

UNION GOVERNMENT APPROPRIATION ACCOUNTS (1994-95)—POSTAL SERVICES

MINISTRY OF COMMUNICATIONS

(DEPARTMENT OF POSTS)

ELEVENTH REPORT



GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF POSTS

**ELEVENTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(1996-97)**

(ELEVENTH LOK SABHA)

**UNION GOVERNMENT APPROPRIATION ACCOUNTS
(1994-95)—POSTAL SERVICES**

**MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF POST)**



*Presented to Lok Sabha on 22.04.1977
Laid in Rajya Sabha on 22.04.1997*

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1997/Chaitra, 1919 (Saka)

PAC No. 1608

Price: Rs. 12.00

© 1997 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Eighth Edition) and Printed by the Manager, P.L. Unit, Government of India Press, Minto Road, New Delhi.

CORRIGENDA TO THE 11TH REPORT OF PUBLIC ACCOUNTS COMMITTEE
(11TH LOK SABHA)

PAGE	PARA	LINE	FOR	READ
5	14	15	expanded	expended
5	14	20	Committee	Committee
8	23	1	Add "a"	before "note"
14	40	15	Add "tp"	before "ensure"
19	Appendix III	under Traffic (in lakh) 7 line	44.86	4486
19	Appendix III	under Traffic (in lakh) 9 line	69.32	6932
19	Appendix III	under Traffic (in lakh) 12 line	474	473
28	Sl.No.7	20	reduce	to reduce the

CONTENTS

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (1996-97)	(iii)
INTRODUCTION.....	(v)
REPORT	1

APPENDICES

I. Statement showing main sub-heads where savings had partly off set the excess expenditure under Revenue section of Grant No. 14—Postal Services during 1994-95.....	16
II. Statement showing instances of large scale variations between sanctioned provisions and actual expenditure during 1993-94	17
III. Details of Postal Services where revenue generation is less than respective cost of operation	19
IV. Details of agency functions rendered by the Postal Department without adequate remuneration.....	21
V. Statement of Conclusions and Recommendations	22

PART II

Minutes of the Sitzings of Public Accounts Committee held on 3.12.1996 (AN), and 9.4.1997 (AN)

* Not printed (one cyclostyled copy laid on the Table of the House and five copies placed in Parliament Library).

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(1996-97)

Dr. Murli Manohar Joshi — *Chairman*

MEMBERS

Lok Sabha

2. Shri Anandrao Vithoba Adsul
3. Shri Nirmal Kanti Chatterjee
4. Shri Ramesh Chennithala
5. Shri Prithviraj D. Chavan
6. Smt. Meira Kumar
7. Smt. Sumitra Mahajan
8. Prof. Ajit Kumar Mehta
9. Shri Suresh Prabhu
10. Shri P.V. Rajendran
11. Shri Ganga Charan Rajput
12. Shri V.V. Raghavan
13. Dr. T. Subbarami Reddy
14. Shri B.L. Shankar
15. Shri Ishwar Dayal Swami

Rajya Sabha

16. Shri Ramdas Agarwal
17. Smt. Margaret Alva
18. Shri Rahasbihari Barik
19. Shri Ajit P.K. Jogi
20. Shri R.K. Kumar
21. Shri N. Giri Prasad
22. Shri Rajubhai A. Parmar

SECRETARIAT

1. Dr. A.K. Pandey — *Additional Secretary*
2. Shri J.P. Ratnesh — *Joint Secretary*
3. Smt. P.K. Sandhu — *Director*
4. Shri P. Sreedharan — *Deputy Secretary*
5. Shri Rajeev Sharma — *Under Secretary*

INTRODUCTION

1. The Chairman, Public Accounts Committee having been authorised by the Committee, do present on their behalf, this Eleventh Report on Union Government Appropriation Accounts (1994-95)—Postal Services.

2. The Committee examined the Union Government Appropriation Accounts of the Postal Services for the year 1994-95 and audit observations thereon in the light of written information furnished by Department of Post (DOP) and the Ministry of Finance. They also took oral evidence of the representatives of DOP at their sitting held on 3 December, 1996 on the subject matter. This Report was considered and finalised by the Public Accounts Committee at their sitting held on 9 April, 1997. Minutes of the sitting form Part II of the Report.

3. For facility of reference and convenience, the recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix-V to the Report.

4. The Committee would like to express their thanks to the officers of Ministry of Communications (Department of Post) for the cooperation extended by them in furnishing information and tendering evidence before the Committee.

5. The Committee also place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

NEW DELHI;
13 April, 1997

23 Chaitra, 1919(Saka)

DR MURLI MANOHAR JOSHI,
Chairman,
Public Accounts Committee

* Not printed (One cyclostyled copy laid on the Table of the House and five copies placed in Parliament Library).

REPORT

UNION GOVERNMENT APPROPRIATION ACCOUNTS—POSTAL SERVICES, 1994-95

I. Introductory

The Department of Post (DOP) function under Ministry of Communications. The primary responsibility of DOP is to provide postal services which include mail collection, processing and delivery, sale of postal stationery, money orders, registration, insured parcels etc. The Department also perform certain agency functions on behalf of other Ministries/Departments of Government of India like savings banks, other small saving schemes including Mahila Samridhi Yojana, Postal Life Insurance, collection of Customs duty on Postal articles from abroad, disbursement of pension to railway pensioners and family pension to the families of employees of coal mines and industries covered by the Employees Provident Fund Scheme, booking/transmission and delivery of telegrams etc.

2. The annual Appropriation Accounts of the Union Government in respect of grant/appropriation for Postal Services are prepared by DOP. As in the case of other Appropriation Accounts of the Union Government, the Appropriation Accounts of DOP are audited and certified by the Comptroller & Auditor General of India who also submits Audit Report thereon the President who, in turn, causes them to be laid before each House of Parliament in terms of Article 151 of the Constitution.

3. After their presentation to Parliament, these annual Appropriation Accounts and Audit Report thereon stand referred to the Public Accounts Committee for examination under the provisions of Rule 308 of Rules of Procedure and Conduct of Business in Lok Sabha.

II. Union Government Appropriation Accounts of the Postal Services for 1994-95

4. The Union Government Appropriation Accounts of the Postal Services for the year 1994-95 were laid on the Table of the House on 17 July, 1996.

5. The results of examination by Audit of the aforesaid Appropriation Accounts of the Postal Services have been brought out in Chapter 2 of the Report of the C&AG of India for the year ended 31 March, 1995, No. 7 of 1996, Union Government (Posts & Telecommunications).

6. In the succeeding parts of this Report, the Committee have examined the Union Government Appropriation Accounts of the Postal Services for the year 1994-95 and audit observations thereon in the light of the written

information furnished to the Committee by DOP and the Ministry of Finance and the oral evidence tendered before the Committee by the representatives of DOP on this subject.

III. Financial allocation and utilisation

7. The following table gives a summary of the expenditure incurred by DOP under Grant No. 14 during 1994-95 compared with the grant and appropriation authorised for that year in the schedule appended to the Appropriation Acts, 1994 passed under Article 114 and 115 of the Constitution of India.

