

## Chapter II

### Youth Advancement, Tourism and Culture Department

#### Development and Maintenance of Infrastructure by Andhra Pradesh Tourism Development Corporation Limited

##### 2.1 Introduction

The Andhra Pradesh Tourism Development Corporation Limited (APTDCL) is a government-owned entity responsible for promoting tourism in the State of Andhra Pradesh. It operates under the Youth Advancement, Tourism & Culture (YAT&C) Department, Government of Andhra Pradesh, and is tasked with objectives of development of tourism infrastructure, operation of tourism package services & promotional activities, maintenance of its assets constructed under Central/State Government Schemes and implementation of State Tourism policy 2020-25.

As at the end of March 2023, APTDCL held 137 hotels<sup>37</sup>/wayside amenities, water fleet of boats and transport fleet of buses/mini buses for operating tour packages across the State. APTDCL is headed by a Managing Director, who oversees the day-to-day operations and implementation of policies.

##### 2.1.1 Audit Framework

This Audit was conducted to assess whether tourism infrastructure development and maintenance activities were carried out in compliance with the existing guidelines, policies, rules, and regulations. The Audit was carried out between June and November 2023 covering the period from 2020-21 to 2022-23 at the office of the Managing Director, APTDCL and 33 *per cent* of units of three (SPSR Nellore, Visakhapatnam and Tirupati) out of seven divisional<sup>38</sup> offices (*Appendix VI*), were covered based on Income and Expenditure details for the audit period.

An Entry and an Exit Conference were held in June 2023 & November 2024 respectively with the officials of YAT&C Department and APTDCL for discussion of Audit framework and audit findings. The responses received on the findings have been incorporated in the Report. Audit Recommendations were discussed and were accepted (November 2024) by the Government.

##### 2.1.2 Development of Infrastructure

APTDCL carries out its day-to-day activities with its internal accruals *viz.*, income from hotels, transport services, leased out properties, *etc.* As per provisional accounts<sup>39</sup> for the period 2020-21 to 2022-23, the revenue and expenses of APTDCL are as given in *Table 2.1*.

<sup>37</sup> self-managed hotels: 52, hotels operated under Operation & Maintenance (O&M) basis: 56 and hotels proposed to be given on O&M: 29

<sup>38</sup> Kakinada, Kadapa, Kurnool, SPSR Nellore, Tirupati, Vijayawada and Visakhapatnam

<sup>39</sup> annual accounts not yet finalised

**Table 2.1: Showing Revenue and Expenses of APTDCL for the period 2020-23**

(₹ in crore)			
Year	Total Revenue	Total Expenses	Net profit (+)/Loss (-) before tax
2020-21	77.03	86.59	(-) 9.56
2021-22	145.54	130.41	(+) 15.13
2022-23	163.06	149.86	(+) 13.20

Source: Provisional financial statements of APTDCL

It can be seen from the above that the total operating revenue of APTDCL increased from ₹77.03 crore in 2020-21 to ₹163.06 crore in 2022-23. APTDCL had incurred a loss of ₹9.56 crore in 2020-21, as revenue generation from operational activities<sup>40</sup> was severely impacted due to the Covid-19 pandemic. The shortfall in income to expenses was met from the accumulated reserves of previous financial years.

During the audit period (2020-21 to 2022-23), APTDCL had created 11 assets worth ₹39.73 crore<sup>41</sup> from the funds received from Central/State Government and from its own revenues. The assets include various amenities viz., Restaurant, Resorts, Laser Show, Tourist amenities/facilities and development of caves, etc. Out of these, four assets valuing ₹25.29 crore were created by APTDCL in the sampled units during the audit period as detailed in (*Appendix-VIII (Sl.No.4) & XI (Sl. No. 3 to 5)*).

APTDCL receives funds from the Government of India (GoI) through Central Financial Assistance (CFA) under various schemes for tourism development activities. In addition to the CFA, State Government also allots budget for development of tourism infrastructure projects.

### 2.1.3 Development of infrastructure under Government of India funds

The GoI had sanctioned ₹242.88 crore and released ₹232.20 crore under four different schemes<sup>42</sup> (as detailed in *Appendix VII*) to APTDCL during the period 2014-15 to 2018-19. The funds sanctioned continued to be utilised during the audit period also. APTDCL spent ₹221.92 crore out of the funds released as of March 2023. Out of the four schemes, assets created under Prasad and Hriday were handed over to the Endowment Department and Local Bodies respectively.

The remaining two schemes, viz., Swadesh Darshan (a 100 per cent sponsored scheme of GoI) and Sagarmala (GoAP has to contribute 50 per cent share towards cost of the project) were taken up by APTDCL for development of tourism infrastructure in the State.

#### 2.1.3.1 Infrastructure works under Sagarmala

With the objective to create infrastructure to promote movement of cargo/passengers, GoI had provided (August 2016) financial support of 50 per cent (maximum of ₹10 crore) of the total project cost for construction of Platforms/Jetties to the State Government. Half of the amount would be disbursed upon approval of the project and remaining upon completion of work and submission of utilisation certificate.

<sup>40</sup> accommodation, food, bar facility and transport/water fleet activity, etc.

<sup>41</sup> GoI funds: ₹14.99 crore, GoAP funds: ₹15.18, APTDCL funds: ₹9.56 crore

<sup>42</sup> Prasad, Hriday, Sagarmala and Swadesh Darshan

In September 2016, GoAP proposed the construction of jetties at nine destinations and submitted Detailed Project Reports (DPRs) to GoI in December 2016. The GoAP had given consent (January 2017) to share 50 *per cent* (₹245.76 crore) of the total project cost of ₹491.52 crore under Sagarmala. The Department of Ports (DoP) informed (August 2017) APTDCL that GoI had accepted DPR of one project ‘Construction of Jetty at Bhavani Island’ at a cost of ₹21.98 crore. The GoI sanctioned ₹10 crore and released (June 2017) ₹five crore as first installment<sup>43</sup>. Further, DoP requested to submit revised DPRs of the other eight projects based on suggestions given by Development Wing of the Ministry of Shipping, GoI.

Audit noticed that:

(i) GoI sanctioned (June 2017) ₹10 crore for the project “Construction of jetty at Bhavani Island”. Accordingly, APTDCL had prepared (September 2017) estimates, duly reducing the scope of work to construction of Jetty only against total value of project<sup>44</sup> costing ₹21.98 crore. The work awarded (November 2017) for ₹6.76 crore<sup>45</sup> was stopped in December 2019. As of March 2023, only ₹4.79 crore worth of work was executed<sup>46</sup>.



