

# PUBLIC ACCOUNTS COMMITTEE

(1968-69)

## THIRTY-FIFTH REPORT

(FOURTH LOK SABHA)

[Action taken by Government on the recommendations  
of the Public Accounts Committee contained in their  
6th and 13th Reports (Fourth Lok Sabha) relating  
to P&T Accounts]



LOK SABHA SECRETARIAT  
NEW DELHI

November, 1968/Kartika, 1890 (Saka)

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**PUBLIC ACCOUNTS COMMITTEE**

(1968-69)

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Shri K. Seshadri—*Under Secretary.*

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\*Declared elected on 10th August, 1968, *vice* Shri M. M. Dharis resigned from the Committee.

## INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this 35th Report on Action Taken by Government on the recommendations of the Public Accounts Committee contained in their 6th and 13th Reports (Fourth Lok Sabha) relating to P. & T. Accounts.

2. On 12th June, 1968, an "Action Taken" Sub-Committee was appointed to scrutinise the replies from Government in pursuance of the recommendations made by the Committee in their earlier Reports. The Sub-Committee was constituted with the following Members:

### *Convener*

1. Shri D. K. Kunte

### *Members*

2. Shri C. K. Bhattacharyya
3. Shri K. K. Nayar
4. Shri Narendra Kumar Salve
5. Shrimati Tarkeshwari Sinha
6. Shri N. R. M. Swamy.

3. The draft Report was considered and adopted by the Sub-Committee at their sitting held on 24th September, 1968 and finally adopted by the Public Accounts Committee on 11th November, 1968.

4. For facility of reference the main conclusions/recommendations of the Committee have been printed in thick type in the body of the Report. A statement showing the summary of the main recommendations/observations of the Committee is appended to the Report (Appendix II).

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

NEW DELHI;

November 18, 1968.

Kartika 27, 1890 (Saka).

M. R. MASANI,

Chairman,

Public Accounts Committee.

## CHAPTER I

### REPORT

This Report of the Committee deals with Action Taken by Government on the recommendations contained in their 6th Report (Fourth Lok Sabha) and 13th Report (Fourth Lok Sabha), which were presented to the House on 16th November, 1967 and 14th February, 1968 respectively.

1.2. An analysis of the Action Taken notes furnished by the Government is given in Appendix I.

1.3. The Action Taken Notes/statements on the recommendations of the Committee contained in these Reports have been categorized under the following heads:—

- (i) Recommendations/observations that have been accepted by Government;
- (ii) Recommendations /observations which the Committee do not desire to pursue in view of the replies of Government;
- (iii) Recommendations/observations in respect of which Government have furnished interim replies;
- (iv) Recommendations/observations replies to which have not been accepted by the Committee and which require reiteration.

1.4. The Committee hope that final replies in regard to those recommendations to which only interim replies have so far been furnished will be submitted to them expeditiously after getting them vetted by Audit.

1.5. Certain recommendations/observations in the 6th Report and 13th Report were discussed by the Public Accounts Committee when they considered Audit Report (Posts and Telegraphs) 1968. These are proposed to be pursued through the Committee's Report on Audit Report (P&T) 1968. The S. Nos. of these recommendations are given below:

- (i) S. Nos. 2 & 3 (paragraphs 2.7 & 2.8) of 6th Report (Fourth Lok Sabha).
- (ii) S. Nos. 12, 13, 14, 21, 23, 30, 39 to 41 (Paragraphs 1.36, 1.37, 1.38, 3.18, 3.21, 5.6, 7.18 & 7.25) of 13th Report (Fourth Lok Sabha).

The Committee will now deal with the recommendations in respect of which Government's replies, have not been accepted by the Committee and which require reiteration.

*Agreement with Standard Telephone and Cables Ltd. (U.K.) Paragraph 4.104 (S. No. 60) of 68th Report (Third Lok Sabha) and Paragraph 2.20 (S. No. 8) of 6th Report (Fourth Lok Sabha).*

1.6 In paragraphs 4.83 to 4.106 of their 68th Report (Third Lok Sabha), the Public Accounts Committee had referred to certain unsatisfactory features of the Technical Consultancy Agreements concluded by Government in 1949, with the Standard Telephones and Cables Ltd., U.K. for the establishment of a factory to manufacture telephone cables. In particular, they had drawn attention to clause 8(2) of the agreement, binding the Government to purchase, for the duration of the agreement (i.e. 20 years), 25 per cent of its requirements, which the factory did not itself manufacture. In this connection, they had made the following observations in Para 4.104 of the Report:

"The Committee also desire that the advice of the Attorney General should be obtained regarding the interpretation on the meaning of sub-clause 2 of clause 8 of the agreement with STC Ltd., so that the correct position is made clear to all concerned. It should be clearly brought out whether the Government is required to buy 25 per cent of only such products from STC which are not produced in their factory or whether, even in respect of products which are produced 25 per cent of the excess requirements have to be purchased from the STC."

1.7 The matter was again considered by the Committee in paragraph 2.20 (S.No.8) of their 6th Report (Fourth Lok Sabha) where the following observations were made:

"The Committee have no doubt that while referring the case for advice to the Attorney General, Ministry of Law, the departments of Supply, Industry and Communication (P&T Board) will take every care to submit complete documents and papers so as to facilitate advice. They need hardly add that the observations of the Public Accounts Committee and the doubts raised by them should be specifically brought to the notice of Attorney General/Ministry of Law."



1.8 In their reply dated 20th August, 1968, the Ministry of Works, Housing and Supply (Department of Supply) have stated:

“As desired by the Committee, complete documents and papers were furnished to the Ministry of Law who prepared a summary of the case and submitted it to the Solicitor General for advice. (Although the PAC had suggested reference of the case to the Attorney General, it was decided by the Secretary, Ministry of Law that the case should be referred to Solicitor General instead). The Solicitor General has upheld the view formerly taken by the Ministry of Law that in terms of the Agreement entered into with Standard Telephone and Cables, the obligation of the Government is to purchase 25 per cent of their requirements not met by the Factory and not 25 per cent of only such products as are not manufactured by Hindustan Cables.”

1.9 The Committee have been furnished with a copy of the summary of case prepared by the Law Ministry and the opinion of the Solicitor General.

1.10 The Committee note from the opinion of the Solicitor General that there are some features of the Agreement with Standard Telephones and Cables Ltd. which are unsatisfactory from the legal point of view. The Committee have no doubt that the Government will take early action to set matters right.

*Delay in recovery of estimating fee and compensation—Paragraph 3.29 (S. No. 26) of 13th Report (Fourth Lok Sabha).*

1.11 Under the rules, when the execution of any work undertaken on behalf of a private party|department of Government, is cancelled at their instance after the relative estimate has been prepared, an estimating fee on the prescribed scale and compensation for the expenditure incurred, if any, on the issue of stores required for the work are recoverable from the party or department concerned. In para 3.29 of their 13th Report (Fourth Lok Sabha), the Committee had referred to the delay in the recovery of estimating fee and compensation from various parties amounting to Rs. 74,000. They had suggested that steps should be taken for their speedy recovery and also for streamlining the procedure for recovery of these dues. In this context, the Committee had made the following observations:

“The Committee are not satisfied with the progress made by the P & T Department in the recovery of estimating

fees and compensation due from the various parties. Against an amount of Rs. 9,900 as estimating fee and Rs. 64,000/- as compensation (Total Rs. 74,000/-), the P & T Department has been able to recover about Rs. 10,000 only while Rs. 64,000/- remain still outstanding. The Committee would like the Department to take some suitable measures to liquidate these outstandings. They should also like the Department to evolve a suitable procedure whereby payment of estimating fee and compensation is not unduly delayed. The Committee would also like to be informed about the recovery of Rs. 6,578 which is due since February, 1958."

1.12 In their reply dated 27th July, 1968, the Department of Communications (P & T Board) have stated:

"For liquidating the outstandings, instructions have since been issued to the Heads of Circles concerned to the effect that follow up action should be taken in all cases till such time as the estimating fees and compensation charges are recovered from the parties concerned and that a monthly progress report in respect of the outstanding recoveries should be furnished to the Directorate for necessary action."

"In connection with the question of evolving a suitable procedure whereby payment of estimating fees and compensation is not unduly delayed, it may be stated that the Department has also been experiencing for a long time difficulty in regard to the realisation of charges due from Government Departments for works carried out such as construction, maintenance and shifting works. With a view to removing this difficulty, the P & T Board have (vide letter No. 111/39/63-NB dated 28.10.67) already addressed the Departments of Central as well as State Governments to ascertain their views on the proposal to the effect that since the works such as construction, maintenance and shifting of Telecom. lines are carried out by the P & T Department at the requests of the State Government etc., the necessity of obtaining once again, as per the present practice, the acceptance of the Administrative (Requisitioning) authority as a supporting document to be sent to the Civil Accounts Officers for adjustments of the debits raised by the P & T Audit offices should be dispensed with and instead the Requisitioning authority should furnish the follow-

ing certificates to the P & T Department at the time of placing firm demand for work:

- (i) An undertaking to the effect that State Governments and the Departments of Central Government, as the case may be, would bear the cost of works|interest chargeable during the period of construction in accordance with the rules of P&T Department.
- (ii) An authorisation for the accounts officer of the State Governments|Departments of the Central Government concerned to accept the debits raised by the P&T Audit Officers without any further acceptance."

"Acceptance of the procedure outlined above, it is expected, will enable in Civil Accounts Officers to adjust the P&T bills immediately on receipt of debits from the P&T Audit offices. Since recovery of estimating fees and compensation from other Government Departments is akin to the problem of realisation of charges due from them, as indicated at para 2 above, it is contemplated to extend the above procedure if agreed to by the State Governments to the recovery of estimating fee etc. also. It is, however, felt that it might take considerable time before the State Governments send their final replies. The other two alternatives about which the undersigned mentioned in his evidence before the Committee are:

- (i) The P&T Department shall fix a time limit of six months within which the Department requisitioning work should either accept or reject the compensation bill submitted by the P&T Department after which the bill shall be taken as accepted. This procedure has been laid down in respect of recovery of rentals for which advice notes are sent to the requisitioning authority for acceptance within 6 months.
- (ii) The discretion vested in the Heads of Circles under the existing rules whether or not the Departments should be required to make payment of estimating fee etc. in advance should be withdrawn and the Government Departments required to deposit the charges before the P&T Department carries out works demanded by them.

These alternatives will be discussed with the A.G. P&T with a view to arriving at the most suitable procedure for

ensuring that there are no undue delays in future in payment of estimating fees and compensation due to the P&T Department.

As regards the recovery of Rs. 6,578|-, the Committee are informed that the relevant bill was received duly accepted in full in July, 1967 and subsequently adjusted in the Audit books in October, 1967."

1.13. In their reply dated 31st October, 1968, the Department of Communication (P&T Board) have stated :

- "(i) So far replies have been received from a few State Governments|Departments of Government of India. While Maharashtra State, Manipur State, Goa-Daman-Diu and Delhi Administrations, Ministry of Works, Housing & Supply, Irrigation and Power have accepted the procedure contained in P.&T. Board's letter No. 111|39|63-NB dated 28-10-1967 for eliminating delays in the recovery of claims of P.&T. on account of payment of estimating fee and compensation charges, the Governments of Madhya Pradesh and Himachal Pradesh are not agreeable to the proposed procedure. Other State Governments' Departments of Government of India have been asked to expedite their views on the proposal by 31-10-1968; otherwise it would be assumed that they have no objection to the proposed procedure being followed.
- (ii) The other two alternative proposals suggested by this Department were formally referred to and have since been agreed to by Accountant-General, Posts & Telegraphs, Simla. The question of adopting them is now under active consideration.
- (iii) As regards the recovery of outstanding amounts, debit for an amount of Rs. 1370 due from the All India Radio has been raised by the Dy. Director of Audit & Accounts, Posts & Telegraphs, Kapurthala against the Accountant General, Central Revenue, New Delhi in June, 1968. In another case relating to the erection of a pair of 150 Lb. copper wire from Ahmedabad Carrier to Ahmedabad Railway Exchange, involving recovery of an amount of Rs. 380|- as compensation, the Department has abandoned the claim because on further investigation it has been found that a spare cable pair was used for the purpose

and as such the P.&T. Department is not entitled to any compensation from the Railways. This case has been treated as closed. Regarding the balance, Post masters General concerned have been asked to pursue the cases vigorously with the State Governments."

1.14 The Committee note that the introduction of a simplified procedure for recovery of charges will take time, as the concurrence of the State Governments has, *inter alia*, to be obtained. They hope that the matter will be pursued vigorously by the Department. Pending the finalization of the new procedure, in consultation with State Governments and Central Government Departments, an early decision should be taken on the two alternatives (fixation of time limit of six months for acceptance of Bills or recovery of charges in advance) suggested by the P&T Department in order to avoid delay in recovery of estimation fees and compensation due to the P&T Department.

1.15 The Committee suggest that the P&T Department should also lay down a time-schedule for sending the bills to the parties concerned, so that the bills are prepared promptly and sent to the parties in time.

*Manufacture of Copper Weld Wire—Paragraph 6.8 (S. No. 33) of 13th Report (Fourth Lok Sabha)*

1.16. While commenting upon cases of thefts of copper wire, the Committee, *inter alia*, made the following observation in paragraph 6.8 of their 13th Report (Fourth Lok Sabha):

"As the Committee understand that copper weld wire may not be quite so susceptible to theft, they would urge Government to take an early decision about its manufacture within the country."

1.17. In their reply dated 11th July, 1968, the Department of Communications (P. & T. Board) have stated:

"A proposal for manufacture of copper weld wire in the country has been taken up by the Ministry of Industrial Development and Company Affairs. It is understood from that Ministry that Hindustan Cables Ltd. have negotiated with a foreign firm for a contract to supply requisite equipment and technical know-how for the purpose of manufacture of copper weld wire. The terms and conditions of the proposed contract are under consideration."

1.18. The Committee desired to be furnished with further information on the following points:

- (i) The annual requirement of copper wire and how much of foreign exchange is being spent over it. (Information required for the last three years).
- (ii) The latest position regarding the manufacture of Copper Weld Wire within the country.
- (iii) The capacity to be established for manufacture of Copper Weld Wire within the country and how soon it would be possible to meet the entire requirements from indigenous resources.
- (iv) The possibilities of replacing the Copper Wire by aluminium conductor steel reinforced wire and steps taken by Government in that behalf? (c.f. U.S. Q. No. 4974 answered in Lok Sabha on 22nd August, 1968).

1.19. In their reply dated 21st September, 1968, the Directorate General, Posts and Telegraphs have furnished the following information in respect of (i) and (iv) above:

- (i) "Copper Wire to an extent of 5,000 M.Ts. is required to meet this year's requirements. There is a built in cushion due to no copper wire having been imported in the recent past. There has been no imports during 1966-67 and 1967-68. During 1968-69, Rs. 47.20 lakhs is likely to be spent on import of Copper Weld Wire to execute the emergent Defence works."
- (iv) "A.C.S.R. conductors are being progressively used as far as technically possible. About 60,000 K.Ms. of these conductors have been ordered and nearly 10,000 K.Ms. so far supplied have been used."

1.20. In their reply dated 23rd October, 1968, the Department of Industrial Development have furnished the following information in respect of (i) and (ii) above:

- (ii) "Approval to the company to implement the scheme in collaboration with M/s. Sumitomo of Japan is being given as the Ministry of Finance have given their concurrence."
- (iii) "The capacity of 2600 tonnes is to be implemented in two stages, the first stage will be for a capacity of thousand

tonnes which will be implemented in about 2 years' time and the full capacity will be established in another 4 years' time."

1.21. The Committee note that Government is in the process of according approval to the scheme for manufacture of copper weld wire by Hindustan Cables Ltd. in collaboration with a Japanese firm. Considering the alarming incidence of thefts of copper Wire every year and the need to prevent this national loss, the Committee feel that the final decision of Government on the indigenous manufacture of copper weld wire should be taken without further delay.

1.22. The Committee note that the capacity for the manufacture of copper weld wire which is proposed to be established is 2,600 tonnes and that Government require this year 5,000 metre tonnes of copper wire. The Committee hope that steps will be taken to ensure that the country attains self-reliance in this vital sector as soon as possible.

1.23. The Committee note that aluminium conductor steel reinforced conductors are being progressively used by the P. & T. Department as far as technically possible. The Committee hope that this matter would be kept under constant review so that expensive copper wire can be replaced by aluminium conductor steel reinforced conductors where feasible.

## CHAPTER II

### RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Ministry of Communications (P. & T. Board)

#### *Recommendations*

The Committee desire that Government's replies should be explicit and self contained. In particular, where remedial measures are called for, the details of action taken or intended to be taken should be specifically spelt out.

[Sl. No. 1, para 1.5 of 6th Report (IV Lok Sabha)].

#### *Action taken*

The recommendations of the Committee have been taken note of. Details of action taken or proposed to be taken on recommendations requiring remedial measures, will be furnished in the Government's reply.

