

**ANDHRA PRADESH LEGISLATURE  
(ELEVENTH LEGISLATIVE ASSEMBLY)**

**11th REPORT**

**OF**

**THE COMMITTEE ON PUBLIC  
UNDERTAKINGS**

**(2000-2001)**

**ON**

**THE AUDIT PARAGRAPHS  
APPEARED IN THE REPORTS OF  
THE COMPTROLLER AND AUDITOR  
GENERAL OF INDIA**

**FOR THE YEARS**

**1992-93 & 1998-99 (Commercial)**

**ON**

**A.P. STATE POLICE HOUSING  
CORPORATION LIMITED**

**(PRESENTED TO THE LEGISLATURE ON 27-3-2002)**

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[F]

COMMITTEE ON PUBLIC UNDERTAKINGS  
(2000-2001)

(Constituted on the 3rd April, 2000)

CHAIRMAN:

1. Sri A.V. Suryanarayana Raju

MEMBERS:

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

SPECIAL INVITEES:

15. Sri Reddy Satyanarayana
16. K. Dharma Rao

LEGISLATURE SECRETARIAT:

Sri K. Tuljanand Singh, Secretary  
Sri P. Kasi Raju, Deputy Secretary  
Sri B. Padma Reddy, Assistant Secretary  
Sri P. Sitaramulu, Section Officer.

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## INTRODUCTION

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

The Committee on Public Undertakings (2000-2001) have examined the Reports of the C & AG. of India (Commercial) for the year ended 31st March 1992 and 1999 on 13-6-2001.

The Committee (2000-2001) have considered and approved the said Report at their sitting held on 23.3.2002.

The Statement showing the summary of recommendations/observations of the Committee is appended to this Report.

A record of proceedings of the sittings of the Committee which has been maintained forms part of this Report.

The Committee wishes to express their thanks to the Principal Secretary to Government, Home Department, the Vice-Chairman and Managing Director and other officials of A.P.S. Police Housing Corporation Limited for the co-operation they have extended.

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

The Committee also places on record their appreciation of the assistance rendered to the Committee by the Secretary to State Legislature and the other Officers and staff of Legislature Secretariat in the examination of the general working and reviews relating to A.P.S. Police Housing Corporation Limited and in preparation of this Report.

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

Hyderabad,  
Dated: 23.3.2002.

## REPORT

### RECOMMENDATIONS ON A.P.S. POLICE HOUSING CORPORATION LTD. ON THE PARAS APPEARED IN THE AUDIT REPORT FOR THE YEARS 1992-93 (1 para) AND 1998-99 (1 Para).

#### (a) Audit Report 1992-93:

##### (a) Avoidable extra payment (Para 4 A.6):

1.1 For construction of residential quarters of the Police Officers and staff, the Corporation is framing estimates based on Andhra Pradesh Detailed Standard Specifications (APDSS). As specified in the agreement the work relating to plastering has to be executed as per the provision contained in APDSS No. 901 and 904. And APDSS No. 901.3.5 specifies that in case of discontinuity in background, the two portions shall be separated by a neat out or a groove at the junction. The APDSS for building works stipulates that the rate for plastering includes rate for neat cut or groove at the junctions of brick masonry walls and the reinforced cement concrete columns and beams in order to avoid cracks in plastering and no separate amounts payable for such groove cutting.

1.2 A review of 12 works which were completed or in progress during 1991-92 and 9 works pertaining to the years 1991-92 and 1992-93 revealed that the Corporation allowed extra payment of Rs.2.51 lakhs and Rs.0.87 lakhs respectively for neat cut or groove at the junctions of brick masonry.

1.3 The Corporation in its explanatory notes stated that no provision towards the cost of providing groove cutting is made while preparing the data for the plastering items and no such indication to that effect is given while framing the specifications for plastering items. The Corporation also stated that in future while approving the data for the plastering item in RCC framed structures provision towards grooves will also be made instead of paying separately for the item as supplemental items in view of the technical necessity.

1.4 The Principal Secretary, Home Department, Government of Andhra Pradesh in his oral evidence



stated that the groove cutting is covered by the item No. 901 of APDSS and should have been included in the original estimates. He also explained that the old practice is discontinued and remedial action is taken on the objection raised by the audit and presently, the cited works are being included in the original work estimates. The Managing Director in his oral evidence stated that except Rs.46,000, the amount was also recovered from the contractor. Regarding the remaining amount out of the two contractors who have executed the work one was expired and the whereabouts of the other contractor is not known.