**Picture 1: Incomplete construction of Jetty work (Photograph taken on 12.04.2024)**

Despite request (May 2020) made by APTDCL, GoAP did not release (as of March 2023) its share of ₹five crore to claim balance GoI share. As a result, the expenditure incurred of ₹4.79 crore remained unfruitful and balance amount of ₹0.21 crore also remained un-utilised for the last four years.

(ii) Regarding the remaining eight projects, Superintendent Engineer, APTDCL stated (May 2024) that revised DPRs were submitted in April 2018 for only three projects<sup>47</sup>. The GoI had approved (August 2018 and November 2020) the revised DPRs and sanctioned ₹10 crore for each project subject to provisioning of State Government share for the project. Despite APTDCL’s request (between February and December 2020) to sanction State’s share for the projects, there was no response from GoAP. Due to non-release of GoAP share, GoI had not released the funds for the approved projects. Besides, the decision was not taken for the remaining five projects, thereby the proposals to have tourism projects in eight places did not materialise.

<sup>43</sup> balance ₹five crore would be released on submission of utilisation certificate after completion of work

<sup>44</sup> total scope of the Project was ₹21.98 crore consisting of four components *viz.*, Construction of Jetty: ₹8.99 crore, Construction of jetty buildings and other works: ₹10.45 crore, Dredging: ₹0.53 crore, Contingencies & Other charges: ₹1.99 crore. Based on the sanction amount of GoI share of ₹10 crore, the works were awarded for “Construction of Jetty”: ₹10 crore leaving the other components of the Project

<sup>45</sup> with a condition to complete the work by May 2018

<sup>46</sup> 44 out of 58 proposed pile foundations were executed for construction of the jetty project

<sup>47</sup> construction of passenger Jetties at Kalingapatnam: ₹72.45 crore, Bheemunipatnam: ₹78.99 crore and Kakinada: ₹72.48crore

The Government replied (August 2024) that work would begin on receipt of State share. Regarding non-grounding of other projects, GoI insisted for DPRs with comprehensive planning and design of the jetties which increased project costs to ₹70-75 crore. Since GoI was offering a meagre amount of ₹10 crore as its share, GoAP had to bear the excess cost, exceeding APTDCL's budget, leading to the projects being dropped. Government stated (November 2024) that a proposal would be submitted for taking up of stalled and other approved works.

The reply is not acceptable, as the GoI approval was as per the Sagarmala guidelines; 50 per cent of the project cost up to ₹10 crore, on DPR of ₹21.98 crore in the year 2016. The requirement of ₹70-75 crore as mentioned (August 2024) in the GoAP reply was nowhere projected to the GoI at the time of project sanction. Had the GoAP released its share in time, the project could have been completed within the original estimate.

Thus, APTDCL could not leverage the funding extended by GoI due to non-release of GoAP share which led to stalling of one project and non-initiation of balance eight projects. As a result, the intended objectives of the scheme could not be achieved.

#### **2.1.4 Infrastructure works under Swadesh Darshan**

With the objective of development of tourism destinations in partnership with the State Governments, GoI launched Swadesh Darshan Scheme (SDS) in 2015 and extended the scheme (Swadesh Darshan 2.0) in April 2022. Under SDS, GoAP proposed three projects to GoI, viz., Development of Kakinada Hope Island, Konaseema, Development of Coastal Tourism Circuit in SPSR Nellore District and Development of Mahayana Buddhist Circuit at various places in the State.

##### **2.1.4.1 Development of Kakinada Hope Island Konaseema and Costal Tourism Circuit in SPSR Nellore**

In order to develop a world class coastal and eco-tourism circuit, GoI sanctioned (March 2015) the project "Development of Kakinada Hope Island, Konaseema" at a cost of ₹67.83 crore. The project consisting of seven sub-components<sup>48</sup> was executed and utilisation certificates<sup>49</sup> for the expenditure incurred of ₹67.83 crore were submitted (June 2020) to GoI. Similarly, the project "Development of Coastal Tourism Circuit in SPSR Nellore" consisting of eight components was sanctioned (June 2021) at a cost of ₹49.53 crore<sup>50</sup>. The GoI released ₹47.76 crore and utilisation certificate for the expenditure incurred was submitted (September 2022) to GoI for ₹49.55 crore. The difference amount was yet to be received from GoI as of September 2022.

As per undertaking (number 7) of Swadesh Darshan Scheme, the State Government would bear or be responsible for all operational expenditure and be solely responsible for operation and maintenance (O&M) of the identified/developed projects. Necessary arrangements/agreements with the public/ private agencies for the operation of the assets shall be the responsibility of State Government. An undertaking has to be given by the State Government to GoI.

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<sup>48</sup> Kakinada Beach front, Hope Island, Coringa Wildlife sanctuary, Vodalarevu, Adduru, S.Yanam & Kotipalli for ₹67.83 crore (expenditure incurred: ₹65.72 crore and Grant in hand: ₹2.11 crore)

<sup>49</sup> B.V. Palem: ₹14.99 crore, Nelapattu Bird Sanctuary: ₹5.30 crore, SPSR Nellore tank/lake: ₹4.64 crore, Kothakoduru Beach: ₹4.81 crore, Mypadu beach: ₹8.48 crore, Ramatheertham temple & beach: ₹2.99 crore & Iskapalli Beach: ₹ 2.26 crore, and Venadu Island ₹1.87 crore, Atakanitippa, ₹1.20 crore, Ubbalamadugu waterfalls: ₹0.64 crore and wifi contingencies design and drawings: ₹2.35 crore

Accordingly, GoAP had given (May 2015) an undertaking to GoI stating that APTDCL shall be responsible for O&M of the assets created under the scheme.

Scrutiny of records showed that eight out of 15 properties constructed (between 2018 and 2021) at a cost of ₹33.68 crore were not put to operation as of March 2023 (as detailed in *Appendix VIII*) and were lying idle for a period ranging between one year three months to five years. APTDCL had issued tenders for leasing out the properties under O&M from time to time<sup>51</sup>, however, no response was evinced by the bidders. The reasons for non-response by the bidders to take up the assets on O&M were not forthcoming from the records furnished to audit.

During physical verification of sites/projects, deterioration of infrastructure due to lack of proper maintenance, etc., were observed. Some of the instances are shown in the photographs given below in *Picture 2*.