This has been seen by Accountant General, Posts & Telegraphs.

(O.M. No. 27-10/67-B) Dated 22nd April, 1968.

#### *Recommendations*

The Committee reiterate the observation contained in para 4.51 of their 43rd Report. They feel that before signing the original agreement, a proper assessment should have been made of the requirements of cables of the country during the next 20 years. The Committee also feel that the period of 20 years during which the agreement was to remain in force was too long. The Committee hope that, in future, before entering into agreement for long periods, a thorough examination of all the aspects viz., increase in indigenous production, demand, nature of products and alternative sources of supply will be carried out to that the cases of this type do not recur.

[Sl. No. 4, para 2,12 of 6th Report (Fourth Lok Sabha)].

The Committee find that the large amount of Rs. 52.22 lakhs which accrued to the firm Standard Telephone & Cables Ltd. in the shape of unintended bounty was due to the clause regarding compulsory purchase in the agreement. It was this clause of 25 per cent compul-



sory purchase' in the agreement which led to the payment of higher price for cables to the company irrespective of the lower prices prevailing elsewhere. The Committee feel that the future needs of cables for the country should have been assessed correctly and alternative methods of procuring cables at cheaper rates should have been insisted upon when this agreement was signed. In this case, with the increase in the demand of cables, there was also a corresponding increase in the quantity of cables purchased within the limit of 25 per cent of the compulsory purchase clause. The Committee feel that but for this unusual clause in the agreement which militated against the interest of the country, the need for payment of such an extra amount of Rs. 52.22 lakhs for purchases made during 1961—63 period alone to the company, would not have arisen at all.

[Sl. No. 5, para 2.15 of 6th Report (Fourth Lok Sabha)]

The Committee hope that the Ministry of Industry will take note of the various lacunae which have come to notice in this agreement and strictly avoid them in future agreement.

[Sl. No. 6, para No. 2.16 of 6th Report (Fourth Lok Sabha)].

(Serials 4, 5 & 6)

*Action taken*

#### P & T Board

As the observations made in these serials are on Serials 39 & 40 of the Committee's 43rd Report (Third Lok Sabha) on which Action taken notes were submitted by the Ministry of Industrial Development & Company Affairs (Department of Industrial Development), it is for that Ministry to furnish Action taken notes on the present serials also. The Ministry of Industrial Development & Company Affairs (Department of Industrial Development) have intimated that they have already prepared the notes and are getting them vetted by their Audit.

This has been seen by the Accountant General, Posts & Telegraph.

(O.M. No. 62-2/66-NA) Dated 19th April, 1968.

*Action taken*

#### *Department of Industrial Development*

The Government have issued necessary instructions in this regard to avoid recurrence of such incidents in future. A copy of the instructions issued is attached at Annexure 'A'.

This note has been seen and vetted by the Audit.

## ANNEXURE 'A'

No. IP&FC-5(37)/67

### GOVERNMENT OF INDIA

Ministry of Industrial Development & Company Affairs  
(Department of Industrial Development)

New Delhi, the 18th November, 1967

#### OFFICE MEMORANDUM

Sub:—Foreign Collaboration agreements entered into by Public Sector undertakings.

A case has recently come to the notice of the Public Accounts Committee where a contract had been signed in 1949 with a British firm for setting up a Government factory in India for the manufacture of communication cables. The terms and conditions of the contract *inter alia* provided that (i) the foreign firm would supply at least 25 per cent balance of requirements for cables of Government and other agencies for which Government had the power to make purchases until such time as the proposed factory did not meet the entire requirements, and (ii) the duration of the contract would be 20 years during which the foreign firm will be paid royalty @ 2 per cent taxable. Besides, the original heads of agreement did not contain a clause providing for a review of the agreement during the validity period. The Public Accounts Committee have adversely commented upon the inclusion of the "compulsory purchase clause" and the duration of the contract having been agreed to for 20 years. Relevant extracts from the Committee's recommendations are reproduced below:—

"The Committee are not able to understand how the original agreement could be signed without knowing the requirements of the country thus committing the country for 20 years. There must be some rationale behind such an agreement. 25 per cent of the country's requirements were tied down to this firm for the coming 10 years from 1949 and this placed the Govt. in a disadvantageous position, particularly by underestimating the projected needs of the country. It passes their comprehension how anybody could have imagined in 1949 in the P&T Department that the country's requirements for the cables and the production would remain the same for 20 years. The Committee

doubt if there would be any other case where Govt. have agreed to pay a royalty for 20 years at the rate fixed on the production which was rather small at that time, without taking into consideration that production would be increasing manifold in the course of 20 years and thus giving the collaborators an unintended receipt which is not justifiable."

2. Government's policy has since crystalised against the inclusion of such restrictive clauses or long-duration agreements in collaboration cases and instructions have already been issued in the past to all concerned in this regard. It is, however, once again emphasised upon all concerned authorities that while negotiating collaboration agreements for setting up projects in the Public Sector or approving collaboration agreements in the private sector, clauses of the type indicated in para 1 should not be agreed to.

#### *Recommendations*

The Committee hope that full advantage is being taken by the P.&T. Board and the Director General, Supplies & Disposals of clause 4(ii) referred to above. They hope that in cases where the Government does not get 25 per cent requirements of the coaxial cables from the Standard Telephone & Cables Lt. the value of the part of such requirements not taken up, are transferred to the other items where the difference between the International price and those of the S.T.C. is the minimum.

[Sl. No. 7, para 2.18 of 6th Report (Fourth Lok Sabha)].

#### *Action taken*

It is confirmed by the Director General, Supplies & Disposals through whom all such purchases are made that full advantage of Clause 4(ii) of the agreement is being taken wherever it is possible.

This has been seen by the Accountant General, Posts & Telegraphs.

(O.M. No. 62-2/66-NA, dated 29-4-68)

#### *Further information*

##### *Department of Supply*

The position in so far as the DGS&D is concerned is as follows:—

Order under the agreement was last placed on S.T.C. in 1967 against Indent No. 202/33/022. This was, however, on the basis that their price was the lowest among the quotations received. There was, therefore, no occasion for the DGS&D to take advantage of clause 4(ii) of the agreement in this instance.

Previous to this case, orders were last placed on the firm under the agreement against Indent No. 7408-N. An extract of the notes dated 10-7-63 recorded in the file is reproduced below:—

“In this connection, it may be added that the convention so far has been to allocate items to STC on the basis of the least price difference between their offers in terms of the agreement and that of the lowest offer received from the Trade.”

Against this indent, however, a revision of this procedure was proposed by DGPT, who suggested coverage of certain items on the basis of an agreement reached by them in consultation with S.T.C. without regard to the difference in price as quoted by STC and the International price.

This question was further considered in a meeting held in the Ministry of Industry on 6-9-63 and it was decided that the existing procedure of allocating to the firm items in respect of which the price difference was the least should continue to be followed. STC also agreed to this procedure and A/T was placed on them under the agreement for those items for which the difference in price was the least.

From the position explained above it will be seen that the DGS&D have been taking full advantage of clause 4(ii) of the agreement entered into which the S.T.C. wherever it is possible.

November, 1968

No. PI-26(31)/67.

#### *Recommendations*

The Committee note that the realisation of revenue by the P&T Department during the year 1965-66 has been well below the budget estimates. As against the budget estimates of Rs. 141.37 crores, the actual realisation came to Rs. 137.77 crores, leaving a shortfall of Rs. 3.60 crores. This trend of a drop in revenue, which was also noticed during the year 1964-65, has continued during 1965-66. What is distressing is the fact that the realisation of revenue in the year 1966-67 was also below the budget estimates and the percentage of variation between the actuals of the budget estimates which was 2.5 in 1964-65 and 1965-66, has risen to 3.5 in the year 1966-67. The Committee desire that the P&T Board should examine carefully the reasons for the shortfall in the realisation of revenue as compared to the budget estimates over the last three years and take suitable remedial measures. The Committee also desire that while framing

the budget estimates of a particular year, greater attention should be paid to the trends of traffic, in addition to the available figures of the actual expenditure, the budget estimates and the revised estimates etc. of the previous years. The Committee, therefore, stress that while preparing the budget estimates, care should be exercised so that the difference between the expected revenue and the actual receipts is as narrow as possible.

(Sl. No. 1, para 1.11 of 13th P.A.C. Report—IV Lok Sabha)

#### *Action taken*

As desired by the Committee a careful examination of the reasons for the shortfall in the realisation of revenue as compared to the budget estimates over three years from 1964-65 to 1966-67 has been conducted. A statement comparing the budget estimates with the actuals for these years under broad heads of revenue is appended. It will be observed from this statement that the variations from budget estimates differ from head to head in different years. The reasons for major short-falls in realisation of revenue each year are explained below:—

1964-65: The shortfall was mainly under the head 'Sale or ordinary Stamps'. It will be seen from the following data that during earlier years, the actual realisation under this head had exceeded the budget estimates successively and this was adversely commented upon by the P.A.C.

(In Crores of Rupees)

Year	Budget Estimate	Actuals
1961—62	27.40	29.06
1962—63	27.53	31.08
1963—64	34.56	36.36

In this background the budget estimate for 1964-65 under this head was framed some-what liberally but that proved an over-estimate during that year.

1965-66: The shortfall was mainly under the heads 'State of Ordinary Stamps' and 'Rent of wires leased to Railways etc'. As regards sale of stamps, the factors responsible for the shortfall, were mainly the decline in trade and industry as a result of recession. Indo-Pakistan conflict of August-September, 1965, and the failure of the monsoon. The Railways too had similar experience in regard to realisation of revenue that year. Regarding shortfall under the head 'Rent of Wires leased to Railways etc.', it was expected at the time of Budget that the case regarding revision of rent for wires etc.

recoverable from the Railways for the quinquennium 1961-62 to 1965-66 would be settled and that the Railways would pay the arrears right from 1961-62. As such provision for arrears was also included in the budget. This expectation, however, did not materialise resulting in shortfall in the revenue realisation.

1966-67: The shortfall is mainly under the head 'Telephone Revenue'. With effect from 16th January, 1966, telephone tariffs were enhanced and on that account an additional provision of Rs. 13.50 crores was made in the budget for 1966-67. The shortfall is partly due to this additional provision having proved an over-estimate and partly due to the enhancement of tariff having the effect of somewhat lesser utilisation of the service.

The recommendations of the Committee in this regard, namely that while framing the budget estimates of a particular year, greater attention should be paid to the trends of traffic and that care should be exercised so that the difference between the expected revenue and actual receipts is as narrow as possible, have however, been carefully noted.

This has been seen by A.G.P.&T.

(O.M. No. 1-22/68-B, Dated 30-7-1968).

STATEMENT COMPARING BUDGET ESTIMATES WITH THE ACTUALS

((Figures in Crores of Rs.)

	1964-65			1965-66			1966-67		
	B.E.	Actuals	Variation	B.E.	Actuals	Variation	B.E.	Actuals	Variations
1. Sale of Ordinary Stamps . . . . .	40.00	35.90	(—)4.10	42.00	38.05	(—)3.95	38.80	39.61	( )0.81
2. Sale of service stamps . . . . .	9.30	8.94	(—)0.36	10.00	9.09	(—)0.91	9.50	9.05	(—)0.45
3. Postage realised in cash . . . . .	7.65	7.11	(—)0.54	7.92	7.41	(—)0.51	8.15	8.32	(+)0.17
4. Telegraph charges realised in cash . . . . .	10.55	10.29	(—)0.26	12.70	12.87	(+)0.17	14.00	14.62	(+)0.62
5. Receipts on account of M.Os I.P.Os. . . . .	7.42	7.16	(—)0.26	7.50	7.85	(+)0.35	8.64	8.46	(—)0.18
6. Rent of wires leased to Railways . . . . .	4.40	3.56	(—)0.84	4.50	2.13	(—)2.37	2.50	2.88	(+)0.38
7. Telephone Revenue on a/c of rentals and local and Trunk Call fees etc. . . . .	44.60	42.94	(—)1.66	50.10	53.65	(+)3.55	76.00	68.30	(—)7.70
8. Advance Rentals under OYF Scheme . . . . .	0.65	3.45	(+)2.80	2.76	2.39	(—)0.37	2.50	2.60	(+)0.10
9. Net other receipts . . . . .	2.43	4.43	(+)2.00	3.89	4.33	(+)0.44	5.05	5.50	(+)0.45
10. TOTAL . . . . .	127.00	123.78	(—)3.22	141.37	137.77	(—)3.60	165.14	159.34	(—)5.80

### *Recommendations*

The Committee feel that the science of philately has not been effectively pressed into service by the Posts and Telegraphs Department in the past to augment its revenues. They are, however, glad to note that in November, 1967, the Posts & Telegraphs Department took the initiative in organising a seminar on philately in which a number of leading philatelicists, artists, designers and printers participated. A number of useful suggestions appear to have been thrown up at the Seminar to make stamps attractive in appearance and design.

(Sl. No. 3, para 1.17 of 13th Report—IV Lok Sabha).

The Department may examine the suggestion that Indian symbols and motifs like 'Hansa', 'Dharmachakrya' and 'Makara' should be effectively utilised. Monotonous designs should be eliminated and ideas like temples, monuments, musical instruments, should be incorporated in the series. To encourage new ideas, open competitions should be organised from time to time to attract the most effective entries.

(Sl. No. 4, para 1.18 of 13th Report—IV Lok Sabha).

The programme of issue of stamps should also be settled well in advance so that publicity folders can reach potential distributors, specially in foreign countries, well in advance to enable them to place orders. It is understood that Government have since decided to provide facilities for the multi-coloured printing of stamps.

(Sl. No. 5, para 1.19 of 13th Report—IV Lok Sabha).

The Committee have no doubt that if philately is given due importance, it should enable our country not only to promote a feeling of fraternity and better understanding with other countries but also to earn substantial foreign exchange. There is no reason why the print order for the 'Shakuntala' stamp which had touched the mark of 30 million should not be reached by an equally attractive series commanding wide appeal.

(Sl. No. 6, para 1.20 of 13th Report—IV Lok Sabha).

### *Action taken*

The recommendations of the Committee have been noted for guidance. The action already taken is indicated below:

The suggestions of the 'Seminar on Philately' as mentioned in the recommendation have since been accepted by the Department and action has been initiated accordingly.

As regards the suggestions for the effective use of the Indian symbols and motifs like 'Hansa', 'Dharmachakrya' and 'Makara' etc.



suitable designs have been prepared with these symbols and motifs. These will be examined further with a view to utilising them effectively on our stamps and postal stationery.

So far as postage stamps bearing designs of temples, monuments, musical instruments etc. are concerned, it may be mentioned that several stamps on Indian monuments and temples have been brought out both in the definitive and commemorative series. In 1947 a stamp with the Asoka Capital was brought out. Stamps of the Bodhi Gaya temple, the Bhuvanewara temple, the Golden Temple, Amritsar and the Somnath Temple have already been brought out. The Taj Mahal also figured in a stamp issued in 1948. The Taj Mahal was again portrayed in a commemorative stamp in 1967. The Victory Tower, Chittor and the Qutab Minar, Delhi have also figured in stamps. In 1967, a stamp with the Gurdwara Shrine, Patna was brought out. The question of issuing more stamps with such motifs like temples, monuments etc. will be kept in view whenever new stamps have to be brought out. Competitions are organised and will continue to be held for securing designs for special postage stamps on important occasions. Action has been taken to hold a competition for the series of stamps to be brought out on the Birth Centenary of Mahatma Gandhi.

Regarding the suggestions for settling the programme well in advance, the Department has already adopted the general policy as recommended by the 'Seminar on Philately' to the effect that no proposal unless submitted 18 months before should be considered and that the programme should be drawn up at least one year earlier to enable the Department to give wide publicity well in advance both at home and abroad with report to the special issues to be brought out. Efforts will be made to implement this policy though it need be stated that many of the important proposals are received very late from the sponsors.

As presumed by the Committee, it is confirmed that the Government has decided to import suitable equipment for the printing of stamps in multi-colour in future.

As regards the Shakuntala stamp, the previous Public Accounts Committee in their 43rd Report in 1965-66 commented adversely that such a large quantity as 30 million had been printed. They also recommended that commemorative stamps should not be printed in excessively large numbers and in such denominations as cannot be used over a reasonable period of time. It was only after the Department took the unusual step of overprinting this stamp that the entire stock could be sold out. However, the question of print-

ing commemorative stamps in larger quantities than at present is already under review.

This has been seen by Accountant-General, Posts and Telegraphs  
(O.M. No. 30|65|67-H, dated 2 August, 1968.)

#### *Recommendations*

The Committee view with great concern the rise in the percentage of expenditure to revenue during the Third Plan period in all the branches of Posts and Telegraphs Department.

[Sl. No. 7, Para No. 1.31 of Thirteenth Report (Fourth Lok Sabha)]

#### *Action taken*

The increase in expenditure was mainly due to grant of successive doses of dearness allowance during the period 1962-63 to 1965-66 and also other concessions to staff e.g. children's education allowance, over time allowance etc.