(Rs. in crores)

	Original grant/ appropriation	Supplemen- tary grant/ appropriation	Total grant/ appropriation	Actual expenditure	Excess(+) Saving(-)
Revenue					
Voted	1975.13	120.98	2096.11	2129.70	33.59
Charged	0.01	1.00	1.01	1.00	(-)0.01
Capital					
Voted	56.86	18.02	74.88	76.96	2.08
Total	2032.00	140.00	2172.00	2207.66	35.66

8. It would be seen from the above table that there was an overall excess of Rs. 35.66 crores under Revenue and Capital sections of Grant N. 14 during the year 1994-95. In the light of the explanatory note furnished and the oral evidence tendered by the representatives of DOP, the Public Accounts Committee have already examined the reasons for and circumstances leading to overall excess expenditure in 1994-95 under Grant No. 14 and presented their Report on the subject to Parliament on 20 December, 1996 recommending regularisation of the above excess expenditure subject to certain observations/recommendations.

IV. Budgeting and control over expenditure

(A) Large scale variations between sanctioned provisions and actual expenditure

9. The representative of DOP informed the Committee during evidence that the overall excess expenditure incurred under Grant No. 14 in 1994-95 was mainly on account of the mandatory and unavoidable payments required to be made by the Department on salaries, overtime allowance, office expenses etc., and that they did not get the money which they had asked for from the Ministry of Finance in 1994-95. The Committee's examination of the relevant Appropriation Accounts,

however, revealed that there were cases of large scale variations between sanctioned provisions and actual expenditure leading to excess expenditure in the following sub-heads due to certain other reasons:

Sub-head	Quantum of excess (Rs. in crores)	Reasons attributed for excess
Revenue Section		
"Air"	1.14	Receipt of more claims than anticipated
"Superannuation and Retirement Allowances"	1.66	Settlement of more pension cases than anticipated
"Family Pension"	2.40	Receipt of more cases than anticipated
"Post Cards, Envelopes, Stamps etc."	7.77	Due to clearance of previous bills to Govt. Press, Nasik
Capital Section		
"Postal Network"	1.95	Escalation in the cost of construction work to be completed in the wake of award of work which could not be stopped due to contractual obligations/ complications
"Staff quarters"	2.82	Escalation in cost of construction

10. A scrutiny of the relevant Appropriation Accounts also revealed that the overall excess expenditure under Grant No. 14 during 1994-95 would have been much more but for the substantial savings registered by DOP under various sub-heads. In fact, there were savings of over Rs. 37 crores in 12 sub-heads of Revenue section and of over Rs. 2 crores in one sub-head of Capital Section. Details of these sub-heads are given in Appendix I. A further scrutiny of these cases disclosed the following four prominent sub-heads where the savings constituted 27 per cent to 98 per cent of the sanctioned provision:

Sub-Head	Amount of saving (Rs. in crores)	Percentage of saving to sanctioned provision	Reasons for saving
Training	1.55	40.8	Lesser number of training programmes actually conducted
Rail	14.69	27.2	Less Claims preferred by Railways
Other Expenditure	2.87	97.9	Non-materialisation of Mechanisation and Modernisation schemes and non-execution/non-completion of works than anticipated
Stationery, Forms Printing Storage and Distribution	10.17	35.0	Receipt of less claims from Government Press Nasik and Hyderabad than anticipated

11. It is also seen from the Appropriation Accounts that the supplementary funds obtained by DOP under Revenue section of this Grant in March 1995 had remained wholly unutilised in the following three sub-heads:—

- (i) "Accounts—Directorate and Circle Offices" — Saving of Rs. 2.84 crores which constituted 114 per cent of supplementary grant of Rs. 2.49 crores and was due to non-materialisation of anticipated expenditure.
- (ii) "Commutated Value of Pensions" — saving of Rs. 2.94 crores which constituted 293.53 per cent of supplementary grant of Rs. 1 crore and was due to less receipt of commutation cases than anticipated.
- (iii) "Gratuities" — Saving of Rs. 1.62 crores which constituted 162.09 percent of supplementary grant of Rs. 1 crore and was due to less payments than anticipated.

12. The Committee's scrutiny also revealed following cases in Revenue Section where supplementary grants obtained in March, 1995 could not be expended fully resulting in substantial saving:

- (i) "Mahila Samridhi Yojana" — Saving of Rs. 3.57 crores constituted 43.3 per cent of the supplementary grant of Rs. 8.24 crores and was due to late finalisation of incentive scheme applicable to Postal staff engaged in the work.

- (ii) "Building establishment" — Saving of Rs. 0.56 crore constituted 66.2 per cent of the supplementary grant of Rs. 0.85 crore and was due to less expenditure than anticipated.
- (iii) "Dispensaries" — Saving of Rs. 0.38 crore constituted 94.3 percent of the supplementary grant of Rs. 0.40 crore and was due to non-receipt of bills from Government medicine supply depot.
- (B) *Persistent variations between sanctioned provisions and actual expenditure*

13. The Committee's examination has also revealed several instances of large scale variations between sanctioned provisions and actual expenditure in the previous year *i.e.*, 1993-94. Some of the notable activities where significant portion of the sanctioned provisions was not spent or where money was spent significantly in excess of the provisions during 1993-94 are given in Appendix-II. A comparative analysis of these cases of variations in 1993-94 with those which came to notice during the year under review disclosed that large scale variations between sanctioned provisions and actual expenditure have been a recurring phenomenon in the cases of mechanisation and modernisation schemes, various sub-heads relating to Pensions, Stationery and Printing, civil engineering stores suspense, Postal network and Staff quarters.

14. In their First Report (Eleventh Lok Sabha), the Committee had observed that DOP had incurred an overall excess expenditure of Rs. 35.66 crores under Revenue and Capital Sections of Grant No. 14 operated by them during 1994-95. The Committee's detailed scrutiny of the relevant Appropriation Accounts, however, revealed that the overall excess expenditure under this Grant would have been much more but for the savings of considerable magnitude registered by DOP under various sub-heads during 1994-95. In fact, there were savings of over Rs. 37 crores in 12 sub-heads of Revenue Section and over Rs. 2 crores in one sub-head of Capital Section. Out of these, the savings under four sub-heads had constituted 27 per cent to 98 per cent of the sanctioned provisions. Significantly, there were three sub-heads under Revenue Section where the supplementary funds obtained by DOP even at the fag end of the year in March 1995 had remained wholly unutilised. In another three sub-heads, supplementary funds obtained in March 1995 could not be expended fully resulting in savings ranging from 43 per cent to 94 per cent of the supplementary grants obtained therefor. Distressingly, several instances of large scale variations between sanctioned provisions and actual expenditure incurred by DOP there against under various sub-heads had also occurred during the previous year *i.e.* 1993-94. In the opinion of the Committee, these recurring instances of substantial variations under several heads of accounts are clearly indicative of deficient budgetary exercise and poor accounting information system prevalent in DOP. While expressing their unhappiness over this poor state of affairs, the committee recommend that

DOP should revamp their existing budgetary and accounting information system so as to put them on proper footing. They also desire that appropriate action should be taken in future in all those cases where responsibility for framing budget estimates accurately or controlling the expenditure has not been discharged properly.