**Picture 2: Showing idling of properties created under Swadesh Darshan Scheme**



<sup>51</sup> May & August 2020, November 2021, September 2022, January-March 2023, August 2023

Audit noticed that as per undertaking given, it shall be the responsibility of APTDCL to put the asset into operation either by itself or through private parties. However, APTDCL had not made any arrangements for operating the assets by itself when there was no response from private parties and allowed the eight properties, developed at a cost of ₹33.68 crore, remain idle.

The Government replied (August 2024) that the delay in entrustment of the properties was due to Covid pandemic and lack of bidder response even after the pandemic. Further, it was replied that APTDCL is not operating the boating activities to Hope Island due to poor commercial viability. The Government stated (November 2024) that the properties were idle for some period due to issues related to bid process and bidding rates. At present, the properties are not idle and given on O&M.

The reply is not acceptable, as seven out of eight assets completed prior to Covid pandemic were also not put to operation. Further, APTDCL should have explored the possibility of operating the properties by itself when there was no response from the bidders. Further, documents (copy of tender, agreement, etc.) showing that the properties were given on O&M basis were not furnished to audit to verify correctness of the Government’s reply.

Thus, APTDCL, being responsible for sustainable O&M of the identified/ developed projects under the scheme, had kept the assets created idle without making them operational.

#### **2.1.4.2 Development of Mahayana Buddhist Circuit**

To create a tourist infrastructure by connecting existing Mahayana Buddhist relics, GoI sanctioned (September 2017) a project “Development of Buddhist Circuit in Andhra Pradesh” for ₹52.33 crore consisting of various components<sup>52</sup> at five Buddhist sites. Out of five sanctioned works, the works regarding Buddhist sites at Thotlakonda/ Bavikonda were sanctioned (September 2017) by GoI at a cost of ₹13.42 crore<sup>53</sup> for undertaking seven components. Accordingly, APTDCL awarded (June 2018<sup>54</sup> & July 2018<sup>55</sup>) works for two components to different contractors as detailed in *Table 2.2*.

**Table 2.2: Showing details of works executed at Buddhist sites as of March 2023**

(₹ in crore)				
Sl. No.	Name of the work	Agreement value	Value of Work executed	Status of work as of March 2023
1.	Construction of Tourist Amenity Centres (TAC) at Thotlakonda	2.29	0.18	Both the works were executed up to foundation level and stopped due to existing court case.
2.	Construction of Buddhist Cultural Centre at Thotlakonda	6.71	0.53	
<b>Total</b>		9.00	0.71	

Source: Information furnished by APTDCL

<sup>52</sup> Shalihundam: ₹2.27 crore, Thotlakonda/Bavikonda: ₹13.42 crore, Bojjanakonda: ₹7.32 crore, Amaravati: ₹21.04 crore, Anupu: ₹5.79 crore & Contingencies and Architecture fees: ₹2.49 crore

<sup>53</sup> Tourist Amenities Centre (TAC) for two numbers: ₹3.66 crore and Buddhist Cultural Centre at Thotlakonda: ₹8.20 crore and additional works: Uncovered parking facility: ₹0.75 crore, Monument lighting: ₹0.56 crore, Buddhist Thorana: ₹0.15 crore, Closed Circuit Television: ₹0.02 crore & Wi-fi: ₹0.08 crore

<sup>54</sup> M/s Sree Siva Ram & Co., Hyderabad

<sup>55</sup> M/s. B. Kranthi Kumar

Scrutiny of records showed that Writ Petition was filed (2016) by an individual<sup>56</sup> in the Hon'ble High Court of Andhra Pradesh on the grounds that both the places were declared as protected monuments under APAHMASR<sup>57</sup> Act, 1960. The Hon'ble High Court passed interim order (November 2016) that no construction or development activity of any sort shall be permitted within the boundaries of the ancient site of Thotlakonda.

Finally, The Hon'ble High Court disposed of the case (March 2019) stating that development activities may be undertaken<sup>58</sup> and directed DA&M (Department of Archaeology and Museum), GoAP to identify such area for taking up of development activities by APTDCL. The Managing Director, APTDCL requested (April 2019) Commissioner, DA&M to locate admissible site for taking up the construction activities. However, there was no response from DA&M in this regard. Eventually, as per utilisation certificate submitted (June 2022) to GoI, the two works were dropped and revised administrative sanction was obtained duly restricting the same to the utilised amount of ₹24.14 crore<sup>59</sup>.

Audit observed that though Hon'ble Court passed interim order in 2016 stating that no construction or development activity of any sort shall be permitted, APTDCL had taken up the construction activity. Due to non-pursuance by APTDCL after disposal of the case, the work did not progress further, and the expenditure of ₹0.71 crore incurred so far remained unfruitful.

The Government replied (August 2024) that due to litigation on the Thotlakonda protected site, the Commissioner, DA&M was requested to show the location where construction activity can be taken up. However, the Commissioner, DA&M did not show the land for construction. Further, due to protest from Buddhist monks and voluntary organisations, the construction of TAC and Construction of Buddhist Cultural Centre at Thotlakonda was stalled. The Government stated (November 2024) that follow-up of the work with the Archaeological Department would be taken up to commence the stalled works.

Thus, due to non-compliance to the interim order of Hon'ble High Court and non-pursuance with the Archaeology Department, the expenditure of ₹0.71 crore incurred had become unfruitful.

## 2.1.5 Development of infrastructure under State Government funds

### 2.1.5.1 Non completion of infrastructure works

(a) GoAP accorded (February 2018) administrative sanction for "Development of Tribal Haat under Araku Tribal Museum circuit in Visakhapatnam District" at a cost of ₹5.50 crore for provisioning of basic amenities<sup>60</sup>.

<sup>56</sup> Prof. K.Thimma Reddy

<sup>57</sup> Andhra Pradesh Ancient & Historical Monuments and Archaeological Site Remains

<sup>58</sup> based on the law laid down by Hon'ble Supreme Court in one of the cases (involving the Archaeological Survey of India) which decreed that 100 m distance has to be counted from the outer area of the notified monument

<sup>59</sup> Shalihundam: ₹1.83 crore, Thotlakonda / Bavikonda: ₹2.61 crore, Bojjanakonda: not taken up, Amaravati: ₹15.02 crore, Anupu: ₹3.53 crore & Contingencies and Architecture fees: ₹1.15 crore

<sup>60</sup> restaurant, parking bay, lighting and landscaping, water supply, bio sewerage, solid waste, etc.