The need for economy in expenditure is however, always kept in mind. Endeavours are made to economise in expenditure as far as possible consistent with the exigencies of service. The tariffs for the different posts and telecommunications services are also reviewed from time to time and are adjusted having regard to the costs.

This has been seen by Accountant-General, Posts & Telegraphs  
(O.M. No. 1-21|68-B, dated 17-7-68.)

#### *Recommendations*

They are particularly concerned to note that the percentage of expenditure to revenue on the postal services has increased from 95.2 per cent in 1961-62 to 105 per cent in 1965-66. The Committee note that the increase in expenditure is attributable mainly to two reasons; grant of additional allowances such as enhanced dearness allowance, house rent allowance, overtime allowance, education allowance for children of employees etc., and the policy of increasing the number of post offices in the rural areas. While the Committee do not question the desirability of opening more post offices where justified, they feel that the need for economy should not be overlooked. They suggest that the possibility of utilising extra-departmental agents, particularly school teachers, to work such post offices on a part time basis in the initial stages should be fully explored so as to reduce the financial burden. Such post offices may in course of time be converted into full time post offices when the quantum of work fully justifies it.

[Sl. No. 8, Para No. 1.32, Thirteenth Report (Fourth Lok Sabha)]

*Action taken*

The need for economy in all types of expenditure is constantly kept in view. As a policy, as new post offices in rural areas are always opened on part-time basis and manned by extra departmental agents. Such post offices are converted into full time offices manned by departmental staff only when this is justified on the basis of revenue earned by that office and by the work load.

This has been seen by Accountant-General, Post & Telegraphs.

(O.M. No. 1-21|68-BI, dated 17-7-68.)

*Recommendations*

The Committee consider that the post offices particularly those situated in rural areas, should make earnest efforts to develop savings bank facilities so that the rural population becomes saving conscious and contributes its mite towards the development of the country.

(S. No. 9, para 1.33 of the Report, 1967-68—IV Lok Sabha).

*Action taken*

The Department has all along been making earnest efforts for extending Savings Bank facilities to rural areas. This will be evident from the fact that as at the end of financial year 1967-68, out of 83,968 branch post offices which were located mainly in rural areas, 53,686 branch post offices were doing Savings Bank business; of this over 46,000 branch post offices were authorised to transact Savings Bank business during the last 10 years while as many as 11,380 offices came in the field during the last one year.

2. The responsibility for publicity and promotion of Small Savings rests with Ministry of Finance (D.E.A.) through the National Savings Commissioner. The attention of that Ministry has been invited to these comments of the Public Accounts Committee *vide* Department of Communications—(P. & T. Board) U.O. No. 4-1|68-SS dated 8-4-1968 (copy enclosed).

3. This has been seen by Accountant-General, Posts and Telegraphs.

(O.M. No. 4-1|68|SS, dated 25-6-68).

DEPARTMENT OF COMMUNICATIONS  
(POSTS AND TELEGRAPHS DIRECTORATE)

No. 4-1|68|SS Dated, New Delhi, the 8th April, 1968.

The remarks of the Public Accounts Committee at serial No. 9 of Appendix XIV (copy enclosed) in their 13th Report may kindly be seen.

2. As far as the P & T Department is concerned, it is fully alive to the need for providing S.B. facilities in rural areas. In the Year 1957, as recommended by the S.B. Advisory Committee, this matter was thoroughly reviewed by us and orders were issued on 30-4-1957 to the Heads of Circles to vest branch offices liberally with S.B. powers. It was clarified that Extra-Department Post Offices can also be vested with S.B. powers. The number of branch offices which were vested with S.B. powers at the end of 31-3-1958 was 6492. The number of branch offices vested with S.B. powers as at the end of 29.2.1968 is 51411. It may be seen that the P & T is making all-out efforts to vest as many branch offices as possible with S. B. powers. The branch offices are mainly in the rural areas. All the sub-offices in the rural areas are vested with S.B. powers.

3. It is not clear whether the P.A.C. suggest that the post offices should take active interest in developing the Savings Bank business. The branch offices in rural areas are manned by Extra Departmental agents. The Savings Mobilisation Board set up by the Government of India, introduced a scheme of giving prizes to the Branch Postmasters on Divisional, Circle and All-India basis which showed the highest net increase in S.B. deposits during the year 1966-67. The scheme has been extended to the year 1967-68 also, the financial liability of which will be borne by the Ministry of Finance. The attention of the Ministry of Finance is drawn to the remarks of P.A.C. for any further action they may like to take through the N.S.C.

Sd.- A. M. NARULA,  
Director (SB).

To

The Ministry of Finance (DEA).

Public Accounts Committee (1967-68)—Thirteenth Report Para No. 1.33 (Sl. No. 9 of Appendix IV).

The Committee consider that the post offices, particularly those situated in rural areas, should make earnest efforts to develop savings bank facilities so that the rural population becomes saving conscious and contributes its mite towards the development of the country.

#### *Recommendations*

**"The Committee need hardly emphasise that keeping in view the high cost of the staff, every effort should be made to increase productivity and effect saving in man power"**

(S. No. 10, para 1.34 of 13th Report—IV Lok Sabha).

### *Action Taken*

The services in Post Offices are labour intensive and the number of staff is sanctioned keeping in view essential requirements for rendering an efficient and effective service to the public. Standards for out turn of work are laid down in respect of various operations for entertainment of staff in operative and administrative offices and review of the establishment is carried out periodically to ensure that the staff employed in an office is according to the standard and is neither inadequate nor excessive. The work study organisation in the Directorate is looking into the simplification of procedures for avoidance of wastage and laying down standards for various categories of posts with a view to increasing productivity and saving in man power. Small gadgets and machine like Franking machines, Postal Stationery Vending Machines, Multivalue Franking Machines for registered articles etc. and Bundle Tying Machines which are not merely useful aids but which also increase productivity, have been pressed into service in certain important post offices. Lack of funds is a deterrent in introducing these machines on a large scale to ensure further increase in productivity and saving of delays and manpower. However, runners lines are being motorised, wherever possible, to save manpower as well as speed up the transmission of mails. The recruits in the various cadres are also given basic training in their professional work, so that they can handle the work efficiently and economically.

This has been seen by A.G.P. & T.

(O.M. No. 19-2/68-PRP, dated 31-7-1968).

### *Recommendations*

The Committee feel that with a little more care in assessing the items and progress of expenditure it should have been possible for the Posts and Telegraphs Department to avoid a major portion of the excess over the grant. The excess of Rs. 41.17 lakhs under the head 'allowances honoraria' Rs. 15.75 lakhs under printing and stationery, Rs. 20.54 lakhs maintenance of assets and Rs. 19.45 lakhs under petty and other works could have been avoided if the Department had kept a proper watch over the trends of expenditure and also taken action in time to get a supplementary grant. The Committee hope that the Posts and Telegraph Board will take adequate measures to ensure that in future timely action is initiated to avoid excess over grants sanctioned by Parliament. Subject to this observation, the Committee recommend that excess over the grant may be regularised under article 115 of the Constitution.

[Sl. No. 17 para 2.3 of 13th Report (Fourth Lok Sabha)]

*Action Taken*

The observations of the Committee in regard to the excess during 1965-66, over the sanctioned grant for 'P&T Working Expenses' have been noted.

As regards taking adequate measures to ensure that in future timely action is initiated to avoid excess over grants sanctioned by Parliament, suitable instructions have been issued to all Heads of Circles etc. *vide* the P&T Directorate letter No. 1-40/67-B dated 1-5-1968 (copy enclosed) emphasising that the observations of the Committee should be kept in view and that in future excess over the grant be avoided.

This has been seen by Accountant-General, Posts and Telegraphs.

(O.M. No. 1-40/67-B dated the 16-7-1968).

INDIAN POSTS AND TELEGRAPHS DEPARTMENT

OFFICE OF THE DIRECTOR GENERAL OF POSTS AND  
TELEGRAPHS

(Sardar Square, Parliament Street, New Delhi)

No. 1-40|67-B.

Dated, the 1-5-1968.

To

Heads of Postal Circles,  
Heads of Telephone District,  
Heads of Administrative Offices.

SUBJECT:—*Control of expenditure.*

A reference is invited to DO NO. 4-44|66-B dated the 6th February, 1967 from Shri Dayal, Senior Member (Posts) regarding excess under working expenses during the year 1965-66. The Public Accounts Committee have remarked adversely against the excess expenditure over the sanctioned grant and have observed that proper watch should be kept over the trend of expenditure and timely action taken to avoid excess over the sanctioned grant in future. It is therefore, emphasised that the above observations of the Public Accounts Committee should be kept in view. It is also emphasised that consistent with the exigencies of service, no expenditure should be sanctioned unless funds are available for the purpose or the expenditure can be met by reappropriation of funds from the anticipated savings under other heads.

P. B. DAS,  
Director (Budget).

Recommendations

The Committee have commented adversely on the accumulation of arrears on telephone revenues in their 43rd Report (Paras 3.4, 3.6, 3.7) and 66th Report (Paras 3.10 to 3.12) (Third Lok Sabha) and also in their 6th Report on Action Taken (Fourth Lok Sabha) (Paras 2.7, 2.8). They note that the arrears for the bills issued upto March, 1966 have come down to Rs. 283 lakhs from Rs. 611 lakhs and that out of Rs. 283 lakhs, an amount of Rs. 137.48 lakhs was due for recovery from the various Government Departments and Rs. 144.93 lakhs from the public. The Committee are not satisfied with the efforts so far

made by the P. & T. Department about the realisation of telephone revenues. The Committee feel that a commercial enterprise like the Telephone Department should be more prompt in realising their revenues. For that purpose they should ensure not only that the bills are prepared promptly and correctly but also sent to the subscribers in time. The Committee also hope that while realising the old arrears, the Department will not allow its current dues to accumulate.

(Serial No. 18 of App. XIV and para 3.11 of 13th Report of Public Accounts Committee—Forth Lok Sabha).

### Action Taken

Efforts have continually been made to reduce arrears, all this time. This is now evident from the fact that compared to the position of arrears that existed on 1st July, 1966, on 1st July, 1967, the arrears registered a decrease of 8.2 per cent.

The arrears are coming down progressively, as under:—

Year	Amount billed for.	Amount collected.	Percentage increased in revenue.	Arrears on 1st July following (including arrears in respect of bills issued in the preceding years).	Percentage increase/decrease in arrears.	Percentage of arrears to the amount collected during the year.
1	2	3	4	5	6	7
(Figures in crores of Rs.)						
1963-64	42.20	37.10	11.4	4.52	40.1	12.2
1964-65	48.37	42.94	15.7	6.04	33.6	14.0
1965-66	55.97	53.65	25.0	6.11	1.2	11.4
1966-67	71.26	68.30	27.3	5.61	[—]8.2	8.2

2. The above figures show that the percentage of arrears to the amount collected has come down considerably.

3. Of the arrears of Rs. 5.6 crores on 1st July, 1967, Rs. 3.25 crores related to Government subscribers and the rest Rs. 2.36 crores to Private Subscribers. The corresponding figures of previous year on 1st July, 1966 were Rs. 3.64 crores and Rs. 2.47 crores respectively.



In respect of old arrears also substantial reduction has been effected, in that the arrears in respect of bills issued upto the end of 64.65 which stood at Rs. 3.00 crores on 1st July, 1966 have come down to Rs. 2.06 crores on 1st July, 1967 thus recording a decrease of over a crore of rupees. In the matter of recovery of subsequent dues, the arrears in respect of bills issued from 1st April, 1965 to 31st March, 1966 which stood at Rs. 3.02 crores on 1st July, 1966 were only Rs. 0.78 crores on 1st July, 1967, a reduction of Rs. 2.24 crores in the course of a year.

The position regarding correct preparation and prompt issue of bills has been explained in the reply to Serial No. 19, para 3.12 of the 13th Report.

This has been seen by the A.G. P. & T.

O.M. No. 23-3/68-TR(i) dated 3-8-68.

#### Recommendations

From the evidence tendered before them, the Committee find that one of the main reasons for the accumulation of the arrears was the inadequacy of the accounting system to meet the present day needs of the telephone department. The Committee note that the accounting system was now being reorganised to meet present day requirements. They hoped that the Department of Communications will take adequate measures including decentralisation to bring up-to-date the accounting system for the telephone revenues so that telephone bills are prepared promptly and their realisation becomes more up-to-date.

(Sl. No. 19, para 3.12 of 13th Report of Public Accounts Committee—  
Fourth Lok Sabha).

#### Action Taken

With a view to ensuring that telephone bills are prepared expeditiously, streamlined procedures of billing and accounting aimed at bringing forth better results are already being tried at several places including Delhi.

In Delhi, a significant improvement has already been noticed inasmuch as bills are now being received by subscribers on or before specified dates already made known to them. In another big system, namely, Calcutta a mechanised system of billing and accounting has been introduced where issue of bills is current and collection of dues is also prompt.

Out of the amount billed for during January 1968, the amount which was still to be recovered as at the end of March 1968 was only 1.9 per cent in Calcutta and 11 per cent in Delhi indicating the pace of recovery being hastened by the systems being tried there.

Regarding decentralisation the position has been indicated in the 'action taken' memo. on recommendation No. 22, para 3.20—13th report.

The comparative merits of these revised manual and mechanised procedures are being watched.

This has been seen by A.G. P. & T.

O.M. No. 23-3/68-TR(ii) dated 3-8-68.

### Recommendations

As regards the recovery of outstanding telephone revenues from Government Departments, the Committee hope that the Ministry of Finance will be able to streamline the procedure of payment of telephone dues to the P. & T. Department so that past arrears are cleared and no arrears in this respect accumulate in future.

(Sl. No. 20, para 3.13 of 13th Report IV Lok Sabha).

### Action Taken

With a view to getting Telephone bills settled promptly by Government subscribers, certain measures have been taken as outlined below:—

- (a) Efforts are being made to improve the Telephone Revenue billing and Accounting procedures, two systems being under trial one known as the "Pilot Scheme" at Delhi and certain other Units, and the other at Calcutta under which billing and accounting are done on computer through I.B.M. Service Bureau. An objective assessment of each system will be made to determine its relative acceptability in terms of improvement in operational efficiency, costs, etc.
- (b) Orders were issued as early as April, 1965 with the concurrence of Ministry of Finance and C. & A.G. that Government Departments should settle their bills provisionally on receipt, subject to discrepancies, if any, being settled later. This was reiterated by the Deputy Prime Minister in a D.O. letter issued to various Ministers in August, 1967.

- (c) The system of payment of telephone bills through book adjustment by Government subscribers which resulted in loss of accepted bills and prolonged correspondence has been dispensed with. Now all Government subscribers are required to settle telephone bills in cash/by cheque irrespective of the amount of the bill.
- (d) A system of rebate of Rs. 4 for bills for Rental and Local call charges for prompt payment has been introduced in Delhi Telephone District as an experimental measure. This it is considered will induce Government subscribers to pay bills promptly to avoid Audit objections arising from loss of rebate through dilatoriness in processing bills.
- (e) In the case of reorganisation of Ministries/Department involving transfer of telephones orders making the original Ministry/Department liable to pay the charges for telephone bills till such time as the changes are communicated to the billing authorities have been issued *vide* Finance Ministry O.M. No. 13(4)-PTI/67 dated the 19th July, 1968 (copy enclosed).

This has been vetted by the Accountant-General, Posts & Telegraphs.

[O.M. No. 23/3/68-TR(iii) dated 3-8-68].

No. 13(4)-PTI/67  
GOVERNMENT OF INDIA

Ministry of Finance  
(Department of Expenditure)

New Delhi the 19th July, 1968.

OFFICE MEMORANDUM

SUBJECT:—Settlement of outstanding telephone bills.

The problem of large arrears of telephone revenue due from Central Government Departments and Ministries in Delhi has been under consideration for some time. It appears that in many cases, such arrears accumulate following the reorganisation and renaming of Ministries/Departments from time to time. When parts of one Ministry are transferred to another or a Ministry is renamed, the telephone bills continue to be addressed to the administrative officer responsible for making such payments in the old Ministry. This happens largely because the changes required in billing for the several telephones, as a result of reorganisation, are not intimated to the billing authorities well in time to enable them to issue the bills to the correct addressees from the date of the changeover. In most such cases, such bills addressed to the Ministry, whose constitution and/or name have undergone a change, remain under dispute and correspondence for quite some time. It is not easy to settle the liability because of further complications introduced by the change of designations and names of officers actually using the telephones.

2. Obviously, it is not fair to a commercial department like the P. & T. to be deprived of sizable revenue over long periods on this account. To simplify matters, it has been decided, with the approval of the Deputy Prime Minister, that in future even after reorganisation, telephone bills should continue to be settled by the Controlling Officers as before till such time as the position stabilises and proper instructions are sent to the billing authorities by the old Ministry, duly countersigned by the new Ministry, where necessary, indicating the names and designations of the new controlling officers for each telephone and the prospective date from which the change should be given effect to. All bills relating to the period prior to such date should be paid without any delay by the Controlling Off-

cers of the old Ministry. Intimation of such payments should be sent simultaneously by the paying Ministry/Office to the new Ministry/Office to avoid the possibility of double payments.

