoor	Punganur	28233790838	MPL UPS Palace Compound	Primary with Upper Primary
7.	Chittoor	Chittoor	28235401503	ZPHS B.N.R.Peta	Upper Pr. and Secondary
8.	Chittoor	Chittoor	28235402506	ZPHS Thumminda	Upper Pr. and Secondary
9.	Chittoor	Chittoor	28235401109	MPPS Settigaripalle	Primary
10.	Chittoor	Chittoor	28235401401	MPPS Palamthopu	Primary
11.	Chittoor	Chittoor	28235400106	MPUPS Thenebanda	Primary with Upper Primary
12.	Chittoor	Chittoor	28235401601	MPUPS Ayanavedu	Primary with Upper Primary
13.	Chittoor	Nagari	28234590676	ZPHS Pudupet (Tamil)	Upper Pr. and Secondary
14.	Chittoor	Nagari	28234590680	PCN GHS Nagari	Upper Pr. and Secondary
15.	Chittoor	Nagari	28234501501	MPPS Moolanatham	Primary
16.	Chittoor	Nagari	28234590645	MPPS Sathrawada	Primary
17.	Chittoor	Nagari	28234500802	MPUPS Bugga Agraharam	Primary with Upper Primary
18.	Chittoor	Nagari	28234500902	MPUPS Damarapakam	Primary with Upper Primary
19.	Krishna	Machilipatnam	28163790487	GOVT Ramjee HS19 Ward	Upper Pr. and Secondary
20.	Krishna	Machilipatnam	28163791182	MPL HS Gilakaladindi	Upper Pr. and Secondary
21.	Krishna	Machilipatnam	28163702301	MPPS Nelakurru	Primary
22.	Krishna	Machilipatnam	28163791150	MPPS Pumbalagudem	Primary
23.	Krishna	Machilipatnam	28163701706	MPUPS Campbelpet	Primary with Upper Primary
24.	Krishna	Machilipatnam	28163790461	SPL MPL UPS Rajupeta 32 <sup>nd</sup> Ward	Primary with Upper Primary
25.	Krishna	Penamaluru	28161800605	ZPHS Tadigadapa	Upper Pr. and Secondary
26.	Krishna	Penamaluru	28161890306	ZPHS Kanuru	Upper Pr. and Secondary
27.	Krishna	Penamaluru	28161800903	MPPS Vanukuru (Main)	Primary
28.	Krishna	Penamaluru	28161890303	MPPS Kanuru Main	Primary

Sl. No.	DISTRICT NAME	MANDAL NAME	SCHOOL ID	SCHOOL NAME	SCHOOL CATEGORY
29.	Krishna	Penamaluru	28161800702	MPUPS Pedapulipaka	Primary with Upper Primary
30.	Krishna	Penamaluru	28161800802	MPUPS Chodavaram	Primary with Upper Primary
31.	Krishna	Vuyyuru	28162800304	Govt. HS Akunuru	Upper Pr. and Secondary
32.	Krishna	Vuyyuru	28162800423	ZPHS Vuyyuru (PT)	Upper Pr. and Secondary
33.	Krishna	Vuyyuru	28162800303	MPPS Akunuru(M)	Primary
34.	Krishna	Vuyyuru	28162800401	MPPS Vuyyuru(1st Ward)	Primary
35.	Krishna	Vuyyuru	28162800603	MPUPS Kadavakollu	Primary with Upper Primary
36.	Krishna	Vuyyuru	28162801302	MPUPS Saipuram	Primary with Upper Primary
37.	Kurnool	Kurnool	28210700804	ZPHS Nidzur	Upper Pr. and Secondary
38.	Kurnool	Kurnool	28210791180	GOVT.HS(G) KING MARKET Kurnool	Upper Pr. and Secondary
39.	Kurnool	Kurnool	28210700302	MPPS R.Konthalapadu	Primary
40.	Kurnool	Kurnool	28210702301	MPPS Dinnedevapuradu	Primary
41.	Kurnool	Kurnool	28210700401	MPUPS Edurur	Primary with Upper Primary
42.	Kurnool	Kurnool	28210702405	MPUP SCHOOL,TV9 Praja Nagar,Kurnool	Primary with Upper Primary
43.	Kurnool	Orvakal	28211701115	A.P Model School, Orvakal	Up. Pr. Secondary and Higher Sec
44.	Kurnool	Orvakal	28211701202	ZPHS Meedivemula	Upper Pr. and Secondary
45.	Kurnool	Orvakal	28211700701	MPPS Brahmanapalle	Primary
46.	Kurnool	Orvakal	28211700801	MPPS Hussainapuram	Primary
47.	Kurnool	Orvakal	28211700301	MPUPS Kethavaram	Primary with Upper Primary
48.	Kurnool	Orvakal	28211700901	MPUPS N.Konthalapadu	Primary with Upper Primary
49.	Kurnool	Orvakal	28211702002	MPUPS Komarolu	Primary with Upper Primary
50.	Kurnool	Gudur	28210600616	ZPHS(BOYS) Gudur	Upper Pr. and Secondary
51.	Kurnool	Gudur	28210600705	ZPHS Chanugondla	Upper Pr. and Secondary
52.	Kurnool	Gudur	28210600605	MPPS(JB) Gudur	Primary
53.	Kurnool	Gudur	28210600901	MPPS(REG) Penchikalapadu	Primary
54.	Kurnool	Gudur	28210601101	MPUPS,Budidapadu	Primary with Upper Primary
55.	Konaseema	Amalapuram	28145490150	ZPHS Surya Nagar	Upper Pr. and Secondary
56.	Konaseema	Amalapuram	28145490211	ZPHS Panchayath Office	Upper Pr. and Secondary
57.	Konaseema	Amalapuram	28145401606	MPPS Uppucheruvugattu	Primary

Sl. No.	DISTRICT NAME	MANDAL NAME	SCHOOL ID	SCHOOL NAME	SCHOOL CATEGORY
58.	Konaseema	Amalapuram	28145490141	SCB MPL PS Ravanam Street	Primary
59.	Konaseema	Amalapuram	28145401316	MPUPS (GP) Agraharam	Primary with Upper Primary
60.	Konaseema	Amalapuram	28145401502	MPUPS Thandavapalli	Primary with Upper Primary
61.	Konaseema	Kothapeta	28144600204	ZPHS Vadapalem	Upper Pr. and Secondary
62.	Konaseema	Kothapeta	28144600713	ZPHS Kotha Palem	Upper Pr. and Secondary
63.	Konaseema	Kothapeta	28144600202	MPPS (MS) Vadapalem	Primary
64.	Konaseema	Kothapeta	28144600502	MPPS (NO.2) Ganti Pedapeta	Primary
65.	Konaseema	Kothapeta	28144600406	MPUPS Pujari Palem	Primary with Upper Primary
66.	Konaseema	Kothapeta	28144600802	MPUPS Khandrika	Primary with Upper Primary
67.	Konaseema	Ramachandrapuram	28143990935	SKPGN GOVT HS Ramachandrapuram	Upper Pr. and Secondary
68.	Konaseema	Ramachandrapuram	28143990936	MPL HS Ratnampeta	Upper Pr. and Secondary
69.	Konaseema	Ramachandrapuram	28143901601	MPPS Draksharama	Primary
70.	Konaseema	Ramachandrapuram	28143901901	MPPS Unduru	Primary
71.	Konaseema	Ramachandrapuram	28143901511	MPUPS Nelaparhipadu	Primary with Upper Primary
72.	Konaseema	Ramachandrapuram	28143901605	MPUPS Adivarapu Peta	Primary with Upper Primary
73.	East Godavari	Nidadavole	28151701106	ZPHS Samisragudem	Upper Pr. and Secondary
74.	East Godavari	Nidadavole	28151790522	ZPHS (G) Nidadavole	Upper Pr. and Secondary
75.	East Godavari	Nidadavole	28151701202	MPPS (NO.2) Gopavaram	Primary
76.	East Godavari	Nidadavole	28151702001	MPPS No 1, Tallapalem	Primary
77.	East Godavari	Nidadavole	28151701002	MPUPS Thimmarajupalem	Primary with Upper Primary
78.	East Godavari	Nidadavole	28151701301	MPUPS Vijjeswaram	Primary with Upper Primary
79.	East Godavari	Nidadavole	28151701801	MPUPS Singavaram	Primary with Upper Primary
80.	East Godavari	Rajamahendravaram (Rural)	28142900103	ZPHS Torredu	Upper Pr. and Secondary
81.	East Godavari	Rajamahendravaram (Rural)	28142990322	ZPHS Dowleswaram	Upper Pr. and Secondary
82.	East Godavari	Rajamahendravaram (Rural)	28142900102	MPPS SC Colony Torredu	Primary
83.	East Godavari	Rajamahendravaram (Rural)	28142990401	MPPS Venkatnagaram	Primary
84.	East Godavari	Rajamahendravaram (Rural)	28142900404	MPUPS Venkatagiri	Primary with Upper Primary
85.	East Godavari	Kadium	28143100505	ZPHS Veeravaram	Upper Pr. and Secondary
86.	East Godavari	Kadium	28143100608	ZPHS Muramanda	Upper Pr. and Secondary
87.	East Godavari	Kadium	28143100402	MPPS (NO.1) Damireddipalle	Primary

Sl. No.	DISTRICT NAME	MANDAL NAME	SCHOOL ID	SCHOOL NAME	SCHOOL CATEGORY
88.	East Godavari	Kadium	28143100501	MPPS (PA) Veeravaram	Primary
89.	East Godavari	Kadium	28143100309	MPUPS (CN) MR Palem	Primary with Upper Primary
90.	East Godavari	Kadium	28143100504	MPUPS Pottilanka	Primary with Upper Primary
91.	Guntur	Guntur	28172600217	ZPHS Adavitakkellapadu	Upper Pr. and Secondary
92.	Guntur	Guntur	28172691263	GOVT HS P V Thota	Upper Pr. and Secondary
93.	Guntur	Guntur	28172600202	MPPS Adavitakkella Padu	Primary
94.	Guntur	Guntur	28172601110	MPPS Lalpuram (Old UP)	Primary
95.	Guntur	Guntur	28172600702	MPUPS Budampadu	Primary with Upper Primary
96.	Guntur	Guntur	28172601203	MPUPS Obulnaidupalem	Primary with Upper Primary
97.	Guntur	Mangalagiri	28171200408	ZPHS Atmakur	Upper Pr. and Secondary
98.	Guntur	Mangalagiri	28171201106	ZPHS Nuthakki	Upper Pr. and Secondary
99.	Guntur	Mangalagiri	28171200407	MPPS (MAIN) Atmakur	Primary
100.	Guntur	Mangalagiri	28171200901	MPPS Main Pedavadlapudi	Primary
101.	Guntur	Mangalagiri	28171290503	MPL PS, 7th Ward, MANGALAGIRI	Primary with Upper Primary
102.	Guntur	Mangalagiri	28171290520	MPL UPS BHL 22ward	Primary with Upper Primary
103.	Guntur	Tadepalli	28171100320	Z.PHS Tadepalli	Upper Pr. and Secondary
104.	Guntur	Tadepalli	28171100604	ZPHS Vaddeswaram	Upper Pr. and Secondary
105.	Guntur	Tadepalli	28171100101	MPPS Penumaka(HE)	Primary
106.	Guntur	Tadepalli	28171100601	MPPS R.R.Nagar	Primary
107.	Guntur	Tadepalli	28171100301	MPUPS Nulakapet (U)	Primary with Upper Primary
108.	Guntur	Tadepalli	28171100402	MPUPS Kunchinapalli	Primary with Upper Primary

**Appendix-3.2**  
**(Reference to Para No.3.2.2.7(ii) Page No.46)**

**Statement showing Drinking water systems not working in the test checked schools**

Sl. No.	Name of the district	Name of the school in which DWS is not functional	Category of the DWS	CPM agency supplied the DWS	Value of DWS (In ₹)
1	Konaseema	ZPHS Surya Nagar	Type IV(A )	Ahlada Engineers Ltd	5,11,490
2	Konaseema	SCB MPL PS Ravanam Street	Type III (B)	Livpure Pvt Ltd	1,36,703
3	Konaseema	SKPGN Govt HS Ramachandrapuram	Type IV(B )	Innovative Industries	4,63,950
4	East Godavari	ZPHS Veeravaram	Type IV(A )	Ahlada Engineers Ltd	5,11,490
5	East Godavari	ZPHS Muramanda	Type IV(B )	Innovative Industries	4,63,950
6	Krishna	GOVT Ramjee HS19 Ward	Type III (A)	Livpure Pvt Ltd	1,84,408
7	Krishna	MPL HS Gilakaladindi	Type III (A)	Livpure Pvt Ltd	1,84,408
8	Krishna	SPL MPL UPS Rajupeta 32nd Ward	Type III (A)	Livpure Pvt Ltd	1,84,408
9	Krishna	MPPS Kanuru Main	Type III (A)	Livpure Pvt Ltd	1,84,408
10	Krishna	MPUPS Pedapulipaka	Type III (A)	Livpure Pvt Ltd	1,84,408
11	Krishna	Govt HS Akunuru	Type III (A)	Livpure Pvt Ltd	1,84,408
12	Guntur	ZPHS Adavitakkellapadu	TYPE I B	INNOVATIVE AQUA	68,400
13	Guntur	Z.PHS Tadepalli	TYPE IV A	AHLADA ENGINEERS	5,11,490
14	Guntur	ZPHS Vaddeswaram	Type - IV (A)	AHLADA ENGINEERS	5,11,490
15	Guntur	MPPS Penumaka(HE)	TYPE I(A)	INNOVATIVE AQUA	1,40,400
16	Guntur	MPUPS Kunchinapalli	TYPE I(A)	INNOVATIVE AQUA	70,200
17	Chittoor	ZPHS Thumminda	DWS Type - III (B)	Livpure Pvt Ltd	1,36,703
18	Chittoor	MPPS Settigaripalle	Water purifier 8.5 to 9 Ltrs -	Aqua Yard	15,750
19	Chittoor	MPPS Palamthopu	Water purifier 8.5 to 9 Ltrs	Aqua Yard	20,150
20	Chittoor	MPUPS Thenebanda	DWS Type - III (A)	Livpure Pvt Ltd	1,84,408
21	Chittoor	MPUPS Ayanavedu	Type - I	Innovative Aqua Systems Pvt Ltd	70,200
22	Chittoor	MPPS Kummaragunta	Type-I	Innovative Aqua Systems Pvt Ltd	70,200
23	Chittoor	Mpl Ups Palace Compound	DWS Type - III (A)	Livpure Pvt Ltd	1,84,408
24	Chittoor	ZPHS Pudupet(Tamil)	DWS Type - IV (B)	Innovative Industries	4,63,950
25	Chittoor	MPPS Sathrawada	DWS Type - III (A)	Livpure Pvt Ltd	1,84,408
26	Chittoor	MPUPS Bugga Agraharam	Type - I	Innovative Aqua Systems Pvt Ltd	70,200
27	Chittoor	MPUPS Damarapakam	Type - I	Innovative Aqua Systems Pvt Ltd	70,200

Sl. No.	Name of the district	Name of the school in which DWS is not functional	Category of the DWS	CPM agency supplied the DWS	Value of DWS (In ₹)
28	Kurnool	MPPS R.Konthalapadu (Not installed)	DWS Type - III (A)	Livpure Pvt Ltd	1,84,408
29	Kurnool	MPPS Dinnedavarapadu	DWS Type - III (A)	Livpure Pvt Ltd	1,84,408
30	Kurnool	MPUPS Edurur	DWS Type - III (A)	Livpure Pvt Ltd	1,84,408
31	Kurnool	ZPHS(BOYS) Gudur	DWS Type - IV (A)	Ahlada Engineers Ltd	5,11,490
32	Kurnool	ZPHS Chanugondla	DWS Type - IV (B)	Innovative Industries	4,63,950
33	Kurnool	MPPS(JB) Gudur	DWS Type - III (A)	Livpure Pvt Ltd	1,84,408
<b>TOTAL</b>					<b>76,79,660</b>

**Appendix-3.3**  
**(Reference to Para No.3.2.2.7(iii)(b) Page No.47)**  
**Statement showing amount paid for painting work under Mana Badi Nadu Nedu in excess of M. Book record**

(Amount in ₹)

District	Mandal	Name of the School	Name of the agency	Measurement as per M.Book (Qty)	Total amount payable for Painting including wall art if any, as per M.Book	Wall Art amount as per M Book	Total amount payable for Painting as per M.Book	Amount paid	Excess amount paid	
1	2	3	4	5	6	7	8 = (6-7)	9	10=(9-8)	
Konaseema	Kothapeta	ZPHS KothaPalem	M/s Berger Paints Ltd.	3,228.00	2,79,315	-	2,79,315	2,82,727	3,412	
		MPPS (NO.2) Ganti Pedapeta		955.50	82,269	-	82,269	83,554	1,285	
		MPUPS Pujari Palem		1,248.24	1,08,291	-	1,08,291	1,13,732	5,441	
		MPPS (MS) Vadapalem		1,378.55	1,19,777	-	1,19,777	2,01,789	82,012	
		ZPHS Vadapalem		5,668.14	4,90,852	-	4,90,852	5,13,822	22,970	
	Ramachndrapuram	MPL HS Ratnampeta	M/s Berger Paints Ltd.	2,065.00	5,28,873	-	5,28,873	5,68,079	39,206	
		MPPS Draksharama		1,959.12	1,87,360	-	1,87,360	2,26,242	38,882	
		SKPGN GOVT HS Ramachndrapuram		12,152.50	11,20,962	-	11,20,962	11,65,502	44,540	
		MPUPS Nelapraphipadu		1,229.97	1,07,857	-	1,07,857	1,40,026	32,169	
	Amalapuram	SCB MPL RavanamMallaya Street	M/s Berger Paints Ltd.	2,711.79	2,41,859	-	2,41,859	2,61,359	19,500	
		MPPS Uppucheruvugattu		1,806.00	1,53,510	-	1,53,510	1,61,967	8,457	
	<b>Total</b>									<b>2,97,874</b>
	East Godavari	Rajamahendravaram (Rural)	MPPS SC Colony, Torredu	M/s Berger Paints Ltd.	2,927.52	2,47,963	-	2,47,963	3,52,042	1,04,079
ZPHS, Dowleswaram			5,396.79		4,82,848	-	4,82,848	7,63,824	2,80,976	
Kadiyam		MPPS Venkatanagaram	M/s Berger Paints Ltd.	1,519.63	1,31,450	-	1,31,450	1,64,706	33,256	
		MPUPS MR Palem			1,32,173	-	1,32,173	1,90,956	58,783	
		MP UPS Pottilanka		1,640.56	1,76,325	30,000	1,42,725	1,60,724	17,999	
ZPHS Veeravaram		9,350.00	7,91,173	-	7,91,173	9,41,935	1,50,762			
Nidadavole		ZPHS Samisragudem	M/s Berger Paints Ltd.	6,428.64	6,33,545	11,159	6,22,386	8,43,009	2,20,623	
	ZPHS(G) Nidadavole	7,264.01		6,44,073	13,090	6,30,983	9,84,654	3,53,671		