Audit noticed that the work taken up (June 2018) by APTDCL at a cost of ₹3.71 crore was stopped<sup>61</sup> (March 2020) after executing only 24 *per cent* of work. APTDCL had paid ₹0.72 crore for the work done till March 2020. Despite issue (August 2021) of final notice to the contractor for termination of the contract, the contractor did not respond. As of March 2023, there was no progress of work.

(b) GoAP accorded administrative (May 2018) sanction for ₹2.25 crore for the work “Development of New Tourism infrastructure facilities/Tourist facilities at Bhairaveswara Swamy Temple”, Bhairavakona in Prakasam District.

Audit noticed that the work was awarded (September 2018) at a cost of ₹1.75 crore to a contractor, however, the work could not be commenced<sup>62</sup> due to delay in identification and handing over (January 2019) of site to the contractor. As of October 2019, the work<sup>63</sup> executed was worth ₹0.78 crore and an amount of ₹0.76 crore<sup>64</sup> was paid to the contractor. Extension of time was granted up to December 2019 due to reasons<sup>65</sup> not attributable to the contractor. As the work was stalled and the contractor did not evince interest to complete the balance work, the Executive Engineer, Tirupati requested (September 2021) for closure of the work. Thereafter, the action taken by APTDCL regarding closure or resumption of work was not forthcoming from records made available to Audit.

The Government replied (August 2024) that in view of non-availability of required budget the balance works were not taken forward. The Government stated (November 2024) that the works were being taken up and are in progress.

The Government did not furnish the documents in support of the claim that works were taken up.

Thus, infrastructure works taken up out of GoAP funds could not be completed, as sufficient funds were not placed at the disposal of APTDCL. The expenditure incurred to the extent of ₹1.50 crore (₹0.72 crore + ₹0.78 crore) did not serve the desired purpose, as basic amenities to tourists could not be provided due to partial completion of works. Despite lapse of more than five years (as of March 2023), action had not been taken by APTDCL either to cancel both the works or to award the balance works to new contractors by inviting fresh tenders. Further, necessary action had not been contemplated against the contractors for leaving the work incomplete.

### **2.1.5.2 Redevelopment of Resort at Rushikonda**

With an objective to foster tourism, GoAP accorded administrative sanction (March 2021) for the project “Redevelopment<sup>66</sup> of Rushikonda Tourism Resort in Visakhapatnam” for an amount of ₹92.00 crore for Phase-I of the project comprising of Site preparation and Road

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<sup>61</sup> the work was scheduled to be completed by December 2018. Extension of time granted upto December 2020

<sup>62</sup> the work entrusted to M/s Geethika Constructions was scheduled to be completed by March 2019

<sup>63</sup> slabs for ground and first floor were laid and brick masonry was completed

<sup>64</sup> ₹25.47 lakh paid on 23.03.2019 and ₹50.51 lakh, though bill submitted on 19.09.2019, was paid in April 2021

<sup>65</sup> non-availability of sand and water

<sup>66</sup> consisting of an old block constructed in the years 1984-89 and new block, restaurant and conference hall constructed during the period 2002-2007 with a total plinth area of 4,439 Sq.m

Connectivity works and Phase-II for ₹72 crore (June 2021) for Construction of buildings<sup>67</sup>. Accordingly, APTDCL had obtained permissions<sup>68</sup> from appropriate authorities and had taken up the project.

Scrutiny of records showed that in order to minimise construction period, some components of Phase-I (dismantling/slope excavation, *etc.*) and Phase-II (structural works of three blocks<sup>69</sup>) were combined as one work and awarded (August 2021) to a firm<sup>70</sup> for an agreement value of ₹90.93 crore. During execution of the project, deviations took place due to change of soil classification, transportation cost, increase in quantity of soil exploration, *etc.* For ease of execution and as per the recommendations of technical committee, the total project was sub divided into three phases<sup>71</sup>. Accordingly, GoAP accorded (May 2022 & June 2022) a revised administrative sanction to three phases for ₹350.16 crore as detailed in **Appendix IX**.

As such, the total cost of the project increased from ₹164 crore to ₹350.16 crore. As of February 2024, Phase-I works were stated as completed by APTDCL and Phase-II & III works were still under progress (scheduled to be completed by October 2024) and an expenditure of ₹306.93 crore<sup>72</sup> was incurred on redevelopment works<sup>73</sup>.

Audit noticed that:

**(a) Non-preparation of comprehensive Detailed Project Report for the total project**

Audit noted that a DPR covering all aspects of the project for the increased cost was not prepared and the GoAP had given administrative approval for the increased cost without insisting on submission of revised DPR.

Scrutiny of records showed that original estimates were prepared based on the soil survey conducted on south-west side of the Rushikonda hill instead of on the proposed site in north-west side of the hill due to presence of thick jungle in the proposed construction site. The soil profile as per DPR included Earth, Soft Disintegrated Rock (SDR) and Hard Dense Rock (HDR) with estimated composition of 30, 50 and 20 *per cent* respectively which was changed to 18.90 *per cent* of earth, 41.31 *per cent* of SDR and 39.79 *per cent* of HDR during execution. Further, the total quantity of earthwork estimated was 7.02 lakh cubic meter (cum), whereas the actual quantity excavated was 11.46 lakh cum.

Due to non-preparation of comprehensive DPR, APTDCL could not make effective estimation of items of works to be executed, site preparation (soil survey and excavation of soil) and structural works of three blocks, architectural & allied works and interior works of all four

<sup>67</sup> four blocks: Vengi block, Kalinga block, Gajapathi block and Vijayanagara block

<sup>68</sup> Ministry of Environment Forest & Climate Change conveyed (May 2021) Coastal Regulation Zone clearance and Andhra Pradesh Pollution Control Board (APPCB) also issued (October 2022) Consent for Establishment of resort in a built-up area of 13,792.80 Sq.m

<sup>69</sup> structural works of Vengi, Kalinga and Gajapathi blocks

<sup>70</sup> M/s DEC Infrastructure and Projects India Private Limited, Hyderabad

<sup>71</sup> date of completion as per agreements were Phase-I: 18.11.2022, Phase-II: 08.02.2024, Phase-III:06.10.2024

<sup>72</sup> XII & Final bill of Phase-I: ₹147.13 crore, VIII & Part Bill of Phase-II: ₹67.84 crore and VI & Part Bill of Phase-III: ₹91.96 crore

<sup>73</sup> construction of resorts (58 rooms), hotels, cafeterias, transport fleet, amenities and landscaping to promote an array of tourist activity by upgrading existing ones and introducing new components

blocks which resulted in an increase in scope of work and subsequent increase in cost of the project by ₹186.16 crore (₹350.16 crore - ₹164.00 crore).