3. All Ministries/Departments are requested to note this procedure for compliance. They are also requested to see that such situations are kept to the minimum by taking timely action to intimate the changes in names, designation etc. to the Telephone authorities.

Sd/- S. D. NARGOLWALA,  
Addl. Secretary to the Govt. of India.

To

All Ministries of the Government of India, etc.

#### Recommendations

The Committee understand that the question of rebate on the prompt payment of telephone bills is under the consideration of the P. & T. Board. A rebate on prompt payments will provide an incentive to subscribers to pay telephone bills in time. The Committee would like to be informed of the decision taken by the Department in this regard.

(Sl. No. 24, para 3.22 of 13th Report of Public Accounts Committee—Fourth Lok Sabha). :

#### Action taken

A system of rebate has been introduced, as an experimental measure, for one year in Delhi from April this year, as an inducement for prompt payment. During the 3 months ending June 1968, on an average, 46 per cent of subscribers have been making payments within ten days as against 25 per cent prior to the introduction of the system. The question of continuance and extension of the system elsewhere will be considered after the system has been tried for the experimental period.

This has been seen by the Accountant-General, Posts and Telegraphs.

[O.M. No. 23/3/68-TR(vi) dated 3-8-68.]

#### Recommendations

The Committee regret to note that prompt action was not taken regarding disconnecting of telephones for non-payment of bills in

respect of 48 cases in Bombay Telephone District and 55 cases in Delhi Telephone District. The Committee also feel that the P. & T. Department should make effective use of the power available to them for disconnecting the telephone if telephone bills are not paid within the prescribed period of one month. The Committee hope that the P. & T. Department will pursue realisation of their bills promptly and that cases of such a type will not recur.

(Sl. No. 25, para 3.25 of 13th Report of Public Accounts Committee—  
Fourth Lok Sabha).

#### *Action taken*

With a view to checking accumulation of arrears, disconnection of telephones for non-payment of dues has, repeatedly, been stressed upon. The work of decentralisation and reorganisation of Telephone Revenue offices and modification of procedure is in progress and when these stabilise the position is expected to improve.

It may be mentioned that during March, 1968, about 2,575 telephones were disconnected in Delhi alone for default in payment. The number of telephones disconnected for non-payment in the whole of India during the six months ending on 31st October, 1967, was 43,000. The position is constantly under review. This has been seen by Accountant General, Posts and Telegraphs.

[O.M. No. 23-3/68-TR(vii) dated 3-8-68].

#### **Recommendations**

The Committee hope that, with the decentralisation of the Accounts Offices and the delegation of responsibility to the Divisional Engineer for the issue of Advice Notes and for the collection of rentals, an appreciable improvement in this behalf will be effected.

(Sl. No. 27, para 3.33 of 13th Report of Public Accounts Committee—  
Fourth Lok Sabha).

#### *Action Taken*

The contents are noted. The telephone revenue work has been completely decentralised in respect of 39 Engineering Divisions. In case of 41 others, it is in the process of decentralisation. The decentralisation is thus in progress. The 'Action Taken' Note on Serial No. 22, Para 3.20 provides, in this connection, the necessary details.

This has been seen by A.G. P. & T.

[O.M. No. 23-3/68-TR(viii) dated 3-8-68].

### Recommendations

The Committee cannot but conclude that in this case the extra expenditure incurred was due to lack of co-ordination between the P. & T. Department and the Railways. Further, if traffic conditions on that route and other conditions prevalent there had been taken into consideration before hand, this expenditure of Rs. 20,360 on the redigging of trenches could have been avoided. The Committee hopes that the Department will take suitable steps to avoid a recurrence of such cases.

(Sl. No. 28. Para 4.5 of the 13th Report).

### Action Taken

To avoid recurrence of such cases, a circular D.O. letter to all Heads of Circles in the Posts & Telegraphs Department has been issued, a copy of which is enclosed.

[O.M. No. 111-3(1)'67-TPL Dated 22-6-1968]

B. S. Rau,  
Dy. D.G. (L):

Office of the Director General,  
Posts & Telegraphs,  
New Delhi-1.

D.O. No. 111-3(1)/67-TPL.

March 6, 1968.

Dear Shri \_\_\_\_\_,

In one of the projects of the Posts & Telegraphs Department, underground trenches for laying cables were dug before the actual distribution of the cable drums along the route. Thereafter, the distribution of cable drums took a considerable time. As the cable was being laid along railway tracks and access by road was not available, distribution facilities had to be obtained from the Railways. The Railways made a material train available for the use of the P. & T., but the distribution of the cable drums was slower than what was anticipated due to heavy train traffic. Meanwhile the trenches got partly filled up during the monsoon and the department had to pay the cost of digging them again.

2. In another section of the same project the Railways stopped the Department from laying the cable after the trenches had been dug as the Railway Officers in the field felt that the ground where the cable trenches were made would be required by them later for laying another track. The case was referred to the Railway Board. The decision was received after about five months. In the mean time these trenches were also partly filled up due to monsoon. On account of this the department had to incur an extra expenditure for clearing these trenches at the time of actual laying of the cables. This case figured in the Audit Report of the P. & T., 1967. The Public Accounts Committee after hearing the witnesses of the department arrived at the following conclusion:

"The Committee cannot but conclude that in this case the extra expenditure incurred was due to lack of co-ordination between the P. & T. Department and the Railways. Further, if traffic conditions on that route and conditions prevalent there had been taken into consideration beforehand, this expenditure of Rs. 20,360 on the re-digging of trenches could have been avoided. The committee hope that the department will take suitable steps to avoid a recurrence of such cases".



3. I would request you kindly to see that in your Circle recurrence of such cases is avoided and a proper co-ordination with the Railways or any other department as may be necessary, is maintained at proper levels in case of such projects so that avoidable expenditure is not incurred.

Shri \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Yours Sincerely,

*Recommendations*

The Committee cannot but conclude that in this case the extra expenditure incurred was due to lack of co-ordination between the P. & T. Department and the Railways. Further, if traffic conditions on that route and other conditions prevalent there had been taken into consideration before hand, this expenditure of Rs. 20,360 on the redigging of trenches could have been avoided. The Committee hope that the Department will take suitable steps to avoid a recurrence of such cases.

(Sl. No. 28, Appendix XIV, Para 4.5 of 13th Report).

*Action Taken*

The observations of the Committee are noted in so far as the Ministry of Railways are concerned. It is further submitted that the facts brought out by the Posts & Telegraphs Department in para 2 of their D.O. No. 111-3(1)/67-TPL dated 6th March, 1968 (a copy of which is being submitted by the P. & T. Department along with their reply to the recommendation) are being examined in this Ministry with a view to taking such action as may be considered necessary.

2. This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 68-B(C)-PAC. IV/13 dated 31-7-1968].

*Recommendations*

The Committee find from a comparison of the figures of defalcation or loss of public money during 1965-66 with those in 1963-64\* that there has been hardly any improvement. A ~~disquieting~~ aspect of the situation is that the employees of the Department are accountable for 64 per cent of the losses suffered. They find, how-

\* In 1963-64, 1379 cases of loss of public money entailing a total loss of Rs. 11 85 lakhs had come to light. The employees of the department were responsible for about 66% of the amount of loss reported during the year vide para 7.22 of the 43rd Report of the Public Accounts Committee (Third Lok Sabha).

ever, that pursuant to their recommendations contained in para 7.28 of their 43rd Report (Third Lok Sabha) the Department have issued instructions for tightening up supervision over the working of various branches of the post offices with a view to the prevention of such cases.

(Sl. No. 37 Para No. 7.12 of the 13th Report).

The Committee hope that the Department will exercise adequate vigilance to ensure that the instructions issued and the changes introduced in the procedure yield the desired result and have a salutary effect in minimising the number of such cases in future. They would like to watch the achievements of the Department in this matter through future Audit Reports.

(Sl. No. 38 para No. 7.13 of the 13th Report)

*Action taken*

Pursuant to the recommendations of the Public Accounts Committee, the Department has been exercising adequate vigilance on the occurrence of losses and frauds. Instructions have been issued from time to time and remedial measures are being taken as and when called for. A quarterly review of fraud and loss cases along with details of cases involving large amounts is being regularly conducted by the P.&T. Board. Appropriate action is taken to plug any possible loopholes for the commission of frauds. As decided by the P&T Board a working group on S.B. fraud cases was formed to go into the cases of S.B. frauds in single-handed offices and suggest remedial measures. The working group have carried out a detailed study and have furnished their recommendations which have mostly been accepted by the P&T Board. Necessary action is being taken on these recommendations.

2. The loss and fraud cases which have occurred during the year 1967-68 have been thoroughly examined and the following instructions have been issued to guard against their recurrence:

(i) With a view to tightening supervision over the branch post offices, authorised to do savings bank work, overseers have been ordered to collect pass books from the depositors and examine them to see that entries therein relating to the last transactions tally with the entries in the B.O. S.B. Journal. The particulars of last transactions in respect of such accounts should be forwarded to the account office for verification and onward transmission to the I.P.Os. As a result of this check the number of fresh cases has come down to a great extent.

(ii) In order to detect counterfeit B.P.Os. presented for encashment at the post offices, it has been notified that forgeries can be

recognised by the distinguishing features detailed in the advance copy of the D.G's Post Office Circular issued vide endst. No. 45|5|66-CF dated the 6th July, 1967. (Annexure-A).

No fresh cases of frauds on account of counterfeit B.P.Os. have been reported after the circulation of these instructions.

(iii) In respect of money order frauds, instructions have been issued vide letter No. 15-10|65-INV dated 15-7-67 (Annexure-B), that while making selection of money orders for verification of payment, the money orders of high value should not be omitted and efforts should be made to verify the payments of as many money orders as possible. Clear procedure has also been laid down for verification of monetary transactions done by a suspected official. This would help in unearthing the fraud at an earlier date.

Though the exact figures in respect of the money order frauds which have taken place after the circulation of these instructions are not available, yet the revised instructions will be helpful in detecting the frauds much earlier.

(iv) In order to guard against thefts of cash kept in the police stations, it has been ordered that the iron chests at police stations may be gradually replaced by iron safes.

No case of theft of cash from iron safes wherever provided has been reported so far.

(v) With a view to safeguarding payment of G.P.F. on production of a letter of authority which may subsequently be found to be bogus, instructions have been issued vide endst. No. 10-15|67-INV(III) dated 25-3-68 (Annexure-C) and letter No. 6-28|BG|67-INV dated 29-5-68 (Annexure-D) that when the Audit authority for payment of G.P.F. is not received in the usual manner in disbursing office, the same should be carefully checked before the payment is effected and instructions contained in Rule 19 of P&T Financial Hand Book Vol. I regarding verification of signature of the audit officers should be scrupulously followed before effecting payment.

No such case has come to light after the issue of these instructions.

(vi) With a view to checking the rise in cases of thefts, losses and tampering of bags, detailed instructions have been issued (vide letter No. 12-2|PB|67-INV dated 31-5-68 (Annexure-E) to Heads of circles for reviewing the situation in each Circle and adopting

remedial and preventive measures to plug the loopholes in the working of the offices under their jurisdiction so that the mischief-mongers may not get an opportunity for committing such offences.

These instructions have been issued only recently and it is hoped that they would have the desired effect in due course.

This has been seen by Accountant General, Posts and Telegraphs.

(O.M. No. 14-1/68-INV, Dated the 30-7-68.)

## ANNEXURE 'A'

Copy of D.G's P.O. Circular issued vide 45-5/66-CF dated 6-7-67 to all heads of Circles, All Directors of Audit & Accounts, P&T & A.G. P&T, Simla etc. etc.

(Money Order Department)

Sub:—British Postal Orders—guard against payment of foreign postal orders.

Counterfeit British Postal Orders have been in circulation in large numbers and cases of payment of BPOs have been detected in post offices located in Punjab, J&K, and U.P. Circles quite recently. The frauds have been facilitated due to the negligence of the postal officials who failed to follow the relevant rules on the subject and have not cared to take precautions and exercise checks as prescribed from time to time. Detailed instructions were issued in the D.G's. Circulars No. 38 dated 28-12-1965 and 17 dated 20-7-1966. In spite of the detailed instructions, the frauds have been taking place. It is, therefore, impressed upon all concerned that unless they take special care at the time of examining the British Postal Orders tendered for payment, such frauds cannot be stopped. On the basis of recent cases, it is hereby notified that the forgeries can be recognised on the basis of the following factors:

- (i) Counterfeit B.P.Os. are wider than the genuine ones by about 4 M.M.
- (ii) The paper is whiter than that used on genuine ones.
- (iii) Counterfeit B.P.Os. are printed in green colour but the same is conspicuously darker than the colour of genuine B.P.Os.
- (iv) The queen head is not clearly defined.
- (v) There is no water mark.
- (vi) Impressions of the date stamp of the Office of issue have not been obtained by affixing the said stamp but the stamp impressions have been obtained by printing on the counterfeit B.P.Os.
- (vii) Serial Nos. printed on the Counterfeit B.P.Os. are in continuous digits viz. there is no gap between three digits and the figures are smaller in size.

- (viii) Printing of "£ 5" and three thick lines near the space for signatures are in very dark colour instead of light black printed on genuine B.P.Os.
- (ix) Punches in the Counterfeit B.P.Os are smaller than those on genuine ones and they are irregularly placed.
- (x) Signatures of the Postmaster of the office of issue have been usually omitted.
- (xi) Counterfeit B.P.Os have the following series; FF/51, FF/69 and FF/48.
- (xii) Counterfeit B.P.Os usually bear names of the following places as the office of issue:
  - (a) Heathrow Air Port London.
  - (b) Liverpool Stn. Station EC-2.

All concerned may please note that any of the forged orders clearly recognised if presented for payment at any post office in India, the Order should be taken possession of and immediate report may be made to the police.

## ANNEXURE 'B'

Copy of letter No. 15-10/65-INV dated 15th July, 1967 from D.G. P. & T., New Delhi to the All Heads of Circles (Postal).

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Sub:—Frauds at the time of payment of money orders.

Rules 293 and 355(2) of P. & T. Volume VIII prescribe that the Inspector of Post Offices and mail overseers should verify the payment of certain percentage, as fixed by the Heads of Circle, of money orders paid by postman and village postman and branch postmasters etc. in his jurisdiction as and when they pay visits to the offices.

2. It has been observed that these officers are in the habit of selecting money orders for verification according to the facility of verification and the money orders paid in the interior or money orders of high value are generally omitted. Therefore the main object of this check is defeated. This check is prescribed to unearth the fraudulent activities of the dishonest employees if any at early stages.

3. It is therefore desired that necessary instructions may kindly be issued to all concerned that while making selection of money orders for verification of payment, the money orders of high value should not be omitted and efforts should be made to verify the payment of money orders as many as possible.

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## ANNEXURE 'C'

Copy of D.G.'s General circular vide endorsement No. 10-15/67-INV (III) dated 25th March, 1968 to all Heads of Circles and A.G. P. & T., Simla for information and necessary action.

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Of late, a case has been brought to notice of the Directorate in which the imposter obtained final payment of the GPF from a Sub Office on the authority of a bogus payment order purported to have been issued from the Audit Office. The said bogus authority was received in the Head Office concerned with a covering letter said to have been written by an Assistant Engineer stating that the same was received missent in his office. The Postmaster concerned prepared the bill and forwarded the same to the concerned Sub Office for payment. The imposter called on the Post Office for payment and introduced himself as an Ex-Official of the department and obtained payment on the identification of one of the clerks of the same post office with whom he formed a friendship during his short stay of a month or so.

2. A similar case had also occurred in which the final payment of a large sum on account of GPF was obtained by a lady imposter at a Sub Office in another Circle on the authority of a similar bogus payment order purported to have been issued by the Audit Office. In this case also the bogus authority was received in the concerned Head Office under an endorsement purported to be from a Sub Divisional Officer and accordingly the bill was prepared and forwarded to the Sub Office concerned for payment. The lady imposter in this case posed as the daughter of the subscriber and got payment from the Sub Postmaster on the identification of the care party whose address was given in the bogus authority. The identifier is unable to furnish whereabouts of the payee (imposter) or her husband as he had no knowledge about them except that he happened to know them as patients under treatment in the Hospital for a short period of 2/3 months.

3. Both these cases have been reported to the local police and their investigations are in progress. The culprits have not so far been apprehended and are still at large.

4. In view of the fact that the signatures of the Accounts Officers appearing on the bogus authorities did not tally with the specimen



signatures on record in both the Head Offices it is clear that these head offices failed to observe instructions contained in Rule 19 of the P. & T. Financial Hand Book Volume I. Similarly the Sub Offices concerned failed to take proper precautions for the identification of payees as per Note below Rule 545 *ibid.* It is, therefore, necessary that these cases may be brought to the notice of all disbursing offices to guard against fraudulent final payment of GPF. Any attempt to obtain final payment of the GPF amount on a bogus authority (payment order) should be reported to the police immediately so that the culprits may be apprehended.