Audit Report (Performance and Compliance Audit) for the period ended March 2022

District	Mandal	Name of the School	Name of the agency	Measurement as per M.Book (Qty)	Total amount payable for Painting including wall art if any, as per M.Book	Wall Art amount as per M Book	Total amount payable for Painting as per M.Book	Amount paid	Excess amount paid
1	2	3	4	5	6	7	8 = (6-7)	9	10=(9-8)
		MPUPS Singavaram		2,179.92	2,24,334	27,500	2,08,707	2,60,882	52,175
		MPPS NO 1, Tallapalem		879.76	85,864	-	85,864	1,01,275	15,411
	<b>Total</b>								
Krishna	Machilipatnam	GOVT RAMJEE HS19 Ward	M/s Asian paints	8,596.41	7,93,439	51,600	7,41,839	10,05,074	2,63,235
		MPUPS Campbelpet		2,028.56	2,18,272	42,324	1,75,948	2,13,134	37,186
	Penamaluru	ZPHS Tadigadapa	M/s Asian paints	1,824.37	2,30,743	64,600	1,66,143	2,79,665	1,13,522
		MPPS Vanukuru (Main)		3,575.84	2,34,997	-	2,34,997	2,78,161	43,164
		MPUPS Pedapulipaka		1,468.92	1,70,020	-	1,40,950	1,98,768	57,818
		MPUPS Chodavaram		2,329.63	2,61,952	38,760	2,23,192	2,27,100	3,908
	Vuyyuru	MPUPS Kadavakollu	M/s Asian paints	2,661.00	1,63,231	-	1,63,231	2,76,080	1,12,849
<b>Total</b>									<b>6,31,682</b>
Guntur	Guntur	MPUPS Obulnaidupalem	ASIAN PAINTS	2,252.20	1,85,029	-	1,85,029	1,94,255	9,226
	Mangalagiri	MPPS MAIN Pedavadlapudi		2,110.30	1,78,599	-	1,78,599	1,83,317	4,718
	Tadepalli	Z.PHS Tadepalli		1,128.32	-	-	-	96,316	96,316
		MPPS Penumaka(HE)	M/s Berger Paints Ltd.	2,068.00	-	-	-	1,78,444	1,78,444
		MPPS R.R.Nagar		2,036.00	90,735	-	90,735	1,75,218	84,483
<b>Total</b>									<b>3,73,187</b>
<b>Grand Total</b>									<b>25,90,478</b>

**Appendix-3.4**  
**(Reference to Para No.3.2.2.7(iv) Page No.48)**

**Statement showing number of students sitting on floor due to insufficient supply of dual desks**

Sl. No.	Name of the district	Name of school	Dual desks Indented	Dual desks received	No. of children sitting on the floor
1	Konaseema	MPPS Unduru	8	8	19
2	Konaseema	MPUPS Adivarapu Peta	10	10	55
3	East Godavari	MPPS SC Colony Torredu	Not Available	0	19
4	East Godavari	MPUPS Pottilanka	12	12	46
5	Krishna	ZPHS Kanuru	100	100	135
6	Krishna	MPPS Vanukuru (Main)	16	16	24
7	Krishna	MPPS Akunuru(M)	13	13	30
8	Krishna	MPPS Vuyyuru(1st Ward)	12	12	12
9	Krishna	MPUPS Kadavakollu	29	29	29
10	Chittoor	MPPS Settigariipalle	15	8	8
11	Chittoor	MPPS Palamthopu	7	7	9
12	Chittoor	MPUPS Thenebanda	80	19	93
13	Chittoor	MPPS Kummaragunta	25	10	36
14	Chittoor	ZPHS Pudupet(Tamil)	15	15	205
15	Chittoor	PCN GHS Nagari	198	198	25
16	Chittoor	MPPS Sathrawada	115	45	12
17	Kurnool	GOVT.HS(G) King Market Kurnool	150	0	265
18	Kurnool	MPPS R.Konthalapadu	30	30	94
19	Kurnool	MPPS Dinnedevarapadu	75	70	34
20	Kurnool	MPUPS Edurur	30	30	41
21	Kurnool	ZPHS Meedivemula	140	100	69
22	Kurnool	MPPS Brahmanapalle	24	24	17
23	Kurnool	MPUPS Kethavaram	0	0	105
24	Kurnool	MPUPS Komarolu	18	12	48
25	Kurnool	ZPHS(Boys) Gudur	59	59	189
26	Kurnool	ZPHS Chanugondla	200	93	110
27	Kurnool	MPPS(JB) Gudur	44	44	58
28	Guntur	MPPS Adavitakkella Padu	10	10	14
29	Guntur	MPPS Lalpuram (OLD UP)	0	0	66
30	Guntur	MPUPS Obulnaidupalem	0	0	48
31	Guntur	Z.PHS Tadeipalli	164	164	51
32	Guntur	MPPS R.R.Nagar	17	17	7
<b>Total</b>			<b>1,416</b>	<b>1,155</b>	<b>1,973</b>

**Appendix-3.5**

**(Reference to Para No.3.2.2.7(vi) Page No.49)**

**Statement showing schools where Land filling of ditches exceeded 30 cu.m**

Sl. No	Name of the district	Name of the of school	Work of filling of ditches executed (cu.m)
1.	Konaseema	SCB MPL PS Ravanam Street	32.00
2.	Konaseema	SKPGN Govt HS Ramachandrapuram	300.00
3.	Konaseema	MPUPS Nelaparthipadu	65.00
4.	East Godavari	MPPS Venkatnagaram	49.93
5.	East Godavari	MPUPS Venkatagiri	250.00
6.	East Godavari	ZPHS Veeravaram	504.00
7.	East Godavari	MPUPS Pottilanka	100.00
8.	East Godavari	ZPHS (G) Nidadavole	162.47
9.	East Godavari	MPUPS Vijjeswaram	70.42
10.	Krishna	GOVT RAMJEE HS19 Ward	35.00
11.	Krishna	MPPS Pumbalagudem	45.00
12.	Krishna	ZPHS Tadigadapa	480.00
13.	Krishna	Govt HS Akunuru	200.00
14.	Krishna	MPPS Akunuru(M)	50.97
15.	Krishna	MPUPS Kadavakollu	38.00
16.	Krishna	MPUPS Saipuram	42.33
17.	Kurnool	ZPHS Nidzur	118.00
18.	Kurnool	MPUPS Edurur	80.00
19.	Kurnool	MPUP School, TV9 Praja Nagar, Kurnool	55.00
20.	Kurnool	MPUPS Kethavaram	58.00
21.	Kurnool	ZPHS(Boys) Gudur	134.21
22.	Kurnool	MPPS(JB) Gudur	60.00
23.	Chittoor	ZPHS Thumminda	35.00
24.	Chittoor	MPUPS Ayanavedu	72.60
25.	Chittoor	MPPS Kummaragunta	151.00
26.	Chittoor	MPPS Sathrawada	45.00

## Appendix-3.6

(Reference to Para No.3.2.2.7(vii) Page No.50)

## Details of balances of MBNN Phase-I funds kept idle in the bank accounts of PCs

## 1. Konaseema District

(Amount in ₹)

Sl. No.	District	Mandal	Name of the School	Bank A/c No.	Balance available in the Bank account
1.	Konaseema	Ramachandrapuram	MPUPS Adiarapu Peta	6847298341	2,75,633
2.			MPPS Unduru	261710100043437	58,779
3.			MPUPS Nelaparthipadu	6847664182	3,163
4.			SKPGN Govt HS Ramachandrapuram	9730100034966	49,265
5.			MPPS Draksharama	6847667116	25,197
6.			MPL HS Ratnampeta	714210026056340	458
7.		Kothapeta	MPUPS Kandrika	39044089605	1,202
8.			ZPHS Vadepalem	39043964831	517
9.			MPUPS Pujaripalem	39041061784	12,887
10.			MPPS Ganti Pedapeta	39043963098	2,25,639
11.			MPPS Vadapalem	39041044260	6,774
12.			ZPHS Kotha Palem	39042821930	523
13.		Amalapuram	MPUPS Agraharam	82570100001027	2,015
14.			ZPHS Panchayath Office	39047615048	1,309
15.			ZPHS Surya Nagar	82570100001039	1,822
16.			MPUPS Thandavapalli	82570100001026	16,651
17.			MPPS Uppucheruvugattu	82570100002923	4,887
18.			SCB Mpl PS Ravanam Street	82570100001045	281
<b>Total</b>					<b>6,87,002</b>

## 2. East Godavari District

(Amount in ₹)

Sl. No.	District	Mandal	Name of the School	Bank A/c No.	Balance available in the Bank account
1.	East Godavari	Nidadavolu	ZPHS Samisragudem	563410210000018	1,37,176
2.			ZPGHS Nidadavolu	39053592632	3,20,402
3.			MPUPS Thimmarajupalem	563410210000015	91,281
4.			MPUPS Vijjeswaram	569710210000004	59,318
5.			MPPS Gopavaram	697102100000008	25,737
6.			MPPS Tallapalem	563410210000006	9,432
7.			MPUPS Singavaram	563410210000007	1,357
8.		Rajamahendravaram Rural	ZPP Boys High School, Dowleswaram	3794897446	1,100
9.			ZPHS Thorredu	39047644557	40,407
10.			MPUPS Venkatagiri	39046135743	1,702
11.			MPPS Venkatanagaram	347401000003887	291
12.		Kadiyam	MPPS SC Colony Torredu	39051104842	2,181
13.			ZPHS Muramanda	30010100202474	11,873
14.			MPUPS Pottilanka	30010100202410	657
15.			MPPS Damireddipalli	30010100202465	234
16.			MPPS Veeravaram	300101002024XX	376
<b>TOTAL</b>					<b>7,03,524</b>

#### 4. Krishna District

(Amount in ₹)

Sl. No.	District	Mandal	Name of the School	Bank A/c No.	Balance available in the Bank account
1.	Krishna	Machilipatnam	MPL HS Gilakaladindi	291024199615	55,988
2.			MPPS Nelakurru	78310100131741	58,997
3.			SPL MPL UPS Rajupeta 32nd Ward	520291024199714	2,64,906
4.			MPPS Pumbalagudem	130901000835	6,700
5.			Govt RAMJEE HS 19 Ward	7570000100025230	659
6.		Penamluru	ZPHS Tadigadapa	7953000100022060	3,84,601
7.			MPUPS Chodavaram	37752250002305	1,204
8.			MPPS Vankuru Mains	6846999936	1,545
9.			MPUPS Pedapulipaka	7953000100022070	810
10.			MPPS Kanuru Mains	146210100095537	1,042
11.			ZPHS Kanuru	6848725894	3,64,015
12.		Vuyyuru	Govt. HS Akunuru	4481101003968	2,13,615
13.			MPUPS Kadavakollu	4481101003914	1,023
14.			MPPS Akunuru Mains	4481101003918	1,114
15.			MPUPS Saipuram	4481101003917	3,069
16.			MPPS Vuyyuru	4481101003967	853
17.			ZPHS Vuyyuru	4481101003902	6
<b>Total</b>					<b>13,60,147</b>
<b>Grand Total</b>					<b>27,50,673</b>

**Appendix-4.1****(Reference to Para No. 4.1.5, Page No.56)****Details of food models & estimated cost YSR Sampoorna Poshana Plus+ Scheme**

Approved food models of the **Y.S.R. Sampoorna Poshana Plus+ Scheme** for the Pregnant women and Lactating mothers, children aged 6-36 months and 36-72 months is as below:

**A) For Pregnant women and Lactating mothers (per beneficiary):**

Pregnant women and Lactating mothers are to be provided one full meal at the Anganwadi Centre and monthly take home ration under YSR Sampoorna Poshana Plus+ Scheme.

**(i) Hot Cooked Meal at the Anganwadi Centre**

Food Model	Qty. per day	Estimated Tentative Cost in ₹
Rice (gms)	125 gms	0.50
Red Gram dal (gms)	30 gms	2.10
Oil (gms)	16 gms	1.00
Milk (ml)	200 ml	9.45
Egg (Nos)	1	4.68
Vegetables / Green Leafy Vegetables (gms)	125 gms	3.00
Condiments (As required)-	-	0.75
Fuel charges	-	1.75
Transportation	-	0.27
Flexi Fund	-	0.50
Estimated cost per day	-	₹24.00
Estimated cost for 25 days/month/beneficiary	-	₹600.00

**(ii) Take Home Ration Kit for Pregnant women and Lactating mothers:** Monthly Take Home Ration Kit for the Pregnant women and Lactating mothers is as follows:

Item	Qty. per month	Estimated Tentative Cost in ₹
Multigrain Atta	2 kgs	160.00
Groundnut Chikki	500 gms	80.00
Ragi/ Bajra/Jowar flour	500 gms	30.00
Jaggery	500 gms	40.00
Dry Dates	500 gms	90.00
Transportation and Flexi	-	100.00
Estimated cost/month/beneficiary	-	₹500.00

### B. For Children 36-72 months (per beneficiary)

Children in the age group of 36-72 months are to be provided Hot cooked midday meal at Anganwadi Centres under Y.S.R. Sampoorna Poshana Plus+ as follows:

Item	Qty. per day	Estimated Tentative Cost in ₹
Rice (gms)	75 gms	0.30
Red Gram dal (gms)	15 gms	1.05
Oil (gms)	5 ml	0.32
Milk (ml)	200 ml	9.45
Egg (Nos)	1 No.	4.68
Vegetables / Green Leafy Vegetables (gms)	42 gms	1.10
Condiments (As required)-	-	0.25
Fuel charges	-	0.50
Transportation	-	0.30
Balamrutham Snack (Laddu/Payasam etc.)	50 gm	3.00
Flexi Fund	-	1.17
<b>Estimated cost per day</b>	-	<b>₹22.12</b>
<b>Estimated cost for 25 days/month/beneficiary</b>	-	<b>₹553.00</b>

**Note:** Model menu for Pregnant women, Lactating mothers and Children 36-72 months at Anganwadi is as follows:

	Item 1	Item 2	Item 3	Item 4	Item 5
Monday	Rice	Sambar with Vegetables		Egg Curry	Milk
Tuesday	Rice	Dal	leafy vegetable	Egg	Milk
Wednesday	Rice	Dal	leafy vegetable	Egg	Milk
Thursday	Rice	Sambar with Vegetables		Egg Curry	Milk
Friday	Rice	Dal	leafy vegetable	Egg	Milk
Saturday	Rice	Dal	leafy vegetable	Egg	Milk

### C. For Children aged 6-36 months (per beneficiary)

Children in the age group of 6-36 months are to be provided Take Home Nutrition from Anganwadi Centres under Y.S.R. Sampoorna Poshana Plus+ as follows:

Item	Qty. per month	Estimated Tentative Cost in ₹
Balamrutham (gms)	2.5 kg/month	150
Eggs	30 per month	140
Milk (ml)	6 Ltrs. per month (200 ml per day)	318
Transportation and Flexi	-	12
<b>Estimated cost/month/beneficiary</b>	-	<b>₹620</b>

**Appendix-4.2**  
**(Reference to Para No. 4.1.5, Page No.56)**  
**Details of food models & estimated cost for YSR Sampoorna Poshana**

Approved food models of the **Y.S.R. Sampoorna Poshana Scheme** for the Pregnant women and Lactating mothers, children aged 6-36 months and 36-72 months are as below:

**A) For Pregnant women and Lactating mothers (per beneficiary):**

Pregnant women and Lactating mothers are to be provided one full meal at the Anganwadi Centre and monthly take home ration under YSR Sampoorna Poshana Scheme.