**(b) Non-Conduct of Judicial Preview**

As per Section 3 of the Judicial Preview Act 2019, prior to inviting tenders for infrastructure projects of value ₹100 crore and above, a judicial preview shall be undertaken to ensure transparency and optimum utilisation of public resources. Further, any part so segregated or divided or tendered separately which forms part of the original work shall be deemed to be an integral part of such infrastructure project, necessitating preview.

However, conduct of judicial preview prior to inviting tenders for the project was not forthcoming from the records furnished to audit.

The Government replied (November 2024) that the judicial preview specifically for this project was exempted.

The reply is not acceptable, as the Government did not furnish documentary evidence that the project was exempted from Judicial Preview.

**(c) Non-compliance with agreement conditions**

To prepare the land parcel for construction of buildings, the firm was required to execute earthwork (spoil earth) excavation for a total quantity of 7.27 lakh cum<sup>74</sup>. Initially, it was proposed to dispose of 3.55 lakh cum<sup>75</sup> of spoil earth. In this regard, a supplementary agreement<sup>76</sup> to the original work was entered (October 2021) into with a condition to deduct the sale value of spoil earth on one time basis from the Running Account (RA) bills of Phase-I payable to the firm.

Scrutiny of records and RA bills showed that the firm had lifted and sold only 17,899 cum of spoil earth (details of each item *i.e.*, earth/rock quantities not furnished to audit) valuing ₹31.23 lakh<sup>77</sup> out of the agreed quantity. Subsequently, the firm stopped disposal of spoil earth on the grounds of poor response from vendors.

Audit noticed that:

(i) The details of adjustment/recovery of ₹31.23 lakh from Phase-I RA bill towards sale of spoil was not on records. Further, APTDCL had not taken any action against the firm for breach of contract, as there was no penalty clause in original and supplementary agreement.

(ii) As a result of discontinuance of sale, APTDCL had undertaken transportation of excavated soil/rock on its own by dumping them to identified sites and incurred an amount of ₹3.57 crore<sup>78</sup> for transporting 3.37 lakh cum<sup>79</sup>. Had the sale materialised as per the terms of

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<sup>74</sup> Ordinary soil: 2.17 lakh cum, ordinary rock: 3.64 lakh cum and hard rock: 1.46 lakh cum

<sup>75</sup> one lakh cum of earth & 2.55 lakh cum of rock

<sup>76</sup> ₹152 per cum for earth and ₹197 per cum for ordinary/hard rock

<sup>77</sup> as separate quantities of earth and rock sold were not on record, an average cost of both the items *i.e.*, ₹152 & ₹197 was considered in arriving at the sale price and accordingly total consideration was arrived by audit

<sup>78</sup> the least of the lead rates *i.e.*, disposal up to 6 Km was considered, as records in support of dumping the specific quantity of spoil at particular identified sites were not available. Thus, audit worked out the amount spent towards transportation as ₹106 x 3,37,101 cum = ₹3.57 crore

<sup>79</sup> agreed quantity as per supplementary agreement minus lifted quantity *i.e.*, (3,55,000 – 17,899) cum = 3,37,101 cum

supplementary agreement, the expenditure of ₹3.57 crore incurred towards transportation could have been avoided.

The Government accepted (August 2024) that comprehensive DPR for the entire project could not be finalised, as Consultant has given details in bits and pieces. Regarding non-conduct of survey in the proposed site area, it was replied that since the hill formation was near uniform around, the same was considered while preparing the detailed estimates for the earthwork excavation. Further, increase in cost as noted was due to the increased quantities and change of soil strata found during execution. The Government stated (November 2024) that recovery would be made from the firm for the spoil earth lifted and sold.

Thus, due to non-preparation of comprehensive DPR there was no proper assessment of work to be undertaken prior to commencement of work, which ultimately increased scope of work and cost of the project. Non-recovery of sale of spoil and non-initiation of action for breach of contract resulted in undue benefit to the firm.

## 2.1.6 Maintenance of Infrastructure

In order to promote tourist activity in the State, APTDCL held 137 properties. Of these, 52 properties<sup>80</sup> were self-managed with facilities of accommodation, restaurants & bars operated at various places across the State. About 56 properties were operated on O&M basis by private operators under lease system and 29 properties were proposed to be given under O&M basis. During the period 2021-2023, income from hotels ranged between 43 to 74 *per cent* of the total income from all sources.

### 2.1.6.1 Low occupancy ratio and poor maintenance in self-managed hotels

APTDCL manages 34 hotels (having accommodation and either bar & restaurant or both) spread over different locations of the State out of 52 hotels. The performance of self-managed hotels during the period 2021-23 showed that the average occupancy ratio of all 34 self-managed hotels ranged between 26 and 52 *per cent* as detailed in *Table 2.3*.

**Table 2.3: Showing occupancy ratio of self-managed hotels during 2020-23**

Details	2020-21	2021-22	2022-23
Number of Self-Managed Hotels	34	34	34
Number of rooms available	930	890	905
Available room days (Number of rooms x 365 days)	3,39,450	3,24,850	3,30,325
Rooms occupied days	89,520	1,22,854	1,70,969
Average occupancy ratio <sup>81</sup> (in percentage)	26	38	52

Source: Information furnished by APTDCL

It could be seen from the above that there was low occupancy of hotels in 2020-22 owing to Covid pandemic and thereafter, the occupancy ratio of self-managed hotels improved.

Audit noticed that the occupancy ratio of hotels in the test-checked divisions was less than 50 *per cent* (except hotels in Visakhapatnam division) in Tirupati (40 *per cent*) and SPSR Nellore

<sup>80</sup> the 52 hotels include, 34 hotels having accommodation and either bar & restaurant or both, remaining 18 are only bar and restaurants

<sup>81</sup> (Occupied days / available room days) x 100

(35 per cent) during 2022-23. In eight out of 15 hotels, the average occupancy ratio was below 50 per cent, which ranged between 13 to 39 per cent. The hotel-wise occupancy in the three test-checked divisions is detailed in *Appendix X*. The reasons for low occupancy of hotels and action taken to improve the occupancy was not on record.