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**ANNEXURE 'D'**

**Copy of letter No. 6-28/BG/67-Inv. dated 29-5-1968 from D.G. P. & T.  
New Delhi to All Heads of Circles.**

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**Subject:—Safeguards regarding payment of G.P.F. on bogus payment  
authority.**

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In continuation of this office No. 10-15/67-Inv.III dated 25-3-1968 forwarding advance copy of D.G's General Circular, it is stressed that when the audit authority for the payment of G.P.F. is not received in the usual manner in a disbursing office, the same should be carefully checked before the payment is effected. It is further desired that instructions contained in Rule 19 of P. & T. Financial Hand Book Volume-I regarding verification of the signatures of the Audit Officers should be scrupulously followed before effecting payment. All the disbursing officers may please be suitably instructed.

## ANNEXURE 'E'

Copy of letter No. 12-2/PB/67-INV dated 31-5-1968 from D.G. P. & T. New Delhi to All Heads of Circles including DPS, New Delhi and DPT, Srinagar.

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Subject:—Prompt and successful investigation in the cases of loss of bags containing cash and insured articles etc., and taking preventive measures.

Of late cases of thefts, loss, or tampering of insured, registered and cash bags are on the increase in some of the circles. Neither prompt nor successful investigations are being made to bring the culprits to book.

2. Reasons for the present deteriorating situation in certain circles can be summed up as follows:—

- (1) Negligent and careless working of the operative staff and their disregard of responsibility as laid down in different chapters of the P. & T. Manuals.
- (2) Ineffective supervision by the Supervisory staff at important points viz. closing despatch, receipt and opening of bags and custody of mails during working hours and over-night.
- (3) Failure of the Investigating officers in locating the venue of the loss and tracing the culprits due to lack of care and energy in taking up investigation with promptitude in the right direction.
- (4) Tendency on the part of the investigating officers to defend their own offices and subordinates.

3. With a view to check the rise in such cases of theft, loss and tampering of bags, it is requested that over all situation in your circles may be reviewed and remedial and preventive measures adopted so that there may not be any loopholes in the working of the offices under your jurisdiction and that the mischief-mongers may not get an opportunity of committing such offences. For this purpose the

following points may be kept in mind and suitable instructions issued for the guidance of both the operative and supervisory staff.

- (1) Assigning duties of the mail department connected with receipt and despatch of mails as also opening and closing of mail bags to the Senior time scale sorter or sorters as required by Rule 1 of the P. & T. Manual Volume VII.
- (2) Not allowing free access to the strangers and relatives of Post Office and RMS officials as enjoined in Rule 20 of the P. & T. Manual Volume VI read with Rule 653 of the P. & T. Manual Volume VII.
- (3) Custody of stamps, seals, types and keys as per Rule 21 of the P. & T. Manual Volume VI and Rule 71 of the P. & T. Manual Volume VII.
- (4) Fastening the bags securely and obtaining clear and distinct impressions of the seals.
- (5) Examination of Seals, cords, labels and condition of bags at the time of receiving mails.
- (6) Exchange of mails strictly according to Rule 41 of the P. & T. Manual Volume VII.
- (7) Preparation of labels, lists etc. personally by the officials concerned neatly and legibly in their own handwriting.
- (8) Custody of mails during working hours and those kept over-night as per rules 65(4) and 66 of the P. & T. Manual Volume VI and Rule 43 of the P. & T. Manual Volume VII.
- (9) Opening of mail bags as per Rule 104 of the P. & T. Manual Volume VI and Rule 55 of the P. & T. Manual Volume VII.

4. The Supervisory staff may also be instructed to move round and watch things personally instead of remaining fixed to their seats, merely checking the documents and work papers put up to them. With a view to enable the Supervisory staff to perform their legitimate duties of getting the work done strictly according to rules and keeping vigilant watch over the staff working under them, they may not be burdened with unnecessary clerical work. As a matter of fact, lethargy and lack of vigilance on the part of the Supervisory staff and also under their habits of leaving their branches or offices for short intervals on one pretext or the other during duty hours result in affording an opportunity to the culprits. Strict supervision, constant attendance in the office or branch by the Supervisory staff and

frequent surprise visits by the Inspecting Officers may prove effective instead of carrying out supervision, prescribed checks and inspections as a routine in a purfunctory and haphazard way.

5. According to instructions contained in Chapter 2 of the P & T Manual Volume VIII the Divisional Supdts. of Postal and RMS Divisions are expected to exercise control over their subordinates, but frequent occurrence of such cases of theft and loss in certain division clearly indicate that the Divisional Supdts. concerned are lacking in this respect. As per rule 114 of the P&T Manual Volume VIII, the Divisional Superintendents, are responsible for the working in all its details of the Divisions and their efficiency will be assessed firstly by the absence of complaints and secondly by the absence of losses etc. Attention of these officers may kindly be drawn to these instructions with a clear understanding that any laxity on their part on this account will be severely viewed and their ability assessed at the end of each year taking into consideration the number of complaints received as also the number of loss and fraud cases in their Divisions.

They should be instructed to examine the question of securing mails during working hours and also overnight so that bags may not be accessible to any person other than the sorters and clerks who are the custodians of the same. For this purpose strong wooden or steel boxes may be provided with locking arrangements. If the bulk of mails to be secured is abnormally heavy, provision of cages may be arranged, wherever necessary.

6. So far as investigation is concerned, attention of Divisional Supdts. may also be drawn to Rules 167 (3), 191, 204 and 207 of the Posts and Telegraphs Manual Volume V and they may be instructed to act with promptitude in seizing every opportunity which may afford a clue to the discovery of the missing article or the detection of the criminal. They should exercise judgment in determining the carrier direction for following up investigations which is necessary for success. With a view to avoid delay, it is desirable that in cases involving more than one Division an Officer should immediately be deputed from the Circle Office to investigate such cases in addition to the Divisional Officers who should investigate the matter at their own respective ends.

The object of issuing these instructions is that the Heads of Circles may tighten up the supervision over the Divisional Supdts. and their subordinate officers and see that one and all are meticulously obser-

ving the rules and instructions. The D. P. S. and V.O. should keep close watch on the expeditious finalisation of investigations in loss and fraud cases and notice the delay suitably at each stage.

The receipt of this letter may kindly be acknowledged.

#### *Recommendations*

**The Committee are concerned at the congested conditions in Railway Mail Service Sorting Offices which perform vital service. The Committee consider that Government should draw up a phased programme for ensuring that adequate accommodation and facilities are provided in Railway Mail Service Sorting Offices.**

(Sl. No. 43, para 8.9 of 13th P.A.C. Report)

#### *Action Taken*

Many of the R.M.S. Sorting offices for which the Posts and Telegraphs Department pays rent have, by the very nature of their work to be located in Railway Buildings within the premises of Railway Stations with a view to making available the maximum possible time for sorting. If they are located outside the Railway Station premises, considerable time will be lost in transporting the mails to and from the Sorting office. Some of these buildings which were constructed years back have no doubt become congested due to heavy increase in postal traffic and require augmentation of accommodation.

2. As these buildings are Railway property any addition or alteration has to be done by the Railways. The Railways have not been able to provide all the additional accommodation sought by the Department and have pleaded paucity of funds as the reason for their inability to comply with the demands of the P&T Department. Therefore they have been suggesting that they could undertake the works only as 'deposit work' i.e. they would have the construction carried out provided we deposited the capital cost involved.

3. This question was taken up with the Railway Board and they have agreed not to insist on the P&T Department providing the capital. Accordingly a phased programme of accommodation work, covering both provision of additional accommodation in existing buildings as well as construction of new buildings is being drawn up railway-zone wise. It will be furnished to the Railway Board for necessary action during the next five year period. The allocation of priority to these works will be fixed by the P&T Board.

4. A similar phased programme is under preparation in respect of the few P&T Departmental buildings housing R.M.S. offices.

5. With these steps it is hoped that the position would greatly improve during the Fourth Five Year Plan.

6. This has been seen by Accountant General, Posts & Telegraphs.  
(O.M. No. 37-1|68-D, dated the 11-7-1968).

### CHAPTER III

#### RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES OF GOVERNMENT

#### DEPARTMENT OF COMMUNICATIONS

##### (Posts and Telegraphs Board)

##### *Recommendations*

The Committee also find that the percentage of expenditure to revenue in the case of the Telegraph Branch has increased from 103.6 in 1961-62 to 136.3 in 1965-66. Even allowing for the adjustment to be made with Railways on account of arrears of rental on line and equipment, this percentage increase in expenditure is disturbing.

[Sl. No. 11 para 1.35 of Thirteenth Report (Fourth Lok Sabha)]

##### *Action Taken*

The increase in the percentage of expenditure to Revenue of Telegraph Branch was due mainly to the grant of successive doses of dearness allowance to Central Government employees and also other concessions to staff such as children's educational allowance, Over time allowances etc. The telegraph tariffs have been revised during the current year (1968-69). It is hoped that the revenue will increase and this will in turn reduce the percentage of expenditure to revenue.

This has been seen by Accountant-General, Posts & Telegraphs.

(O.M. No. 1-21/68-BII, dated 17-7-1968)

##### *Recommendations*

The Committee hope that based on regular time and motion studies by an industrial engineering group engaged for the purpose, it should be possible for the Department to prepare scientific standard schedules of labour and material. Such scientific schedules will help the Department in avoiding wide variations between the estimated and the actual cost. The Posts and Telegraphs Department should



pay special attention to the completion of such studies to evolve standard norms with a view to have an effective control over the cost of production of different items in the Workshops.

The Committee suggest that the basis of cost accounting may also be reviewed in the light of standard norms being evolved. The Committee need hardly suggest that common norms for cost accounting should be adopted in all the P. & T. Workshops to permit a comparative study being made of the cost of manufacture of items which are proposed in more than one Workshop.

(Sl. No. 31 of 13th Report, 1967-68)

*Action taken*

Labour and Material Schedules were originally prepared in the Workshops from 1955 onwards on the basis of rough estimates. In the second phase, these Schedules were revised based on actual performances achievable under the conditions prevailing then in the Workshops. In the third phase, time and motion study has been undertaken for checking up these Schedules on a scientific basis. For this purpose, Industrial Engineering sections were set up in each of the 3 Workshops. For various reasons, adequate staff could not be made available for this work with the result that the industrial engineers had to be burdened with other work also especially in Calcutta and Jabalpur Workshops. In Bombay Workshop, the Industrial Engineer was looking after exclusively the time and motion study work and in pursuance of the Public Accounts Committee's recommendations, these engineers in Jabalpur and Calcutta Workshops also have been relieved of other duties and they are now exclusively engaged in the industrial engineering side of the Workshops.

The time and motion study is a lengthy process and steps would be taken to complete the study as early as possible.

At the time when incentive scheme for intensive productivity was introduced, the Labour Schedules were frozen in consultation with the workers and Unions. The agreement with the Unions was that the norms would not be revised except when it was justified due to change in machinery, methods, techniques, raw-materials etc. and that too after consultation with the Unions. Therefore, in shops and processes where incentive scheme is at present working, any revision of the standard norms requires consultation and specified agreements with the Workers and Unions.

2. Regarding the question of evolving common standard norms for all the 3 workshops, it may be appreciated that the 3 Workshops developed independently and the lay-out, type and condition of machines, processes involved and the local conditions do not permit the attainment of common norms even in the case of same items of production.

However, in respect of items manufactured in more than one Workshop, a system of comparison of cost involving large money values has already been evolved in consultation with the Accountant General, Posts & Telegraphs. Under this system, cost comparison for principal items costing more than Rs. 1 lakh per year, is being made and the variations are reported in the Annual Administration Report made available to the Audit and also discussed at the level of the P.&T. Workshops Board. In this process, various elements constituting the cost e.g. standard norms would come up for review for remedial action, if any.

3. Subject to the submissions made above the recommendations of the Committee have been noted for compliance.

4. Accountant General, Posts & Telegraphs has seen.

(O.M. No. 15-12/68-WK, dated 3-8-1968)

#### *Recommendations*

The Committee are surprised to learn that:—

- (i) the printing and binding cost of each of the Souvenir Albums was Rs. 10.08 but that the Department fixed its sale price at as high as Rs. 25.
- (ii) it took about eleven years for the P&T Department to realise that the sale of this Souvenir was not satisfactory as a result of which its price was reduced to Rs. 5.
- (iii) out of the total cost of Rs. 1.04 lakhs incurred in bringing out the Souvenir Album, the Department has been able to sell copies of the Album worth Rs. 70,000 only.

All these facts lead to the conclusion that the printing of this Album was a most 'ill-conceived business venture', as admitted by the representative of the P&T Board during evidence. Without properly assessing the demand for this Album, the P&T Department set out to produce this Album and this has resulted in the accumulation of unsold stocks.

(Sl. No. 34 Para 7.5 of 13th Report—Fourth Lok Sabha)

**The Committee stress upon the P&T Department the need to be more realistic and conservative in their assessment of the demand of such a publication before placing the print order.**

(Sl. No. 35 Para 7.6 of 13th Report—Fourth Lok Sabha)

*Action Taken*

The recommendations have been noted. The demands for such publications will be assessed more realistically in future.

*Recommendations*

**They also hope that the P&T Department will make every effort to dispose of the unsold stocks.**

(Sl. No. 36 Para 7.7 of 13th Report—Fourth Lok Sabha)

*Action Taken*

Instructions have already been issued to all concerned to make further efforts to dispose of the unsold stocks of the Facsimile Souvenir Albums. 355 more albums have been sold during the period August, 1967 to May, 1968 at the rate of Rs. 15 per copy. Fifty copies were sold at the venue of the UNCTAD Conference held in February-March, 1968 and after some time it will be examined if the price needs to be readjusted to dispose of the remaining stock.

This has been seen by Accountant General, Posts and Telegraphs.

[O.M. No. 30-12|68-H(Pt.), dated 31-7-1968]

*Recommendations*

**“The Committee find from the Ministry’s note that though land measuring about 4½ acres was purchased at Earnakulam in November, 1963, the construction of quarters is proposed to be taken in hand only during the next financial year. The Committee also find that the plans for the construction of quarters had to be revised with reference to the requirements of the staff as well as the special foundations required for construction of multistoreyed buildings. The Committee consider that soon after the land is acquired, Government should initiate, as soon as possible consistent with the requirements and the availability of the fund, preparation of blue-prints for buildings so that construction work can be started without undue delay”.**

[Sl. No. 42, Para 8.6 of Thirteen Report (Fourth Lok Sabha)]

*Action Taken*

1. The work of construction of quarters at Ernakulam could not be taken up earlier due to overall shortage of funds and the need to revise the plans drawn up earlier with a view to make the best use of the available land. It is proposed to take up this work during the current financial year.

2. As regards preparation of blueprints for buildings, the practice is that as soon as site is taken over, it is surveyed and site plans with site particulars is drawn up and supplied to the architects for preparation of drawings to suit the lay out of the site. After the plans have been drawn up and are approved, estimates of expenditure are framed and processed for financial approval. The sanction for work being undertaken is, however, subject to availability of funds which is the crux of the matter. Due to various economy measures applied particularly, towards the end of the Third Plan and in the years following the programme of building construction in general and construction of quarters, in particular, received a serious setback. However, every effort would be made by the Department to commence construction where land is available consistent with relative priorities among requirements and availability of funds.

This has been seen by Accountant General, P&T.

[O.M. No. 66-1 68-PTS(Bldg.), dated 21-6-1968]

## CHAPTER IV

### RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

#### *Recommendations*

As regards outstanding recoveries from the Railways on account of rent of wires and instruments leased to them, the Committee hope that the arrears will now be cleared as an agreement has been reached with the Railways in October, 1967. The Committee need hardly add that well before the expiry date of the agreement, the position should be reviewed so that there is no room for ambiguity or dispute about the rental to be charged for wires and instruments leased to Railways.

(Sl. No. 2 para 1.12 of 13th Rport, 4th Lok Sabha)

#### *Action Taken*

(P&T Board)

Based on the agreement reached in an inter-departmental meeting held on the 30th October, 1967, rates of annual rental and arrears due from the Railways in respect of wires leased to them were communicated to the Railway Board for acceptance before instructions were issued to the Audit Offices to prefer the bills accordingly. The Railway Board have accepted the rates as provisional as the rate of maintenance cost, one of the components of the rental, will be finally accepted by them only on receipt of the findings of the Committee constituted to go into the question of the maintenance cost to be charged from the Railways.

Pending submission of bills by the P&T audit offices and detailed check thereof by the Railways, the Railway Board have decided to make an *ad hoc* payment of Rs. 1.00 crore in the accounts for 1967-68, on account of arrears of rental for wires for the past quin-quennium 1961-62 to 1965-66, as against the P.&T.'s claim for Rs. 1.01 crores.