Audit report 1998-99

(b) Incorrect preparation of work estimates  
(Para 4A.7.1)

2.1 A check of detailed estimates prepared for construction of rehabilitation centres at Moulali and Adavivaram revealed the following deviation/discrepancies from the standard data causing potential loss of Rs.15.83 lakh to the Corporation with a corresponding gain to the contractors.

(i) Use of Fly Ash (FA) bricks was envisaged for construction of masonry walls. In the estimates of Moulali work, 110 FA bricks (12"x8"x6") were considered per cum of wall masonry, while for an identical work at Adavivaram the quantity adopted was 95 FA bricks on the basis of 12"x8"x6" size of the brick. This due to adoption of 110 FA bricks instead of 95 FA bricks in the estimates of Moulali work, the Corporation suffered a potential loss of Rs.7.58 lakh on the estimated quantity of 9521 cum of wall masonry.

(ii) As per standard data and as provided in the estimates of Moulali work, a quantity of 10.1 sqm. of polished Cuddapah stones was envisaged for every 10 sqm. of flooring (the difference of 0.1 sqm. represent wastage). Contrary to this, the estimates of Adavivaram works were prepared for assembling a quantity of 10.5 sqm. for every 10 sqm of flooring. Thus due to adoption of incorrect quantities the estimates were boosted up by Rs.1.22 lakh for an estimated quantity of 25813 sqm of flooring.

(iii) As per the works abstract, the polished Shahabad stones were to be set over a base coat of cement mortar and jointing was to be done with cement slurry at 3.3 Kg. per sqm. An examination of the detailed estimates of Moulali works, however revealed that cement mortar instead of cement slurry was envisaged for joining and cost of 1.6 brick layer. 0.50 man mazdoor and 1.10 woman mazdoor was included in the estimates, though such labour was allowed only for this pointing of unpolished stone. Thus, on account of inclusion of cost of labour not required for polished stone flooring and cement mortar in lieu of slurry resulted in boosting up of estimates by Rs.7.05 lakh.

2.2 The Corporation in its explanatory notes stated that:

(i) Regarding the FA bricks, the data were worked out with different sizes of fly ash bricks for Hyderabad and Visakhapatnam based on the local availability at the time of preparation of estimates.

(ii) Regarding Adavivaram works, Cuddapah stones were used in the work where wastage is more when compared to Shahabad stones.

(iii) Regarding usage of labour in Moulali works which resulted in extra expenditure, the Corporation stated that lowest tender (in the open tender system) was accepted hence works cannot be seen separately.

2.3 The Managing Director in his oral evidence stated that the items mentioned in the objection must have been taken from an unapproved estimates which were modified before approval. The actual approved figures were only 1.6 brick layer and 0.75 man for the job.

#### 2.4 Recommendation:

The Committee observed that the audit paras could have been avoided had the Management furnished proper reply supported by documents to Audit before finalising the para. The Committee also



observed that even though ample time is given to the Management the latest replies are submitted to the Committee only at the time of meeting, which it felt not desirable. The Committee also recommends that Management could discuss with Accountant General in advance of the meeting to better comprehend the issue raised in audit.

2.5 The Committee recommends that this shall be taken as future guidance.

2.6 General:

During the visit to East Godavari and Visakhapatnam districts the Committee observed some problems in respect of police quarters constructed in those areas (Razole and Amalapuram). The construction is not upto the mark due to lack of proper supervision at the time of construction; especially in respect of the pipes used in the quarters, non-provision of shades to the kitchen and mixing up of drainage and kitchen outlets, which are causing inconvenience to the inmates. Some quarters are not being occupied due to lack of proper drinking water facility.

2.7 The Principal Secretary, Home Department, Government of Andhra Pradesh in his oral evidence admitted the problem and stated that the problem is being addressed continuously.

2.8 Recommendation:

The Committee Recommends that proper care, in all respects, shall be taken before taking up of construction of quarters police stations, viz. provision of drinking water, maintenance of quality in construction etc. for optimum utilisation/occupation with in the scheduled time as prescribed in the estimates.

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

1. The Committee observed that the audit paras could have been avoided, had the Management furnished proper reply supported by documents to audit, before finalising the para. The Committee also observed that even though ample time is given to the Management, the latest replies are submitted to the Committee, only at the time meeting, which it felt, is not desirable. (2.4)

2. Hence, the Committee recommends that Management could discuss with Accountant General in advance to comprehend the issue better, raised in audit (2.4)

3. The Committee also recommends that this shall be taken as future guidance (2.5).

4. The Committee further recommends that proper care in all respects, shall be taken before taking up of construction of quarters/police stations, viz., provision of drinking water, maintenance of quality in construction, etc., for optimum utilisation/occupation within the scheduled time as prescribed in the estimates. (2.8).

2 Recommendations

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