

Action Taken Note on Para No. 2.5 of Report No.21 of 2022 titled “Irregular expenditure of ₹7.57 crore towards development of Sullurupeta”

Para No.	Audit Observation	Reply of the Department	First vetting comments	Reply of the Department
(1)	(2)	(3)	(4)	(5)
2.5	<p>Satish Dhawan Space Centre, Sriharikota (SDSC-SHAR) is one of the major centres of the Indian Space Research Organization (ISRO) under Department of Space (DOS). SDSC-SHAR, Sriharikota is the rocket launch site of India and located adjacent to Sullurupeta town in Andhra Pradesh and there are frequent visits of VVIPs to SDSC-SHAR/ Sullurupeta town at the time of launches. According to Government of India (Allocation of Business) Rules, 1961; the Department of Space (DOS) shall executed the works debitible to the budget of Department of Space.</p> <p>Audit scrutiny revealed that SDSC-SHAR, in May 2013,</p>	<p>Satish Dhawan Space Centre (SDSC-SHAR) is the only Spaceport of India located in Sriharikota island which is located 18 km from the nearest main land town Sullurupeta. Nearly, 2/3rd of SDSC employees and their families are staying in the housing colonies of SDSC-SHAR due to various technical and safety reasons. There are frequent visits of VVIPs, eminent personalities to SDSC and Sullurupeta town at the time of launches.</p> <p>During Hon’ble Prime Minister of India visit to witness PSLV C21 launch, the Hon’ble Ministers of Andhra Pradesh had submitted a representation for development of Sullurupeta Municipality by</p>	<p>The mandate of Department of Space and its Construction and Maintenance Division is to undertake the work relating to the Property/ Assets of DOS/SDSC-SHAR. The ‘local development’ work of Sullurupeta Municipality and adjoining area such as improvements to APSRTC bus stand and its vegetable market are beyond its mandated activities.</p> <p>The improvement of the existing open surface drainage by constructing integrated RCC is also</p>	<p>The improvements to APRSTC Bus stand and vegetable market was carried out for the benefit of our employees also and 50% population of Sullurupeta is directly or indirectly connected to SDSC SHAR activities. By providing hygienic atmosphere in APSRTC Bus stand and vegetable market, the health and productivity of SDSC SHAR employees and stakeholders of SDSC SHAR activities are increased.</p> <p>The audit observation is noted and it is ensured that future works will be carried out on DOS/SDSC SHAR Property/ Assets only.</p> <p>SDSC SHAR is the owner of the road from National Highway to Y-junction and Y junction to Gurukula Patashala</p>

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	<p>proposed to take up the works of 'Local Area Development of Sullurupeta Municipality and adjoining area of SDSC-SHAR'. This was based on the request (Aug 2011/January 2013) received from Collector and District Magistrate of Nellore district, and Municipal Commissioner of Sullurupeta Municipality, Government of Andhra Pradesh. Two works were proposed to be taken up by SDSC-SHAR at Sullurupeta viz, (1) Improvements to RTC Bus stand and lighting system (2) Improvements to Drainage System and were approved by DOS in June 2013.</p> <p>Further, audit scrutiny showed that SDSC also proposed to take up the work 'Construction of New Vegetable Market at Sullurupeta', based on requests (Jan/November 2015) received from the MP of Tirupati, MLA of Sullurupeta, and Sullurupeta</p>	<p>providing some of the civic amenities through Department of Space. Hence, a study committee was constituted submit a report on "Peripheral Area Development in Sullurupeta" based on the direction of ISRO Council. Based on the report of study Committee, the following works were under taken:</p> <ol style="list-style-type: none"> 1. Construction of RCC Drains 2. Improvements to APSRTC Bus Stand 3. Vegetable Market at Sullurupeta 4. Approach road from Kammakanriga to SDSC Pumping Station <p><u>Improvements of RTC Bus Stand and lighting system, Sullurupeta and Construction of New Vegetable Market at Sullurupeta :</u></p>	<p>part of peripheral improvement of the Sullurupeta Town. The work was carried out from Y-junction to Gurukula Patashala of Sullurupeta covering Y junction to Court Building and then Court Building and then Court building to Transport Yard which is the Property/Asset of Sullurupeta Municipality.</p>	<p>and then Gurukula Patashala to Sriharikota. Boundaries also marked on the road-side showing that the property (land) belongs to SDSC SHAR. Further, the roads are also constructed by SDSC SHAR and maintenance of the roads are also carried out by SDSC SHAR.</p> <p>The open Surface Drainage System from Y-junction to Gurukula Patashala of Sullurupeta covering Y junction to Court Building and then Court Building to Transport yard was carried out on the road owned by SDSC SHAR. Hence, Open Surface Drainage System is the property/Asset of SDSC SHAR and not of Sullurupeta Municipality and is on the Premises (road) of SDSC SHAR properties. The Open Surface Drainage System is on the Premises (road) of SDSC SHAR properties.</p> <p>The construction of Open Surface Drainage System has helped in reducing the Damages caused to the</p>

