

PUBLIC ACCOUNTS COMMITTEE
(1967-68)

THIRTEENTH REPORT

(FOURTH LOK SABHA)

[Appropriation Accounts (P. & T.), 1965-66 and Audit
Report (P. & T.), 1967]



LOK SABHA SECRETARIAT
NEW DELHI

January, 1968
Magha, 1889 (Saka)

Price : Rs. 1.30

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<u>Page</u>	<u>para</u>	<u>Line</u>	<u>For</u>	<u>read</u>
3	3	2	after the words '29th January, 1968'	<u>Add</u> 'and 30th January, 1968'.
3	4	3	Appendix iv.	Appendix xiv
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3	1.3	24	oif	of
8	1.21(Col.4)	18	69.6	69.00
12	1.32	3	99.2	95.2
12	1.32	11	after words 'extra - departmental'	<u>Add</u> 'agents, particularly school-teachers to work on such post offices on'.
28	3.27	8	atter	after
35	4.16	7	<u>Delete</u> the words 'delay in acquisition of land and'.	
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<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
89	Col. 4	14	machanismation	mechanisation
91	Col. 4	19	<u>Delete</u> the words, 'delay in acquisition of land and'	
93	-dc-	378	<u>Delete</u> para 'Efforts should	-----project
98	-dc-	12	<u>Sortning</u>	<u>Sortning.</u>

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Minutes of the 42nd sitting held on 29-1-1968

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SECRETARIAT

Shri Avtar Singh Rikhy—*Deputy Secretary.*
Shri R. M. Bhargava—*Under Secretary.*

*Declared elected on the 30th November, 1967 *vice* Shri Mohammed Yunus Saleem
ceased to be a Member of the Committee on his appointment as Deputy Minister.

INTRODUCTION

1. The Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Thirteenth Report on Appropriation Accounts (P. & T.), 1965-66 and Audit Report (P. & T.), 1967.

2. The Appropriation Accounts (P. & T.), 1965-66 and Audit Report (P. & T.), 1967 were laid on the Table of the House on the 4th April, 1967. The Committee examined these at their sittings held on 27th and 28th October, 1967. The Minutes of these sittings form part of the Report (Part II)*.

3. The Committee considered and finalised the Report at their sitting held on the 29th January, 1968.

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

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

6. They would also like to express their thanks to the officers of the P&T Board, Ministry of Railways (Railway Board) for the co-operation extended by them in giving information to the Committee during the course of evidence.

M. R. MASANI,
Chairman,

Public Accounts Committee.

NEW DELHI;
January 30, 1968.

Magha 10, 1889 (S).

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**POSTS AND TELEGRAPHS DEPARTMENT
AUDIT REPORT (P&T) 1967**

Revenue position—Paras 1, 2—Pages 1, 2.

1.1. The total revenue receipts of the Posts and Telegraphs department as budgeted for and realised during the five years ending with 1965-66 are given below:—

Years	Budget	Actuals	Variation	Percentage of variation
(In crores of rupees)				
1961-62	81.00	87.89	+6.89	+8.5
1962-63	89.22	97.87	+8.65	+9.7
1963-64	107.51	109.70	+2.19	+2.0
1964-65	127.00	123.78	-3.22	-2.5
1965-66	141.37	137.77	-3.60	-2.5

The revenue realised during 1965-66 was less than the budget estimates. This was due primarily to less sales of stamps (including post cards) than estimated. In 1964-65 also, revenue realised was less than estimated for similar reason.

The budget estimates of 1965-66 and the actual receipts under the main heads of revenue are compared below:—

Main heads of revenue	Budget estimates	1965-66	
		Actuals	Variations
(In crores of rupees)			
(i) Sale of ordinary stamps (including post cards)	42.00	38.05	-3.95
(ii) Sale of service stamps	10.00	9.09	-0.91
(iii) Postage realised in cash	7.92	7.41	-0.51
(iv) Receipts on account of money orders, Indian postal orders, etc.	7.50	7.85	+0.35
(v) Telegraph charges realised in cash	12.70	12.87	+0.17
(vi) Rent of wires and instruments leases to railways, canals, etc.	4.50	3.13	-1.37

Main heads of revenue	Budget estimates	1965-66	
		Actuals	Variations
(vii) Telephone revenue on account of rentals and local and trunk call fees, etc.	50.10	53.65	+3.55
(viii) Advance rentals under 'Own Your Telephone' scheme	2.76	2.39	-0.37
(ix) Other receipts (net)	3.89	4.33	+0.44
Total	141.37	137.77	-3.60