During joint physical verification of six hotels in test-checked divisions, it was noticed that some of the hotel rooms were in bad/dilapidated condition as shown in *Picture 3*.

**Picture 3: Showing the dilapidated conditions of hotels**



APTDCL did not furnish records showing the date from which these hotel rooms were in bad/dilapidated condition and action taken to renovate the rooms.

The Government stated (November 2024) that renovation/ upgradation works were being taken up and the supporting documents regarding repair works, agreements entered into would be furnished.

### **2.1.6.2 Idling/non-operation of properties under operation & maintenance**

Scrutiny of records showed that APTDCL had proposed<sup>82</sup> to lease out 29 properties on O&M basis. Out of these, six properties<sup>83</sup> (constructed during June 2016 and September 2021) having asset value of ₹13.20 crore (as detailed in *Appendix XI*), were lying idle for the last 17 to 81 months (as of March 2023) due to nil response from private operators.

Audit noticed that prior to taking up of these projects/assets, APTDCL had neither taken up any feasibility studies nor prepared DPRs showing site survey with location advantage, the tourists expected or footfall, cost benefit analysis for revenue generation, if given on O&M. Hence, properties were constructed without need analysis, assessment of possibility of revenue generation with number of tourists expected to visit, *etc.*, thereby causing idling of properties.

The Government replied (August 2024) that two properties (Revupolavaram and Yerraakaluava) have been leased out and three properties (Muchumarri, Muktyala, Madakasira) have been handed over to District Tourism Council (DTC) for maintenance. Regarding other

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<sup>82</sup> May & August 2020, November 2021, September 2022, January-March 2023, August 2023

<sup>83</sup> Under lease-11 properties, eight properties shown under Swadesh Darshan scheme, the cost of construction of three properties *viz.*, Palamaner, Thupilipalem & DV Satram is not on record and one property is only open land (Kandaluru)

properties, there was no response from bidders to the tenders called for. Further, it was replied that prior to taking up any project, DPRs are being prepared, based on which projects are sanctioned. The Government stated (November 2024) that action is being taken to put the assets /properties in operation which are lying idle.

APTDCL did not furnish relevant documents to show that the properties were leased out or handed over to DTC. Further, APTDCL did not furnish copies of DPR of the properties to verify if the feasibility studies were carried out and assessment was made regarding projected/anticipated profitability of the projects.

### 2.1.7 Effectiveness in Revenue realisation

#### 2.1.7.1 Undue benefit to the developer

As per clause 10.5 and 10.8 of Tourism Policy 2020-25, the bidder shall submit a non-refundable amount of one *per cent* of estimated project cost subject to maximum ₹50 lakh towards Project Development Fee (PDF) as a pre-condition for signing of the agreement.

Scrutiny of records showed that APTDCL entered (March 2023) into a lease<sup>84</sup> agreement with two companies<sup>85</sup> and allotted government land at two locations *viz.*, Annavam (40 acres with Project cost of ₹350 crore) and Peruru (20 acres with a Project cost of ₹250 crore) on lease basis under Public Private Partnerships (PPP) for the project based on State Investment Promotion Board (SIPB) recommendations.

Audit noticed that though APTDCL had entered into agreement, the levy and collection of non-refundable PDF to an extent of ₹one crore (₹0.50 crore x two projects) was not forthcoming from the records furnished to audit.

The Government replied (August 2024) that the provision for collection of PDF is applicable for the projects allotted under bid structure as per clause 10.8 of policy and whereas the Company has been considered under SIPC/SIPB route and hence PDF is not applicable.

The reply is not acceptable, as clause 10.8 of Tourism Policy under Bid Structure specially mentions that projects are to be approved by SIPB along with submission of a non-refundable amount of one *per cent* of the estimated Project cost subject to a maximum of ₹0.50 crore towards the Project Development Fee as a pre-condition for signing of the agreement. Thus, APTDCL had forgone revenue of ₹one crore.

#### 2.1.7.2 Non levy and collection of liquidated damages

As per Clause 6.3 (c) & (d) of concession agreement, entered (December 2016) into with a Company<sup>86</sup> for “Development of Convention-cum-Exhibition-Centre and Hotel Facility” at Rajamahendravaram for ₹124.06 crore, the project should be completed within a maximum period of six months for Phase-I and two years for Phase-II from the date of execution of

<sup>84</sup> for 94 years at one *per cent* of land value per annum as fixed by Sub Registrar with enhancement of five *per cent* in a block of three years

<sup>85</sup> Mumtaz Hotels at Peruru, Chittoor District and EIH associated Hotels at Annavam, Visakhapatnam district

<sup>86</sup> M/s. Manjeera Hospitality Private Limited

agreement. In case of failure to comply with the terms, liquidated damages<sup>87</sup> (LD) shall be collected. In the event of non-completion of project beyond one year, the grantor (APTDCL) shall be entitled to invoke performance security and further, at its option, terminate the agreement.

Scrutiny of records showed that there was delay in completion of project under both phases. The status of the project and target date of completion of each phase are as given in **Table 2.4**.

**Table 2.4: Showing the delay in completion and LDs to be levied**

(₹ in crore)					
Sl. No.	Phase	Cost of the Project	Target date of completion as per agreement	Delay period calculated by Department (in days)	Total liquidated damages <sup>88</sup> to be collected
1.	Phase-I MICE <sup>89</sup> Convention Centre	24.49	08.06.2017	479	0.25
2.	Phase-II Hotel and Shopping complex	99.57	08.12.2018	539	1.49
<b>Total</b>		<b>124.06</b>			<b>1.74</b>

Source: Records of APTDCL and agreement entered with developer

Audit noticed that though there was delay in completion of works under both phases by the Company, the LD of ₹1.74 crore was not collected. Further, the details of invoking performance guarantee received in the form of Bank Guarantees were not forthcoming from records produced to audit.

The Government stated (November 2024) that the issue would be examined, and action would be taken up for levy of liquidated damages.

Thus, APTDCL had extended undue benefit to the Company by not collecting LD to the extent of ₹1.74 crore for delay in execution of the work.

### 2.1.7.3 Non realization /collection of dues

#### (a) Non collection of dues towards services extended during Covid

During Covid pandemic, APTDCL had supplied food packs costing ₹65.14 crore to the Quarantine Centers /Covid Care Centers /Control Rooms upon the requisition made by the District Collectors (DCs) of 10 districts<sup>90</sup> as per menu prescribed by Child Health & Family Welfare (CH&FW) Department. The DCs had fixed different rates as per the items ordered by them, keeping in view the standard menu prescribed by CH&FW.