**(i) Hot Cooked Meal at the Anganwadi Centre:**

Food Model	Qty. per day	Estimated Tentative Cost in ₹
Rice (gms)	125 gms	0.50
Red Gram dal (gms)	30 gms	2.10
Oil (gms)	16 gms	1.00
Milk (ml)	200 ml	9.45
Egg (Nos)	1	4.68
Vegetables / Green Leafy Vegetables (gms)	125 gms	3.00
Condiments (As required)-	-	0.75
Fuel charges	-	1.75
Transportation	-	0.27
Flexi Fund	-	0.50
<b>Estimated cost per day</b>	-	<b>₹24.00</b>
<b>Estimated cost for 25 days/month/beneficiary</b>	-	<b>₹600.00</b>

**(ii) Take Home Ration Kit for Pregnant women and Lactating mothers:** Monthly Take Home Ration Kit for the Pregnant women and Lactating mothers is as follows:

Item	Qty. per month	Estimated Tentative Cost in ₹
Ragi Flour	1 kg	50.00
Jaggery	250 gms	20.00
Groundnut Chikki	250 gms	40.00
Dry Dates	250 gms	40.00
Ragi/ Bajra/Jowar flour	1 kg	40.00
Rice Flakes	1 kg	45.00
Transportation and Flexi	-	15.00
<b>Estimated cost/month/beneficiary</b>	-	<b>₹250.00</b>

**B. For Children 36-72 months (per beneficiary):**

Children in the age group of 36-72 months are to be provided Hot cooked midday meal at Anganwadi Centres under Y.S.R. Sampoorna Poshana as follows:

Item	Qty. per day	Estimated Tentative Cost in ₹
Rice (gms)	75 gms	0.30
Red Gram dal (gms)	15 gms	1.05
Oil (gms)	5 ml	0.32
Milk (ml)	100 ml	4.72
Egg (Nos)	1 No.	4.68
Vegetables / Green Leafy Vegetables (gms)	42 gms	1.10
Condiments (As required)-	-	0.25
Fuel charges	-	0.50
Transportation	-	0.10
Snack Food (gms)	20 gm	0.83
Flexi Fund	-	1.15
<b>Estimated cost per day</b>	-	<b>₹14.00</b>
<b>Estimated cost for 25 days/month/beneficiary</b>	-	<b>₹350.00</b>

**Note:** Model menu for Pregnant women, Lactating mothers and Children 36-72 months at Anganwadi is as follows:

	Item 1	Item 2	Item 3	Item 4	Item 5
Monday	Rice	Sambar with Vegetables		Egg Curry	Milk
Tuesday	Rice	Dal	leafy vegetable	Egg	Milk
Wednesday	Rice	Dal	leafy vegetable	Egg	Milk
Thursday	Rice	Sambar with Vegetables		Egg Curry	Milk
Friday	Rice	Dal	leafy vegetable	Egg	Milk
Saturday	Rice	Dal	leafy vegetable	Egg	Milk

**C. For Children aged 6-36 months (per beneficiary):**

Children in the age group of 6-36 months are to be provided Take Home Nutrition from Anganwadi Centres under Y.S.R. Sampoorna Poshana Plus+ as follows:

Item	Qty. per month	Estimated Tentative Cost in ₹
Balamrutham (gms)	2.5 kg/month	150
Eggs	25 per month	117
Milk (ml)	2.5 Ltrs. per month (100 ml per day)	132
Transportation and Flexi	-	13
<b>Estimated cost/month/beneficiary</b>	-	<b>₹412</b>

**Appendix-4.3**  
**(Reference to Para No. 4.1.5, Page No.56)**  
**Statement showing the Government of India releases to WD&CW Department**

(Amount in lakh ₹)

2019-20	Component	Inst.	Amount	2020-21	Component	Inst.	Amount	2021-22	Component	Inst.	Amount
12.04.19	Gnl.	1st	6720.8	16.04.20	Genl.	Apr-20	2727.2	03.06.21	Genl.	1 <sup>st</sup>	9368.3
12.04.19	SC	1st	1792.2	05.05.20	SC	May-20	2727.2	19.08.21	Genl.	2 <sup>nd</sup>	7401.0
12.04.19	ST	1st	448.1	29.06.20	ST	Jun-20	2727.2	10.09.21	SC	2 <sup>nd</sup>	1967.3
30.05.19	SC	2 <sup>nd</sup>	597.4	31.07.20	SC	Jul-20	2727.2	31.12.21	Genl.	3 <sup>rd</sup>	5036.1
30.05.19	Gnl.	2 <sup>nd</sup>	2240.3	27.08.20	Genl.	Aug-20	3122.8	31.12.21	ST	3 <sup>rd</sup>	1476.2
30.05.19	ST	2 <sup>nd</sup>	149.4	29.09.20	Genl.	Sep-20	4705.1	31.12.21	SC	3 <sup>rd</sup>	2603.2
9.08.19	Gnl.	2 <sup>nd</sup>	4480.5	29.10.20	Genl.	Oct-20	3122.8	21.02.22	Genl.	4 <sup>th</sup>	7268.4
9.08.19	SC	2 <sup>nd</sup>	1194.8	27.11.20	Genl.	Nov-20	3122.8	21.02.22	SC	4 <sup>th</sup>	1523.5
9.08.19	ST	2 <sup>nd</sup>	298.7	31.12.20	Genl.	Dec-20	3122.8	21.02.22	ST	4 <sup>th</sup>	492.1
25.11.19	Gnl.	3 <sup>rd</sup>	4170.3	10.03.21	SC	4th	9031.1	31.03.22	Genl	Reim.	1132.1
25.11.19	SC	3 <sup>rd</sup>	1168.6	-	-	-	-	-	-	-	-
25.11.19	ST	3 <sup>rd</sup>	504.3	-	-	-	-	-	-	-	-
26.12.19	ST	4 <sup>th</sup>	2240.3	-	-	-	-	-	-	-	-
26.12.19	SC	4 <sup>th</sup>	3136.4	-	-	-	-	-	-	-	-
26.12.19	Gnl.	4 <sup>th</sup>	3584.4	-	-	-	-	-	-	-	-
<b>2019-20 - Total</b>			<b>32726.5</b>	<b>2020-21 - Total</b>			<b>37136.2</b>	<b>2021-22 - Total</b>			<b>38268.2</b>

**Details of SNP Budget released to implementing agency (HoD) during 2019-20 to 2021-22****Grant Audit Register - March 2020**

(Amount in ₹)

HOA		Original	Supplementary	Total budget	State Expenditure (Releases to HoD)
2236 02 101 12 04 230 N V	CSS	<b>2,94,00,00,000</b>	-	2,94,00,00,000	2,16,42,76,661
2236 02 789 12 04 230 N V		<b>55,07,61,000</b>	-	55,07,61,000	90,56,82,004
2236 02 796 12 04 230 N V		<b>20,82,30,000</b>	-	20,82,30,000	-
				<b>3,69,89,91,000</b>	<b>3,06,99,58,665</b>
2236 02 101 06 04 230 N V	MSS	<b>1,00,00,00,000</b>	-	1,00,00,00,000	2,80,77,39,620
2236 02 789 06 04 230 N V		<b>52,07,61,000</b>	-	52,07,61,000	47,73,48,020
2236 02 796 06 04 230 N V		<b>26,82,30,000</b>	-	26,82,30,000	4,45,42,796
				<b>1,78,89,91,000</b>	<b>3,32,96,30,436</b>
2236 02 101 11 07 230 N V	SDS	<b>75,00,00,000</b>	-	75,00,00,000	1,08,36,56,002
2236 02 101 11 11 230 N V		<b>57,00,00,000</b>	-	57,00,00,000	1,43,09,26,687
2236 02 789 11 06 230 N V		<b>21,00,00,000</b>	-	21,00,00,000	29,48,75,335
2236 02 789 11 11 230 N V		<b>38,00,00,000</b>	-	38,00,00,000	48,34,04,201
2236 02 796 11 06 230 N V		<b>10,91,03,000</b>	-	10,91,03,000	12,07,53,791
2236 02 796 11 09 230 N V		<b>15,00,00,000</b>	-	15,00,00,000	14,20,21,309
2236 02 796 11 11 230 N V		<b>11,00,00,000</b>	-	11,00,00,000	22,35,46,656
					<b>2,27,91,03,000</b>
<b>Grand Total</b>				<b>7,76,70,85,000</b>	<b>10,17,87,73,082</b>

**Grant Audit Register - March 2021**

(Amount in ₹)

HOA		Original	Supple- mentary	Total Budget	State Expenditure (Releases to HoD)
2236 02 101 12 12 230 N V	CSS	2,33,00,00,000	46,77,19,000	2,79,77,19,000	2,54,94,23,292
2236 02 789 12 12 230 N V		80,00,00,000	17,59,36,000	97,59,36,000	92,93,76,091
2236 02 796 12 14 230 N V		62,00,00,000	19,98,90,000	81,98,90,000	81,98,90,000
				<b>4,59,35,45,000</b>	<b>4,29,86,89,383</b>
2236 02 101 06 12 230 N V	MSS	2,32,00,00,000	59,30,13,000	2,91,30,13,000	2,83,33,68,813
2236 02 789 06 12 230 N V		80,00,00,000	19,14,60,000	99,14,60,000	98,49,82,246
2236 02 796 06 14 230 N V		1,25,00,00,000	-	1,25,00,00,000	54,71,71,000
				<b>5,15,44,73,000</b>	<b>4,36,55,22,059</b>
2236 02 101 11 12 230 N V	SDS	4,70,00,00,000	-	4,70,00,00,000	4,45,34,33,520
2236 02 789 11 12 230 N V		1,55,00,00,000	-	1,55,00,00,000	1,45,12,98,992
2236 02 796 11 09 230 N V		10,00,00,000	-	10,00,00,000	7,45,29,596
2236 02 796 11 14 230 N V		63,00,00,000	-	63,00,00,000	56,57,42,370
				<b>6,98,00,00,000</b>	<b>6,54,50,04,478</b>
<b>Grand Total</b>				<b>16,72,80,18,000</b>	<b>15,20,92,15,920</b>

**Grant Audit Register - March 2022**

(Amount in ₹)

HOA		Original	Supple- mentary	Total Budget	State Expenditure (Releases to HoD)
2236 02 101 12 12 230 N V	CSS	2,75,16,53,000	40,40,14,000	3,15,56,67,000	2,87,42,92,001
2236 02 789 12 12 230 N V		52,24,66,000	1,03,66,02,000	1,55,90,68,000	1,55,90,67,909
2236 02 796 12 14 230 N V		20,89,87,000	-	20,89,87,000	19,68,20,000
				<b>4,92,37,22,000</b>	<b>4,63,01,79,910</b>
2236 02 101 06 12 230 N V	MSS	2,75,16,53,000	-	2,75,16,53,000	2,07,27,09,211
2236 02 789 06 12 230 N V		52,24,66,000	84,41,69,000	1,36,66,35,000	1,36,66,34,754
2236 02 796 06 14 230 N V		20,89,87,000	-	20,89,87,000	14,76,15,000
				<b>4,32,72,75,000</b>	<b>3,58,69,58,965</b>
2236 02 101 11 12 230 N V	SDS	7,66,32,82,000	-	7,66,32,82,000	5,44,95,98,608
2236 02 789 11 12 230 N V		1,35,23,45,000	-	1,35,23,45,000	79,80,43,963
2236 02 796 11 14 230 N V		2,01,81,61,000	-	2,01,81,61,000	1,25,61,07,584
				<b>11,03,37,88,000</b>	<b>7,50,37,50,155</b>
<b>Grand Total</b>				<b>20,28,47,85,000</b>	<b>15,72,08,89,030</b>

**Appendix-4.4**  
**(Reference to Para No. 4.1.8, Page No.58)**  
**Sampled District DW&CW&EOs, ICDS projects, Anganwadi Centres**

S.No.	District	Project	AWC Name
1	Prakasam	Ongole (U)	Rajapanakalaroad-1
2			Yanadhi Colony-6
3		Maddipadu	Kamepallevripalem
4			N.V. Palem
5		Santhamguluru	Yanamadala Main
6			Kukatlapalli SC -2
7		Bestavaripeta	Cumbum-4
8			Rangapuram-2
9	Vizianagaram	Kurupam (Tribal)	Tolmguda
10			Mundemkallu-II
11		Bobbili (U)	Velamavariveedhi-I
12	Akularelliveedi-2		
13	Visakhapatnam	Dumbriguda	Podujola
14			P. Jakarvalasa
15		Paderu	Lampeli
16			Jodumamidi
17		Hukumpeta	Turkalametta
18			Iskagaruvu-1
19		Araku Valley	Pradhaniputtu (M)
20			Bheemunivalasa
21		V. Madugula	Chukkapalli
22			L. Kothapalli
23		Bheemunipatnam	JV Agraharam-2
24	Narayanaraju Peta		
25	Kadapa	Pulivendula	Nallapureddy Palli-1
26			Ulimella-1
27		Rajampet	Vaddipalli Colony
28			Cherlopalli ST Colony
29		Jammalamadugu	Korrapadu-IV
30			Gadeguduru-II
31		Badwel	Tamtamvari Palli
32			Kondampalli

**Appendix-4.5**

**(Reference to Para No. 4.2.2(a), Page No.60)**

**Variations in indenting of balamrutham between Supply Chain Management Portal and actual indent issued to TSNC**

Month	Indent placed as per HOD (in Pkts)	Indent placed as per HOD (in MT)	Indent as per SCM (in Pkts)	Indent as per SCM (in MT)	Difference in Indent (in MT)
(a)	(b)	(c)	(d)	(e)	(c)-(e)
Apr-19	13,92,042	3,480.11	13,90,354	3,475.89	4.22
May-19	14,42,677	3,606.69	14,42,201	3,605.50	1.19
Jun-19	14,22,759	3,556.90	14,19,158	3,547.90	9.00
Jul-19	14,04,299	3,510.75	14,02,091	3,505.23	5.52
Aug-19	13,79,101	3,447.75	13,75,392	3,438.48	9.27
Sep-19	13,75,173	3,437.93	13,70,827	3,427.07	10.86
Oct-19	14,26,996	3,567.49	14,22,123	3,555.31	12.18
Nov-19	14,62,542	3,656.36	14,54,695	3,636.74	19.62
Dec-19	14,53,249	2,906.50	14,42,930	3,607.33	-700.83
Jan-20	15,20,988	3,802.47	15,10,072	3,775.18	27.29
Feb-20	15,09,364	3,773.41	15,09,446	3,773.62	-0.20
Mar-20	15,42,838	3,857.09	15,38,132	3,845.33	11.76
Apr-20	15,50,263	3,875.66	15,48,273	3,870.68	4.97
May-20	15,76,917	3,942.29	15,72,777	3,931.94	10.35
Jun-20	16,15,385	4,038.46	16,13,986	4,034.97	3.50
Jul-20	15,93,026	3,982.57	15,87,593	3,968.98	13.58
Aug-20	15,79,290	3,948.23	15,74,825	3,937.06	11.16
Sep-20	0	0	15,99,338	3,998.35	-3,998.35
Oct-20	16,21,885	4,054.71	15,90,645	3,976.61	78.10
Nov-20	0	0	16,36,878	4,092.20	-4,092.20
Dec-20	16,39,149	4,097.87	16,48,107	4,120.27	-22.40
Jan-21	16,56,271	4,140.68	15,64,309	3,910.77	229.91
Feb-21	15,71,421	3,928.55	15,76,694	3,941.74	-13.18
Mar-21	15,83,437	3,958.59	15,71,971	3,929.93	28.67
Apr-21	0	0	15,53,602	3,884.01	-3,884.01
May-21	15,76,050	3,940.13	15,57,439	3,893.60	46.53
Jun-21	15,89,062	3,972.66	15,84,864	3,962.16	10.50
Jul-21	16,10,514	4,026.29	15,98,233	3,995.58	30.70
Aug-21	15,41,763	3,854.41	16,21,251	4,053.13	-198.72
Sep-21	16,08,250	4,020.63	16,08,120	4,020.30	0.32
Oct-21	15,89,946	3,974.87	15,88,070	3,970.18	4.69
Nov-21	18,02,166	4,505.42	15,64,166	3,910.42	595.00
Dec-21	0	0	15,47,593	3,868.98	(-) 3,868.98
Jan-22	15,38,706	3,846.77	14,31,767	3,579.42	267.35
Feb-22	15,39,293	3,848.23	15,37,450	3,843.63	4.61
Mar-22	15,44,546	3,861.37	15,44,546	3,861.37	0.00

## Appendix-4.6

(Reference to Para No. 4.2.2(a), Page No.61)

**Variations in indenting of milk between Supply Chain Management Portal and Actual indent issued to APDDCF during 2020-21 to 2021-22**

Month/ Year	Total indent issued to APDDCF (Ltrs.)	Indented milk as per SCM (Ltrs.)	Difference in Indenting of milk (Ltrs.)
Apr-20	50,90,053	38,48,012	12,42,041
May-20	51,32,787	38,20,398	13,12,389
Jun-20	52,43,801	39,03,195	13,40,606
Jul-20	50,68,734	37,01,791	13,66,943
Aug-20	1,06,00,063	1,03,57,436	2,42,627
Sep-20	89,81,201	89,48,902	32,299
Oct-20	1,02,15,085	1,01,44,052	71,033
Nov-20	1,04,71,444	1,04,45,376	26,068
Dec-20	1,06,04,922	1,05,63,776	41,146
Jan-21	1,09,88,728	1,09,34,140	54,588
Feb-21	1,10,69,989	1,10,38,541	31,448
Mar-21	1,10,88,108	1,10,59,102	29,006
Apr-21	1,10,62,802	1,10,16,970	45,832
May-21	1,10,73,482	1,10,00,325	73,157
Jun-21	1,11,58,189	1,11,18,700	39,489
Jul-21	1,13,34,880	1,12,41,885	92,995
Aug-21	1,14,26,077	1,14,15,191	10,886
Sep-21	1,11,87,079	1,11,59,042	28,037
Oct-21	1,09,55,279	1,09,52,138	3,141
Nov-21	1,07,72,651	1,07,72,065	586
Dec-21	1,07,20,325	1,07,20,325	0
Jan-22	1,07,08,303	1,06,96,055	12,248
Feb-22	1,07,83,573	1,07,80,666	2,907
Mar-22	1,08,47,981	1,08,47,981	0

## Appendix-4.7

(Reference to Para No. 4.2.2(a), Page No.61)

**Variations in indenting of rice, dal and oil between Supply Chain Management Portal and actual indenting issued to/supply of rice, dal and oil by the supplier***Rice (in kg.)*

Sl. No.	Month	Qty. Indented in SCM	Indented Placed by Department	Difference
1	19-Apr	38,19,368	37,93,884	25,484
2	19-May	32,20,448	31,98,333	22,115
3	19-Jun	26,83,274	26,59,297	23,977
4	19-Jul	34,47,000	34,28,707	18,293
5	19-Aug	31,04,365	31,60,661	-56,296
6	19-Sep	32,42,792	32,19,892	22,900
7	19-Oct	34,74,602	34,51,440	23,162
8	19-Nov	18,92,090	16,77,968	2,14,122
9	19-Dec	24,55,772	24,41,531	14,241
10	20-Jan	40,93,010	40,77,361	15,649