1.2. The growth of revenue during the five years ending 1965-66 is indicated in the table below:—

Main heads of revenue	1961-62	1962-63	1963-64	1964-65	1965-66	Increase in 1965-66 as compared to 1961-62	
						Amount	Percentage
(Amount in crores of rupees)							
(i) Sale of ordinary stamps	29.06	31.08	36.36	35.90	38.05	8.99	30.9
(ii) Sale of service stamps	7.96	8.20	8.50	8.94	9.09	1.13	14.2
(iii) Postage realised in cash	5.15	5.67	6.77	7.41	7.41	2.26	43.9
(iv) Receipts on account of money orders, Indian postal orders, etc.	5.51	5.84	6.60	7.16	7.85	2.34	42.5
(v) Telegraph charges realised in cash	4.79	6.17	7.41	10.29	12.37	8.08	168.7
(vi) Rent of wires and instruments leased to railways, canals, etc.	2.04	2.24	1.80	3.56	2.13	0.09	4.4
(vii) Telephone revenue on account of rentals and local and trunk call fees, etc.	29.15	33.29	37.10	42.94	53.65	24.50	84.0
(viii) Advance rentals under 'Own Your Telephone' scheme	1.62	1.58	2.12	3.45	2.39	0.77	47.5
(ix) Other receipts (Net)	2.61	3.80	3.04	4.43	4.88	1.72	65.9
Total	87.89	97.87	109.70	123.78	137.77	49.88	56.8

The major increases during the five-year period were in the amounts realised from sale of ordinary stamps, telegraph charges realised in cash and telephone revenue.

1.3. The Committee desired to know whether the Posts and Telegraphs Department had analysed the reasons or the shortfall in the actual realisation of revenue as compared to the budget estimates during the years 1964-65 and 1965-66. The Senior Member (Finance) P&T Board stated that "It is true that the revenue fell short of the budget estimates". He added that, in the earlier years, the budget estimates of revenue were framed in a very tight manner and the revenue had exceeded the budget estimates. This was noticed by the Public Accounts Committee and as a result of which the budget estimates were framed a little more liberally. When the budget estimates for 1965-66, were framed the figures of actual realisations of 1963-64 (Rs. 109.70 crores) and of the first eight months of 1964-65 were available with the P&T Department. The figure of Rs. 123.78 crores being the actual revenue realised during 1964-65, was not available to the P&T Department when the budget estimates for 1965-66, were framed. For 1965-66, the Department took the revised and the budget estimates for the previous year (1964-65) and estimated 12 per cent increase on that but the actual increase turned out to be about 11.3 per cent. The witness further stated "We were not very far out in the percentage of increase but the revised estimates of the previous year themselves were not realised with the result that the actuals fell short of the budgetted figure. However, I may mention that we keep these estimates under review". The witness added that at the time of framing the revised estimates for the year 1965-66 revenue of Rs. 137.61 crores was estimated but the actual revenue was Rs. 137.77 crores which was very close indeed.

1.4. So far as the annual percentage increase in revenue was concerned the witness stated that in 1961-62, it was 13.9; in 1962-63 11.4; in 1963-64 12.1, in 1964-65 12.8; and in 1965-66 it was 11.3 which meant that the percentage increase had always been between 11 and 13 in all those years.

1.5. The witness further explained that apart from this inherent limitation of not having the up-to-date figures of the previous years on the basis of which forecast for the next year was made, there were other factors namely the decline in trade and industry, a sort of recession and then the hostilities with Pakistan in September-October, 1965, and the failure of the monsoon which did affect the earnings of the P&T Department. Railways too had similar experience.

1.6. The Committee referred to the shortfall in actual receipts during 1965-66 from the (i) sale of ordinary stamps which came to Rs. 38.05 crores as against budgetted estimates of Rs. 42.00 crores and (ii) from the receipt of rent of wires and instruments leased to

Railways, canals etc. which came to Rs. 2.13 crores at the old rates as against the budget estimates of Rs. 4.50 crores and enquired the reasons thereof. The witness stated that as regards the sale of stamps it depended on general trade and industry conditions.

1.7. He further stated that the P&T Department had consulted the Heads of Circles with regard to the revenue from sale of stamps and it was found that the estimates drawn up on the basis of the figures submitted by the Heads of the Circles were very wide off the mark and much more unrealistic than the estimates drawn up by the P&T Directorate on its own. He added, "We did not find any better method to change our present system of budgeting which is based on the figures of revenue and expenditure from the Accountant General. We attempted other methods but the results were not satisfactory. We are, however, trying to pay greater attention to traffic trends when framing our budget estimates."