Audit noticed that an amount of ₹10.39 crore remained unrealised from concerned DCs even after a lapse of more than two years from the date of supply.

<sup>87</sup> 0.50 per cent of project cost for first extension upto six months and one per cent of project cost of particular phase for second extension between six and 12 months

<sup>88</sup> 0.5 per cent x ₹24.49 crore = ₹0.12 crore plus one per cent x ₹24.49 crore = ₹0.24 crore minus already paid ₹0.11 crore and 0.5 per cent x ₹99.57 crore = ₹0.50 crore plus one per cent x ₹99.57 crore = ₹0.99 crore

<sup>89</sup> Meetings, Incentives, Conferences, and Exhibitions

<sup>90</sup> Ananthapuramu, Chittoor, East Godavari, Guntur, Krishna, Kurnool, SPSR Nellore, Prakasam, Srikakulam and Visakhapatnam

The Government stated (November 2024) that follow-up action would be initiated for recovery of outstanding amount.

**(b) Non collection of rental dues**

As per clause 10.5 of Tourism Policy 2020-25 and earlier policies, for tourism projects under PPP, the lease rent shall be one *per cent* of the land value as fixed by Sub Registrar Office. APTDCL fixes lease rents and enters into agreements with lessees stipulating lease rentals and Additional Development Premium (ADP) towards revenue sharing.

Audit noticed that lease rentals worth ₹14.18 crore (as detailed in *Appendix XII*) were outstanding from seven PPP lessees (as of March 2023) since commencement of their operations, as APTDCL accepted part payments from the lessees on several occasions though the terms of agreement stipulated payment of full lease rentals/ADP.

The Government stated (November 2024) that BGs were invoked (₹two crore) for certain cases, recovery would be made for the balance amount and the recovery particulars would be furnished.

The reply of APTDCL had to be seen in light of the fact that payments were not being honoured by the operators as scheduled in the agreement and acceptance of part payments had resulted in accumulation of dues of ₹14.18 crore from the PPP operators. Further, details of BG invoked were not furnished to verify the correctness of recovery made.

**(c) Non collection of dues from various Departments and properties operated on O&M basis**

(i) Scrutiny of records of three test-checked divisions showed that APTDCL had arranged accommodation and food facilities to the State Government officials, local representatives, *etc.*, in its self-managed hotels without realising the cost of services provided. As of March 2023, an amount of ₹1.68 crore<sup>91</sup> was due to be received from various officials for the period 2009 to 2023.

(ii) As per clause 4.2 of the agreements concluded with tourism operators, revenue at a maximum of 10 *per cent* of gross revenues from the project or Minimum Assured Annual Revenue Share (MAARS) shall be shared on quarterly basis by 10<sup>th</sup> of every quarter in advance. Delay in payments shall attract 24 *per cent* interest of the overdue amount for the number of days of delay.

Out of 56 properties<sup>92</sup> given on O&M basis to different operators, an amount of ₹12.21 crore (principal and interest) towards lease rentals was due to be received (period ranging from 2006 to 2023) from the operators of 50 properties (as of March 2023) as detailed in *Appendix XIII*.

Audit noticed that the demand for collection of outstanding dues was not raised for recovery.

<sup>91</sup> SPSR Nellore: ₹50.06 lakh (2009-2023), Visakhapatnam: ₹23.84 lakh (2016-21) & Tirupati: ₹94.39 lakh (2015-2023)

<sup>92</sup> 39 were functioning, 12 were closed, two were under litigation and in respect of three properties previous agreements were not renewed

The Government stated (November 2024) that the issue would be looked into and a mechanism would be evolved in this regard.

Had APTDCL enforced the agreement conditions from the date of default by the operators, it could have acted as a deterrent and prevented financial loss.

**(d) Pending adjustment of advances**

Article 99 of Andhra Pradesh Financial Code, stipulated granting of temporary advances for meeting contingent expenditure of a specified kind or on a specific occasion. It has to be accounted, a second advance can only be drawn when the first advance is adjusted.

Audit noted that in two divisions (Tirupati and Visakhapatnam) ₹50.77 lakh<sup>93</sup> (as of March 2023) remained unrealised from staff for the advances drawn between 2002-2023. Further, instructions regarding any time limit for adjustment of such advances were not on record.

The Government replied (August 2024) that bills for ₹42.40 lakh have been submitted by the individuals and the adjustment of bills are at various stages. The Government stated (November 2024) that the issue would be examined and recoveries made would be communicated along with documents.

However, bill details for adjustment were not furnished to audit for verification.

### 2.1.8 Conclusions

1. Audit noticed that creation and maintenance of tourist infrastructure was the joint responsibility of GoAP and APTDCL. Audit noted that there were deficiencies on both sides in translating the projects into action owing to multiple reasons. APTDCL had meager resources available from its operational activities, as such there was heavy dependence on the GoI and GoAP funding, which required a joint approach towards release of share of respective funds. We observed that the GoAP fell short in releasing its share, consequently, GoI resources which were spent remained unfruitful.
2. Audit observed that the infrastructure and the asset creation was inadequate, as there were number of infrastructure works which remained incomplete. Further, utilisation of the assets created (hotels, resort, restaurant, tourist attraction) was not ensured resulting in idling and deterioration of the assets. It was seen that the assets worth ₹33.68 crore created (2018-2021) under Swadesh Darshan Scheme were not operationalised by APTDCL, despite this being a stipulated condition of the scheme. There was low occupancy of self-managed hotels. Consequently, revenue generation was poor.
3. Audit also noticed that prior to taking up of the projects/assets, APTDCL neither undertook feasibility studies nor prepared DPRs showing site survey with location advantage, number of tourists expected, cost benefit analysis for revenue generation, if operation and maintenance was handed over or the assets were self-operated. Hence, properties were constructed without need analysis, assessing possibility of revenue generation with tourist footfall, etc., thereby causing idling of such properties.

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<sup>93</sup> Tirupati: ₹45.83 lakh and Visakhapatnam: ₹4.94 lakh (March 2019 to March 2023)

4. Audit observed that APTDCL did not initiate prompt action for realisation of dues (₹38.46<sup>94</sup> crore) on account of services rendered during Covid, lease rentals of PPP Projects, facilities extended to various departments and from properties operated on O&M basis. For an entity with limited operational revenue, this can have a significant financial implication.