Sl. No.	Month	Qty. Indented in SCM	Indented Placed by Department	Difference
11	20-Feb	26,53,913	25,95,121	58,792
12	20-Mar	26,95,974	26,30,341	65,633
13	20-Apr	29,85,920	29,69,034	16,886
14	20-May	55,36,375	55,26,849	9,526
15	20-Jun	51,36,800	51,30,189	6,611
16	20-Jul	36,93,190	36,77,739	15,451
17	20-Aug	35,67,850	34,88,835	79,015
18	20-Sep	36,03,771	35,73,839	29,932
19	20-Oct	38,61,490	38,46,239	15,251
20	20-Nov	38,16,800	38,13,289	3,511
21	20-Dec	39,20,548	39,12,589	7,959
22	21-Jan	41,35,800	41,28,439	7,361
23	21-Feb	40,61,450	40,41,839	19,611
24	21-Mar	40,29,850	40,13,239	16,611
25	21-Apr	36,97,550	37,37,989	-40,439
26	21-May	36,68,100	36,54,339	13,761
27	21-Jun	75,71,700	37,76,089	37,95,611
28	21-Jul	41,35,000	41,19,389	15,611
29	21-Aug	41,21,800	41,00,339	21,461
30	21-Sep	79,65,526	39,50,389	40,15,137
31	21-Oct	36,49,250	36,58,129	-8,879
32	21-Nov	31,10,050	31,14,079	-4,029
33	21-Dec	30,57,300	30,42,401	14,899
34	22-Jan	33,66,524	33,78,701	-12,177
35	22-Feb	37,20,150	37,26,901	-6,751
36	22-Mar	36,43,300	36,50,508	-7,208

*Dal (in kg.)*

Sl. No.	Month	Qty. Indented in SCM	Indented Placed by Department	Difference
1	19-Apr	38,19,368	7,08,726	31,10,642
2	19-May	7,60,384	7,53,502	6,882
3	19-Jun	7,01,974	6,93,902	8,072
4	19-Jul	7,99,308	7,92,718	6,590
5	19-Aug	7,03,845	7,11,616	-7,771
6	19-Sep	7,31,187	7,23,602	7,585
7	19-Oct	7,88,302	7,80,227	8,075
8	19-Nov	4,52,786	3,99,774	53,012
9	19-Dec	5,64,618	5,56,731	7,887
10	20-Jan	8,92,886	8,86,035	6,851
11	20-Feb	5,78,507	5,62,801	15,706
12	20-Mar	5,69,791	5,51,243	18,548

Sl. No.	Month	Qty. Indented in SCM	Indented Placed by Department	Difference
13	20-Apr	13,18,780	13,13,615	5,165
14	20-May	7,41,497	7,32,464	9,033
15	20-Jun	13,10,474	13,02,184	8,290
16	20-Jul	10,61,341	10,52,973	8,368
17	20-Aug	11,24,589	11,16,654	7,935
18	20-Sep	11,27,179	11,16,504	10,675
19	20-Oct	11,80,717	11,72,093	8,624
20	20-Nov	11,64,416	11,56,456	7,960
21	20-Dec	11,81,692	11,79,373	2,319
22	21-Jan	12,32,819	12,26,071	6,748
23	21-Feb	12,04,109	11,98,186	5,923
24	21-Mar	11,75,258	11,68,776	6,482
25	21-Apr	10,12,905	10,10,427	2,478
26	21-May	9,83,549	9,76,747	6,802
27	21-Jun	10,34,435	10,27,544	6,891
28	21-Jul	11,76,263	11,68,087	8,176
29	21-Aug	12,15,444	12,08,016	7,428
30	21-Sep	12,07,043	12,00,597	6,446
31	21-Oct	10,95,017	10,96,655	-1,638
32	21-Nov	8,90,178	8,89,275	903
33	21-Dec	8,52,088	8,46,026	6,062
34	22-Jan	9,17,499	9,22,629	-5,130
35	22-Feb	10,15,905	10,15,351	554
36	22-Mar	10,11,897	10,11,198	699

**Oil (in kg.)**

Sl. No.	Month	Qty. Indented in SCM	Indented Placed by Department	Difference
1	19-Apr	3,67,365	3,65,055	2,310
2	19-May	3,77,377	3,75,940	1,437
3	19-Jun	3,51,906	3,50,420	1,486
4	19-Jul	4,09,152	4,09,192	-40
5	19-Aug	3,43,213	3,50,141	-6,928
6	19-Sep	3,50,611	3,49,293	1,318
7	19-Oct	3,57,526	3,57,344	182
8	19-Nov	2,45,011	2,20,623	24,388
9	19-Dec	4,02,720	4,02,176	544
10	20-Jan	14,51,332	7,29,290	7,22,042
11	20-Feb	3,50,116	3,43,424	6,692
12	20-Mar	3,23,002	3,14,971	8,031
13	20-Apr	7,19,132	7,19,226	-94

Sl. No.	Month	Qty. Indented in SCM	Indented Placed by Department	Difference
14	20-May	4,04,250	4,02,311	1,939
15	20-Jun	7,79,470	7,78,795	675
16	20-Jul	5,87,889	5,87,466	423
17	20-Aug	5,80,641	5,79,531	1,110
18	20-Sep	5,20,254	5,18,721	1,533
19	20-Oct	5,44,189	5,44,852	-663
20	20-Nov	5,10,797	5,09,680	1,117
21	20-Dec	5,23,167	5,24,309	-1,142
22	21-Jan	5,56,031	5,55,236	795
23	21-Feb	5,41,643	5,40,796	847
24	21-Mar	5,42,178	5,40,806	1,372
25	21-Apr	5,04,272	5,07,099	-2,827
26	21-May	5,13,624	5,14,343	-719
27	21-Jun	5,63,829	5,62,743	1,086
28	21-Jul	5,98,008	5,94,611	3,397
29	21-Aug	5,84,019	5,83,396	623
30	21-Sep	5,50,811	5,49,235	1,576
31	21-Oct	4,81,821	4,83,361	-1,540
32	21-Nov	4,22,049	4,21,698	351
33	21-Dec	4,26,944	4,23,987	2,957
34	22-Jan	4,73,157	4,75,914	-2,757
35	22-Feb	5,24,096	5,23,662	434
36	22-Mar	5,24,064	5,23,740	324

**Appendix-4.8**  
**(Reference to Para No. 4.2.3.1(i)&(ii), Page No.63)**  
**(a) Short supply of Milk**

*(Quantity in Litres)*

Month	Milk indented as per SCM portal	Milk indented by W&CWD	Milk supplied by APDDCF	Short supply of milk
Apr-20	38,48,012	50,90,053	48,46,983	2,43,070
May-20	38,20,398	51,32,787	47,73,921	3,58,866
Jun-20	39,03,195	52,43,801	45,38,215	7,05,586
Jul-20	37,01,791	50,68,734	47,83,862	2,84,872
Aug-20	1,03,57,436	1,06,00,063	89,25,893	16,74,170
Oct-20	1,01,44,052	1,02,15,085	98,37,386	3,77,699
Nov-20	1,04,45,376	1,04,71,444	1,01,29,334	3,42,110
Jan-21	1,09,34,140	1,09,88,728	1,02,11,646	7,77,082
Feb-21	1,10,38,541	1,10,69,989	1,07,33,378	3,36,611
Mar-21	1,10,59,102	1,10,88,108	86,66,502	24,21,606
Apr-21	1,10,16,970	1,10,62,802	83,77,735	26,85,067
May-21	1,10,00,325	1,10,73,482	1,01,45,075	9,28,407
Jun-21	1,11,18,700	1,11,58,189	1,06,61,643	4,96,546
Jul-21	1,12,41,885	1,13,34,880	73,02,011	40,32,869
Aug-21	1,14,15,191	1,14,26,077	54,09,276	60,16,801
Sep-21	1,11,59,042	1,11,87,079	69,18,217	42,68,862

Month	Milk indented as per SCM portal	Milk indented by W&CWD	Milk supplied by APDDCF	Short supply of milk
Oct-21	1,09,52,138	1,09,55,279	61,84,421	47,70,858
Nov-21	1,07,72,065	1,07,72,651	84,51,488	23,21,163
Dec-21	1,07,20,325	1,07,20,325	88,02,302	19,18,023
Jan-22	1,06,96,055	1,07,08,303	93,76,278	13,32,025
Feb-22	1,07,80,666	1,07,83,573	72,17,631	35,65,942
Mar-22	1,08,47,981	1,08,47,981	1,08,07,882	40,099
<b>Total</b>	<b>21,09,73,386</b>	<b>21,69,99,413</b>	<b>17,71,01,079</b>	<b>3,98,98,334</b>

**Note:** Month-wise details of milk supplied was not maintained for the year 2019-20. Further, indented copies to the supplier were not made available to audit. Hence, short supply of milk was calculated for the period 2020-21 to 2021-22.

**(b) District-wise short supply of milk during April 2019 to March 2022**

*(Quantity in Litres)*

Name of the DW&CW&EO	No. of Projects	No. of AWCs	No. of Months where short supply was noticed	Indented Quantity	Supplied Quantity	Short Supply
Kadapa	15	3,621	32	1,46,05,313	1,20,25,407	25,79,906
Prakasam	21	4,244	35	1,69,19,694	1,40,72,650	28,47,044
Visakhapatnam	25	4,952	36	3,14,29,599	2,27,50,224	86,79,375
Vizianagaram	17	3,729	36	1,46,95,495	1,22,12,746	24,82,749
<b>Total:</b>	<b>78</b>	<b>16,546</b>	<b>139</b>	<b>7,76,50,101</b>	<b>6,10,61,027</b>	<b>1,65,89,074</b>

**Appendix-4.9**  
**(Reference to Para No. 4.2.3.1(iii), Page No.64)**  
**Project-wise short supply of milk during April 2019 to March 2022**  
*(Quantity in Litres)*

Sl. No.	Name of the ICDS Project	No. of AWCs	No. of Months where there was short supply	Indent Quantity	Supplied Quantity	Short Supply
<b>Kadapa District</b>						
1	Badvel	153	35	6,42,099	5,29,204	1,12,895
2	Jammalamadugu	140	33	6,23,306	5,08,885	1,14,421
3	Pulivendula	293	35	11,84,464	9,86,446	1,98,018
4	Rajampet	242	35	10,20,899	7,55,249	2,65,650
<b>Prakasam District</b>						
5	Ongole Urban	134	10	2,77,033	2,00,768	76,265
6	Maddipadu	212	33	7,62,215	5,14,432	2,47,783
7	Santhamaguluru	254	20	6,19,878	3,89,686	2,30,192
8	Bestavaripeta	199	34	6,40,805	4,87,433	1,53,372
<b>Visakhapatnam District</b>						
9	Araku Valley	164	23	8,21,422	4,36,725	3,84,697
10	Dumbriguda	161	26	9,98,929	3,97,465	6,01,464
11	Paderu	184	19	6,20,866	2,87,404	3,33,462
12	Hukumpeta	214	19	6,58,759	2,60,844	3,97,915
13	V. Madugula	158	13	4,04,471	2,77,651	1,26,820
14	Bheemunipatnam	232	19	5,82,672	2,76,983	3,05,689
<b>Vizianagaram District</b>						
15	Bobbili	104	29	2,68,918	2,17,616	51,302
16	Kurupam	316	25	10,16,083	6,03,559	4,12,524
	<b>Total:</b>	<b>3,160</b>	<b>408</b>	<b>1,11,42,819</b>	<b>71,30,350</b>	<b>40,12,469</b>

**Appendix-4.10**  
**(Reference to Para No. 4.2.3.2, Page No.64)**  
**State-wise short supply of Balamrutham during April 2019 to March 2022**

S.No.	Month	Indent placed (in MT)	Received (in MT)	Short supply (in MT)	Short supply (in packets)
(a)	(b)	(c)	(d)	(e)=(c)-(d)	(f)
1	Apr-19	3,480.10	3,145.20	334.90	1,33,962
2	May-19	3,606.70	3,584.00	22.70	9,085
3	Jun-19	3,556.90	3,541.30	15.60	6,255
4	Aug-19	3,447.80	3,437.60	10.20	4,053
5	Sep-19	3,437.90	1,138.30	2,299.60	9,19,845
6	Oct-19	3,567.50	2,203.30	1,364.20	5,45,684
7	Nov-19	3,656.40	3,037.10	619.30	2,47,694
8	Jan-20	3,802.50	2,023.00	1,779.50	7,11,772
9	Feb-20	3,773.40	3,251.20	522.20	2,08,900
10	Mar-20	3,857.10	2,801.60	1,055.50	4,22,180
11	Apr-20	3,875.70	3,807.60	68.10	27,207
12	May-20	3,942.30	3,847.80	94.50	37,805
13	Jun-20	4,038.50	4,028.80	9.70	3,873
14	Jul-20	3,982.60	1,295.70	2,686.90	10,74,746
15	Aug-20	3,948.20	3,529.60	418.60	1,67,434
16	Oct-20	4,054.70	1,882.50	2,172.20	8,68,893
17	Dec-20	4,097.90	3,753.20	344.70	1,37,877
18	Jan-21	4,140.70	3,028.50	1,112.20	4,44,863
19	Feb-21	3,928.60	3,414.70	513.90	2,05,549
20	Mar-21	3,958.60	1,026.00	2,932.60	11,73,045
21	May-21	3,940.10	1,403.00	2,537.10	10,14,834
22	Jun-21	3,972.70	3,785.50	187.20	74,878
23	Jul-21	4,026.30	3,416.70	609.60	2,43,818
24	Aug-21	3,854.40	3,109.60	744.80	2,97,939
25	Oct-21	3,974.90	1,432.70	2,542.20	10,16,866
26	Nov-21	4,505.40	3,091.80	1,413.60	5,65,430
27	Jan-22	3,846.80	3,170.30	676.50	2,70,586
28	Feb-22	3,848.20	3,690.60	157.60	63,053
29	Mar-22	3,861.40	2,997.10	864.30	3,45,690
<b>Total</b>		<b>1,11,984.30</b>	<b>83,874.30</b>	<b>28,110.00</b>	<b>1,12,43,816</b>

**Appendix-4.11**  
**(Reference to Para No. 4.2.3.3, Page No.65)**  
**(a) District-wise short supply of eggs during April 2019 to March 2022**

Name of the DW&CW&EO	No. of Projects	No. of AWCs	No. of Months	Indent Quantity	Supplied Quantity	Short Supply
Kadapa	15	3,621	35	14,88,91,172	13,52,70,879	1,36,20,293
Prakasam	21	4,244	17	3,86,79,410	3,40,78,946	46,00,464
Visakhapatnam	25	4,952	32	19,32,33,142	18,41,32,082	91,01,060
Vizianagaram	17	3,729	36	11,91,53,884	11,08,89,776	82,64,108
<b>Total:</b>	<b>78</b>	<b>16,546</b>		<b>49,99,57,608</b>	<b>46,43,71,683</b>	<b>3,55,85,925</b>

**(b) Project-wise short supply of eggs during April 2019 to March 2022**

Sl. No.	Name of the Project	No. of AWCs	No. of Months	Indent Quantity	Supplied Quantity	Short Supply
<b>Kadapa District</b>						
1	Badvel	153	36	61,26,602	54,63,821	6,62,781
2	Jammalamadugu	140	32	52,34,892	45,81,392	6,53,500
3	Pulivendula	293	35	1,09,96,687	1,05,07,930	4,88,757
4	Rajampet	242	36	97,69,676	88,70,780	8,98,896
<b>Prakasam District</b>						
5	Santhamaguluru	254	33	88,40,084	74,51,258	13,88,826
6	Bestavaripeta	199	33	64,34,197	57,70,642	6,63,555
<b>Visakhapatnam District</b>						
7	Araku Valley	164	26	51,77,306	48,22,027	3,55,279
8	Dumbriguda	161	25	54,99,000	52,37,275	2,61,725
9	Paderu	184	12	24,30,855	22,36,968	1,93,887
10	Hukumpeta	214	15	31,57,110	30,35,479	1,21,631
11	V. Madugula	158	26	50,51,526	45,56,295	4,95,231
12	Bheemunipatnam	232	19	63,44,483	60,52,337	2,92,146
<b>Vizianagaram District</b>						
13	Bobbili	104	36	29,53,132	27,47,738	2,05,394
14	Kurupam	316	13	26,07,091	24,98,530	1,08,561
<b>Total:</b>		<b>2,814</b>	<b>377</b>	<b>8,06,22,641</b>	<b>7,38,32,472</b>	<b>67,90,169</b>