1.8. As regards the short-fall in the receipt of rent of wires and instruments leased to the Railways, canals etc., the witness stated that there had been lack of agreement between the P&T Department and the Railways regarding the quantum of payment due from the Railways to the P&T Department. The matter was now under consideration between the Railways and the P&T Department. In a subsequent note (Appendix I) the Department of Communications (P&T Board) have informed the Committee that a meeting was held on the 30th October, 1967 with the Railways, where an agreement has been reached on all the outstanding points. It has also been stated in the note "Necessary data to enable the Audit offices to prefer the bills for arrears of rental is under compilation in the Directorate; and will be sent to Audit shortly. As, now agreement has been reached in regard to the broad principles of fixation of rental, it is expected that no such delay will occur in regard to the finalisation of rentals for the next quinquennium."

1.9. Asked if the anticipations of the department towards revenue realisation had been realised during the Third Five Year Plan, the witness stated, "In normal years our estimates of revenue have been more or less what we had anticipated. But in 1964-65 and 1965-66, the traffic has not been so good. This is partly due to the recession and I think we can also say that there has been dislocation of traffic on account of 'bandhs', 'gheraous' and strikes that have been going on every where. If there are strikes, then traffic also falls. These are things which we cannot anticipate."

1.10. The Committee has also been informed in another note (Appendix II) that the budget estimates of revenue of the P&T Department in 1966-67 was Rs. 165.14 crores. As against this the actual realisation in that year was Rs. 159.34 crores, resulting in shortfall of Rs. 5.80 crores which works out to 3.5 per cent below the budget estimates.

1.11. 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 and 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.

1.12. 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.

1.13. The Committee enquired whether the P&T Department had explored the possibility of printing special series of stamps or by making stamp more attractive for philatelic purposes with a view to earn foreign exchange. The witness stated, "I think there are two basic factors in this connection with the point that has been raised. The first is that our stamps are printed in the Nasik Security Press. That press has its own limitations. It cannot do

multi-coloured printing. Therefore, it is not possible to bring out stamps of real philatelic value. We cannot get enough stamps in the sense that their capacity is also limited. We cannot also think in terms of bringing out special series of stamps because of shortage of paper which is imported. Import of stamp paper involves foreign exchange. That is another stumbling block. I think we have been laying great stress on bringing out stamps of our great heroes and heroines. These are popular in India, but not so popular abroad."

1.14. As desired by the Committee, the P&T Board has furnished a note (Appendix III) indicating the amount of foreign exchange spent on import of paper for printing of stamps and amount of foreign exchange earned by sale of stamps. It has been stated in this note that foreign exchange amounting to Rs. 4.85 lakhs and Rs. 7.64 lakhs was spent on import of paper for printing stamps during the years 1964-65 and 1965-66 respectively. The amount of foreign exchange earned by sale of stamps during these two years was Rs. 87,711 and Rs. 1,50,589 respectively. It has also been stated *inter-alia* in that note "It is felt that by bringing out multi-coloured stamps and depicting the flora and fauna of the country, its art and culture, the demands for Indian postal stamps in foreign countries will increase and result in large foreign exchange earnings on this account." The Committee also find that at the recent seminar on philately, it was stated: "print order for 'Shankuntala' was 30 millions and for Nehru's stamp 10 millions."

1.15. In reply to a question, the witness stated that as compared to other leading countries who had their own private printers for printing special stamps, none of the Government presses in India were equipped to print special postage stamps. The P&T Department had explored this possibility also. Asked if they would encourage the private printers to do such a job, the witness stated, "It depends on the terms they offer."

1.16. The Committee enquired whether the paper produced at the Hoshangabad plant would serve the purpose of the P&T Department for printing special stamps. The Chairman of the P&T Board stated that that paper was for bank notes. Paper for stamps was not included in their priority list. The Government have included production of paper for stamps only in their Phase II Development scheme. The representative of the P&T Board further stated "It might be of interest to the Committee to know that the main stumbling block is that for producing stamp paper gum arabic is needed. We cannot have paper with gum arabic produced in the country".

1.17. The Committee feel that the science of philately has not been effectively pressed into service by the Posts & 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 philatelists, 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.

1.18. The Department may examine the suggestion that Indian symbols and motifs like 'Hansa', 'Dharmachakra', 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.

1.19. 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.

1.20. 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.

Revenue position—Para 3—Pages 2—4.