15. The Committee are particularly concerned to note the failure of DOP in containing cases of excesses or savings even under the sub-heads relating to Pensions. While DOP incurred an excess expenditure of Rs. 1.66 crores and Rs. 2.40 crores under the sub-heads "Superannuation and Retirement Allowances and "Family Pension" respectively in 1994-95, there were savings to the extent of Rs. 2.94 crores and Rs. 1.62 crores under sub-heads "Commuted Value of Pensions" and "Gratuities" during that year. In the opinion of the Committee, this state of affairs present a very dismal picture of the manner in which DOP prepared their expenditure estimates for the pensions payments for which precise requirement of funds could always be accurately worked out by maintaining proper data on retired and retiring officials. At this stage, the Committee can only hope that concerted efforts would now be made by DOP to collect and co-relate the requisite data on scientific lines so that their expenditure estimates on this account do not go awry as had happened in 1994-95.

The Committee also feel that the trends of savings in sub-heads like "Training" and "Mechanisation and modernisation schemes" not only reveal inadequate planning and poor performance but also adversely affect the customer service and postal system in the country. The committee trust that DOP would at least now gear up their machinery with a view to efficiently utilising the funds sanctioned by Parliament for specified services.

(c) *Rush of Expenditure*

16. In terms of Note 3 under Rule 69 of General Financial Rules, rush of expenditure particularly in the closing months of the financial year shall be regarded as a breach of financial regularity and should be avoided.

17. During evidencce, the committee enquired about the pattern of expenditure in each quarter of the financial year 1994-95 with particular reference to rush of expenditure in the closing months. In his reply, the secretary (DOP) stated:—

"It is not the usual, formal feature. There can be rush because Indian Airlines presents bill in December or in January and you have to clear it. So also with foreign airlines. In such circumstances, certain commitments are made for the modernisation of post offices, where we have installed computer machines. Some payments may have to be made in this context."

18. At the instance of the Committee, DOP furnished a post-evidence written note on their flow of expenditure in 1994-95. An analysis of the expenditure figures given in that note brought out the following picture in

regard to the quarterly expenditure incurred by DOP during 1994-95:—

Quarter ending	Percentage to total expenditure			
	Revenue	Capital	Plan	Non-plan
June, 1994	19.91	19.93	19.82	19.92
September, 1994	23.46	24.73	26.82	23.37
December, 1994	26.86	13.27	14.02	26.87
March, 1995	29.77	42.07	39.34	29.84
	100.00	100.00	100.00	100.00

19. In their note on this aspect, DOP stated that the schemes/projects in Plan segment had taken shape at the fag end of the year and the bulk payments were made after the completion of the projects. On Non-plan side, the expenditure on account of additional instalment of DA was stated to have been made in July, and October and bonus paid in October 1994 which accounted for the increase in the quarter ending December, 1994 and March, 1995. DOP also stated that in view of the aforesaid factors, the rush of expenditure at the fag end seemed practically non-existent in Revenue side whereas the rush was inescapable in Capital side.

20. In another note, DOP also stated that the initial Plan outlay of Rs.77 crores in 1994-95 was enhanced to Rs. 92 crores at RE stage and the funds under RE were made available to the Department only in the first week of February, 1995 with the result that expenditure incurred towards the end of the financial year was higher in comparison to the preceding months.

21. The Committee's examination of the pattern of flow of expenditure of DOP in each quarter of the financial year 1994-95 revealed that the percentage of expenditure incurred by the Department in the last quarter of the year was highest both in the Plan and Non-plan segments of Revenue and capital sections of the Grant. The Committee have been informed during evidence that it was not the usual feature and that there could be rush of expenditure due to certain liabilities arising out of delay in presentation of bills by Airlines etc. DOP also stated that bulk payments on Plan side were made after the completion of the projects which had taken shape at the fag end of the year. The Committee do appreciate these practical difficulties experienced by DOP in this regard particularly when enhanced funds in Plan segment were made available to them only in February 1995. They are however, unable to comprehend how the expenditure incurred in the months of July and October 1994 in Non-plan segment for making payments of instalments of DA and bonus actually accounted for the increase in the quarter ending March 1995 as stated by DOP. Evidently, there was complete absence of a proper system of timely accounting of expenditure in DOP which resulted in booking of heavy

expenditure in the last quarter of the year even for the items which pertained to earlier quarters. The Committee, therefore, desire that efforts should be made to reduce the time lag between the incurring of expenditure and its accounting with a view to avoiding booking of heavy expenditure in the closing months of the year in contravention of prescribed financial rules. Steps should also be taken to identify the areas where schedules could be laid down for timely receipt of bills, payment and accounting thereof in the particular month in which such expenditure was incurred.

V. Operating results

22. The growth of revenue expenditure *vis-a-vis* receipts and the operating ratio of DOP for the last three years ending 1994-95 are given below:—

Year	Revenue Receipts	Revenue Expenditure	Revenue Deficit	Operating ratio (% of expenditure to receipts)
1992-93	1074	1166	92	108.6
1993-94	1105	1312	207	118.7
1994-95	1170	1522	352	130.1

It would be seen from above table that the revenue deficit of DOP had been steadily increasing over the year.

23. At the instance of the Committee, DOP furnished note on their revenue generation through postal services and agency functions performed by them. A scrutiny of this note revealed that out of 23 services provided by the Department, the revenue generated in respect of only six services was adequate for covering the respective cost of operation. In respect of remaining 17 services, the revenue generated was low and did not even cover the respective cost of operation. According to DOP, the element of subsidy in these 17 services ranged from 0.26 per cent of the cost as in the case of telegraphic money order to 92 per cent in the case of post-card.

24. In their note, DOP also stated that while revision of tariff in respect of majority of the services took place more than six years ago, the price of post-card had remained unchanged since May, 1974. Similarly, the postage rates for registered newspapers and the rate of commission for Indian Postal Order had remained unchanged since January, 1987. According to DOP, their budget had been consistently showing large deficits because even the respective increase in rates had

not been adequate to cover the cost of operation at the time of revision of tariff rates. The details of such postal services where the revenue generated did not cover the respective cost of operation as intimated by DOP are given in Appendix III to this report.

25. According to DOP, there is also wide disparity between the revenue received and the actual cost of operation of certain agency functions being performed by them on behalf of certain Ministries Departments. The details of such agency functions without adequate remuneration are given in Appendix IV to this Report.