In regard to the outstanding recoveries on account of rentals for electrification cables used by the Railways, based on the agreement reached in the aforesaid meeting, the P.&T. Department had claimed Rs. 3.31 crores from the Railways. Pending detailed scrutiny of the claim, the Railway Board decided to pay an *ad hoc* amount of

Rs. 1.00 crores to the P.&T. Department in the accounts for 1967-68. The Posts & Telegraphs audit offices have raised debits for Rs. 2 crores against the concerned Railways for adjustment of the credit to P.&T. revenues in the account for 1967-68.

According to convention, the rates of rentals for wires leased to the Railways, are revised, once in five years taking into account the latest costs. The next revision is due for the quin-quennium 1966-67 to 1971-72, which has already been taken up. This time, the delay is mainly due to the fact that a decision about the fixation of rentals for the past quin-quennium, 1961-62, to 1965-66, has been taken only recently.

Since agreement has been reached with the Railways in regard to the broad principles of fixation of rentals, it is hoped that in future there would be no room for ambiguity or dispute about the rental to be charged from the Railways for wires etc. leased to them and that the position would be reviewed well before the commencement of each quin-quennium.

3. This has been seen by the Accountant General, Posts & Telegraphs.

(P.&T. Board O.M. No. 6-22/67-R, dated 29-7-68)

(Ministry of Railways)

The constituent elements of the rental of wires and instruments leased by the P & T Department to the Railways are interest on capital, (b) depreciation and (c) maintenance charges. Complete settlement has been reached with the P & T in regard to (a) & (b). As regards maintenance charges, a Committee of Officers one each from the P & T and the Railway Board and the Cost Accounts Branch of the Ministry of Finance has been asked to advise on the basis of apportionment of these charges between the P & T and the Railway line wires. Pending this examination, an *ad hoc* payment of Rs. 1 crore has been made to the P. & T. Department towards the arrears in respect of the line and wires. As regards future payments, no difficulty is envisaged once the basis of rental is finally settled on the advice of the above Committee.

2. In regard to the cable pairs rented from the P & T Department in electrified sections, at the inter-Departmental meeting held on 30th October, 1967, the basis for working out the annual recurring expenses on the cable pairs was arrived at. The P & T Board furnished detailed calculations of the rentals of the cable pairs of the

various sections with have been handed over to the Railways. On scrutiny of the P & T Department's claims with the details received from the Railways, it has been noted that there are discrepancies in regard to the lengths and also number of pairs. Pending scrutiny of these details and reconciliation of the variances the Railways were instructed to make an *ad hoc* payment of Rs. 1 crore. The final payment is expected to be made during the current year after the basic details have been reconciled with the P & T Department.

3. This has been seen by Audit.

(Railway Board)'s O.M. No. 68-B(C)-PAC-III|13, dated 31-7-1968)

#### *Recommendations*

The Committee note that the Posts & Telegraphs Department have decided to "not the balance of the Renewals Reserve Fund against the capital at charge" and that they are thinking of changing the basis of contribution to the fund from the sinking fund method to the straight line method.

(Sl. No. 15, para 1.46 of 13th P.A.C. Report IV Lok Sabha)

The Committee hope that the most rational method for determining contributions to the Renewals Reserve Fund will be worked out and that the Tariff Committee, which is currently reviewing the finances of the Department as a whole would also examine the question of providing an adequate margin for not only making possible the annual contributions to the Renewals Reserve Fund but also for wiping out the arrears in a phased manner.

(S. No. 16, Para 1.47 of 13th P.A.C. Report IV Lok Sabha).

#### *Action Taken*

Necessary orders have since been issued in the Ministry of Finance (Communication Division) Memo. No. 13-2/65-B dated 12-12-67 (copy at Annexure A) prescribing *inter alia* that for the purpose of calculation of P&T Dividend payable to General Revenues, the capital at charge would be reduced by the balance in the Renewals Reserve Fund.

As regards the contribution to the Renewals Reserve Fund, a Committee known as the "Committee on the P&T Renewals Reserve Fund-1967" has been set up vide the P&T Board Memo No. 16-51/67-B dated 4-12-67 (copy at Annexure 'B') to go into this and allied questions. The report of the Committee is awaited.

With regard to the examination by the P&T Tariffs Enquiry Committee, it may be mentioned that no specific reference to the question of contribution to the R.R. Fund has been made by the Committee in its interim report received so far which covers only the post office Branch.

However the final report of the Tariffs Enquiry Committee is awaited.

This has been seen by Accountant-General, Posts and Telegraphs.

(O.M. No. 7-5/68-B, dated 23rd June, 1968).



No. 13-2/65-B

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(Department of Expenditure)  
Communications Division

New Delhi, the 12th December, 1967

MEMORANDUM

SUBJECT:—*Convention to govern the relations between the P&T and the General Revenues.*

1. The present convention governing the relations between the P&T and the General Revenues as in Government of India, Ministry of Finance (Communications Division) Memorandum No. B.3111/53, dated 7th December, 1959 has been reviewed. Taking into account the results of the working of the convention and other cognate factors, it has been decided that:

- (i) the P&T Department will pay dividend at 4.75 per cent on the net Capital at charge outstanding on 31st March, 1964 reduced by its share of the accumulated surpluses as on 31st March, 1960 and further reduced by the balance in the Renewals Reserve Fund as on 31st March, 1964.
- (ii) the P&T Department will pay dividend at 6.75 per cent on the Capital advanced after 31st March, 1964 reduced by the increase in the balance in the Renewals Reserve Fund after 31st March, 1964.
- (iii) No interest will be paid on the Renewals Reserve Fund, by the General Revenues.
- (iv) The above dividend rates will continue to be in force so long as the dividend rates applicable in the case of the Railways do not undergo any change. In general the post-64 rates of dividend applicable to the P&T would be 0.75 per cent above the railway rate of dividend even though this is to be fixed from time to time.

- (v) In case the P&T Department are unable to pay the due dividend, the General Revenues will make an interest bearing advance to the P&T Revenue Reserve Fund to cover the shortfall. The amount of the advance together with interest at the average borrowing rate applicable from time to time will be required to be re-paid in three equal annual instalments commencing from the following year. Thus the default in 1965-66, 1966-67 & 1967-68 will be covered by an advance to be repaid in three equal instalments in 1968-69, 1969-70 and 1970-71.
- (vi) The revised arrangements will come into force from 1st April, 1967.

Sd/- S. D. NARGOLWALA,

*Additional Secretary to the Government of India.*

To:

The Secretary to the Government of India, Department of Communications, New Delhi.

## ANNEXURE B'

GOVERNMENT OF INDIA

(Department of Communications)

(Posts and Telegraphs Board)

No. 16-51/67-B. New Delhi-1, dated the 4th December, 1967.

### MEMORANDUM

**SUBJECT:—Review of the P&T Renewals Reserve Fund**

1. The Government have had under consideration the question of a review of the Renewals Reserve Fund of the Posts and Telegraphs Department. It has from time to time been felt that the present balances in the P&T Renewals Reserve Fund are either excessive or deficient, and that the withdrawals from the Fund, according to the present allocation rules, are meagre in relation to the balances, leading to the blocking up of resources without immediate utilisation. Having regard to the fact that the Fund can be used only in certain circumstances, it has sometimes been felt that greater flexibility should be given to the Fund so that it can be utilised for other *bona fide* capital needs of the department as in the case of other commercial concerns, where depreciation funds are allowed to be drawn upon for creation of new assets also. The question of grant of temporary advances from the Fund to reduce the necessity for the department to go to outside bodies for capital funds has also been at one time suggested. A Committee, known as the JJ Committee, went into the question of the P&T R.R. Fund in 1951. The first T.T.R.C. 1956 also made extensive studies of the P&T R.R. Fund culminating in the adoption in 1959 of the convention governing the relations between the P&T and General Revenues. The P&T Board adopted in 1963 a revised method of contribution to the Fund and also decided that the principles of this contribution may be reviewed after some time. A team of Consultants from the U.K. *inter alia* reviewed the position of the P&T R. R. Fund and made certain recommendations. These were again gone into by a Working Group, who made further recommendations in November 1966. The Government have decided that the cognate matters and the entire problem relating to this fund, should be comprehensively investigated by a Committee,

known as 'the Committee on the Posts and Telegraphs Renewals Reserve Fund—1967—' consisting of the following:

- (i) Shri T. R. Sundara Raman,  
Deputy Director General (Accounts)—*Chairman*
- (ii) Shri A. Banerjee, D.Ph.T.—*Member*
- (iii) Shri D. K. Sangal, D.C.E. (E)—*Member*
- (iv) Shri M. M. Gandotra, A.F.A. P&T—*Member*
- (v) Shri S. K. Das Gupta, U.S. (Budget Division),  
Deptt. of Economic Affairs—*Member*
- (vi) Shri A. Govindanarayan, ADG (Budget)—*Member-Secretary*

The above mentioned officers will work on the Committee in addition to their normal duties and will not get any extra remuneration for this work. The Headquarters of the Committee will be at Delhi. They may, however, undertake any tours that may be required in connection with their work.

2. The Committee will review the existing position of the P&T Renewals Reserve Fund in the background of the factors mentioned in Para 1, with specific reference to the purposes for which it was constituted and the various changes that have taken place in its set up and working and make suitable recommendations. It may also take into account the expected lives, replacement costs and any other factors and practices relevant to the provision of depreciation and working of depreciation reserve funds. It will particularly address itself to:

- (a) whether the contributions to the Fund should be based on a straight line or a sinking fund method or any other method and whether the provision to be made for inflationary and improvement elements should be as at present on estimated cost of ultimate replacement or on current values of the assets as in the British Post Office;
- (b) whether the basis for further contributions, once replacement has taken place, should be the historical cost of the replaced value of the assets;
- (c) adequacy, including the need for any, of the rules of allocation of works expenditure with particular reference to replacement works and for withdrawals from the fund; and

- (d) whether the arrears now due to be paid into the Fund should continue or be modified; if so, the extent of such modification.

It may also report on any other factors connected with renewals and depreciation not mentioned above, but which may be relevant to the review.

3. The Committee will submit its report by 30th April, 1968 positively, so that its recommendations may be available by the time departmental witnesses appear before the next Public Accounts Committee meeting that will be held for the P&T. in 1968.

Sd.:- S. D. NARGOLWALA,

*Senior Member (Finance) P.&T. Board.*

To

1. Chairman and Members of the Committee.
2. Private Secretary to the Minister for Communications and Parliamentary Affairs.
3. Private Secretary to the Minister of State for Communications and Parliamentary Affairs.
4. Chairman & Members of the P&T Board.
5. All DDsG and Directors of P&T Board including Secretary, P&T Board, Director Telecommunication Research and Chief Engineer (C).
6. All Heads of Circles, Telephone Districts and Administrative Offices.
7. Ministry of Finance (E.A.) (Budget Dn).
8. P&T Finance Branch.
9. Comptroller and Auditor General for India (5 copies).
10. A. G. P&T (3 copies).
11. All Directors and Deputy Directors of Audit and Accounts, Posts & Telegraphs.
12. NA|NB|B|TR|TPS|TPL|TP (BC)|NM|PHA|PHB|Rates|STD|Workshops|MAIL MOTOR SERVICES|G(A)|G(B)|C&A Sections of the Directorate.

*Recommendations*

The Committee feel that the scheme for the decentralisation of the Telephone Revenue Accounts Offices should be pursued with vigour so that telephone bills are prepared and sent to subscribers without undue delay. Such steps will also help in early realisation of telephone dues:

[Serial No. 22 para No. 3.20 of Thirteenth Report (Fourth Lok Sabha)]

*Action Taken*

Orders have been issued for decentralisation of the Telephone Revenue accounts work to all the Engineering Divisions. The decentralisation has already been completed in 39 Engineering Divisions and in respect of the remaining 41 divisions, it is in various stages of completion. A statement indicating the position of decentralisation division-wise is added at Annexure I. Decentralisation involves problems relating to absorption of surplus staff at the local headquarters of the Telephone Revenue Accounts Offices, recruitment of staff for the new stations, locating suitable accommodation for the telephone revenue accounts Units to be set up at the new stations, etc. The scheme for decentralisation is, however, proceeding *pace* satisfactorily.

This has been seen by A.G.P. & T.

(O.M. No. 21-3/68-TE, dated 24-6-68)

## ANNEXURE—I

*Present position regarding decentralisation of the telephone revenue accounts work from the Circle TRAO's to the Engineering Divisional level.*

Name of the Circle & T.R.A.O.	Name of the Engrg. Division to which the TRA work is to be decentralised	Present position
1. <i>Orissa Circle</i> TRAO, Orissa Circle, Cuttack.	(1) Cuttack      Tele. Engrg. Dn. (2) Sambalpur    "      "      " (3) Berhampore    "      "      "	Decentralised.
2. <i>J &amp; K Circle</i> TRA Unit attached to Circle Office, Srinagar.	(1) Srinagar      "      "      " (2) Jammu        "      "      "	Decentralised.
3. <i>Rajasthan Circle</i> T.R.A.O. Rajasthan Circle, Jaipur.	(1) Ajmer        "      "      " (2) Jodhpur      "      "      " (3) Jaipur        "      "      " (4) Jaipur Phones "      "      "	Decentralised.
4. <i>Mysore Circle</i> TRAO Mysore Circle, Bangalore.	(1) Bangalore    Tele.    "      " (2) Mangalore    "      "      " (3) Gulbarga     "      "      " (4) Hubli        "      "      " (5) Mysore        "      "      "	Decentralised.
5. <i>Bihar Circle</i> TRAO Bihar Circle, Patna.	(1) Patna        "      "      " (2) Ranchi        "      "      " (3) Muzaffarpur "      "      " (4) Gaya         "      "      " (5) Patna Phones "      "      "	Decentralised.
6. <i>Kerala Circle</i> TRAO Kerala Circle, Trivendrum.	(1) Trichur      Tele.    "      " (2) Kottayam    "      "      " (3) Trivendrum "      "      " (4) Ernakulam    "      "      " (5) Calicut        "      "      "	Decentralised.
7. <i>Gujarat Circle</i> T.R.A.O. (Baroda) Delhi	(1) Ahmedabad    "      "      " (2) Ahmedabad Phones "      "      " (3) Baroda Tele. "      "      " (4) Rajkot        "      "      " (5) Bhavnagar    "      "      "	Decentralised.

Orders issued on 16-3-68. Decentralisation is to take place before the academic session starts.

## ANNEXURE—I (Contd.)

Name of the Circle and T.R.A.O.	Name of the Enggr. Division to which the TRA work is to be decentralised	Present position
8. <i>Punjab Circle</i> TRAO (North), Delhi	(1) Chandigarh Tele. Enggr. Dn. (2) Amritsar Phones " " (3) Jullundur East Tele. " " (4) Ambala North (5) Ambala South (6) Ferozpur (7) Jullundur West	Decentralised. Orders issued on 16-3-68 for decentralisation of the work before academic session starts. PMG has stated that the decentralisation can be done now in 3 Enggr. Dns.
9. <i>Madras Circle</i> TRAO Madras Circle, Madras.	(1) Tiruchi Enggr. Dn. (2) Madras Tele : Enggr. Dn. (3) Coimbatore " " (4) Coimbatore Phones " " (5) Madurai Tele. Enggr. Dn. (6) Salem " " (7) Tirunelveli " " "	Decentralised. Orders issued on 21-12-67. Decentralisation is to be done before the academic session starts.
10. <i>Maharashtra Circle</i> TRAO (Central) Poona & TRAO Vidharba region, Nagpur.	(1) Bombay City Tele: Enggr. Dn. (2) Poona " " " (3) Poona Phones " " " (4) Bombay East " " " (5) Akhola Tele. " " " (6) Nagpur Phones " " " (7) Nagpur Tele " " " (8) Kolhapur Tele. " " " (9) Aurangabad " " "	Decentralised. Orders issued on 21-12-67 for decentralisation of the work before academic session. PMG has requested for postponement of the decentralisation.
11. <i>M. P. Circle</i> TRAO, M. P. Circle, Nagpur.	(1) Jabalpur Tele. Enggr. Dn. (2) Raipur " " " (3) Indore " " " (4) Bhopal " " "	Orders issued on 21-12-67 for decentralisation of the work before academic session. PMG has requested for postponement of the decentralisation.
12. <i>Assam Circle</i> TRAO, Assam Circle, Shillong.	(1) Shillong " " " (2) Dibrugarh " " " (3) Gauhati " " "	Decentralisation deferred. The case will be reviewed this year. Decentralised.