1.21. The growth of revenue in the four branches of the Department as compared with the increase in expenditure [inclusive of (a) interest/dividend paid to general revenues or accrued but not paid, and (b) due contributions to the Renewals Reserve Fund] during the five years ending 1965-66 is given below:—

(in crores of rupees)

Year	Revenue	Expenditure	Percentage of expenditure to revenue
1		3	4
<i>Postal Branch—</i>			
1961-62	45.62	43.47	95.2
1962-63	50.95	50.18	98.5

(in crores of rupees)

1	2	3	4
1963-64	56.62	53.18	93.9
1964-65	59.37	60.65	102.2
1965-66	66.00	69.28	105.0
<i>Telegraph Branch—</i>			
1961-62	11.06	11.46	103.6
1962-63	11.55	13.05	113.0
1963-64	12.82	14.49	113.0
1964-65	15.94	16.70	104.8
1965-66	14.44	19.68	136.3
<i>Telephone Branch—</i>			
1961-62	31.06	27.34	88.0
1962-63	35.08	31.93	91.0
1963-64	40.12	37.59	93.4
1964-65	48.15	45.26	94.0
1965-66	47.10	53.70	94.2
<i>Radio Branch—</i>			
1961-62	0.15	0.38	253.3
1962-63	0.29	0.20	69.60
1963-64	0.14	0.25	178.6
1964-65	0.32	0.35	109.4
1965-66	0.24	0.37	154.2
<i>Total (Department as a whole)</i>			
1961-62	87.89	82.59	94.0
1962-63	97.87	95.36	97.4
1963-64	109.70	105.41	106.1
1964-65	123.78	122.96	99.3
1965-66	137.77	143.12	103.0

The revenue of the Radio Branch is derived from (a) meteorological messages (b) services rendered for communications between ships and shore and (c) provision for wireless communications on request from other Governments or parties. The wireless stations are used also for monitoring and training purposes and provide a stand-by link to the normal channels of communications provided by the Department, the portion of the expenditure allocable to these purposes is borne by the Radio Branch. Since no revenue is derived from them, the Radio branch discloses a loss. Further, the annual revenue and expenditure of the Radio branch shown above included

substantial adjustments relating to other years. If those adjustments are included in the figures of the years to which they relate, the figures for the three years ending 1965-66 would be as follows:—

Year	Revenue	Expenditure	percentage of Expenditure to Revenue
1963-64	0.22	0.32	145.5
1964-65	0.33	0.32	97.0
1965-66	0.24	0.30	125.0

The percentage which the expenditure of the Department as a whole bore to its total revenue taking a period of five years ending with 1965-66 was the highest in 1965-66. The expenditure increased by Rs. 20.16 crores against the increase of Rs. 13.99 crores in revenue during the year 1965-66 as compared to the figures in 1964-65.

1.22. The Committee pointed out that there had been a heavy increase in expenditure of the Posts and Telegraphs Department rising from Rs. 82.59 crores in 1961-62 to Rs. 143.12 crores in 1965-66, and enquired as to what the Posts and Telegraphs Department proposed to do in this respect.

1.23. With regard to the rise in expenditure in the Postal Branch, the Senior Member (Post) Posts and Telegraphs Board stated:

“... First of all there have been successive doses of dearness allowance given to the staff. Then, a number of concessions have also been given to our staff such as increase in house rent allowance, children education allowance, overtime allowance and a variety of other allowances. I might mention that the Postal Branch is mainly manned by individuals unlike the Tele-communication Branch which is machine oriented. It is basically labour intensive and any increase in allowances does affect our working expenses. That is the main reason.”

1.24. The Senior Member, (Finance) Posts and Telegraphs Board stated that situation in the Post Office was “somewhat Pickwickian” because with more traffic more people had to be employed and greater was the loss incurred by the Department. This was because in the post-office except for the unregistered letters all other items were running at a heavy loss. This loss was due to the national policy of increasing the number of Post offices in the rural areas which were running at a loss at least in the first two years. In order to balance the expenditure with the income, the Posts and Telegraphs Department had raised the tariffs on the tele-communi-

cation side in the beginning of 1966. But the witness added that now there was a Tariff Committee appointed which was going into the question of revision of tariff, the principles underlying such revision and to what extent the services could work on economic basis. The report of the Committee was expected in a few months time, on the basis of which, the Department would revise the rates.

Referring to the Telegraph Branch where the percentage of expenditure to revenue had risen from 103.60 in 1961-62 to 136.37 in 1965-66, the Committee enquired how Posts and Telegraphs Department would explain these variations in the expenditure. The witness stated that this large increase in the percentage of expenditure to the revenue in the Telegraph Branch during 1965-66 was mainly due to the arrears of revenues from the Railways as rent of wires and instruments leased to Railways. He further stated that the Posts and Telegraph Department had been getting an on-account payment in the earlier years. On the basis of that anticipation the Posts and Telegraph Department had put Rs. 1.5 crores as an increase in revenue which did not materialise. Moreover, the Telegraph Branch was also labour intensive. The impact of any rise in the emoluments of the staff had a great impact on the Telegraph traffic than on Telephone side.