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	<p>Municipality. This was approved by Department of Space in July 2016. The fourth work, 'Development of Earthen approach road from Kammakandriga to SHAR pumping station at Taniyali DV Sataram Mandal' was approved subsequently in September 2016.</p> <p>All these four major works were approved by DOS at an initial budget estimate of Rs.6.01 crore which was revised to Rs. 7.88 crore. The Construction and Maintenance Groups/Divisions (CMG/CMD) of DOS, which executed the works of DOS undertook these four works and completed them after a total expenditure of Rs.7.57 crore from the head of account – Capital Outlay on Space Research, Space Technology, Satish Dhawan Space Centre – SHAR, Major works.</p>	<p>Due to safety reasons more than 2/3rd of the SDSC employees are residing in Sullurupeta (in SDSC Housing Colonies as well as Private Houses) which is 18km away from Sriharikota. Out of the approximate population of 50,000 in Sullurupeta Municipality, around 20,000 to 25,000 people are SDSC employees and their family members, contract personnel, who are carrying out various works at SDSC and their family members.</p> <p>Hence, almost 50% population of Sullurupeta is directly or indirectly connected to SDSC activities. As Factories Act, 1948 is applicable to SDSC, the welfare of contract personnel is also the responsibility of SDSC as a Principal Employer along with main Employer.</p>	<p>Further, water pipeline was laid from Taniyali Dam to Sullurupeta for drinking water connectivity. An earthen approach road was laid from Taniyali Dam to DV Satram to maintain these water pipelines. Earthen approach road is not the Property/Asset of DOS/ SDSC-SHAR. The work is a part of 'Local Area Development of Sullurupeta' resulting in clear diversion of ISRO/DOS funds.</p>	<p>SDSC SHAR roads during monsoon season.</p> <p>There is no proper approach road facility available to reach the Taniyali Dam. SDSC SHAR is facing difficulties to reach the Taniyali Dam for maintenance of Dam and water pipelines.</p> <p>It is to inform that Taniyali Dam is for meeting the drinking water requirement of SDSC SHAR colony residents only. As the local body is not the user of the Taniyali dam, the roads are not maintained properly. However, facility of SDSC SHAR is to be maintained properly, an approach road is necessary and was laid purely to reach the Taniyali Dam for its maintenance works.</p> <p>Further, the approach road laid is used by SDSC SHAR only and not by any other public of Sullurupeta or general public residing in the area.</p>

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	<p>As per Government of India (Allocation of Business) Rules 1961, the Department of Space shall execute the works debitable to the budget of Department of Space. With reference to the works executed above, the expenditure of Rs. 7.57 crore was debited to the budget of DoS, despite these not being related to the mandate/functions of DoS. The works undertaken by SDSC-SHAR and approved by DoS were in the nature of development works/creation of assets/major improvements in existing assets in Sullurupeta Municipality. The developmental works of the Sullurupeta Municipality and adjoining areas of SDSC are the responsibility of the Municipality and agencies of the Government of Andhra Pradesh and any expenditure incurred on developmental work should have been debited to their account.</p>	<p>The occupants of Housing Colonies and the Contract personnel have to depend fully on Sullurupeta for all their daily needs including communication between nearest places. Unhygienic and unsafe conditions such as open drainage, dirty & stinking markets, non-illuminated bus stand, markets etc., are health hazards and life threatening to SDSC community as well as Contract Personnel and in turn results poor performance and poor work output from all these important Human Resources of SDSC.</p> <p>The employees of SDSC and the contract personnel are utilising the facilities of Vegetable market for their daily needs and the facility of RTC bus stand to travel to and from the nearest towns to reach SDSC to perform the duties assigned to them.</p>	<p>The copy enclosed in the reply are not abstracts of Asset register and they are 'Details of Original Construction' needed by Construction and Maintenance Group of DOS/SDSC-SHAR.</p> <p>Department of Space/SDSC-SHAR and its Construction and Maintenance Group shall ensure that it carry out work on its Property/Assets and not that of local body institutions.</p>	<p>Copy of the Asset Register is enclosed as Annexure-I.</p> <p>Audit observation is noted.</p>

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	<p>Thus, DOS approved the proposal of SDSC-SHAR for taking up of work related to development of Sullurupeta beyond its mandate which resulted in irregular expenditure of Rs. 7.57 crore.</p> <p>SDSC-SHAR replied (June 2019) that according to clause 5 of Allocation of Business Rules; all matters relating to the personnel of DoS are under the control of the Department. SDSC added that the activities, though undertaken for the public of Sullurupeta, would benefit the SDSC community of around 2000 families residing in three residential colonies in Sullurupeta. SDSC further stated that the work was done with the requisite approval of the DoS. DoS replied in January 2022 that though the works appear to be local development of Sullurupeta and surrounding</p>	<p>It may be noted that after the facilities were improved in Sullurupeta, SDSC noticed improvement in the quality of work of its employees as well as contract workers and attrition of SDSC employees has reduced. Further, SDSC is getting good competitive Contractors at reasonable quotes.</p> <p>Further, these works fulfil the Hon'ble Prime Minister's "Swatchh Bharat Abhiyan" vision.</p> <p><u>Construction of RCC Drains and approach road from Kammakandriga to SDSC Pumping Station:</u></p> <p>SDSC-SHAR has carried out the works of improvements to Drainage Systems to maintain proper sanitation and protect the roads. The drainages constructed are within the premises of SDSC facility. Copy</p>		

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	<p>areas of SDSC-SHAR, in true sense, all the said works were carried out in the greater interest of SDSC-SHAR and its employees.</p> <p>The reply is not acceptable as the mandate of Department of Space is to accord approval for taking up works debitable to 'Department of Space/ Space Research' budget. Similarly, the mandate of the civil engineering division of SDSC is to undertake the work debitable to 'Department of Space/ Space Research' budget which are part of SDSC Assets; and not to undertake the 'local development' work of Sullurupeta and adjoining area.</p>	<p>of the Asset Register is attached as Annexure-1.</p> <p>SDSC has carried out the works of Development of Earthen approach road from Kammakandriga to SHAR pumping station at Taniyali DV Sataram Mandal to reach the SDSC Facility at Taniyali for their operation, service and maintenance. The Earthen Approach Road Constructed is mainly for the purpose of accessing the SDSC facility at Taniyali, DV Satarm Mandal and the Road laid down is part of SDSC SHAR Assets. Copy of the Assets Register is attached as Annexure -2.</p>		