### 2.1.9 Recommendations

*The GOAP / APTDCL must ensure:*

- *To release funds required for completion of incomplete projects and revisit the proposals for the remaining projects based on current cost estimate to obtain revised sanction of GoI.*
- *To operationalise and maintain the assets created.*
- *Feasibility study with due Cost-Benefit Analysis prior to undertaking a project for asset creation.*
- *To develop a comprehensive asset management system for optimising operational revenue.*

## Transport, Roads & Building Department

### 2.2 Injudicious plying of midi buses on ghat road

***Injudicious decision of Andhra Pradesh State Road Transport Corporation to procure midi buses despite operational deficiencies reported by the Technical Committee prior to procurement, endangered the lives of passengers and resulted in under-utilisation of buses, due to frequent break down. Subsequent premature sale of buses led to loss of ₹4.27 crore.***

The Andhra Pradesh State Road Transport Corporation (APSRTC) decided (December 2013) to procure 60 Midi buses under the Jawaharlal Nehru National Urban Renewal Mission, a centrally sponsored scheme by Ministry of Urban Development (MoUD). Tenders were invited (December 2013) for procurement of the Midi buses and offer of a firm<sup>95</sup> was accepted (February 2014) out of the three firms which participated in the tender, at a cost of ₹23.57 lakh per bus inclusive of all taxes. Based on the recommendations of a Committee, constituted by APSRTC, to verify the technical suitability of buses, it was decided (June 2014) to ply Midi buses on the Tirupati-Tirumala (TPT-TML) ghat road and orders for procurement were to be placed only after conducting trial operations.

The Technical Committee appointed (April-October 2014) for testing the suitability of buses reported that the Midi buses were not suitable for operation in the steep TPT-TML ghat road and plain road, due to technical problems viz., more heat generated out of engine, high break drum temperature leading to front tyre burst, weak breaks, vehicle rolling/skidding on down ghat, lower steering maneuverability, heavy body vibration, etc., which may result in accidents and endanger the lives of pilgrims. The Technical Committee reported (January 2015) to intimate MoUD to withdraw the procurement of Midi buses for operation on the ghat road.

<sup>94</sup> Para 2.1.7.3 ((a), (b), (c)) of ₹10.39 crore + ₹14.18 crore + ₹1.68 crore + ₹12.21 crore = ₹38.46 crore

<sup>95</sup> M/s SML-ISUZU

However, it could not be confirmed whether the unsuitability of Midi buses on the ghat road was reported to MoUD by APSRTC.

In order to avail 100 *per cent* financial assistance from Central/State Government, it was decided (February 2015) to procure the Midi buses for operating on the plain roads, as the buses were unfit for ghat road. Purchase order was placed (April 2015) for supply of 60 Midi buses and all the Midi buses were commissioned in July/October 2015. APSRTC paid ₹10.90 crore towards the cost of Midi buses as against total cost of ₹14.09 crore owing to deviations in specifications of buses supplied, of which ₹6.18 crore was received as Centre and State share. Audit observed that:

- i. Instead of plying the buses on plain roads as proposed (February 2015), initially these buses were run on TPT-TML ghat road from the date of commissioning and within three months of operation, serious problems *viz.*, engine heat dissipation into driver cabin, poor pick up, and over-heating of engine, turbo charger leaking, failure of knuckle, *etc.*, were encountered in all buses which on two occasions (May 2016), almost led to accident.
- ii. Due to regular technical failure of engines and safety system of buses, the Midi buses were withdrawn (from May 2016 onwards) from the ghat road and diverted to plain road, however, the problems persisted. Finally, APSRTC recommended (December 2019/ September 2020) to dispose of the Midi buses on “as is where is” condition. APSRTC had withdrawn (September 2020) the 60 Midi buses from operation and sent the buses to the respective zonal scrap yards for disposal.

APSRTC disposed (September/December 2022) of all the 60 midi buses and realised sale proceeds of ₹1.03 crore as against the Written Down Value (WDV) of ₹5.60 crore, thus sustaining a loss of ₹4.27 crore. In addition, APSRTC had incurred ₹90.65 lakh on 60 Midi buses for purchase of spares (upto 2019-20) after warranty period of two years.

Thus, the buses could not be used optimally during the operational period due to frequent repairs, escalating repair cost<sup>96</sup> and failure to achieve even half-life period<sup>97</sup> in terms of Kilometres or years of operation prior to being declared as scrap.

The Government replied (March 2025) that by the time of receipt of 60 Midi buses, the ghat road condition got improved due to widening of roads at curves which prompted the operation of buses with improved maneuverability. In addition, the fuel efficiency was expected to be 6.50 as against 4.69 for Ashok Leyland buses and the capital cost of buses was less comparatively. In view of low operating and capital cost, these buses were preferred to operate in ghat road initially. However, due to some mechanical defects, serious failure of one bus during operation and in view of safety of pilgrims, buses were withdrawn from ghat operations and transferred to other districts. Failure of units of these buses continued and service support was very poor. Thereby the reliability of buses deteriorated besides cost of operations increased. Keeping in view operational and maintenance difficulties, the Committee nominated

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<sup>96</sup> the cost of repairs on Midi buses per Km increased from ₹0.22 in 2016-17 to ₹1.20 in 2019-20

<sup>97</sup> as per specifications (UBS-II), the life cycle of Midi buses was either 12 years or 10 lakh Km. However, the operation of buses ranged between 77,833 km to 4,13,013 km or 4.9 to 5.2 years till they were declared as scrap

to study the conditions of buses, recommended to dispose of the buses on as is where is condition.

It was also replied that as per Accounting Standards 12, Government grants related to specific fixed assets should be presented in balance sheet by showing the grants as a deduction from the gross value of the assets concerned in arriving at their book value. Accordingly, APSRTC had accounted for government grants and deducted from the cost of Midi buses in arriving at book value of net acquisition cost.

However, the Technical Committee appointed for testing the suitability of buses had rejected the proposal of plying the buses based on the specification of buses and not on the basis of road condition. Further, the accounting adjustment is a book adjustment for the grant received, whereas the capital cost incurred towards purchase of buses includes APSRTC funds of ₹4.72 crore. Therefore, the WDV on the sale date must be calculated by factoring in the actual purchase cost of the buses.

Vijayawada  
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Andhra Pradesh

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The



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