## ANNEXURE—I (Contd.)

Name of the Circle & T.R.A.O.	Name of the Engr. Division to which the TRA work is to be decentralised	Present position
13. <i>Andhra Circle</i> TRAO Andhra Circle, Hyderabad.	(1) Vishakhapatnam..	Orders issued on 21-12-67 for decentralisation of the work before the academic session starts.
	(2) Rajamundhry ..	
	(3) Guntur ..	
	(4) Hyderabad ..	
	(5) Vijaywada ..	
	(6) Kurnool ..	
14. <i>U. P. Circle</i> TRAO U. P. Circle, Lucknow.	(1) Lucknow Tel. Engr. Dn.	Do.
	(2) Kanpur ..	
	(3) Bareilly ..	
	(4) Varanashi ..	
	(5) Lucknow Phones ..	
	(6) Agra Phones ..	
	(7) Meerut Tele. ..	
	(8) Agra Tele. ..	
	(9) Kanpur Phones ..	
	(10) Allahabad Tele. ..	
	(11) Dehradun ..	
	(12) Gorakhpur ..	
15. <i>West Bengal Circle</i> TRAO, West Bengal Circle, Calcutta.	(1) Calcutta West Tele. ..	Do.
	(2) Calcutta City ..	
	(3) Silliguri ..	

## Recommendations

The Committee are glad to note that, during the three years ending 31st March, 1966, 1,800 telephone expansion projects were completed which included 829 new exchanges. They find, however, that in some cases the telephone expansion projects were not completed on schedule. In one case expansion of Kalyani exchange where the target for completion was fixed as Middle of 1964, the work is yet to start due to delay in acquisition of land and abnormal delay in commencing the construction of buildings. The Committee find that the main reasons for delay in completion of the projects are delay in acquisition of land and construction of buildings and non-receipt of stores and equipment from the suppliers.

[Sl. No. 29 para 4.16 of 13th Report (Fourth Lok Sabha)]

## Action Taken

Work of construction of Kalyani exchange building has already been awarded. Construction is being commenced shortly.

## Recommendations

Considering the time involved in the acquisition of land, the Committee suggest that action to acquire land should be initiated

well in advance and the matter should be closely pursued with the State authorities so as to speed up the proceedings. The Committee also suggest that to get over the difficulty of timely availability of funds for acquisition of land, the feasibility of creating a fund for this purpose may be examined.

[Sl. No. 29 Para 4.17 of 13th Report (Fourth Lok Sabha)]

#### Action Taken

Three suggestions have been made by the Public Accounts Committee. These are:—

- (i) Action to acquire land should be initiated well in advance.
- (ii) The matter should be closely pursued with the State Authorities, so as to speed up the proceedings.
- (iii) To get over the difficulty of timely availability of funds for acquisition of land, the feasibility of creating a Fund for the purpose may be examined.

As regards (i) it may be stated that prior to July 1960 land acquisition proceedings could be started only after administrative approval has been accorded for the entire projects *vide* paras 133 and 137 of P&T Manual Volume X (Provisional Issue). Due to the difficulties experienced in acquiring the sites till after the formalities in getting such administrative approvals are completed, projects have often to be recast thus involving a further loss of time, which delays the execution of works correspondingly. In order to remove this difficulty instructions have been issued with the concurrence of Ministry of Finance as well as A.G.P.&T. *vide* this office letter No. 8-5/59-P(BC) dated 8th July, 1960, wherein it is laid down that proposals for purchase of land may be taken up separate from the main project for which the land is intended. Thus, action to acquire land is being initiated well in advance of the main project.

As regards (ii) instructions have been issued to all the Circles and Districts to keep a close liaison with the State authorities so as to speed up the land acquisition proceedings.

As regards (iii) that is, feasibility of creating a Fund for construction of telephone exchange buildings there does not so far appear to be any serious difficulty in obtaining allotment of funds for purchase of land for telephone exchange buildings. However, Circles and Districts have been addressed to intimate if any delay has occurred in acquisition of land for telephone exchange building due to paucity of funds. The question of feasibility of creating a

Fund for this purpose will be considered in the light of information received from the units.

#### *Recommendations*

The Committee are unhappy that the construction of a telephone exchange at Ernakulam should have been delayed by four to five years because the need for pile foundations for the building which necessitated revision of sanction, calling of tenders more than once. The Committee would like the Department to prepare the blue-prints for the exchange buildings, after thorough investigation, keeping in view the long term requirements. The budgetary estimates for financial sanction should also be framed on a realistic basis so as to obviate chances of revision.

[Sl. No. 29 Para 4.18 of 13th Report (Fourth Lok Sabha)]

#### *Action Taken*

Three recommendations have been made in this para. These are:

- (i) Blue-prints for exchange buildings to be prepared keeping in view the long term requirements.
- (ii) Blue-prints for the exchange buildings to be prepared after thorough investigations;
- (iii) The budgetary (preliminary) estimates for financial sanction should be framed on a realistic basis so as to obviate chances of revision.

As regards (i) the Department is already preparing blue-prints for the exchange buildings keeping in view the long term requirements. A copy of the instructions issued on the subject wherein long term capacities for the exchange buildings are prescribed as related to the initial size of the exchange is enclosed.

As regards (ii) and (iii) suitable instructions have since been issued. Copy of the instructions is attached.

#### *Recommendations*

Blue-prints for exchange buildings should be prepared in advance so that the construction work can be commenced as soon as the land is acquired.

[Sl. No. 29 Para 4.19 of the 13th Report (Fourth Lok Sabha)].

### Action Taken

In the case of staff quarters, certain type designs have been evolved and these have helped in preparation of blue-prints expeditiously. However, in case of telephone exchange buildings, the requirements vary depending on the telecommunication needs of the stations. Further, while larger plots of land are available for staff quarters, permitting layout based on type plans, much smaller areas in central localities are taken for telephone exchanges and the plans have to suit the shape, dimensions and contour of the site. Even so, efforts are being made to standardise the requirements and planning aspects to facilitate quicker preparation of blue-prints.

However, before undertaking preparation of drawings for the exchange buildings, preliminary formalities are to be completed regarding finalisation of requirements of accommodation as well as completion of collection of data regarding Soil strength, contour etc. of the site, undertaking of trial bores as necessary and other relevant data to enable the architect to prepare the drawings. Instructions have been issued (copy attached) to the Circles/Districts to initiate action on these preliminaries, wherever feasible, even before land is acquired.

It is hoped that with the above arrangements it would be possible to commence construction work soon after land is acquired subject to feasibility and availability of funds.

### Recommendations

The Committee would like the Department also to rationalise and streamline the procedure for receipt of stores and equipment and for their installation so that the Exchange can be put into commission as soon as the building is ready. The Department should make every effort to ensure that telephone expansion projects are completed as far as possible according to schedule, as delays not only result in loss of revenue, but also in increase in the cost of the execution of projects.

[Sl. No. 29 para 4.20 of 13th Report (Fourth Lok Sabha)]

### Action taken

The main item required for installation of the exchange is supply of equipment and associated stores. Orders for exchange equipment are placed on M/s I.T.I, Bangalore well in advance of the completion of buildings. Schedules have been prescribed for supply

of various items of equipment and this programme is co-ordinated with the expected target dates of the buildings. However, M/s. I.T.I. have been unable to keep to these schedules due to certain teething troubles in their new crossbar factory and shortage of foreign exchange. The matter has been taken up with M/s I.T.I. for improvement of the supply position.

With a view to coordinate the various items of work to be done in connection with the installation of an exchange, periodical co-ordination meetings are also held under the chairmanship of the Head of a circle attended by the representatives of the various units. Periodical reviews are also made about the supply position of major items of stores, like, equipment, with a view to ensure better coordination between completion of building, equipment supplies etc. However, due to shortage of equipment, cables and other items of stores all over the country, compared to the requirements and limited financial and other resources available to the Department, some delays are likely to occur in the completion of some of the projects. It is our hope that adequate resources would be made available during the new 4th Plan along with suitable increases to the indigenous production of equipment, cables and other stores and if these materialise it is expected that such difficulties would be progressively over-come. All efforts would continue to be made by the Department to see that telephone expansion projects are completed expeditiously, subject to the above.

This has been seen by Accountant General, Posts and Telegraphs.

[O.M. No. 97-2/67-TPS(X)]

Dated, the 29th July, 1968.

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Copy of letter No. 29-18/63-TPS(BT), dated 25th February, 1966 from D.G.P.&T., New Delhi to Heads of all Telephone Districts, etc. etc.

**Subject.—Expansion of Telephone Exchanges.**

The P&T Board has carefully considered the planning periods to be adopted for various components of a telephone exchange project and has decided that the following procedure may be adopted:—

(a) Land—As already instructed in this office letter No. 29-14/63-TPS, dated 25th April, 1963, approximately 4,000 sq. meters of land should generally be acquired for any exchange building. In large exchanges, or areas, or where Municipal restrictions are severe, bigger plots may be acquired.

(b) Buildings—Building should be constructed on the following basis:—

- (i) The accommodation to be initially constructed for the local exchange should be based on the size of initial installation. If due to shortage of equipment less is allotted than that justified, the number of lines of equipment justified to be installed in that building should be assessed and the initial building accommodation should be provided according to the following table:

No. of lines of initial installation justified.	Initial construction to accommodate
Up to 1500 lines	5,000 lines
above 1,500 lines and below 4,000 lines	10,000 lines
4,000 lines and over.	Two or more units of 10,000 lines.

- (ii) Assessment of requirements for trunk exchange, telex, carrier, coaxial, offices, etc. should be made separately.
- (iii) Basements for ultimate requirements should be constructed initially.
- (iv) Partial construction of a floor should be avoided as far as possible. Where there is only a small requirements on a floor, it should be examined if this can be omitted. Where this is not possible or where more than 50 per cent of floor is required the entire floor may be constructed.
- (v) To meet unforeseen future requirements, either the foundation of the building should be strong enough to take extra floor/floors, in future or the design should provide for lateral expansion of the building if space is available for doing so.
- (c) Cables—Cables should be laid for the appropriate planning periods and taking into account the standard size of cables, likely availability, etc.

Copy of Memorandum No. W (P&T) 9 (81) 66 dated the 27th April, 1968 from D.G.P.&T. (Civil Engrg. Wing), New Delhi to the S.E.P.&T. Civil Circle, I, II, III & IV etc. etc.

Enclosed please find herewith an extract of para 4.18 of the summary of main conclusions|recommendations of the Public Accounts Committee (1967-68) Thirteenth Report (Fourth Lok Sabha) Appendix XIV.

The Committee have strongly criticised and taken a serious view of the delay in the execution of civil works and have observed that the reasons for the same are due to planning without proper site investigation and taking no or little consideration of long term requirements of the Department. Further, it has also been commented that the budgetary estimates for financial sanction are also not on a realistic basis.

In consideration of all above, it is enjoined that in processing all future proposals and projects, a thorough site and soil investigation should be undertaken in each case well in advance as far as feasible to avoid the necessity of revision of design. Any revision work detected at a later stage results in stoppage of work, revision of drawings and re-design of the sub-structure. The preliminary investigation work should be so exhaustive and complete that the necessity for any revision on this account is fully obviated.

As regards budgetary assessment of the work i.e. preparation of preliminary estimates, this is now being done on the basis of approved cost index of the station and no provision is being made for anticipated rise in the cost of construction, which is to take place in subsequent years, when the market prices go much higher. A provision on this account on an *ad hoc* basis seems to be necessary to cover the aforesaid rise and the Directorate is being moved for accepting an *ad hoc* provision of 10 per cent or so over the estimated cost to cover the same. Necessary instruction on the subject will be issued on receipt of a decision from the Directorate.

Extract of para 4.18 of the summary of main conclusions|recommendations of the Public Accounts Committee (1967-68) Thirteenth Report (Fourth Lok Sabha) Appendix XIV.

4.18. The Committee are unhappy that the construction of a telephone exchange at Ernakulam should have been delayed by four to five years because of the need for pile foundations for the building which necessitated revision of sanction, calling of tenders more than once. The Committee would like the Department to prepare the blue-prints for the Exchange Buildings, after thorough investigation, keeping in view the long term requirements. The budgetary estimates for financial sanction should also be framed on a realistic basis so as to obviate chances of revision.



INDIAN POSTS & TELEGRAPHS DEPARTMENT

OFFICE OF THE DIRECTOR-GENERAL POSTS & TELEGRAPHS

(Sardar Square, Parliament Street, New Delhi-1).

No. 97-2/67-TPS.

Dated. at New Delhi-1, the 20th May, 1968.

To

1. All the Heads of Circles Districts,
2. Adchen, T&D Circle, Jabalpur,
3. Chief Controller of Telegraph Stores, Calcutta,
4. General Manager Workshops, Calcutta.

Subject:—Summary of the main conclusions recommendations of Public Accounts Committee 1967-68. Thirteenth Report (4th Lok Sabha) Appendix XIV.

While commenting on the delay in the execution of telephone expansion projects, the Public Accounts Committee have recommended (*vide* para 4.19 of their report mentioned above) that blue-prints for exchange buildings should be prepared in advance so that construction work can be commenced as soon as the land is acquired.

To enable preparation of blue prints for the exchange buildings even during the period when land is under acquisition it would be necessary to complete the formalities regarding:

- (i) Finalisation of schedule of accommodation requirements.
- (ii) Demarcation of the site and supply of site plan with dimensions to the Civil Wing.

The schedule of accommodation for the major telephone exchange buildings, is being finalised by the Directorate, while for the smaller telephone exchange buildings, the same is finalised by the Circle/Districts. It is requested that advance action may be taken for finalising these well in time so that drawings may be prepared in advance of actual acquisition.

As regards the site plan it is requested that as soon as an indication is available about firm availability of the land and even during the pendency of the land acquisition proceedings, 5 copies of dimensioned site plan may kindly be supplied to the Directorate so that

these could be supplied in advance to the concerned officers of the Civil Wing.

Immediate action is requested.

Sd/- H. L. BHARARA  
ASSTT. CHIEF ENGINEER(BT)

#### *Recommendations*

The Committee note with concern that the number of cases of losses of stores during the period extending from 1963-64 to 1965-66 has been increasing from year to year and that the bulk of the losses is due to thefts of copper wire. Out of the total losses amounting to Rs. 49.70 lakhs, suffered on stores during this period the amount of loss suffered on account of copper wire thefts was Rs. 40.29 lakhs. Obviously the efforts of the Department to bring down the number of cases of thefts of copper wire in co-operation with the State Governments have not yielded the desired results. The Committee hope that the Department will not relax their efforts and that all authorities concerned will endeavour to bring to book the unsocial elements who are responsible for the thefts of copper wire. The Committee also note that the Department is taking steps to get the Telegraph Wires (Unlawful Possession) Act amended so as to strengthen the hands of the authorities to deal with such cases of thefts.

[SI. No. 32. para 6.7 of 13th Report (IV Lok Sabha) 1967-68.]

#### *Action Taken*

Action for amending the Telegraph Wires (Unlawful Possession) Act so as to provide severe punishment to the culprits, is already in hand.

- (a) A minimum sentence is being made mandatory even for the first offence; and
- (b) Police officers instead of having to be specially empowered for taking cognizance of offences under this Act have been empowered by general designation thus making it easier to take action.

The amendment was initially passed by the Rajya Sabha, on 17-7-66 and it was to be placed before the Lok Sabha. On the dissolution of the Third Lok Sabha, however, all bills pending on the 3-3-67 had lapsed. Necessary *ab-initio* action to introduce the bill has therefore been taken and the bill is likely to be introduced in Rajya Sabha during its next session.

To minimise the incidence of theft, Chief Ministers of all States were addressed demi-officially by the Minister(C) to impress upon the police authorities to bestow special attention to the problem and to intensify patrolling activities in the vulnerable areas. Departmental officers have also intensified liaison activities with the concerned police authorities.

Replacement of copper by copper-weld wire has also been done in some areas but there has been little progress as the copper-weld wire is an imported item.

Accountant-General, Posts and Telegraphs has seen it.

P&T Board U.O. No. 1-8'68-NM, dated New Delhi, the 10-7-68.

## CHAPTER V

### RECOMMENDATIONS/OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION.

#### DEPARTMENT OF SUPPLY

##### *Recommendations*

The Committee also desire that the advice of the Attorney General should be obtained regarding the interpretation on the meaning of sub-clause 2 of Clause '8' of the agreement with STC Ltd., so that the correct position is made clear to all concerned. It should be clearly brought out whether the Government is required to buy 25 percent of only such products from STC which are not produced in their factory or whether, even in respect of products which are produced, 25 per cent of the excess requirements have to be purchased from the STC.

S. No. 60 (Para 4.104) of the 68th Report (Third Lok Sabha).

The Committee have not doubt that while referring the case for advice to the Attorney General, Ministry of Law, the Departments of Supply, Industry and Communication (P.&T. Board) will take every care to submit complete documents and papers so as to facilitate advice. They need hardly add that the observations of the Public Accounts Committee and the doubts raised by them should be specifically brought to the notice of Attorney General/Ministry of Law.

Sl. No. 8 (Para 20) of the 6th Report (Fourth Lok Sabha).

##### *Action Taken*

As desired by the Committee, complete documents and papers furnished to the Ministry of Law who prepared a summary of the case and submitted it to the Solicitor General for advice. (Although the P.A.C. had suggested reference of the case to the Attorney General, it was decided by the Secretary, Ministry of Law that the case should be referred to Solicitor General instead). The Solicitor General has upheld the view formerly taken by the Ministry of Law that in terms of the Agreement entered into with Standard Telephone and Cables, the obligation of the Government is to purchase 25 per cent of their requirements not met by the factory and not

25 per cent of only such products as, are not manufactured by Hindustan Cables.