**Appendix-4.12**  
**(Reference to Para No. 4.2.5, Page No.69)**

**(a) Physical verification at test checked Anganwadi Centres**

S. No.	Name of the District	Name of ICDS Project	Name of AWC	No. of Bens surveyed	List of the Bens displayed in the notice board of AWC or not	THR Kit/ food item details displayed at AWC or not	Whether SAM/MAM / SUW Bens are identifying in AWC or not?	Growth indicator charts maintained or not?
1	2	3	4	5	6	7	8	9
1	Prakasam	Ongole Urban	Yanadi Colony-6	12	Yes	-	Yes	Yes
2	Prakasam	Ongole Urban	Rajapanagal Road-1	12	Yes	-	Yes	Yes
3	Prakasam	Maddipadu	N.V. Palem	12	No	No	Nil	Yes
4	Prakasam	Maddipadu	Kamepallev aripalem	13	No	-	Nil	Yes
5	Prakasam	Santhamaguru	Kukatlapalli	12	No	No	Yes	Yes
6	Prakasam	Santhamaguru	Yanamadala Main	12	Yes	-	Yes	Yes
7	Prakasam	Bestavaripeta	Cumbum-IV	12	Yes	No	Nil	Not displayed
8	Prakasam	Bestavaripeta	Rangapuram -2	12	Yes	-	Yes	Yes
9	Visakhapatnam	Araku Valley	Pradhaniputtu Mini	12	No	No	Yes	Yes
10	Visakhapatnam	Araku Valley	Bheemunivlasa	11	No	No	Yes	Yes
11	Visakhapatnam	Dumbriguda	P. Jakaravalasa	14	No	-	Yes	Yes
12	Visakhapatnam	Dumbriguda	Podujola	11	No	-	Nil	Yes
13	Visakhapatnam	Paderu	Lampeli	11	No	-	Yes	Yes
14	Visakhapatnam	Paderu	Jodumamidi	12	No	No	Yes	Yes
15	Visakhapatnam	Hukumpeta	Iskagaruvu	12	No	-	Yes	Yes
16	Visakhapatnam	Hukumpeta	Thurakalamma	12	No	No	Yes	Yes
17	Visakhapatnam	V. Madugula	L. Kothapalli	12	No	-	Yes	Yes
18	Visakhapatnam	V. Madugula	Chukkapalli	12	No	No	Nil	Yes
19	Visakhapatnam	Bheemunipatnam	Narayanaraju Peta	12	No	-	Yes	Yes
20	Visakhapatnam	Bheemunipatnam	JV Agraharam-2	12	No	No	Yes	Yes
21	Vizianagaram	Bobbili	Velamavaari veedhi-I	12	No	No	Nil	Not displayed
22	Vizianagaram	Bobbili	Akularellive edhi-II	12	No	No	Nil	Not displayed
23	Vizianagaram	Kurupam	Mondemkallu-II	12	No	-	Nil	Not displayed
24	Vizianagaram	Kurupam	Tolmguda	12	No	-	Nil	Not displayed
25	YSR Kadapa	Badvel	Tamthamvaripalli	9	No	-	Nil	Not displayed
26	YSR Kadapa	Badvel	Kondampalli	13	No	-	Nil	Not displayed
27	YSR Kadapa	Jammalamadugu	Gadegudur-II	12	No	-	Nil	Not displayed
28	YSR Kadapa	Jammalamadugu	Korrapadu-IV	12	No	-	Nil	Not displayed
29	YSR Kadapa	Pulivendula	Nallapureddyypalli-I	12	No	No	Nil	Not displayed
30	YSR Kadapa	Pulivendula	Ulimella-I	14	No	No	Nil	Not displayed
31	YSR Kadapa	Rajampeta	Cherlopalli ST Colony	13	No	No	Nil	Yes
32	YSR Kadapa	Rajampeta	Vaddepalli Colony	12	No	No	Nil	Yes
<b>Total</b>				<b>385</b>				

**(b) Results of Beneficiary Survey**

Sl. No.	Name of AWC	Own building	Sanitation facility	Playing equipment	Compound wall	Electricity	Drinking Water	THR Required	THR/Milk/ Eggs are eaten/consumed by family members?	Food not taken
1	4	10	11	12	13	14	15	16	17	18
1	Yanadi Colony-6	-	-	-	-	-	-	5	3	2
2	Rajapanagal Road-1	-	-	-	-	-	-	2	4	2
3	N.V. Palem	12	-	-	-	-	-	3	10	3
4	Kamepallevripalem	-	-	-	-	-	-	3	-	3
5	Kukatlapalli	12	-	-	-	-	-	-	2	-
6	Yanamadala Main	-	-	-	-	-	-	-	8	-
7	Cumbum-IV	-	-	-	-	-	-	-	2	-
8	Rangapuram-2	-	-	-	-	-	-	-	-	-
9	Pradhaniputtu Mini	-	5	-	11	10	-	-	-	-
10	Bheemunivalasa	-	6	-	11	11	-	-	-	-
11	P. Jakaravalasa	5	-	-	3	-	-	-	-	-
12	Podujola	11	8	-	-	-	-	-	-	-
13	Lampeli	-	-	4	6	-	-	-	-	-
14	Jodumamidi	-	6	6	7	9	7	-	-	-
15	Iskagaruvu	-	-	-	-	-	-	-	-	-
16	Thurakalmetta	12	2	-	8	-	-	-	-	-
17	L. Kothapalli	7	2	-	-	-	-	-	-	-
18	Chukkapalli	12 repairs	11	4	10	-	11	-	-	-
19	Narayanaraju Peta	-	12	8	-	-	10	-	-	-
20	JV Agraharam-2	5	9	4	2	-	-	3	-	-
21	Velamavaariveedhi-I	-	-	-	-	-	-	-	-	-
22	Akularelliveedhi-II	-	-	-	-	-	-	-	-	-
23	Mondemkallu-II	-	-	-	-	-	-	-	-	-
24	Tolmguda	-	-	-	-	-	-	-	-	-
25	Tamthamvaripalli	-	-	-	-	-	-	-	-	-
26	Kondampalli	-	-	-	-	-	-	-	-	-
27	Gadegudur-II	-	-	-	-	-	-	-	-	-
28	Korrapadu-IV	-	-	-	-	-	-	-	-	-
29	Nallapureddypalli-I	-	-	-	-	-	-	-	-	-
30	Ulimella-I	-	-	-	-	-	-	-	-	-
31	Cherlopalli ST Coly.	2 ground floor	-	-	-	-	-	-	-	-
32	Vaddepalli Colony	-	-	-	-	-	-	-	-	-
		<b>78</b>	<b>61</b>	<b>26</b>	<b>58</b>	<b>30</b>	<b>28</b>	<b>16</b>	<b>29</b>	<b>10</b>

**Appendix-4.13**  
**(Reference to Para No. 4.2.6(b), Page No.71)**  
**District Wise Infrastructure facilities in AWCs as on 31 January 2022**

Name of the District	Total No. of AWCs	No. of AWCs in Own Buildings	No. of AWCs in Rent-Free Buildings	No. of AWCs in Rented Buildings
Kadapa	3,621	1,578	516	1,527
Prakasam	4,244	1,481	899	1,864
Visakhapatnam	4,952	1,787	899	2,266
Vizianagaram	3,729	1,205	486	2,038
<b>Total</b>	<b>16,546</b>	<b>6,051</b>	<b>2,800</b>	<b>7,695</b>

Name of the District	Sanitation Facility in AWCs		Water Tap Connections in AWCs		Electricity facility in AWCs	
	Available	Not Available	Available	Not Available	Available	Not Available
Kadapa	2,276	1,345	1,528	2,093	2,889	732
Prakasam	3,063	1,181	2,763	1,481	3,200	1,044
Visakhapatnam	2,617	2,335	1,501	3,451	3,801	1,151
Vizianagaram	2,689	1,040	689	3,040	3,455	274
<b>Total:</b>	<b>10,645</b>	<b>5,901</b>	<b>6,481</b>	<b>10,065</b>	<b>13,345</b>	<b>3,201</b>

Name of the District	Status of Salter Scale in AWCs		Status of Adult Weighing Scale in AWCs		Status of Infanto Meter in AWCs		Status of Stadio Meter in AWCs	
	Working	Not Working	Working	Not Working	Working	Not Working	Working	Not Working
Kadapa	2,541	1,080	888	2,733	1,338	2,283	473	3,148
Prakasam	3,187	1,057	2,150	2,094	2,680	1,564	534	3,710
Visakhapatnam	3,818	1,134	1,295	3,657	3,180	1,772	2,063	2,889
Vizianagaram	2,792	937	1,042	2,687	1,329	2,400	389	3,340
<b>Total</b>	<b>12,338</b>	<b>4,208</b>	<b>5,375</b>	<b>11,171</b>	<b>8,527</b>	<b>8,019</b>	<b>3,459</b>	<b>13,087</b>

**Appendix-5.1**  
**(Paragraph No. 5.3.1.3 and Page No.92)**  
**Statement showing non-levy & short collection of Frontage Charges**

(₹ in crore)

Sl. No	Name of the firm	Abutting to	Allotment rate (per Sq m)	Allotted area (in Sq m) limited to 50,000 Sq m	Frontage Charge (percentage on allotment rate)	Frontage charge		
						To be levied ((c) x (d) x (e))	Levied	Difference (f-g)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	M/s. Hilltop SEZ Development Pvt. Ltd	National Highway	160.61	12,06,006.00	15	0.12	0	0.12
2.	M/s Zuari Cement Limited	State Highway	65	3,12,064.00	10	0.03	0	0.03
3.	M/s Paladugu Structural & Roofing Industry	District/PWD and ZP roads	1979	5,263.01	5	0.05	0	0.05
4.	M/s Heritage Food Limited		386	40,483.00	5	0.08	0.04	0.04
5.	M/s RR Chemicals		471	9,652.00	5	0.02	0	0.02
6.	M/s. Dhanalakshmi Electricals		420	6,052.09	5	0.01	0	0.01
7.	M/s. Paladugu Steels		1979	1,069.00	5	0.01	0	0.01
8.	M/s Indo Precision Investment Casting		471	4,047.00	5	0.01	0	0.01
9.	M/s Archana Garments Government.		1979	550.00	5	0.01	0	0.01
<b>Total</b>						<b>0.34</b>	<b>0.04</b>	<b>0.30</b>

**Appendix-5.2(A)**  
**(Paragraph No. 5.3.2.1 and Page No.94)**  
**Non execution of 'Agreement of Sale' within stipulated time**

Sl. No.	Name of the Industry	Final Allotment date	Cancellation due date	Delay in days (as of June 2022)	Extent of Land (in Sq. m)
1.	M/s S.B Industries	10.08.2020	10.09.2020	655	300.00
2.	Shameer Engineering Works	24.07.2019	24.08.2019	1,038	170.00
3.	Maruthi Industries	11.07.2019	11.08.2019	1,051	150.00
4.	Anantha Mosambi Foods	17.06.2019	17.07.2019	1,076	427.00
5.	M/s Haji Industries	02.03.2019	02.04.2019	1,182	300.00
<b>Total</b>					<b>1,347.00</b>

**Appendix-5.2(B)**  
**(Paragraph No. 5.3.2.1 and Page No.94)**  
**Non-commencement of commercial operations after stipulated time**

Sl. No.	Name of the Industry	Date of possession of land/allotment	Due date of implementation (1 year from possession)	Delay in implementation (in days as of June 2022)	Extent of land (in Sq. m)
1.	Vijayalakshmi Industries	10.12.2019	09.12.2020	565	300.00
2.	Umatanya Enterprises	12.11.2019	11.11.2020	593	345.00
3.	Vinayak NP Enterprises	07.11.2019	06.11.2020	598	1,338.75
4.	Yoga Agri Foods N Health Products	07.11.2019	06.11.2020	598	300.00
5.	Sri Venkateshwara Granites	07.11.2019	06.11.2020	598	979.00
6.	Swarna Enterprises	07.11.2019	06.11.2020	598	600.00
7.	Mudra Mosambi Juice	05.11.2019	04.11.2020	600	300.00
8.	Shiva Sai Pipes	02.11.2019	01.11.2020	603	345.00
9.	M/s Sai Sree Industries	02.11.2019	01.11.2020	603	1,200.00
10.	M/s Sai Sree Rishi Industry	02.11.2019	01.11.2020	603	1,200.00
11.	Srinivasa Industries	01.11.2019	31.10.2020	604	300.00
12.	M/s Raha Industries	01.11.2019	31.10.2020	604	300.00
13.	M/s Baba Industries	01.11.2019	31.10.2020	604	300.00
14.	M/s Jyothi Food Processing Industry	01.11.2019	31.10.2020	604	170.00
<b>Total</b>					<b>7,977.75</b>

**Appendix-5.3**  
**(Paragraph No. 5.3.3.2 and Page No.99)**  
**Summary of collection of property tax by IALAs as of March 2022**

(₹ in crore)

Sl. No.	Zone	Number of IALAs	Demand raised	Total collection	Balance to be collected
1.	Anantapuramu	4	0.59	0.38	0.21
2.	Anakapalli	3	21.46	19.74	1.72
3.	Chittoor	6	1.68	0.82	0.86
4.	Eluru	5	1.20	0.61	0.59
5.	Guntur	11	8.15	4.02	4.13
6.	Hindupur	13	Information not furnished		
7.	Kadapa	13	2.79	1.25	1.54
8.	Kakinada	11	6.98	4.76	2.22
9.	Kurnool	5	2.19	0.60	1.59
10.	Nellore	8	3.93	1.52	2.41
11.	Prakasham	10	Information not furnished		
12.	Srikakulam	10	7.54	2.75	4.79
13.	Tirupati	10	13.81	11.08	2.73
14.	Vijayawada	11	16.55	7.73	8.82
15.	Visakhapatnam	9	13.01	9.51	3.50
<b>Total</b>		<b>129</b>	<b>99.88</b>	<b>64.77</b>	<b>35.11</b>

**Appendix-5.4**  
**(Paragraph No. 5.3.3.3 and Page No.99)**

**Statement showing non-remittance of property tax to parent local body as of March 2022**

(₹ in crore)

Sl. No.	Zone	Property tax collected	Amount to be remitted	Amount remitted	Balance to be remitted
1.	Anantapuramu	0.38	Data Not furnished		
2.	Anakapalli	19.74	7.15	6.38	0.77
3.	Chittoor	0.82	0.29	0.24	0.05
4.	Eluru	0.61	0.21	0.02	0.19
5.	Guntur	4.02	1.76	0.28	1.48
6.	Hindupur	Data Not furnished			0.00
7.	Kadapa	1.25	0.44	0.42	0.02
8.	Kakinada	4.76	1.56	1.56	0.00
9.	Kurnool	0.60	0.21	0.19	0.02
10.	Nellore	1.52	0.56	0.20	0.36
11.	Prakasham	Data Not furnished			0.00
12.	Srikakulam	2.74	0.96	0.90	0.06
13.	Tirupati	11.08	3.98	1.54	2.44
14.	Vijayawada	7.73	Data Not furnished		
15.	Visakhapatnam	9.51	3.50	2.95	0.55
<b>Total</b>					<b>5.94</b>

**Appendix-5.5**  
**(Paragraph No. 5.3.3.5 and Page No.100)**  
**Statement showing details of administrative expenditure incurred for the period 2017-18 to 2021-22**

(₹ in crore)

Sl. No.	Zone	Revenue generated excluding remittance share to local bodies	Administrative Expenditure	Expenditure allowed as per guidelines	Excess Expenditure
1.	Anakapalli	17.03	19.60*	1.40	18.20
2.	Anantapuramu	0.57	0.23	0.11	0.11
3.	Chittoor		Data Not Furnished		0.00
4.	Eluru	0.38	0.10	0.08	0.02
5.	Guntur	0.11	0.11	0.02	0.09
6.	Kadapa		Data Not Furnished		0.00
7.	Kakinada	9.81	2.66	1.91	0.75
8.	Kurnool	1.12	0.30	0.22	0.08
9.	Prakasham		Data Not Furnished		0.00
10.	Hindupur		Data Not Furnished		0.00
11.	Srikakulam	2.07	2.56	0.41	2.15
12.	Tirupati Special	1.19	0.66	0.24	0.42
13.	Tirupathi	21.46	1.02	0.77	0.26
14.	Vijayawada	19.38	2.58	1.31	1.27
15.	Visakhapatnam	33.37	3.72	1.48	2.23
	<b>Total</b>	<b>106.49</b>	<b>33.54</b>	<b>7.95</b>	<b>25.58</b>

\*Excess administrative expenditure includes previous years balances

**Appendix-6.1**  
**(Paragraph No. 6.1 and Page No.109 & 110)**  
**Statement showing the pattern of power consumption of CDP-172**

CMD = 1,300 KVA up to January 2014 CMD = 1,000 KVA with effect from February 2014	Actual CMD (80% of CMD) = 1,040 KVA up to January 2014 Actual CMD (80% of CMD) = 800 KVA from February 2014
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Sl. No.	Month	Consumption (KVA)	Consumption unutilised (KVA)	Normal Rate/KVA (in ₹)	Avoidable expenditure (in ₹)
1.	Nov-13	445.88	594.12	350	2,07,942
2.	Dec-13	542.25	497.75	350	1,74,213
3.	Jan-14 <sup>198</sup>	339.56	700.44	350	2,45,154
4.	Feb-14	453.02	346.98	350	1,21,443
5.	Mar-14	557.32	242.68	350	84,938
6.	Jun-14	318.15	481.85	350	1,68,648
7.	Jul-14	288.22	511.78	350	1,79,123
8.	Aug-14	461.25	338.75	350	1,18,563
9.	Oct-14	482.18	317.82	350	1,11,237
10.	Nov-14	464.18	335.82	350	1,17,537
11.	Dec-14	410.85	389.15	350	1,36,203
12.	Jan-15	315.22	484.78	350	1,69,673
13.	Feb-15	470.25	329.75	350	1,15,413
14.	Mar-15	448.2	351.8	350	1,23,130
15.	Apr-15	550.58	249.42	371	92,535
16.	May-15	553.5	246.50	371	91,452
17.	Jun-15	384.98	415.02	371	1,53,972
18.	Jul-15	354.82	445.18	371	1,65,162
19.	Aug-15	377.1	422.90	371	1,56,896
20.	Sep-15	446.4	353.60	371	1,31,186
21.	Nov-15	436.27	363.73	371	1,34,944
22.	Dec-15	512.78	287.22	371	1,06,559
23.	Jan-16	406.35	393.65	371	1,46,044
24.	Feb-16	406.12	393.88	371	1,46,129
25.	Mar-16	507.38	292.62	371	1,08,562
26.	Apr-16	594.45	205.55	371	76,259
27.	May-16	663.98	136.02	385.84	52,482
28.	Jun-16	435.82	364.18	385.84	1,40,515
29.	Jul-16	369	431.00	385.84	1,66,297
30.	Aug-16	398.48	401.52	385.84	1,54,922
31.	Sep-16	530.78	269.22	385.84	1,03,876
32.	Oct-16	507.15	292.85	385.84	1,12,993
33.	Nov-16	480.15	319.85	385.84	1,23,411
34.	Dec-16	582.08	217.92	385.84	84,082
35.	Jan-17	381.82	418.18	385.84	1,61,351
36.	Feb-17	388.8	411.20	385.84	1,58,657
37.	Mar-17	479.93	320.07	386	1,23,547
38.	Apr-17	00	800.00	386	3,08,672*
39.	May-17	787.5	12.50	475	5,938
40.	Jun-17	367.5	432.50	475	2,05,438
41.	Jul-17	462	338.00	475	1,60,550
42.	Aug-17	546	254.00	475	1,20,650