26. In this context, an extract from the letter dated 29.5.1995 from the JS&FA in DOP addressed to the Additional Secretary (Budget) in the Ministry of Finance is reproduced below:—

“This is regarding remuneration paid to the Department of Post by the Ministry of Finance on account of agency functions. The remuneration rate per transaction as fixed in the year 1992-93 is Rs. 9.52 for Savings Bank transaction and Rs. 12.14 for Savings Certificate transactions. You are, no doubt, aware that an Expert Committee has been constituted with the Chief Adviser (Cost) as the Chairman for going into the rate per transaction. Till those recommendations become available, the normal practice is that these rates are increased by 10% every year and the remuneration claimed from Ministry of Finance. This is based on a decision of the Committee of Secretaries. The total amount thus claimed in the Revised Estimates 1994-95 was Rs. 917.23 crores (Rs. 600.27 crores for current year + Rs. 316.96 crores as arrears). But amount to the extent of Rs. 498 crores was only accepted in R.E. 1994-95, as conveyed *vide* the letter No.F.9/5/94/NS.II dated 3.1.95. It may be seen therefrom that the accepted estimate in R.E. 1994-95 is even less than the approved amount of B.E.1994-95 to the extent of Rs. 38 crores. This reduction in the recoveries would only lead to increase in the deficit to that extent. This will not be reflecting the correct position of inter-Ministry adjustment which could become a point of audit criticism.”

27. The Committee also enquired from the Ministry of Finance (MOF) about the remuneration paid by them to DOP for agency functions. In their note, Ministry of Finance stated that payments for agency functions like Post Office Savings Scheme etc., made to DOP from April 1988 to March 1993 were based on the recommendations of an expert group. According to MOF, a new expert group on remuneration for the agency work etc. was constituted in November 1994. The said committee has since submitted its report which is stated to be presently under consideration. Meanwhile, payment effective from April 1993 to DOP for the agency function is being made on a provisional basis.

28. DOP also informed the Committee that no commission was being paid to them by the State Governments for the sale of revenue stamps which were obtained from State Treasuries on advance cash payment and sold at the Post Office counters.

29. The committee's examination of the operating results of DOP Revealed that the revenue deficit of the Department had steadily increased to Rs. 352 crores in 1994-95 as against the deficit of Rs. 207 crores in 1993-94 and Rs. 92 crores in 1992-93. According to DOP, their increasing deficit was mainly attributable to lower tariff rates of certain postal services fixed long back and also inadequate remuneration paid for agency functions being performed by them on behalf of certain Ministries/Departments of Government of India. Considering the fact that the Postal Department has a wider and infrastructural role to play in providing much needed postal facilities in rural areas, the Committee are of firm view that a time has come when Government formulated a definite policy on the question of budgetary support to DOP for the services being rendered by them in the social sector. The Committee are also of the view that DOP should not be denied their legitimate dues particularly in respect of the cost incurred in performing certain agency functions assigned to them. Considering the fact that revised rates for some such agency functions have since been calculated by Department of Posts/Committee set up by the Ministry of Finance, the Committee believe that DOP would now effectively take up the matter of revision of agency charges with the Departments concerned so as to meet their cost of operation of agency functions. The Committee trust that Government would ensure that the Ministries/Departments availing agency services respond to the requirements of DOP in a positive manner.

In this context, the Committee regret to observe that while the annual Budget 1997-98 proposed hike in rates for certain postal articles, nothing concrete was done by Ministry of Finance to expeditiously revise the rate of remuneration payable to DOP for agency functions in pursuance of the recommendation made by an expert group constituted for the purpose. The Committee desire that the issue of re-fixing the level of remuneration for the agency function may be expedited in order to enable DOP for expansion of postal network particularly in rural areas, satisfying customer needs, improving quality of service, upgradation of technology, more efficient mail management, ameliorating the conditions of extra departmental employees, maintenance and renovation of dilapidated buildings, venturing into new areas of operations etc.

(VI) Losses

(A) Defalcations or loss of public money

30. The Appropriation Accounts of DOP brought out that 2735 cases of defalcations or loss of public money amounting to over Rs. 3.95 crores

came to notice in 1994-95. The following table gives details of such cases:—

(Rs. in lakhs)

Sl. No.	Particulars of Frauds & Losses	No. of cases	Amount involved	Amount recovered
1	2	3	4	5
1.	Savings bank frauds	763	140.20	57.03
2.	Post office certificates frauds	96	84.83	33.30
3.	Money orders frauds	360	30.39	7.47
4.	Insured articles frauds and losses	705	28.10	3.19
5.	Miscellaneous frauds and losses	811	111.87	26.10
Total		2735	395.39	127.09

31. An analysis of these cases as given in the Appropriation Accounts revealed that responsibility could not be fixed in 756 cases involving Rs. 0.40 crore i.e. about 10.13 per cent of total loss. In reply to a question as to why responsibility could not be fixed by DOP in these cases, the Secretary (DOP) stated during evidence:—

“Where the case has gone for enquiry by police, the police submits the report first whether that case is true or not. If there is no clue and if the court acquits, then the responsibility cannot be fixed.”

32. It was also noticed from the Appropriation Accounts that the employees of the Department were responsible for 1670 cases involving Rs. 3.10 crores which represented 78.48 per cent of the total loss reported during the year. Of this, DOP could not recover Rs. 1.91 crores which constituted 61.6 per cent of the loss caused by the Departmental Employees.

33. Expressing the procedure adopted by DOP in cases where departmental employees are involved in defalcations or loss of public money, the Secretary (DOP) stated during evidence:—

“We have to give sufficient time to every employee when we charge-sheet under Rule 14. There is a detailed procedure laid down. I will not deviate from the procedure. Otherwise, it will be struck by the court. If it is a case of minor penalty, we can conduct the enquiry and award punishment. But if it is a case of major fraud, I will have to charge-sheet the concerned delinquent employee under Rule 14 which

requires appointment of Inquiry Officer, Presenting Officer, taking evidence of all the witnesses, prosecution witness etc. Then we will pass necessary orders. That takes a long time. Sometimes, the official will not present himself. He will seek adjournment. So this procedure is a cumbersome one and there is no way to get rid of it."

34. In their subsequent written note, DOP also stated that the Department did not have enough full time Inquiry Officers who could be entrusted with the job of conducting enquiries. It was also stated that such work was entrusted to departmental officials in addition to their normal duties.

35. The Committee are disturbed to find that as many as 2735 cases of defalcations or loss of public money due to various frauds etc., came to notice in DOP during 1994-95. Of these, the departmental employees alone were found responsible in 1670 cases involving Rs. 3.10 crores which represented 78.28 per cent of the total loss reported during that year. What has caused further concern to the Committee is the fact that DOP could not recover Rs. 1.91 crores from their own departmental employees which constituted 61.6 per cent of the loss caused by them. Since services of postal department are generally availed of by the larger segment of society in the rural areas particularly for the purposes of money orders and savings bank accounts, the Committee view involvement of departmental employees in perpetrating frauds on the public money as a serious matter warranting immediate attention and remedial measures. In the opinion of the Committee, DOP should not content themselves merely with instituting inquiries against the officials concerned but should also make concerted efforts to plug the loopholes in the system failures which help in commissioning of such frauds. The Committee are not inclined to accept the plea made by DOP about shortage of full time Inquiry officers in their Department and they consider it imperative that all cases of loss of public money sustained by Government through defalcation or negligence should not only be promptly taken up for investigation but departmental proceedings also instituted and completed expeditiously. The Committee are in no doubt that prompt and conclusive action in such matters will not only act as deterrent but also facilitate recovery of pecuniary loss caused to public exchequer. The Committee trust that DOP will now make every endeavour to eliminate incidence of loss of public money by devising adequate ways and means to deal with promptly and severely against the officials found guilty of such acts.