A copy each of the summary of the case prepared by the Ministry of Law and the opinion of the Solicitor General is enclosed (not printed).

(O.M.No. PI-43(16)65-Vol. III dated 6th Nov., 1968)

#### *Recommendations*

The Committee are not satisfied with the progress made by the P&T Department in the recovery of estimating fees and compensation due from the various parties. Against an amount of Rs. 9,000/- as estimating fee and Rs. 64,000/- as compensation (Total Rs. 74,000/-), the P & T Department has been able to recover about Rs. 10,000 only while Rs. 64,000/- remain still outstanding. The Committee would like the Department to take some suitable measures to liquidate these outstandings. They would also like the Department to evolve a suitable procedure whereby payment of estimating fee and compensation is not unduly delayed. The Committee would also like to be informed about the recovery of Rs. 6,578 which is due since February, 1958.

[Sl. No. 26 Para 3.29 of P.A.C. 13th Report (Fourth Lok Sabha) 1967-68]

#### *Action Taken*

For liquidating the outstandings, instructions have since been issued to the Heads of Circles concerned to the effect that follow up action should be taken in all cases till such time as the estimating fees and compensation charges are recovered from the parties concerned and that a monthly progress report in respect of the outstanding recoveries should be furnished to the Directorate for necessary action.

2. In connection with the question of evolving a suitable procedure whereby payment of estimating fees and compensation is not unduly delayed, it may be stated that the Department has also been experiencing for a long time difficulty in regard to the realisation of charges due from Government Departments for works carried out such as construction, maintenance and shifting works. With a view to removing this difficulty, the P. & T. Board have (vide enclosed copy of letter No. 111/39/63-NB dated 28-10-1967) already addressed the Departments of Central as well as State Governments to ascertain their views on the proposal to the effect that since the works such as construction, maintenance and shifting of Telecom.

lines are carried out by the P. & T. Department at the requests of the State Government etc., the necessity of obtaining once again, as per the present practice, the acceptance of the Administrative (Requisitioning) authority as a supporting document to be sent to the Civil Accounts Officers for adjustments of the debits raised by the P. & T. Audit offices should be dispensed with and instead the Requisitioning authority should furnish the following certificates to the P. & T. Department at the time of placing firm demand for work:—

- (i) An undertaking to the effect that State Governments and the Departments of Central Government, as the case may be, would bear the cost of works|interest chargeable during the period of construction in accordance with the rules of P. & T. Department.
- (ii) An authorisation for the accounts officer of the State Governments|Departments of the Central Government concerned to accept the debits raised by the P. & T. Audit Officers without any further acceptance.

3. Acceptance of the procedure outlined above, it is expected, will enable the Civil Accounts Officers to adjust the P. & T. bills immediately on receipt of debits from the P. & T. Audit Offices. Since recovery of estimating fees and compensation from other Government Departments is saking to the problem of realisation of charges due from them, as indicated at para 2 above, it is contemplated to extend the above procedure if agreed to by the State Governments to the recovery of estimating fee etc. also. It is, however, felt that it might take considerable time before the State Governments send their final replies. The other two alternatives about which the undersigned mentioned in his evidence before the Committee are:—

- (i) the P. & T. Department shall fix a time limit of six months within which the Department requisitioning work should either accept or reject the compensation bill submitted by the P. & T. Department after which the bill shall be taken as accepted. This procedure has been laid down in respect of recovery of rentals for which advice notes are sent to the requisitioning authority for acceptance within 6 months.
- (ii) The discretion vested in the Heads of Circles under the existing rules whether or not the Departments should be required to make payment of estimating fee etc. in advance should be withdrawn and the Government De-

partments required to deposit the charges before the P. & T. Department carries out works demanded by them.

These alternatives will be discussed with the A.G. P. & T. with a view to arriving at the most suitable procedure for ensuring that there are no undue delays in future in payment of estimating fees and compensation due to the P. & T. Department.

4. As regards the recovery of Rs. 6,578 the Committee are informed that the relevant bill was received duly accepted in full in July, 1967 and subsequently adjusted in the Audit books in October, 1967.

This has been seen by Accountant General, Posts and Telegraphs.

(O.M. No. 7-2/66-NB) Dated, the 29th July, 1968.

*Further information furnished by the Deptt. of Communication  
(P&T Board).*

- (i) So far replies have been received from a few State Governments Departments of Government of India. While Maharashtra State, Manipur State, Goa-Daman-Diu and Delhi Administrations, Ministry of Works, Housing & Supply, Irrigation and Power have accepted the procedure contained in P. & T. Board's letter No. 111/39/63-NB dated 28-10-1967 for eliminating delays in the recovery of claims of P. & T. on account of payment of estimating fee and compensations charges, the Governments of Madhya Pradesh and Himachal Pradesh are not agreeable to the proposed procedure. Other State Governments Departments of Government of India have been asked to expedite their views on the proposal by 31-10-1968 otherwise it would be assumed that they have no objection to the proposed procedure being followed.
- (ii) The other two alternative proposals suggested by this Department were formally referred to and have since been agreed to by Accountant-General, posts & Telegraphs, Simla. The question of adopting them is now under active consideration.
- (iii) As regards the recovery of outstanding amounts, debit for an amount of Rs. 1370 due from the All India Radio has been raised by the Dy. Director of Audit & Accounts, Posts & Telegraphs, Kapurthala against the Accountant General Central Revenue, New Delhi in June, 1968. In another case relating to the erection of a pair of 150 Lb. copper wire from Ahmedabad Carrier to Ahmedabad Railway Ex-

change, involving recovery of an amount of Rs. 380/- as compensation, the Department has abandoned the claim because on further investigation it has been found that a spare cable pair was used for the purpose and as such the P. & T. Department is not entitled to any compensation from the Railways. This case has been treated as closed. Regarding the balance, Postmasters General concerned have been asked to pursue the cases vigorously with the State Governments.

[O.M. No. 7-2.66-NB, dated 31-10-1968 from Deptt. of Communication (P & T Board).]



Copy of letter No. 111|39|68-NB dated 28-10-1967 from Ministry of Communications, P. & T. Board to the Secretaries to the Government of India, Ministries of W.H.&S| Defence| External Affairs and Irrigation & Power and Chairman; Railway Ministry, New Delhi, etc. etc. Secretaries to all the State Governments.

**SUBJECT:**—*Raising of debits against the Civil A.G. on account of works done by the P. & T. Department on behalf of State Governments and other Departments of the Central Government.*

---

I am directed to say that some times the P. & T. Department are required to execute construction maintenance and shifting works on behalf of other departments of the Central Government: State Governments. The debits for the expenditure incurred on these works together with overhead charges as indicated below are raised by the Posts and Telegraphs Branch Audit Offices against the Departments concerned through the Civil Accounts Officers:—

- (i) Cost of Contribution works;
- (ii) Recovery of interest during the period of Construction.
- (iii) Rent of wires and instruments leased.
- (iv) Debits on account of guarantees for Telegraph Offices.

2. As per the present practice, although the works are executed at the instance of Departments of Central Government State Governments the Posts and Telegraphs Branch Audit Offices have to send to the concerned Civil Account Officers an acceptance of the concerned Administrative authority while passing on the debits for the work done by the P. & T. as a supporting document for adjustment thereof, by the Civil Accounts Office. The debits in the 1st two cases mentioned in para 1 above are raised at the close of the year after taking into account the expenditure upto March. The acceptance of the Administrative authority requisitioning the works are obtained after raising the debits. So long as the said acceptances are not furnished to the Civil Accounts Officers concerned, the items remain outstanding in the books of the P. & T. Branch Audit Offices as also in the books of the Civil Accountants General. It has been brought to the notice of this office that much time and labour of both the Audit and the Exe-

cutive offices is wasted in obtaining the acceptances for final settlement of P. & T. bills relating to the above mentioned works.

3. In order to avoid this wastage of labour and delay in adjustment of P. & T. bills, it is proposed that since these works are carried out by the P. & T. Department at the requests of the State Governments etc. the necessity of obtaining once again the acceptance of the Administrative (Requisitioning) authority should be dispensed with and instead the Requisitioning authority should furnish the following certificates to the P. & T. Department at the time of placing firm demand for work:—

- (i) An undertaking to the effect that State Governments and the Departments of Central Government as the case may be would bear the cost of works interest chargeable during the period of construction in accordance with the rules of the P. & T. Department.
- (ii) An authorisation for the accounts officer of the State Governments/Departments of the Central Government concerned to accept the debits raised by the P. & T. Audit Offices without any further acceptance.

This will enable the civil Accounts Officers to adjust the P. & T. bills immediately on receipt of debits from P. & T. Audit Offices.

It is proposed to give effect to the above procedure immediately. However, before this is given effect to, the Director General P. & T. will be pleased to have your remarks, if any, in the matter.

#### *Recommendations*

As the Committee understand that copper weld wire may not be quite so susceptible to theft, they would urge Government to take an early decision about its manufacture within the country.

#### *Action taken*

A proposal for manufacture of copper weld wire in the country has been taken up by the Ministry of Industrial Development and Company Affairs. It is understood from that Ministry that Hindustan Cables Ltd have negotiated with a foreign firm for a contract to supply requisite equipment and technical know-how for the purpose

of manufacture of copper weld wire. The terms and conditions of the proposed contract are under consideration.

Accountant General, Posts and Telegraphs has seen it.

*Further information furnished by the Deptt.*

*Para 6.8 (S. No. 33) of 13th Report (Fourth Lok Sabha)*

(i) (a) What is the annual requirement of copper Wire and how much of foreign exchange is being spent over it?

(b) Please give the information for the last three years.

(ii) Please state the latest position regarding the manufacture of copper weld wire within the country.

(iii) Please state the capacity to be established for manufacture of *copper weld wire within the country* and how soon it would be possible to meet the entire requirements from indigenous resources.

(iv) What are the possibilities of replacing the copper wire by aluminium conductor steel reinforced wire and steps taken by Government in that behalf? (of U. S. Q. No. 4974 answered in Lok Sabha on 22.8.68.)

(Point made during discussion held with the convenor, Action taken Sub-Committee).

*Action taken by the Government*

(i) The P & T would no doubt furnish the reply.

(ii) Approval to the company to implement the scheme in collaboration with M/s. Sumitomo of Japan is being given as the Ministry of Finance have given their concurrence.

(iii) The capacity of 2600 tonnes is to be implemented in two stages. "the first stage will be for a capacity of thousand tonnes which will be implemented in about 2 year's time and the full capacity will be established in another 4 year's time.

(iv) Please see reply to one above.

This note as approved by Secretary is being sent to Audit for vetting.

(D.O. Letter No. 22/2/68-LEEI, dated 24-10-1968)

*Further information furnished by the Office of the Director-General  
Posts & Telegraphs, New Delhi-1.*

- (i) Copper wire to an extent of 5,000 M. Ts. is required to meet this year's requirements. There is a built in cushion due to no copper wire having been imported in the recent past. There has been no imports during 1966-67 and 1967-68. During 1968-69, 47.20 lakhs is likely to be spent on import of copper weld wire to execute the emergent Defence Works.
- (ii) There is a proposal to manufacture copper-weld wire at Hindustan Cables Rupnarainpur under Ministry of Industry. This proposal is reported to have been accepted last month.
- (iii) The capacity of the plant proposed to be installed is 2,500 M.Ts. per year. The country will be self-sufficient by 1973 in case the factory goes into production by 1970 as is expected at present.
- (iv) A.C.S.R. conductors are being progressively used as far as technically possible. About 60,000 K.Ms. of these conductors have been ordered and nearly 10,000 K.Ms. so far supplied have been used.

[D.O. No. 62-2/66-NA September 21, 1968, from Shri A. P. Massand,  
Dy. Chief Engineer (T).]

NEW DELHI;

November, 18, 1968.

Kartika 27, 1890 (Saka).

M. R. MASANI,

Chairman,

Public Accounts Committee.

## APPENDIX I

### *Analysis of Action Taken Notes/Statements*

- (i) Recommendations/observations that have been accepted by Government:

S. Nos. 1, 4, 5, 6 & 7 of 6th Report (Fourth Lok Sabha).

S. Nos. 1, 3, 4—10, 17—20, 24, 25, 27, 28, 37, 38 & 43 of 13th Report (Fourth Lok Sabha).

- (ii) Recommendations/observations which the Committee do not desire to pursue in view of the replies of Government:

S. Nos. 11, 31, 34—36 and 42 of 13th Report (Fourth Lok Sabha).

- (iii) Recommendations observations in respect of which Government have furnished interim replies.

S. Nos. 2, 15, 16, 22, 29 & 32 of 13th Report (Fourth Lok Sabha).

- (iv) Recommendations observations replies to which have not been accepted by the Committee and which require reiteration.

S. No. 8 of 6th Report (Fourth Lok Sabha) para 4.104 of 68th Report (Third Lok Sabha).

S. Nos. 26 (para 3.29) and 33 of 13th Report (Fourth Lok Sabha).

## APPENDIX II

### *Summary of Main Conclusions/Recommendations*

Sl. No.	Para No.	Ministry/Deptt. concerned	Conclusion/Recommendations
1	2	3	4
1	1 4	Ministry of Communications P & T Board)	The Committee hope that final replies in regard to those recommendations to which only interim replies have so far been furnished will be submitted to them expeditiously after getting them vetted by Audit.
2	1 10	Deptt. of Supply <hr/> Deptt. of Industrial Development	The Committee note from the opinion of the Solicitor General that there are some features of the Agreement with Standard Telephones and Cables Ltd. which are unsatisfactory from the legal point of view. The Committee have no doubt that the Government will take early action to set matters right.
3	1 14	Ministry of Communications (P. & T. Board)	The Committee note that the introduction of a simplified procedure for recovery of charges will take time, as the concurrence of the State Governments has, <i>inter alia</i> , to be obtained. They hope that the matter will be pursued vigorously by the Department. Pending the finalization of the new procedure, in consultation with State Governments and Central Government Departments, an early decision should be taken on the two alternatives (fixation of time limit of six months for acceptance of Bills or recovery of charges in ad-

vance) suggested by the P&T Department in order to avoid delay in recovery of estimation fees and compensation due to the P&T Department.

1.15 Ministry of  
Communications  
(P. & T. Board)

The Committee suggest that the P&T Department should also lay down a time-schedule for sending the bills to the parties concerned, so that the bills are prepared promptly and sent to the parties in time.

4 1.21 Department of  
Industrial  
Development

The Committee note that Government is in the process of according approval to the scheme for manufacture of copper weld wire by Hindustan Cables Ltd. in collaboration with a Japanese firm. Considering the alarming incidence of thefts of copper wire every year and the need to prevent this national loss, the Committee feel that the final decision of Government on the indigenous manufacture of copper weld wire should be taken without further delay.

1.22 -do-

The Committee note that the capacity for the manufacture of copper weld wire which is proposed to be established is 2,600 tonnes and that Government require this year 5,000 metre tonnes of copper wire. The Committee hope that steps will be taken to ensure that the country attains self-reliance in this vital sector as soon as possible.

1.23 Ministry of  
Communications  
(P. & T. Board)

The Committee note that aluminium conductor steel reinforced conductors are being progressively used by the P&T Department as far as technically possible. The Committee hope that this matter would be kept under constant review so that expensive copper wire can be replaced by aluminium conductor steel reinforced conductors where feasible.

Sl. No.	Name of Agent	Agency No.	Sl. No.	Name of Agent	Agency No.
<i>DELHI—contd.</i>			30.	People's Publishing House, Rani Jhansi Road, New Delhi	76
21.	Sat Narain & Sons, 3141 Mohd. Ali Bazar, Mori Gate, Delhi.	3	31.	The United Book Agency, 48, Amrit Kaur Market, Pahar Ganj, New Delhi.	88
22.	Atma Ram & Sons, Kashmere Gate, Delhi-6	9	32.	Hind Book House, 82, Janpath, New Delhi.	95
23.	J. M. Jaina & Brothers, Mori Gate, Delhi.	11	33.	Bookwell, 4, Sant Narakari Colony, Kingsway Camp, Delhi-9.	96
24.	The Central News Agency, 23/90, Connaught Place, New Delhi	15	<b>MANIPUR</b>		
25.	The English Book Store, 7-L, Connaught Circus, New Delhi.	20	34.	Shri N. Chaoba Singh, News Agent, Ramlal Paul High School Annex, Imphal.	77
26.	Lakshmi Book Store, 42 Municipal Market, Janpath, New Delhi	23	<b>AGENTS IN FOREIGN COUNTRIES</b>		
27.	Bahree Brothers, 188, Lajpatrai Market, Delhi-6.	27	35.	The Secretary, Establishment Department, The High Commission of India, India House, Aldwych, LONDON, W.C.-2	
28.	Jayana Book Depot, Chapparwala Kuan, Karol Bagh, New Delhi.	66			
29.	Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi-1	68			



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