<sup>198</sup> CMD for three months November 2013, December 2013, January 2014 was 1300 KVA and actual CMD was 1040 KVA

Sl. No.	Month	Consumption (KVA)	Consumption unutilised (KVA)	Normal Rate/KVA (in ₹)	Avoidable expenditure (in ₹)
43.	Sep-17	537	263.00	475	1,24,925
44.	Oct-17	600	200.00	475	95,000
45.	Nov-17	594	206.00	475	97,850
46.	Dec-17	567	233.00	475	1,10,675
47.	Jan-18	474	326.00	475	1,54,850
48.	Feb-18	489	311.00	475	1,47,725
49.	Mar-18	561	239.00	475	1,13,525
50.	Apr-18	696	104.00	475	49,400
51.	May-18	696	104.00	475	49,400
52.	Jun-18	378	422.00	475	2,00,450
53.	Jul-18	597	203.00	475	96,425
54.	Aug-18	594	206.00	475	97,850
55.	Sep-18	573	227.00	475	1,07,825
56.	Oct-18	579	221.00	475	1,04,975
57.	Nov-18	606	194.00	475	92,150
58.	Dec-18	507	293.00	475	1,39,175
59.	Jan-19	402	398.00	475	1,89,050
60.	Feb-19	486	314.00	475	1,49,150
61.	Mar-19	647.25	152.75	475	72,556
62.	Apr-19	615	185.00	475	87,875
63.	May-19	690	110.00	475	52,250
64.	Jun-19	593.25	206.75	475	98,206
65.	Jul-19	517.65	282.35	475	1,34,116
66.	Aug-19	633.75	166.25	475	78,969
67.	Sep-19	566.55	233.45	475	1,10,889
68.	Oct-19	588	212.00	475	1,00,700
69.	Nov-19	605.25	194.75	475	92,506
70.	Dec-19	546.45	253.55	475	1,20,436
71.	Jan-20	462	338.00	475	1,60,550
72.	Feb-20	513.75	286.25	475	1,35,969
73.	Dec-21	212.7	587.30	475	2,78,968
74.	Jan-22	297.45	502.55	475	2,38,711
75.	Feb-22	355.5	444.50	475	2,11,138
76.	Mar-22	308.85	491.15	475	2,33,296
77.	Apr-22	325.2	474.80	475	2,25,530
78.	May-22	54.25	745.75	475	3,54,231
79.	Jun-22	93	707.00	475	3,35,825
<b>Total</b>					<b>1,10,09,419</b>

\* As per Southern Power Distribution Company consumption charges for the month of April 2017

**Appendix-6.2**  
**(Paragraph No. 6.1 and Page No.109 & 110)**  
**Statement showing the pattern of power consumption of CDP-692**

CMD = 1500 KVA		Actual CMD (80% of CMD) = 1200 KVA		Normal Rate /KVA (in ₹) = 475
Sl. No.	Month	Consumption (KVA)	Consumption unutilised (KVA)	Avoidable expenditure (in ₹)
1.	Oct-19	15.50	1184.50	5,62,638
2.	Nov-19	75.50	1124.50	5,34,138
3.	Dec-19	32.25	1167.75	5,54,681
4.	Jan-20	36.75	1163.25	5,52,544
5.	Feb-20	37.50	1162.50	5,52,188
6.	Dec-21	37.56	1162.44	5,52,159
7.	Jan-22	32.04	1167.96	5,54,781
8.	Feb-22	42.60	1157.40	5,49,765
9.	Mar-22	17.76	1182.24	5,61,564
10.	Apr-22	21.24	1178.76	5,59,911
11.	May-22	21.60	1178.40	5,59,740
12.	Jun-22	40.20	1159.80	5,50,905
<b>Total</b>				<b>66,45,014</b>

**Appendix-6.3**  
**(Paragraph No. 6.1 and Page No.109)**  
**Statement showing the pattern of power consumption of CDP-233**

CMD = 83 KVA		Actual CMD (80% of CMD) = 66.4 KVA		Normal Rate/KVA (in ₹) = 475
Sl. No.	Month	Consumption KVA)	Consumption unutilised (KVA)	Avoidable expenditure (in ₹)
1	May-19	52.0	14.4	6,840
2	Jun-19	62.0	4.4	2,090
3	Jul-19	4.2	62.2	29,545
4	Oct-19	62.0	4.4	2,090
5	Nov-19	55.7	10.7	5,083
6	Dec-19	58.8	7.6	3,610
7	Jan-20	59.0	7.4	3,515
8	Feb-20	57.7	8.7	4,133
9	Dec-21	0	66.4	31,540
10	Jan-22	0	66.4	31,540
11	Feb-22	0	66.4	31,540
12	Mar-22	0	66.4	31,540
13	Apr-22	0	66.4	31,540
14	May-22	0	66.4	31,540
15	Jun-22	0	66.4	31,540
<b>Total</b>				<b>2,77,686</b>

**Appendix-6.4**  
**(Paragraph No. 6.1 and Page No.109)**  
**Statement showing the pattern of power consumption of CDP-264**

CMD = 450 KVA		Actual CMD (80% of CMD) = 360 KVA		Normal Rate/KVA (in ₹)= 475
Sl. No.	Month	Consumption (KVA)	Consumption unutilised (KVA)	Avoidable expenditure (in ₹)
1.	Jan-19	350.40	9.60	4,560
2.	Feb-19	276.00	84.00	39,900
3.	Mar-19	324.60	35.40	16,815
4.	Apr-19	347.40	12.60	5,985
5.	May-19	339.60	20.40	9,690
6.	Jun-19	294.00	66.00	31,350
7.	Jul-19	223.80	136.20	64,695
8.	Aug-19	293.40	66.60	31,635
9.	Sep-19	312.96	47.04	22,344
10.	Oct-19	341.52	18.48	8,778
11.	Dec-19	328.68	31.32	14,877
12.	Jan-20	345.00	15.00	7,125
13.	Feb-20	312.00	48.00	22,800
14.	Dec-21	124.00	236.00	1,12,100
15.	Jan-22	171.20	188.80	89,680
16.	Feb-22	79.60	280.40	1,33,190
17.	Mar-22	172.80	187.20	88,920
18.	Apr-22	210.80	149.20	70,870
19.	May-22	155.20	204.80	97,280
20.	Jun-22	55.20	304.80	1,44,780
<b>Total</b>				<b>10,17,374</b>

**Appendix-6.5**

**(Reference to para 6.4 and page No. 114)**

**Audit worked out special hire charges in respect of buses supplied for BC Mahasabha held at Vijayawada**

**(Amount in ₹)**

District	Name/Code of Depot	No. of buses supplied	Apprx Journey Hours (To and Fro)	Time spent in vjw (assumed)	Total Hrs D+E	Special Hire Kms as HoursX20*	Special Hire Charges per bus @ ₹60 per km G*60	Toll charges ₹2 per Km G*C*2	Special Hire bus charges H+I	Special Hire bus charges plus Toll charges I+J	GST on Special hire bus charges @ 18 per cent J*0.18
A	B	C	D	E	F	G	H	I	J	K	L
Srikakulam	Palasa	15	28	12	40	800	48,000	24,000	7,20,000	7,44,000	1,29,600
	SKLM-1	20	23	12	35	700	42,000	28,000	8,40,000	8,68,000	1,51,200
	SKLM-2	24	23	12	35	700	42,000	33,600	10,08,000	10,41,600	1,81,440
	Tekkali	24	26	12	38	760	45,600	36,480	10,94,400	11,30,880	1,96,992
Ppm manyam	PLKD	34	26	12	38	760	45,600	51,680	15,50,400	16,02,080	2,79,072
	PPM	26	28	12	40	800	48,000	41,600	12,48,000	12,89,600	2,24,640
	Salur	21	25	12	37	740	44,400	31,080	9,32,400	9,63,480	1,67,832
Vizianagaram	VZM	35	23	12	35	700	42,000	49,000	14,70,000	15,19,000	2,64,600
	SKT (srungavarapukota)	18	23	12	35	700	42,000	25,200	7,56,000	7,81,200	1,36,080
Asr	Paderu	2	24	12	36	720	43,200	2,880	86,400	89,280	15,552
Visakhapatnam	VSP	13	18	12	30	600	36,000	15,600	4,68,000	4,83,600	84,240
	GWK	10	18	12	30	600	36,000	12,000	3,60,000	3,72,000	64,800
	MDP	8	18	12	30	600	36,000	9,600	2,88,000	2,97,600	51,840
	MDWD	1	18	12	30	600	36,000	1200	36,000	37,200	6,480
	SML	9	18	12	30	600	36,000	10,800	3,24,000	3,34,800	58,320
	VSC	9	18	12	30	600	36,000	10,800	3,24,000	3,34,800	58,320
	WTR	15	18	12	30	600	36,000	18,000	5,40,000	5,58,000	97,200
Anakapalli	AKP	39	16	12	28	560	33,600	43,680	13,10,400	13,54,080	2,35,872
	NRPM	31	16	12	28	560	33,600	34,720	10,41,600	10,76,320	1,87,488
Kakinada	KKD	21	12	12	24	480	28,800	20,160	6,04,800	6,24,960	1,08,864
	ELSM	14	12	12	24	480	28,800	13,440	4,03,200	4,16,640	72,576
	TUNI	10	14	12	26	520	31,200	10,400	3,12,000	3,22,400	56,160
East godavari	Kovvur	10	9	12	21	420	25,200	8,400	2,52,000	2,60,400	45,360
	Nidadavolu	7	8	12	20	400	24,000	5,600	1,68,000	1,73,600	30,240

District	Name/Code of Depot	No.of buses supplied	Apprx Journey Hours (To and Fro)	Time spent in vjw (assumed)	Total Hrs D+E	Special Hire Kms as per HoursX20*	Special Hire Charges per bus @ ₹60 per km G*60	Toll charges ₹2 per Km G*C*2	Special Hire bus charges H+I	Special Hire bus charges plus Toll charges I+J	GST on Special hire bus charges @ 18 per cent J*0.18
A	B	C	D	E	F	G	H	I	J	K	L
	RJY	12	8	12	20	400	24,000	9,600	2,88,000	2,97,600	51,840
	Gokavaram	8	10	12	22	440	26,400	7,040	2,11,200	2,18,240	38,016
Konaseema	AMP	17	9	12	21	420	25,200	14,280	4,28,400	4,42,680	77,112
	RAZOLE	12	9	12	21	420	25,200	10,080	3,02,400	3,12,480	54,432
	RCPM	11	10	12	22	440	26,400	9,680	2,90,400	3,00,080	52,272
	RVPM	19	8	12	20	400	24,000	15,200	4,56,000	4,71,200	82,080
West godavari	BVRM	21	8	12	20	400	24,000	16,800	5,04,000	5,20,800	90,720
	NSP	19	10	12	22	440	26,400	16,720	5,01,600	5,18,320	90,288
	TANUKU	24	7	12	19	380	22,800	18,240	5,47,200	5,65,440	98,496
	TPG	21	6	12	18	360	21,600	15,120	4,53,600	4,68,720	81,648
Eluru	Eluru	20	4	12	16	320	19,200	12,800	3,84,000	3,96,800	69,120
	JRG	17	6	12	18	360	21,600	12,240	3,67,200	3,79,440	66,096
	NZD	18	4	12	16	320	19,200	11,520	3,45,600	3,57,120	62,208
Krishna	Avanigadda	10	5	12	17	340	20,400	6,800	2,04,000	2,10,800	36,720
	Gannavaram	10	2	12	14	280	16,800	5,600	1,68,000	1,73,600	30,240
	Gudivada	13	4	12	16	320	19,200	8,320	2,49,600	2,57,920	44,928
	Machilipatnam	16	3	12	15	300	18,000	9,600	2,88,000	2,97,600	51,840
	Vuyyuru	4	2	12	14	280	16,800	2,240	67,200	69,440	12,096
Ntr	GVPT-1	22	0	12	12	240	14,400	10,560	3,16,800	3,27,360	57,024
	GVPT-2	22	0	12	12	240	14,400	10,560	3,16,800	3,27,360	57,024
	IBM	15	1	12	13	260	15,600	7,800	2,34,000	2,41,800	42,120
	JPT	17	4	12	16	320	19,200	10,880	3,26,400	3,37,280	58,752
	TVR	8	4	12	16	320	19,200	5,120	1,53,600	1,58,720	27,648
	VDPM	22	1	12	13	260	15,600	11,440	3,43,200	3,54,640	61,776
GUNTUR (Based on information received from DPTO)	Ponnur	4	DC	DC	DC	DC	DC	750	97,600	98,350	17,568
	Tenali	4	DC	DC	DC	DC	DC	0	84,000	84,000	15,120
	Guntur-2	7	DC	DC	DC	DC	DC	3,955	1,84,830	1,88,785	33,269.4
	Guntur-1	12	DC	DC	DC	DC	DC	6,780	3,15,000	3,21,780	56,700
Palnadu	Chilakaluripet	15	4	12	16	320	19,200	9,600	2,88,000	2,97,600	51,840
	Macherla	1	9	12	21	420	25,200	840	25,200	26,040	4,536

Audit Report (Performance and Compliance Audit) for the period ended March 2022

District	Name/Code of Depot	No.of buses supplied	Apprx Journey Hours (To and Fro)	Time spent in vjw (assumed)	Total Hrs D+E	Special Hire Kms as HoursX20*	Special Hire Charges per bus @ ₹60 per km G*60	Toll charges ₹2 per Km G*C*2	Special Hire bus charges H+I	Special Hire bus charges plus Toll charges I+J	GST on Special hire bus charges @ 18 per cent J*0.18
A	B	C	D	E	F	G	H	I	J	K	L
	Narasaraopet	7	4	12	16	320	19,200	4,480	1,34,400	1,38,880	24,192
	Piduguralla	6	6	12	18	360	21,600	4,320	1,29,600	1,33,920	23,328
	Sattenapalli	24	4	12	16	320	19,200	15,360	4,60,800	4,76,160	82,944
	Vinukonda	11	7	12	19	380	22,800	8,360	2,50,800	2,59,160	45,144
Bapatla	Addanki	8	5	12	17	340	20,400	5,440	1,63,200	1,68,640	29,376
	Bapatla	4	5	12	17	340	20,400	2,720	81,600	84,320	14,688
	Chirala	8	5	12	17	340	20,400	5,440	1,63,200	1,68,640	29,376
	Repalle	11	5	12	17	340	20,400	7,480	2,24,400	2,31,880	40,392
PRAKASAM (Based on information received from DPTO)	Markapur	13	DC	DC	DC	DC	DC	12,460	3,73,800	3,86,260	67,284
	Podili	11	DC	DC	DC	DC	DC	10,280	2,57,000	2,67,280	46,260
	Ongole	14	DC	DC	DC	DC	DC	12,220	3,13,300	3,25,520	56,394
	Kanigiri	13	DC	DC	DC	DC	DC	13,660	3,86,600	4,00,260	69,588
NELLORE (Based on information received from DPTO)	Kandukur	9	DC	DC	DC	DC	DC	8,980	2,68,130	2,77,110	48,263.4
	Nellore -2	5	DC	DC	DC	DC	DC	6,068	1,83,870	1,89,938	33,096.6
	Atmakur - N	10	DC	DC	DC	DC	DC	14,320	4,15,600	4,29,920	74,808
	Kavali	7	DC	DC	DC	DC	DC	6,168	1,85,040	1,91,208	33,307.2
	Rapur	3	DC	DC	DC	DC	DC	4,254	1,27,620	1,31,874	22,971.6
	NLR-1	7	DC	DC	DC	DC	DC	9,220	2,76,600	2,85,820	49,788
	Udayagiri	7	DC	DC	DC	DC	DC	9,200	2,76,000	2,85,200	49,680
Tirupati	Tirupati	8	20	12	32	640	38400	10,240	3,07,200	3,17,440	55,296
	Gudur	9	16	12	28	560	33600	10080	3,02,400	3,12,480	54,432
	Mangalam	6	19	12	31	620	37,200	7,440	2,23,200	2,30,640	40,176
	Puttur	14	22	12	34	680	40,800	19,040	5,71,200	5,90,240	1,02,816
	Satyavedu	7	22	12	34	680	40,800	9,520	2,85,600	2,95,120	51,408
	SLPT	4	20	12	32	640	38,400	5,120	1,53,600	1,58,720	27,648
	Srikalahasthi	6	18	12	30	600	36,000	7,200	2,16,000	2,23,200	38,880
	Venkatagiri	3	18	12	30	600	36,000	3,600	1,08,000	1,11,600	19,440
	VKD	2	18	12	30	600	36,000	2,400	72,000	74,400	12,960
Chittoor	CTR-1	16	24	12	36	720	43,200	23,040	6,91,200	7,14,240	1,24,416
	CTR-2	16	24	12	36	720	43,200	23,040	6,91,200	7,14,240	1,24,416