(B) Loss of stores

36. The Appropriation Accounts also revealed that loss of stores in DOP during the three years ending 1994-95 was as under:—

Year	No. of cases of loss of stores	Amount (Rs. in lakhs)
1992-93	31	12.64
1993-94	116	8.41
1994-95	52	60.00

37. An analysis of these losses as given in the Appropriation Accounts also disclosed that the amount of loss due to theft had increased in 1994-95 in comparison to the preceding year 1993-94 as indicated below:—

Year	Amount of losses due to theft (Rs. in lakhs)
1993-94	4.62
1994-95	29.98

38. The Committee also feel distressed to find a steep increase in the quantum of amount involved in loss of stores which stood at Rs. 60 lakhs in 1994-95 in comparison to the preceding years 1993-94 and 1992-93 when such loss was only Rs. 8.41 lakhs and Rs. 12.64 lakhs respectively. The Committee's examination also revealed that the amount of loss of stores due to theft had also increased to Rs. 29.98 lakhs in 1994-95 from Rs. 4.62 lakhs in 1993-94. Obviously, the situation is going from bad to worse and it is high time that DOP took effective steps to prevent recurrence of such incidences. The Committee therefore, desire DOP to carry out a detailed analysis of all cases of loss of stores in 1994-95 with a view to devising suitable procedures to overcome such losses. The Committee would also like to emphasise that all efforts should be made to recover the amount lost particularly in those cases where the laxity of supervision is proved.

(VII) Response to audit*(A) Non-settlement of Audit observations*

39. It is also noticed from the Appropriation Accounts of DOP that 4565 audit observations raised during the period from 1976-77 to 1993-94 involving an amount of Rs. 33.02 crores were pending settlement at the end of May, 1995. Of these, 147 cases involving an amount of Rs. 25.50 crores were pending settlement because of non-receipt of vouchers.

40. The Committee are extremely unhappy to find that as many as 4565 audit objections involving an amount of Rs. 33.02 crores were pending

settlement in DOP at the end of May, 1995. Distressingly, some of these outstanding audit observations related to the period commencing from 1976-77 and could not be cleared even after a lapse of nearly 20 years. What is still more amazing is the fact that an amount of Rs. 25.50 crores i.e., 77.2 per cent of the total sum involved in audit objections was pending settlement on account of non-receipt of vouchers alone. The Committee view this situation with grave concern and feel convinced that DOP had displayed casual and dilatory attitude in settling the audit objections raised from time to time. The Committee therefore, recommend that urgent and effective steps under a time bound programme should be taken to expeditiously reduce the number of outstanding audit objections particularly those pending for over two years. They also desire the Finance Wing of DOP to introduce a system of obtaining a quarterly statement from their Circles showing the progress made by them in disposal of pending audit observations and ensure that these are not again accumulated in future.

The Committee would also like to be apprised of the specific improvements made in this direction.

(B) Replies to Audit Paragraphs

41. The Committee's examination also disclosed that DOP had not replied to Audit in time in respect of the four paragraphs included in chapters 3 and 4 of the relevant Report of the C&AG for the year ended 31 March 1995. On being enquired about the reasons for the same, the Secretary (DOP) deposed during evidence:—

“It was delayed because we have to collect data from the units.”

42. On being pointed out that the relevant replies were still pending, the Secretary (DOP) stated:—

“.....There would be no further delay, I can assure you, Sir.”

43. During evidence, the Committee also desired DOP to furnish a note indicating the reasons for delay in submission of replies to the Audit and the action proposed to be taken by the Department against officials found responsible for lapses in this regard. Subsequently, DOP furnished a note giving details of their correspondence with the Audit and the present status of submission of the action taken notes on the audit paragraphs under reference. The note furnished by DOP was however, silent on the aspect of action taken against the officials found lacking in timely submission of replies to the Audit.

44. The Committee are equally perturbed to find that DOP failed to reply to the Audit in time in respect of four paragraphs included in the relevant Report of the C&AG for the year ended 31 March 1995. During evidence, the representative of DOP informed the Committee that replies were delayed because they had to collect data from their field units. The Committee are not inclined to accept this plea of the Department in view of

the fact that there are atleast three occasions prior to receipt of draft audit para whereby the Department get sufficient opportunity to examine and respond to audit objections raised therein. What has disturbed the Committee more is the silence maintained by DOP in regard to the action taken against the officials found lacking in timely submission of replies to the Audit in the instant cases. While strongly disapproving this attitude of DOP, the Committee would like to be apprised of the action taken or proposed to be taken against officials found responsible for lapses in this regard. The Committee also recommend that DOP should streamline their existing procedure with a view to ensuring that prompt and timely replies are invariably furnished in all cases to the audit authorities within the prescribed time frame. They would also like the Financial Adviser in DOP to be held personally accountable for any similar lapse noticed in future.

NEW DELHI;
13 April, 1997

23 Chaitra, 1919 (S)

DR. MURLI MANOHAR JOSHI,
Chairman,
Public Accounts Committee.

APPENDIX I

(Vide para 10)

Statement showing main sub-heads where savings had partly off set the excess expenditure Under Revenue Section of grant no. 14 Postal Services during 1994-95

Sl. No.	Sub-head	Sanctioned provisions (Rs. in crore)	Saving
Revenue			
1.	Training	3.80	1.55
2.	Rail	54.00	14.69
3.	Other expenditure	2.93	2.87
4.	Mahila Samridhi Yojana	8.24	3.57
5.	Building establishment	0.85	0.56
6.	Dispensaries	0.40	0.37
7.	Stationery, Forms Printing, Storage and Distribution	29.07	10.17
8— 12.	Under five sub-heads (saving occurred in each exceeding Rs. 50 lakhs but not exceeding Rs. 100 lakhs)	NA	3.70
Capital			
1.	Civil Engineering Stores Suspense	1.00	2.33

APPENDIX II*(Vide para 13)**Statement showing instances of large scale variations between sanctioned provisions and actual expenditure during 1993-94*