District	Name/Code of Depot	No.of buses supplied	Apprx Journey Hours (To and Fro)	Time spent in vjw (assumed)	Total Hrs D+E	Special Hire Kms as per HoursX20*	Special Hire Charges per bus @ ₹60 per km G*60	Toll charges ₹2 per Km G*C*2	Special Hire bus charges H+I	Special Hire bus charges plus Toll charges I+J	GST on Special hire bus charges @ 18 per cent J*0.18
A	B	C	D	E	F	G	H	I	J	K	L
	KPM	13	30	12	42	840	50,400	21,840	6,55,200	6,77,040	1,17,936
	PGNR	19	28	12	40	800	48,000	30,400	9,12,000	9,42,400	1,64,160
	PLMR	3	27	12	39	780	46,800	4,680	1,40,400	1,45,080	25,272
Annamaiah	MPL1	8	28	12	40	800	48,000	12,800	3,84,000	3,96,800	69,120
	MPL2	7	28	12	40	800	48,000	11,200	3,36,000	3,47,200	60,480
	PLR	8	24	12	36	720	43,200	11,520	3,45,600	3,57,120	62,208
	RCTY	8	24	12	36	720	43,200	11,520	3,45,600	3,57,120	62,208
	RJPT	11	20	12	32	640	38,400	14,080	4,22,400	4,36,480	76,032
	YSR	Kadapa	11	20	12	32	640	38,400	14,080	4,22,400	4,36,480
Badvel		6	16	12	28	560	33,600	6,720	2,01,600	2,08,320	36,288
Jammalamadugu		7	23	12	35	700	42,000	9,800	2,94,000	3,03,800	52,920
Mydukur		4	18	12	30	600	36,000	4,800	1,44,000	1,48,800	25,920
Proddatur		4	20	12	32	640	38,400	5,120	1,53,600	1,58,720	27,648
Pulivendula		8	22	12	34	680	40,800	10,880	3,26,400	3,37,280	58,752
Nandyala	NDL	16	17	12	29	580	34,800	18,560	5,56,800	5,75,360	1,00,224
	ALG	3	20	12	32	640	38,400	3,840	1,15,200	1,19,040	20,736
	ATK	6	13	12	25	500	30,000	6,000	1,80,000	1,86,000	32,400
	BPL	4	21	12	33	660	39,600	5,280	1,58,400	1,63,680	28,512
	DHN	7	22	12	34	680	40,800	9,520	2,85,600	2,95,120	51,408
	KKL	2	19	12	31	620	37,200	2,480	74,400	76,880	13,392
Kurnool	ADONI	11	23	12	35	700	42,000	15,400	4,62,000	4,77,400	83,160
	KNL-1	13	18	12	30	600	36,000	15,600	4,68,000	4,83,600	84,240
	KNL-2	12	18	12	30	600	36,000	14,400	4,32,000	4,46,400	77,760
	PKD	1	22	12	34	680	40,800	1,360	40,800	42,160	7,344
	YMG	11	22	12	34	680	40,800	14,960	4,48,800	4,63,760	80,784
Anantapur	Anantapur	17	25	12	37	740	44,400	25,160	7,54,800	7,79,960	1,35,864
	Gooty	4	22	12	34	680	40,800	5,440	1,63,200	1,68,640	29,376
	Guntakal	8	24	12	36	720	43,200	11,520	3,45,600	3,57,120	62,208
	Kalyandurg	13	27	12	39	780	46,800	20,280	6,08,400	6,28,680	1,09,512
	Rayadurg	12	29	12	41	820	49,200	19,680	5,90,400	6,10,080	1,06,272

Audit Report (Performance and Compliance Audit) for the period ended March 2022

District	Name/Code of Depot	No.of buses supplied	Apprx Journey Hours (To and Fro)	Time spent in vjw (assumed)	Total Hrs D+E	Special Hire Kms as HoursX20*	Special Hire Charges per bus @ ₹60 per km G*60	Toll charges ₹2 per Km G*C*2	Special Hire bus charges H+I	Special Hire bus charges plus Toll charges I+J	GST on Special hire bus charges @ 18 per cent J*0.18
A	B	C	D	E	F	G	H	I	J	K	L
Sri sathya sai	Tadipatri	9	22	12	34	680	40,800	12,240	3,67,200	3,79,440	66,096
	Uravakonda	10	27	12	39	780	46,800	15,600	4,68,000	4,83,600	84,240
	Dharmavaram	13	27	12	39	780	46,800	20,280	6,08,400	6,28,680	1,09,512
	Hindupuram	12	28	12	40	800	48,000	19,200	5,76,000	5,95,200	1,03,680
	Kadiri	19	23	12	35	700	42,000	26,600	7,98,000	8,24,600	1,43,640
	Madakasira	5	29	12	41	820	49,200	8,200	2,46,000	2,54,200	44,280
	Penukonda	3	27	12	39	780	46,800	4,680	1,40,400	1,45,080	25,272
Puttaparthi	5	30	12	42	840	50,400	8,400	2,52,000	2,60,400	45,360	
<b>TOTAL BUSES</b>		<b>1,439</b>						<b>15,73,355</b>	<b>4,73,96,190</b>	<b>4,89,69,545</b>	<b>85,31,314</b>

NOTE: DC-Depot calculated amount was taken wherever received

Since data pertaining to supply of buses on special hire has been received only from 3 depots viz., Guntur, Nellore, Prakasam, based on the same, the above are calculated to arrive at total special hire charges. While calculating, minimum distance and fare per km has been considered. The actual Special hire must be more than as worked out by audit.

1) It is assumed that all the buses supplied are ultra pallevelugu (PVG) type buses, slack@60

3) It is ensured that the BC Mahasabha event lasted for 12 hours and accordingly it is assumed that each bus spent 12hrs in vijayawada during the event

4) Data related to special hire tariffs / Hourly slab rates was taken from the Circular No.19/2022-OPD(P) dated 01/08/2022

\* Circular issued by VC&MD, after 24 hrs, Hire Charges @20 km/hr with applicable rate per KM shall be collected

## Appendix-6.6

(Reference to paragraph 6.5 and Page No.116)

Amount paid as compensation to injured/dependents of deceased/owners of damaged property as of March 2022

(Amount in ₹)

Centre Code	Centre Name/District	Opening Balance		During Month		Net for the month		Closing Balance	
		Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
20500	Visakhapatnam	91,779.00	0.00	0.00	0.00	0.00	0.00	91,779.00	0.00
30200	East Godavari	3,83,955.00	0.00	0.00	0.00	0.00	0.00	3,83,955.00	0.00
30300	Kakinada	5,88,932.00	0.00	0.00	0.00	0.00	0.00	5,88,932.00	0.00
30500	West Godavari	20,72,547.00	0.00	0.00	0.00	0.00	0.00	20,72,547.00	0.00
30600	Eluru	5,91,119.00	0.00	0.00	0.00	0.00	0.00	5,91,119.00	0.00
50700	Sri Satya Sai	2,73,964.00	0.00	0.00	0.00	0.00	0.00	2,73,964.00	0.00
<b>Grand Total</b>		<b>40,02,296.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>40,02,296.00</b>	<b>0.00</b>

**Appendix-6.7**  
**(Reference to paragraph 6.5 and Page No.116)**  
**Table showing Deposited amount and loss of interest**

Sl. No.	District	MACMA No.	Year	OP.NO.	Depot	Bus Number	Date of Accident	Amount claimed by injured persons (in ₹)	Amount awarded by MACT (in ₹)	Date of Deposit	Amount deposited by APSRTC including interest (in ₹)	Number of years for which partial compensation deposited with tribunal as on 28/02/2023	Loss of interest at seven per cent per annum (Col.12 x 7/100 x (13)) (in ₹)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Srikakulam	2804	2006	1976/99	SKLM2	AP16W8325	06.09.1999	1,00,000	80,000	01.02.2007	62,021	16.08	69,810.84
2.	Vizianagaram	1092	2006	498/03	TPT	AP3V4266	14.09.2003	2,50,000	1,00,000	03.02.2006	25,000	17.08	29,890.00
3.		1145	2006	181/01	ALPR	AP3V2142	27.10.2000	4,00,000	1,12,000	25.04.2006	25,000	16.86	29,505.00
4.		SR.52113	2006	169/01	CTR2	TN63N6900	08.11.1999	2,00,000	29,000	01.08.2007	25,000	15.59	27,282.50
5.	Visakhapatnam	1462	2007	95/01	CTR2	TN63N6900	08.11.1999	9,00,000	5,71,000	15.07.2006	1,42,214	16.64	1,65,650.87
6.		SR.20089	2008	116/03	SKLM2	AP31V7759	23.08.2002	3,00,000	2,41,000	06.01.2009	1,76,363	14.15	1,74,687.55
7.		1623	2008	320/99	MTM	AP5X4243	31.01.1999	2,00,000	41,291	27.07.2008	45,645	14.6	46,649.19
8.		2960	2008	1161/03	KVR	AP37U9966	10.06.2003	5,00,000	3,50,000	16.11.2006	25,000	16.3	28,525.00
9.		2961	2008	92/03	VNK	AP07X216	01.01.2003	75,000	10,000	12.06.2008	5,000	14.72	5,152.00
10.		Sr.30317	2009	822/05	SML	AP31V9786	19.02.2005	3,50,000	1,39,800	01.10.2009	93,614	13.42	87,940.99
11.	East Godavari	179	2010	247/07	VSP	AP35T9266	10.11.2006	2,00,000	1,68,000	14.10.2009	1,03,071	13.38	96,536.30
12.		2080	2010	15/08	GNT1	AP7TU5409	24.09.2007	1,00,000	96,500	14.02.2011	58,579	12.05	49,411.39
13.		SR 43892	2010	1220/08	VNK	AP07Y2699	18.09.2008	5,00,000	3,26,000	16.11.2010	25,000	12.29	21,507.50
14.		1126	2010	127/08	CTR1	AP3U6323	02.05.2005	3,50,000	3,50,000	26.02.2013	4,92,160	10.01	3,44,856.51
15.		1818	2010	64/08	MPL1	AP03U4746	21.07.2007	3,00,000	1,97,000	29.12.2010	64,050	12.18	54,609.03
16.		2327	2011	1130/08	GWK	AP31Y7377	14.09.2008	2,00,000	1,60,000	07.12.2010	91,779	12.24	78,636.25
17.		2564	2011	566/06	RCPM	AP 5Y 5218	30.05.2006	2,25,000	2,06,000	08.09.2010	1,36,243	12.48	1,19,021.88
18.		3193	2011	438/05	RVPM	AP 5U 2978	12.10.2003	3,00,000	2,30,000	12.01.2011	1,66,797	12.14	1,41,744.09
19.	West Godavari	SR 23924	2011	54/06	TPG	AP13W1939	11.08.2005	1,00,000	80,060	05.01.2013	25,000	10.15	17,762.50
20.		SR 27458	2011	15-Aug	GNT	AP16W8568	19.11.2003	16,00,000	4,13,000	06.04.2011	25,000	11.91	20,842.50
21.		3594	2011	1372/02	TNL	AP16W8393	20.11.2002	1,35,000	80,369	24.09.2008	55,652	14.44	56,253.04
22.		SR 2644	2011	1272/09	CPT	APTTU6668	28.10.2009	1,50,000	81,000	12.12.2014	1,04,242	8.22	59,980.85
23.		968	2011	1126/08	NRT	AP27V4478	09.08.2008	1,80,000	1,35,000	18.10.2010	25,000	12.37	21,647.50
24.		217	2011	1347/08	TNL	APTX3931	06.08.2008	4,00,000	3,52,000	16.11.2010	2,03,719	12.29	1,75,259.46
25.		3879	2011	258/09	MCL	AP7TU7747	30.01.2009	4,00,000	2,74,000	09.10.2017	2,20,517	5.39	83,201.06
26.		1182	2011	188/07	ADK	AP27U3679	14.01.2007	2,00,000	96,000	23.01.2012	43,772	11.11	34,041.48
27.	Krishna	1707	2011	220/08	CTR2	AP3U6315	08.09.2007	4,00,000	4,00,000	17.08.2011	25,000	11.54	20,195.00
28.	Guntur	SR 40833	2011	407/05	TPT	AP3V3780	07.06.2004	5,00,000	4,17,000	08.12.2010	2,79,687	12.23	2,39,440.04
29.		SR.34758	2011	252/07	CTR1	AP3U5836	29.12.2005	2,00,000	2,00,000	26.08.2011	25,000	11.52	20,160.00
30.		2132	2011	100/08	KDP	AP4U1656	06.04.2006	3,00,000	1,22,377	15.06.2010	54,158	12.72	48,222.28

Sl. No.	District	MACMA No.	Year	OP.NO.	Depot	Bus Number	Date of Accident	Amount claimed by injured persons (in ₹)	Amount awarded by MACT (in ₹)	Date of Deposit	Amount deposited by APSRTC including interest (in ₹)	Number of years for which partial compensation deposited with tribunal as on 28/02/2023	Loss of interest at seven per cent per annum (Col.12 x 7/100 x (13)) (in ₹)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
31.		3159	2011	64/08	CTR1	AP3U6323	02.05.2005	2,00,000	54,500	06.09.2010	11,001	12.49	9,618.17
32.		3001	2012	90/07	VZM	AP35T8399	25.11.2005	2,00,000	1,25,500	29.03.2011	84,357	11.93	70,446.53
33.		3916	2012	1350/09	JRG	AP37Y9277	09.06.2009	2,30,000	1,22,890	22.12.2015	73,137	7.19	36,809.85
34.		1337	2012	87/09	PTR	AP3W6691	09.12.2008	6,00,000	4,14,000	14.07.2012	2,40,302	10.63	1,78,808.72
35.		4163	2012	339/01	CTR1	AP03U3013	18.02.2001	8,00,000	4,18,000	30.10.2008	1,61,823	14.34	1,62,437.93
36.		SR.14043	2012	69/05	CTR1	AP3U3575	19.12.2003	5,00,000	50,000	24.07.2012	13,987	10.61	10,388.14
37.		3835	2012	04/09.	AND	AP21X6060	25.06.2007	4,00,000	84,920	20.11.2013	90,778	9.28	58,969.39
38.		1305	2012	87/09	ALG	AP26TT0127	28.02.2009	6,00,000	6,00,000	02.07.2011	3,46,273	11.67	2,82,870.41
39.		751	2012	331/10	KDR	AP04W8845	26.12.2008	2,00,000	1,20,000	21.02.2012	25,000	11.03	19,302.50
40.		784	2013	404/08	ATNR	AP16TU2912	13.06.2006	5,00,000	2,37,300	21.08.2012	25,000	10.53	18,427.50
41.		SR 30455	2013	99/08	RCTY	AP04U994	09.04.2006	1,50,000	57,500	08.10.2010	37,548	12.4	32,591.66
42.		SR.12377	2013	24/06	JMD	AP25B5247	21.09.2005	1,50,000	80,000	06.03.2013	25,000	9.99	17,482.50
43.		SR.12491	2013	23/06	JMD	AP25B5247	21.09.2005	1,50,000	65,000	06.03.2013	25,000	9.99	17,482.50
44.		220	2013	42/08	RCTY	AP31R4304	02.07.2003	7,50,000	2,61,000	23.08.2011	69,122	11.53	55,788.37
45.		242	2013	37/09	HDP	AP02U9357	29.11.2008	4,00,000	3,94,000	27.07.2017	5,58,662	5.59	2,18,604.44
46.		922	2013	40/12	DMM	AP02W7857	02.01.2008	5,50,000	2,93,750	13.02.2013	25,000	10.05	17,587.50
47.		662	2014	749/07	VZM	AP35N0900	01.03.2007	10,00,000	6,26,000	23.04.2012	4,31,216	10.86	3,27,810.40
48.		3070	2014	739/10	RCPM	AP5TU778	27.06.2009	7,00,000	4,63,000	03.11.2012	25,000	10.33	18,077.50
49.	Prakasam	4291	2014	519/06	CRL	AP27U3663	25.01.2006	44,00,000	16,90,928	23.01.2015	12,72,810	8.1	7,21,683.27
50.		4254	2014	475/09	PDL	AP27X2412	14.04.2009	4,40,000	4,09,000	03.08.2012	2,62,223	10.58	1,94,202.35
51.		761	2014	884/05	VJA	AP16TU5670	12.04.2005	3,50,000	2,40,000	16.02.2012	1,80,598	11.04	1,39,566.13
52.		726	2014	198/10	GNT1	AP07TW4449	30.11.2009	10,00,000	9,32,000	28.06.2012	25,000	10.68	18,690.00
53.		3987	2014	17/09	CTR1	AP3U5964	31.10.2008	3,00,000	1,01,000	18.07.2012	2,71,629	10.62	2,01,929.00
54.		794	2014	79/02	ALPR	AP03U3577	16.06.2001	6,00,000	4,29,000	11.03.2010	3,40,952	12.98	3,09,788.99
55.	Nellore	SR.5047	2014	190/11	VGR	AP26Y2639	22.10.2009	5,00,000	2,40,000	08.11.2013	25,000	9.31	16,292.50
56.		1981	2014	47/05	JMD	AP04T1599	18.09.2003	5,00,000	1,37,000	13.12.2012	25,000	10.22	17,885.00
57.	Chittoor	SR 25522	2014	49/08	CTR1	AP3U6323	02.05.2005	4,00,000	3,10,500	15.09.2010	1,87,560	12.46	1,63,589.83
58.		1348	2014	512/09	DMM	AP04W5259	10.06.2009	1,50,000	1,03,000	21.02.2012	60,798	11.03	46,942.14
59.		SR.370	2014	659/11	KDP	AP04W8999	09.08.2011	8,00,000	6,32,834	24.05.2013	25,000	9.77	17,097.50
60.		2664	2015	357/07	VSP	AP31X3330	25.08.2005	3,00,000	96,000	23.11.2010	63,425	12.27	54,475.73
61.		1874	2015	1725/06	NRPM	AP31X6112	19.12.2005	1,00,000	44,000	27.07.2010	25,857	12.6	22,805.87
62.		1738	2015	344/07	KKD	AP 05X 7722	26.11.2006	3,50,000	3,00,000	21.10.2010	1,95,047	12.36	1,68,754.66
63.		16327	2015	554/08	GKRM	AP05V3393	01.06.2008	2,50,000	2,28,000	08.09.2016	1,64,040	6.48	74,408.54
64.		2379	2015	669/11	MTM	AP16TX5858	27.10.2010	5,00,000	3,32,000	21.12.2012	1,79,952	10.19	1,28,359.76
65.		SR 8269	2015	951/11	ELR	AP37Y4766	03.08.2011	3,00,000	2,14,000	02.09.2015	1,30,798	7.5	68,668.95