	Provision	Actual expenditure	Saving(-) Excess(+)
(Rs. in crores)			
Revenue			
Major Head 3201 Postal services			
A.1 General Administration			
(i) A.1(1) Direction and administration	7.36	6.18	(-)1.18
A.2 Operation			
(ii) A.2(3) Mail sorting	190.78	181.56	(-)9.22
(iii) A.2(4) Conveyance of mails	189.92	172.38	(-)17.54
(iv) A.2(5) Mechanisation and modernisation	2.00	0.36	(-)1.64
A.4 Accounts and Audit			
(v) A.4(2) Accounts	42.12	39.74	(-)2.38
A.5 Engineering			
(vi) A.5(1) Maintenance	25.10	23.28	(-)1.82
A.6 Amenities to staff			
(vii) A.6.1(3) Dispensaries	14.68	13.90	(-)0.78
(viii) A.6.1(5) Payment under CGHS Scheme	4.00	3.27	(-)0.73
A.7 Pension			
(ix) A.7(1) Superannuation and retirement allowances	131.40	131.04	(-)0.36
(x) A.7(2) Commuted value of pension	24.00	21.35	(-)2.65
(xi) A.7(4) Gratuities	27.00	23.01	(-)3.99
A.8 Stationery and Printing			
(xii) A.8(1) Post Cards, Envelops and Stamps etc.	48.48	45.69	(-)2.79
(xiii) A.8(2) Stationery and forms printing storage and distribution	32.80	26.58	(-)6.22

	Provision	Actual expenditure	Saving(-) Excess(+)
A.1 General Administration			
(xiv) A.1(2) Control and Supervision	107.98	108.71	(+)0.73
A.2 Operation			
(xv) A.2(2) Postal network	862.90	931.66	(+)68.76
A.3 Agency services			
(xvi) A.3(3) Banking and Life Insurance	71.21	72.51	(+)1.30
(xvii) A.3(2) Other services	—	0.45	(+)0.45
(xviii) A.7(6) Family pension	51.44	51.91	(+)0.47
Capital			
Major Head 5201			
AA—Capital Outlay on Postal services			
(i) AA.3 Mechanisation and modernisation	33.96	7.24	(-)26.72
(ii) AA.7 Civil engineering stores suspense	2.00	(-)2.17	(-)4.17
(iii) AA.2 Postal network	24.27	34.94	(+)10.67
(iv) AA.4 Administrative offices	1.25	3.14	(+)1.89
(v) AA.5 Staff quarters	5.25	13.60	(+)8.35

APPENDIX III

(Vide para 24)

Details of postal services where revenue generation is less than respective cost of operation

Services	P.O. Oper-ation (in paise)	RMS charge (in paise)	Trans- port charges (in paise)	Ptg. & Sty. (in paise)	Total direct cost (in paise)	Over- heads (in paise)	Total Revenue cost (in paise)	Diff-erence (in paise)	Tra-ffic (in lakh)	Def-icit- (in crore)	Gain (in crore)	Date of last revision
Parcel	756.26	83.70	872.45	26.90	1739.41	136.43	1875.84	2107.57	231.73	—	15.09	11-6-90
Speed Post	625.61	272.46	499.81	44.38	1442.26	134.13	1576.39	4344.00	2767.61	—	34.60	01.12.95
Insurance	1016.22	290.57	1.28	56.44	1364.51	201.78	1566.29	2228.47	662.18	—	6.22	11-6-90
Money Order	1169.62	80.42	7.28	13.93	1271.25	205.76	1477.01	1521.91	44.90	—	4.60	11-6-90
Foreign Mail	136.32	46.15	102.69	34.09	319.23	27.93	347.16	985.30	638.14	—	117.35	1.11.91
I. V. P.	367.32	—	—	5.81	373.13	63.06	436.19	1214.00	777.81	—	26.45	—
Postcard	99.18	40.26	2.99	17.40	159.43	21.03	180.46	15.90	165.46	74.22	—	15.05.74
Printed card	99.18	40.26	2.99	2.26	144.29	21.03	165.32	60.00	105.32	28.97	—	01.10.96
Letter-card	99.23	40.24	3.01	22.16	164.64	21.05	185.67	75.00	110.67	76.72	—	11.06.90
Letter	103.27	40.24	35.36	14.32	193.19	21.72	214.91	181.26	33.65	47.34	—	11.06.90
Regd. News Papers	93.89	40.33	71.19	1.95	207.36	20.13	227.49	21.91	205.58	33.30	—	01.01.87
Bundle	94.01	40.59	217.99	1.95	354.54	20.13	374.67	47.45	327.22	15.48	—	01.01.87

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Book Post														
Book Pattern & Sample Pkts.		118.10	40.13	99.52	3.68	261.43	24.27	285.70	175.15	110.55	1242	13.73	—	11.06.90
Printed Books		118.09	40.15	210.38	3.47	372.99	24.14	396.23	153.93	242.30	640	15.51	—	11.06.90
Other Periodicals		118.14	40.47	211.07	3.20	372.88	24.11	396.99	125.49	271.50	459	12.46	—	11.06.90
Registration		671.51	272.48	—	26.90	988.34	142.33	1138.67	600.00	530.67	2919	154.90	—	01.10.96
Value Payable		759.06	—	—	31.29	790.35	127.13	917.48	289.29	628.19	85	5.34	—	01.03.83
Tale Money Order		1476.52	—	—	—	1476.52	250.00	1726.52	1721.91	4.61	23	0.01	—	11.06.90
Indian Postal Order		535.43	—	—	74.99	610.42	90.50	700.92	104.99	595.93	188	11.20	—	01.01.87
Savings Bank		853.63	—	—	14.87	868.50	145.18	1013.68	952.00	61.68	4167	25.70	—	—
M.S.Y.		1708.53	—	—	14.85	1723.38	291.69	2015.07	952.00	1063.07	78	8.29	—	—
S.C. + K.V.P.		1416.14	—	—	8.27	1424.41	240.74	1665.15	1214.00	451.15	715	32.26	—	—
Acknowledgement		94.02	40.25	1.28	2.93	138.48	20.17	158.65	100.00	58.65	858	5.03	—	11.06.90

Total Deficit = 560.46
Total Gain = 904.31

APPENDIX IV
(Vide para 25)

Details of agency functions rendered by the Postal Department without adequate remuneration

Sl. No.	Name of Service	Remuneration fixed		Rates calculated by Costing Section	
		Year (per transaction)	Rate (per transaction)	Year (per transaction)	Rate (per transaction)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Savings Bank	1992-93	Rs. 9.52	1995-96	Rs. 14.04
2.	Savings Certificates and K.V.Ps.	1992-93	Rs. 12.14	1995-96	Rs. 14.24
3.	Railway Pension	1986-87	Rs. 7.40	1995-96	Rs. 24.75
4.	Telegraph charges	1992-93	Rs. 6.95	1995-96	Rs. 13.40
5.	Central Recruitment Fees Stamps	1986-87	6%	1995-96	15.95%
6.	Collection of Custom Duty on the inward Foreign Postal Articles	1.12.91	5%	1995-96	16%
7.	M.S.Y. Scheme	Not yet fixed		1995-96	Rs. 73.00 per account.

NOTE: 1. Figures shown in col. 4 is the rate at which remuneration is received at present. These rates were fixed as per dates shown in col. 3.

2. The rate shown in col. 6 are the rates now worked out by Department of Post/Committee set up by the Ministry of Finance.

APPENDIX V

Conclusions / Recommendations

Sl. No.	Para No.	Ministry / Deptt. Concerned	Conclusions / Recommendations
1	2	3	4
1.	14	Communications (Deptt. of Post)	In their First Report (Eleventh Lok Sabha), the Committee had observed that DOP had incurred an overall excess expenditure of Rs. 35.66 crores under Revenue and Capital Sections of Grant No. 14 operated by them during 1994-95. The Committee's detailed scrutiny of the relevant Appropriation Accounts, however, revealed that the overall excess expenditure under this Grant would have been much more but for the savings of considerable magnitude registered by DOP under various sub-heads during 1994-95. In fact, there were savings of over Rs. 37 crores in 12 sub-heads of Revenue Section and over Rs. 2 crores in one sub-head of Capital Section. Out of these, the savings under four sub-heads had constituted 27 per cent to 98 per cent of the sanctioned provisions. Significantly, there were three sub-heads under Revenue Section where the supplementary funds obtained by DOP even at the fog end of the year in March 1995 had remained wholly unutilised. In another three sub-heads, supplementary funds obtained in March 1995 could not be expended fully resulting in savings ranging from 43 per cent to 94 per cent of the supplementary grants obtained therefor. Distressingly, several instances of large scale variations between

1

2

3

4

sanctioned provisions and actual expenditure incurred by DOP there against under various sub-heads had also occurred during the previous year i.e. 1993-94. In the opinion of the Committee, these recurring instances of substantial variations under several heads of accounts are clearly indicative of deficient budgetary exercise and poor accounting information system prevalent in DOP. While expressing their unhappiness over this poor state of affairs, the Committee recommend that DOP should revamp their existing budgetary and accounting information system so as to put them on proper footing. They also desire that appropriate action should be taken in future in all those cases where responsibility for framing budget estimates accurately or controlling the expenditure has not been discharged properly.

2. 15

Communi-
cations
(Deptt. of
Post)

The Committee are particularly concerned to note the failure of DOP in containing cases of excesses or savings even under the sub-heads relating to Pensions. While DOP incurred an excess expenditure of Rs. 1.66 crores and Rs. 2.40 crores under the sub-heads "Superannuation and Retirement Allowances" and "Family Pension" respectively in 1994-95, there were savings to the extent of Rs. 2.94 crores and Rs. 1.62 crores under sub-heads "Commuted Value of Pensions" and "Gratuities" during that year. In the opinion of the Committee, this state of affairs present a very dismal picture of the manner in which DOP prepared their expenditure estimates for the pension payments for which precise requirement of funds could always be accurately worked out by maintaining proper data on retired and retiring officials. At this stage, the Committee can only hope that concerted efforts would now be made by DOP to collect and co-relate the requisite data on scientific lines so

1

2

3

4

that their expenditure estimates on this account do not go awry as had happened in 1994-95.

The Committee also feel that the trends of savings in sub-heads like "Training" and "Mechanisation and modernisation schemes" not only reveal inadequate planning and poor performance but also adversely affect the customer service and postal system in the country. The Committee trust that DOP would at least now gear up their machinery with a view to efficiently utilising the funds sanctioned by Parliament for specified services.

3. 21

Communi-
cations
(Deptt. of
Post)

The Committee's examination of the pattern of flow of expenditure of DOP in each quarter of the financial year 1994-95 revealed that the percentage of expenditure incurred by the Department in the last quarter of the year was highest both in the Plan and Non-plan segments of Revenue and Capital Sections of the Grant. The Committee have been informed during evidence that it was not the usual feature and that there could be rush of expenditure due to certain liabilities arising out of delay in presentation of bills by Airlines etc. DOP also stated that bulk payments on Plan side were made after the completion of the projects which had taken shape at the fog end of the year. The Committee do appreciate these practical difficulties experienced by DOP in this regard particularly when enhanced funds in Plan segment were made available to them only in February 1995. They are however, unable to comprehend how the expenditure incurred in the months of July and October 1994 in Non-plan segment for making payments of instalments of DA and bonus actually accounted for the increase in the quarter ending March 1995 as stated by DOP. Evidently, there was complete absence of a proper system of timely accounting of expenditure in DOP which resulted in booking of heavy expenditure in the last quarter of the year even for the items which

1	2	3	4
			<p>pertained to earlier quarters. The Committee, therefore, desire that efforts should be made to reduce the time lag between the incurring of expenditure and its accounting with a view to avoiding booking of heavy expenditure in the closing months of the year in contravention of prescribed financial rules. Steps should also be taken to identify the areas where schedules could be laid down for timely receipt of bills, payment and accounting thereof in the particular month in which such expenditure was incurred.</p>
4	29	-do-	<p>The Committee's examination of the operating results of DOP revealed that the revenue deficit of the Department had steadily increased to Rs. 352 crores in 1994-95 as against the deficit of Rs. 207 crores in 1993-94 and Rs. 92 crores in 1992-93. According to DOP, their increasing deficit was mainly attributable to lower tariff rates of certain postal services fixed long back and also inadequate remuneration paid for agency functions being performed by them on behalf of certain Ministries/Departments of Government of India. Considering the fact that the Postal Department has a wider and infrastructural role to play in providing much needed postal facilities in rural areas, the Committee are of firm view that a time has come when Government formulated a definite policy on the question of budgetary support to DOP for the services being rendered by them in the social sector. The Committee are also of the view that DOP should not be denied their legitimate dues particularly in respect of the cost incurred in performing certain agency functions assigned to them. Considering the fact that revised rates for some such agency functions have since been calculated by Department of Posts/Committee set up by the Ministry of Finance, the Committee believe that DOP would now effectively take up the matter of revision of</p>

1

2

3

4

agency charges with the Departments concerned so as to meet their cost of operation of agency functions. The Committee trust that Government would ensure that the Ministries/ Departments availing agency services respond to the requirements of DOP in a positive manner.

In this context, the Committee regret to observe that while the annual Budget 1997-98 proposed hike in rates for certain postal articles, nothing concrete was done by Ministry of Finance to expeditiously revise the rate of remuneration payable to DOP for agency functions in pursuance of the recommendation made by an expert group constituted for the purpose. The Committee desire that the issue of re-fixing the level of remuneration for the agency function may be expedited in order to enable DOP for expansion of postal network particularly in rural areas, satisfying customer needs, improving quality of service, upgradation of technology, more efficient mail management, ameliorating the conditions of extra departmental employees, maintenance and renovation of dilapidated buildings, venturing into new areas of operations etc.