Audit Report (Performance and Compliance Audit) for the period ended March 2022

Sl. No.	District	MACMA No.	Year	OP.NO.	Depot	Bus Number	Date of Accident	Amount claimed by injured persons (in ₹)	Amount awarded by MACT (in ₹)	Date of Deposit	Amount deposited by APSRTC including interest (in ₹)	Number of years for which partial compensation deposited with tribunal as on 28/02/2023	Loss of interest at seven per cent per annum (Col.12 x 7/100 x (13)) (in ₹)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
66.	Kadapa	SR 8878	2015	862/11	ELR	AP37Y4766	03.08.2011	5,00,000	3,82,000	08.07.2015	2,32,371	7.65	1,24,434.67	
67.		SR 5526	2015	255/11	CRL	AP27W7153	17.05.2009	1,00,000	40,000	18.07.2014	26,949	8.62	16,261.03	
68.		SR 44313	2015	521/11	GNT2	AP16TX3944	12.02.2011	6,00,000	1,52,000	02.02.2016	98,473	7.08	48,803.22	
69.		SR 5538	2015	254/11	CRL	AP27W7153	17.05.2009	1,00,000	35,000	18.07.2014	23,688	8.62	14,293.34	
70.		1973	2015	841/07	SAP	AP7X414	14.05.2007	1,50,000	42,000	29.06.2011	30,294	11.68	24,768.37	
71.		1708	2015	85/12	PDL	AP27X2412	16.01.2012	6,00,000	1,42,500	01.10.2015	98,584	7.42	51,204.53	
72.		1888	2016	81/07	GNT1	AP7TT2178	12.11.2006	3,00,000	1,48,000	16.02.2012	1,02,474	11.04	79,191.91	
73.		SR 46750	2016	298/14	ONGL	AP27X	16.07.2014	15,00,000	12,74,000	26.08.2016	25,000	6.51	11,392.50	
74.		SR 34991	2016	94/03	PDTR	AP04T9598	20.10.2002	7,00,000	2,71,200	30.01.2016	25,000	7.08	12,390.00	
75.		SR 45157	2016	644/06	KDP	AP04T9494	25.05.2006	5,00,000	1,49,500	13.01.2012	78,106	11.13	60,852.38	
76.		948	2017	498/15	SML	AP31U8689	04.12.2014	4,00,000	3,52,000	17.05.2017	2,07,277	5.79	84,009.37	
77.		2200	2017	177/13	AMP	AP5TX4799	06.11.2012	1,50,000	48,000	09.06.2016	24,000	6.73	11,306.40	
78.		580	2017	48/09	TPG	AP37Y2525	16.08.2008	4,00,000	2,23,433	03.05.2017	1,58,346	5.83	64,621.00	
79.		2194	2017	505/10	NRT	AP02Y702	14.02.2010	3,00,000	3,00,000	10.11.2017	2,09,162	5.3	77,599.10	
80.		Kurnool	2441	2017	74/13	ADK	AP27X5328	09.11.2012	8,00,000	8,00,000	30.05.2017	25,000	5.75	10,062.50
81.			760	2017	147/13	ONGL	AP27X6219	03.03.2013	6,00,000	5,30,000	06.06.2017	3,68,798	5.73	1,47,924.88
82.			1970	2018	331/13	NRT	AP07Y8949	07.02.2013	6,00,000	5,77,000	05.09.2018	1,48,702	4.48	46,632.95
83.		Anantapuramu	1809	2018	599/12	GNT1	APT7U9899	14.09.2011	25,00,000	25,00,000	05.09.2018	4,15,240	4.48	1,30,219.26
84.			2712	2018	220/13	NLR1	AP26Y577	01.03.2011	4,00,000	8,60,400	22.11.2018	5,90,599	4.27	1,76,530.04
85.	2049		2018	16/16	PLMR	AP3TA3853	23.09.2014	5,00,000	8,74,000	24.12.2018	2,20,000	4.18	64,372.00	
86.	272		2020	703/17	RJY	AP05TB548	17.06.2015	3,00,000	1,30,000	07.02.2019	25,000	4.06	7,105.00	
87.	280		2020	145/18	KKD	AP37TD0234	18.04.2016	10,00,000	7,86,000	07.02.2019	25,000	4.06	7,105.00	
88.	107		2020	222/15	TPG	AP374567	03.05.2014	10,00,000	9,93,000	19.01.2019	25,000	4.11	7,192.50	
89.	Kadapa	109	2020	566/12	JRG	AP37Y4747	15.11.2010	25,00,000	13,99,900	02.01.2019	25,000	4.16	7,280.00	
								<b>4,58,35,000</b>	<b>2,99,74,952</b>		<b>1,17,61,241</b>		<b>75,72,618.82</b>	

Note.: The interest was calculated considering the minimum rate at which loans (maximum being 7.9 per cent) are taken by APSRTC.

**Appendix-6.8**  
**(Reference to paragraph 6.6 and Page No. 117)**  
**Table showing short realisation of revised compounding fee**

(Amount in ₹)

Sl. No.	Name of the Offices	Number of cases registered	Amount to be collected	Amount collected	Short realised amount
1.	Transport Commissioner Andhra Pradesh	3,850	6,64,40,950	41,46,300	6,22,94,650
2.	Deputy Transport Commissioner, Anantapuramu <sup>199</sup>	245	77,800	1,86,000	1,08,200
3.	Deputy Transport Commissioner, Kakinada	84	4,65,000	1,65,000	3,00,000
4.	Deputy Transport Commissioner Eluru	113	7,90,000	2,11,000	5,79,000
5.	Deputy Transport Commissioner Nellore	56	5,20,000	96,000	4,24,000
6.	Deputy Transport Commissioner Guntur	80	9,40,000	1,24,000	8,16,000
7.	Deputy Transport Commissioner Chittoor	17	1,90,000	27,000	1,63,000
<b>Total</b>		<b>4,445</b>	<b>6,94,23,750</b>	<b>49,55,300</b>	<b>6,46,84,850</b>

**Appendix-6.9<sup>200</sup>**  
**(Reference to paragraph 6.6 and Page No.118)**  
**Table showing non-levy and non-recovery of Compounding Fee**

(Amount in ₹)

Sl. No.	Name of the Offices	Number of cases registered	Un-realised amount
1.	Transport Commissioner, Vijayawada	9,736	3,63,80,500
2.	Deputy Transport Commissioner, Anantapur	379	9,57,750
3.	Deputy Transport Commissioner, Kadapa	137	4,99,600
4.	Deputy Transport Commissioner, Vizianagaram	181	6,07,500
5.	Deputy Transport Commissioner, Visakhapatnam	2,671	28,10,000
6.	Deputy Transport Commissioner, Vijayawada	2,087	26,78,250
7.	Deputy Transport Commissioner, Kakinada	2,630	40,08,500
8.	Deputy Transport Commissioner, Eluru	4,596	68,94,000
9.	Deputy Transport Commissioner, Nellore	821	14,10,500
10.	Deputy Transport Commissioner, Guntur	1,635	68,91,750
11.	Deputy Transport Commissioner, Chittoor	129	4,77,250
<b>Total</b>		<b>25,002</b>	<b>6,36,15,600</b>

<sup>199</sup> No audit conducted at Anantapur during the period from April 2021 to March 2022, hence, updated data till March 2021 was included

<sup>200</sup> No audit conducted at Sl. No. 2,3,4,5 and 6 mentioned in Appendix XIV, during the period from April 2021 to March 2022, hence, updated data till March 2021 was included

**Appendix-6.10**

(Reference to paragraph 6.6 and Page No.118)

**Table showing short realisation of compounding fee in respect of second and subsequent offence at lesser rates**

(Amount in ₹)

Sl. No.	Name of the Offices	Number of cases registered	Amount collected	Amount to be collected	Un-realised amount
1.	Transport Commissioner, AP	326	6,52,000	13,04,000	6,52,000
2.	Deputy Transport Commissioner, Eluru	103	2,06,000	4,12,000	2,06,000
3.	Deputy Transport Commissioner, Nellore	111	2,22,000	4,44,000	2,22,000
4.	Deputy Transport Commissioner, Guntur	141	2,82,000	5,64,000	2,82,000
5.	Deputy Transport Commissioner, Chittoor	11	22,000	44,000	22,000
<b>Total</b>		<b>692</b>	<b>13,84,000</b>	<b>27,68,000</b>	<b>13,84,000</b>

**Appendix-6.11**

(Reference to paragraph 6.6 and Page No.118)

**List of offices with pending cases and unrealised amounts**

(Amount in ₹)

Sl.No	Name of the Office	Number of cases	Amount collected	Amount to be collected	Un-realised amount
1	Transport Commissioner, AP	551	6,88,750	13,77,500	6,88,750
2.	Deputy Transport Commissioner, Anantapuramu	362	1,27,150	4,75,250	3,48,100
3.	Deputy Transport Commissioner, Kadapa	123	1,53,750	3,07,500	1,53,750
4.	Deputy Transport Commissioner, Krishna, Vijayawada	121	1,12,550	2,51,500	1,38,950
5.	Deputy Transport Commissioner, Kakinada	70	85,500	1,75,422	84,500
6.	Deputy Transport Commissioner, Eluru	128	1,60,000	4,17,500	1,60,000
7.	Deputy Transport Commissioner, Nellore	109	1,32,500	2,63,750	1,31,250
8.	Deputy Transport Commissioner, Guntur	118	1,47,500	2,95,000	1,47,500
9.	Deputy Transport Commissioner, Chittoor	38	47,500	95,000	47,500
<b>Total</b>		<b>1,620</b>	<b>16,55,200</b>	<b>36,58,422</b>	<b>19,00,300</b>

**Appendix-6.12****(Reference to paragraph 6.7 and Page No. 119)****Statement showing unrealised fitness certificate fee from transport vehicles****(Amount in ₹)**

Sl. No.	Name of the Offices	Number of cases	Unrealised amount
1.	Transport Commissioner, Andhra Pradesh	15,085	90,51,000
2.	Deputy Transport Commissioner, Kakinada	584	3,50,400
3.	Deputy Transport Commissioner, Eluru	2,642	15,85,200
4.	Deputy Transport Commissioner, Nellore	2,730	16,38,000
5.	Deputy Transport Commissioner, Guntur	2,578	15,46,800
6.	Deputy Transport Commissioner, Chittoor	564	3,38,400
<b>Total</b>		<b>24,183</b>	<b>1,45,09,800</b>

**Appendix-6.13****(Reference to paragraph 6.8 and Page No.120)****Table showing Number of cases for which quarterly tax and Penalty not levied****(Amount in ₹)**

Sl. No.	Name of the Office (DTCs/Transport Commissioner)	Number of cases for which quarterly tax to be levied	Amount of tax to be levied	Number of cases for which penalty not levied	Penalty to be levied
1.	Transport Commissioner, Andhra Pradesh	2,182	1,81,89,063	2,182	90,94,531
2.	DTC, Anantapuramu	12	41,222	12	20,611
3.	DTC, Eluru	--	--	1,336	40,79,656
4.	DTC, Kadapa	95	2,85,090	95	1,42,545
5.	DTC, Vizianagaram	1	7,311	48	66,017
6.	DTC, Kakinada	46	2,73,626	77	2,31,016
7.	DTC, Nellore	898	65,45,234	898	32,72,617
8.	DTC, Guntur	1,650	1,28,65,086	1,650	64,32,543
9.	DTC, Chittoor	280	23,64,630	280	11,82,315
<b>Total</b>		<b>5,164</b>	<b>4,05,71,262</b>	<b>6,578</b>	<b>2,45,21,851</b>



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## **Glossary**

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Abbreviation	In Full
APBOCW	Andhra Pradesh Building and Other Construction Workers
APBOCWWB	Andhra Pradesh Building and Other Construction Workers Welfare Board
APDDCF	Andhra Pradesh Dairy Development Co-operation Federation
APSCSC	Andhra Pradesh State Civil Supplies Corporation
ACLs	Assistant Commissioner of Labour
ALOs	Assistant Labour Officers
APADCL	Andhra Pradesh Airports Development Corporation Limited
APC	Additional Project Coordinator
APEPDCL	Andhra Pradesh Eastern Power Development Corporation Limited
APERC	Abstract of Andhra Pradesh Electricity Regulatory Commission
APEWIDC	Andhra Pradesh Education and Welfare Infrastructure development Corporation
APIIC	Andhra Pradesh Industrial Infrastructure Corporation Limited
APMVT	Andhra Pradesh Motor Vehicles Taxation
APPCB	Andhra Pradesh Pollution Control Board
APSPDCL	Andhra Pradesh Southern Power Distribution Company Limited
APSRTC	Andhra Pradesh State Road Transport Corporation
AUCE	Andhra University College of Engineering
AWCs	Anganwadi centres
AWS	Anganwadi Supervisors
AWWs	Anganwadi Workers
BITC	Bhavani Island Tourism Corporation
BOC	Building & Other Construction
BOCW	Building and Other Construction Workers
BoDs	Board of Directors
CAS	Common Application Software
CBRO	Comprehensive Budget Release Order
CDMA	Commissioner and Director of Municipal Administration
CDPO	Child Development Project Officer
CDPOs	Child Development Project Offices
CEO	Chief Executive Officer
CETP	Common Effluent Treatment Plants
CFMS	Comprehensive Financial Management System
CFST	Citizen Friendly Services in Transport Department
CMD	Contracted Maximum Demand
CMM	Cubic Meters Per Minute
CMS	Content Management Software
CMV	Central Motor Vehicles
COL	Commissioner of Labour
CPM	Central Procurement Material
CSE	Commissioner of School Education
CSSs	Centrally Sponsored Scheme
CV	Capital Value

Abbreviation	In Full
DCB	Demand, Collection and Balance
DCLs	Deputy Commissioners of Labour
DEO	District Educational Officer
DGP	Director General of Police
DGRC	District Grievance Redressal Committees
DLCCs	District Level Coordination Committees
DPC	District Purchase Committee
DPO	District Programme Officer
DPRs	Detailed Project Reports
DTCs	Deputy Transport Commissioner
DW&CW&Eos	District Women and Child Welfare and Empowerment Offices
DWS	Drinking Water System
EA	estimated amount
EC	Environmental Clearances
EDs	Executive Directors
EE	Engineer-in-Charge
EMD	Earnest Money Deposit
EMP	Environmental Management Plan
ENC	Engineer-in-Chief
EoDB	Ease of Doing Business
EoT	Extension of Time
EPK	Earning per Km
e-POS	Electronic Point of Sale
FAO	Finance and Accounts Officer
FDRs	Fixed Deposit Receipts
FIBs	Fast Interceptor Boats
FP shop	Fair Price shop
GCB	Green Chalk Board
GoAP	Government of Andhra Pradesh
GST	Goods & Services Tax
GTCS	General Terms and Conditions of Supply
GVMC	Greater Visakhapatnam Municipal Corporation
HT	High Tension
I&C	Industries and Commerce
IALA	Industrial Area Local Authority
ICDS	Integrated Child Development Services
ICPS	Integrated Child Protection Scheme
IFPs	Interactive Flat Panels
IPs	Industrial Parks
IRS	Indian Register of Shipping
IT	Information Technology
ITE & C	Information Technology Electronics & Communication
JJM	Jal Jeevan Mission

Abbreviation	In Full
JNPC	Jawaharlal Nehru Pharma City
LA	Legislative Assembly
LC	Labour Cess
LDs	Liquidated Damages
LFB&IMS	Labour, Factories, Boilers and Insurance Medical Services
LOA	Letter of Award
MACT	Motor Accidents Claims Tribunal
MDWP	Machilipatnam Deep Water Port
MEO	Mandal Educational Officer
MOA	Memorandum Of Agreement
MoEF	Ministry of Environment, Forest
MoU	Memorandum of Understanding
MPSs	Marine Police Stations
MSMEs	Micro Small Medium Enterprises
MUDA	Machilipatnam Urban Development Authority
MV	Motor Vehicles
MWS	Model Welfare Schemes
NAC	National Academy of Construction
NIC	National Informatics Centre
NOC	No Objection Certificate
NREDCAP	New & Renewable Energy Development Corporation of AP
OSHWCC	Occupational Safety, Health and Working Conditions Code
PAC	Public Accounts Committee
PC	Parents Committee
PD	Personal Deposit
PF&IC	Price Fixation & Infrastructure Committee
PMU	Project Management Unit
PPSWR	Probability Proportion to Size Without Replacement
QC	Quality Control
RGUKT	Rajiv Gandhi University of Knowledge and Technology
RPM	Revolutions Per Minute
RTAs	Regional Transport Authorities
RWS	Rural Water Supply
SAC	Student Activity Centre
SAC	State Advisory Committee
SBM	Swachh Bharat Mission
SCM	Supply Chain Management
SDS	State Development Scheme
SEIAA	State Environmental Impact Assessment Authority
SERP	Society for Elimination for Rural Poverty
SEZ	Special Economic Zone
SGRC	State Grievance Redressal Committees
SHPTC	State High Power Tender Committee

Abbreviation	In Full
SIA	Social Impact Assessment
SLAC	State Level Allotment Committee
SNA	Single Nodal Account
SNP	Supplementary Nutrition Programme
SOSHAB	State Occupational Safety and Health Advisory Board
SPD	State Project Director
SS	Samagra Shiksha
SSR	Standard Schedule of Rates
SSS	Samagra Shiksha Society
SST	Summer Storage Tank
STMS	School Transformation Monitoring System
STP	Sewage Treatment Plant
TC	Transport Commissioner
TCS	Tata Consultancy Services
TDS	Total Dissolved Solids
TEO	Transfer Entry Order
THR	Take-Home Ration
TR1	Transport, Roads and Buildings
TSNC	Telangana State Nutrition Council
UDL	undeveloped land
UICL	United Insurance Company Limited
ULBs	Urban Local Bodies
VC & MD	Vice-Chairman and Managing Director
VCRs	Vehicle Check Reports
VKPCPIR	Visakhapatnam-Kakinada Petroleum, Chemical & Petro-Chemical Investment Region
VRO	Village Revenue Officer
VUDA	Visakhapatnam Urban Development Authority
WD&CW	Women Development & Child Welfare
WTP	Water Treatment Plant
ZM	Zonal Managers



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