5

35

-do-

The Committee are disturbed to find that as many as 2735 cases of defalcations or loss of public money due to various frauds etc., came to notice in DOP during 1994-95. Of these, the departmental employees alone were found responsible in 1670 cases involving Rs. 3.10 crores which represented 78.28 per cent of the total loss reported during that year. What has caused further concern to the Committee is the fact that DOP could not recover Rs. 1.91 crores from their own departmental employees which constituted 61.6 per cent of the loss caused by them. Since services of postal department are generally availed of by the larger segment of society in the rural areas particularly for the

1

2

3

4

purposes of money orders and savings bank accounts, the Committee view involvement of departmental employees in perpetrating frauds on the public money as a serious matter warranting immediate attention and remedial measures. In the opinion of the Committee, DOP should not content themselves merely with instituting inquiries against the officials concerned but should also make concerted efforts to plug the loop holes in the system failures which help in commissioning of such frauds. The Committee are not inclined to accept the plea made by DOP about shortage of full time Inquiry officers in their Department and they consider it imperative that all cases of loss of public money sustained by Government through defalcation or negligence should not only be promptly taken up for investigation but departmental proceedings also instituted and completed expeditiously. The Committee are in no doubt that prompt and conclusive action in such matters will not only act as deterrent but also facilitate recovery of pecuniary loss caused to public exchequer. The Committee trust that DOP will now make every endeavour to eliminate incidence of loss of public money by devising adequate ways and means to deal with promptly and severely against the officials found guilty of such acts.

6 38 -do-

The Committee also feel distressed to find a steep increase in the quantum of amount involved in loss of stores which stood at Rs. 60 lakhs in 1994-95 in comparison to the preceding years 1993-94 and 1992-93 when such loss was only Rs. 8.41 lakhs and Rs. 12.64 lakhs respectively. The Committee's examination also revealed that the amount of loss of stores due to theft had also increased to Rs. 29.98 lakhs in 1994-95 from Rs. 4.62 lakhs in 1993-94. Obviously, the situation is going from bad to worse and it is high time that DOP took effective steps to prevent recurrence of such incidences. The Committee therefore, desire DOP to carry out a detailed analysis of

1	2	3	4
7	40	-do-	<p>all cases of loss of stores in 1994-95 with a view to devising suitable procedures to overcome such losses. The Committee would also like to emphasise that all efforts should be made to recover the amount lost particularly in those cases where the laxity of supervision is proved. The Committee are extremely unhappy to find that as many as 4565 audit objection involving an amount of Rs. 33.02 crores were pending settlement in DOP at the end of May, 1995. Distressingly, some of these outstanding audit observations related to the period commencing from 1976-77 and could not be cleared even after a lapse of nearly 20 years. What is still more amazing is the fact that an amount of Rs 25.50 crores i.e., 77.2 per cent of the total sum involved in audit objections was pending settlement on account of non-receipt of vouchers alone. The Committee view this situation with grave concern and feel convinced that DOP had displayed casual and dilatory attitude in settling the audit objection raised from time to time. The Committee therefore, recommend that urgent and effective steps under a time bound programme should be taken to expeditiously reduce to number of outstanding audit objections particularly those pending for over two years. They also desire the Finance Wing of DOP to introduce a system of obtaining a quarterly statement from their Circles showing the progress made by them in disposal of pending audit observations and to ensure that these are not again accumulated in future. The Committee would also like to be apprised of the specific improvements made in this direction.</p>
8	44	-do-	<p>The Committee are equally perturbed to find that DOP failed to reply to the Audit in time in respect of four paragraphs included in the relevant Report of the C&AG for the year ended 31 March, 1995. During evidence, the representative of DOP informed the Committee</p>

1

2

3

4

that replies were delayed because they had to collect data from their field units. The Committee are not inclined to accept this plea of the Department in view of the fact that there are atleast three occasions prior to receipt of draft audit para whereby the Department get sufficient opportunity to examine and respond to audit objections raised therein. What has disturbed the Committee more is the silence maintained by DOP in regard to the action taken against the officials found lacking in timely submission of replies to the Audit in the instant cases. While strongly disapproving this attitude of DOP, the Committee would like to be apprised of the action taken or proposed to be taken against officials found responsible for lapses in this regard. The Committee also recommend that DOP should streamline their existing procedure with a view to ensuring that prompt and timely replies are invariably furnished in all cases to the audit authorities within the prescribed time frame. They would also like the Financial Adviser in DOP to be held personally accountable for any similar lapse noticed in future.

LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA SECRETARIAT PUBLICATION

Sl. No.	Name of Agent	Sl. No.	Name of Agent
ANDHRA PRADESH		UTTAR PRADESH	
1.	M/s. Vijay Book Agency, 11-1-477, Mylargadda, Secunderabad-500 306.	12.	Law Publishers, Sardar Patel Marg, P.B. No. 77, Allahabad, U.P.
BIHAR		WEST BENGAL	
2.	M/s. Crown Book Depot, Upper Bazar, Ranchi (Bihar).	13.	M/s. Madimala, Buys & Sells, 123, Bow, Bazar Street, Calcutta-1.
GUJARAT		DELHI	
3.	The New Order Book Company, Ellis Bridge, Ahmedabad-380 006. (T.No. 79065)	14.	M/s. Jain Book Agency, C-9, Connaught Place, New Delhi, (T.No. 351663 & 350806)
MADHYA PRADESH		15.	M/s. J.M. Jalna & Brothers, P. Box 1020, Mori Gate, Delhi-110006. (T.No. 2915064 & 230936)
4.	Modern Book House, Shiv Vilas Place, Indore City. (T.No. 35289)	16.	M/s. Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-110 001. (T.No. 3315308 & 45896)
MAHARASHTRA		17.	M/s. Bookwell, 2/72, Sant Nirankari Colony, Kingsway Camp, Delhi-110 009. (T.No. 7112309).
5.	M/s. Sunderdas Gian Chand, 601, Girgaum Road, Near Princes Street, Bombay-400 002.	18.	M/s. Rajendra Book Agency, IV-DR59, Lajpat Nagar, Old Double Storey, New Delhi-110 024. (T.No. 6412362 & 6412131).
6.	The International Book Service, Deccan Gymkhana, Poona-4.	19.	M/s. Ashok Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110 033.
7.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-400 001.	20.	M/s. Venus Enterprises, B-2/85, Phase-II, Ashok Vihar, Delhi.
8.	M/s. Usha Book Depot, Law Book Seller and Publishers' Agents Govt. Publications, 585, Chitra Bazar, Khan House, Bombay-400 002.	21.	M/s. Central News Agency Pvt. Ltd., 23/90, Connaught Circus, New Delhi-110 001. (T.No. 344448, 322705, 344478 & 344508).
9.	M & J Services, Publishers, Representative Accounts & Law Book Sellers, Mohan Kunj, Ground Floor, 68, Jyotiha Fule Road Nalgaum, Dadar, Bombay-400 014.	22.	M/s. Amrit Book Co., N-21, Connaught Circus, New Delhi.
10.	Subscribers Subscription Service India, 21, Raghunath Dadaji Street, 2nd Floor, Bombay-400 001.	23.	M/s. Books India Corporation Publishers, Importers & Exporters, L-27, Shastrri Nagar, Delhi-110 052. (T.No. 269631 & 714465).
TAMIL NADU		24.	M/s. Sangam Book Depot, 4378/4B, Murari Lal Street, Ansari Road, Darya Ganj, New Delhi-110 002.
11.	M/s. M.M. Subscription Agencies, 14th Murali Street, (1st Floor), Mahalingapuram, Nungambakkam, Madras-600 034. (T. No. 476558)		