1.25. As regards the increase in percentage of expenditure to revenue in the Radio Branch which was 154.2 per cent in 1965-66 which had also been steadily increasing since 1962-63 the Chairman, Posts and Telegraph Board stated that the Radio Branch had a very small revenue compared to total revenue. It was only of the order of Rs. 13 to 14 lakhs. The Radio Branch is used as a stand by. The high variation was largely due to the manner of presentation of the figure and it had no particular significance.

1.26. The Committee desired to know the steps, the Posts and Telegraphs Department had taken to effect economy in the working of Postal and Telegraph Branches so as to reduce the expenditure. The Chairman, Posts and Telegraph Board stated that, "We entirely agree with you that the need for economy in all types of expenditure has to be kept constantly in view. That has been our policy and will continue to be our policy".

"So far as the losses on the Postal side are concerned, there are a few postal administration in the world who are able to show profit. In America, post office is not considered as commercial and it is heavily subsidised by the state's finance . . . Postal service is es-

sential to the community and postal rates can be increased only to a certain limit. There are other considerations apart from commercial that come into play—economic and various other considerations. These also have to be kept in view in fixing the tariffs or postal rates.”

1.27. Since Telephone Branch was the only branch where revenue realisation was in excess of expenditure, the Committee enquired whether the Posts and Telegraph Department had ever thought of separating the Tele-communication Branch from the Postal Branch. The Committee also asked as to why the burden of subsidising post card should not be shared equitably between all branches of national economy and all categories of tax payers rather than by users of telephones only. The witness stated that this matter had been discussed from time to time in the Posts and Telegraph Board and diverse views had been expressed.

1.28. The Committee enquired as to when the Tele-communication and the postal services were merged together. The Senior Member (Tele-communication-operation) Posts and Telegraphs Board stated what the amalgamation of the two departments was completed in 1914. The Chairman, Post and Telegraphs Board stated that “By and large in the Commonwealth countries the thinking has been to keep Postal and Tele-communication together. In countries other than the Commonwealth, the two are generally separated, except in Pakistan where they separated Posts and Telegraphs two or three years ago.” The Posts and Telegraphs Board had asked the Administrative Reforms Commission in July, 1967 to form a Working Group for the Post and Telegraph to deal with the administrative set up whether the services could be merged together or separated. The Working Group had already been formed. The views of the Government on this point could only be formed after the report of Administrative Reforms Commission was received.

1.29. The Committee enquired as to whether there was any co-ordination between the Tariff Committee and the Working Group appointed by the Administrative Reforms Commission. The Senior Member (Posts) Posts and Telegraph Board stated that “These are two separate committees. The Tariff Enquiry Committee is going into the question of tariffs and the extent the services can work on an economic basis. The Administrative Reforms Commission Working Group deals with the administrative set up whether the services should be merged or whether they should be separated.”

1.30. Asked about the conversion of tele-communication service into a public corporation as opposed to departmental running, the

Chairman Posts and Telegraphs Board stated that this was included in the terms of reference of the Working Group set up by the Administrative Reforms Commission.

1.31. 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 the Posts and Telegraphs Department.

1.32. They are particularly concerned to note that the percentage of expenditure to revenue on the postal services has increased from 99.2 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; the grant of additional allowances such as enhanced dearness allowance, house rent allowance, overtime allowance, education allowance for children of employees 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 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.

1.33. 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.

1.34. 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.

1.35. 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 the Railways on account of arrears of rental on line and equipment, this percentage increase in expenditure is disturbing.

1.36. Complaints have been voiced both inside and outside Parliament about the delay in the transmission and delivery of telegrams. The Committee consider that the Department should launch an intensive drive to modernise and improve the efficiency of the Telegraph Branch so as to win public confidence with a dependable

and prompt service. Such an improvement in service is bound to attract more traffic and earn larger revenues. The Committee also stress the need for observing the utmost economy so as to arrest the upward trend in expenditure and keep it as close to the revenue as possible.

1.37. The Committee understand that the Postal Branch and the Tele-communication branches were amalgamated in 1914, in conformity with the set-up obtaining generally in other Commonwealth countries. It is questionable whether the loss on the postal side which renders a general service to the public should be made good entirely at the expense of the Tele-communication branches which are capital intensive and which need to be expanded urgently to keep pace with developments in industry and commerce. The Committee consider that with the vast increase in the postal and tele-communication services that has taken place since Independence, the time has come when the position should be critically reviewed keeping in view the requirements of each service and the imperative need for efficient and businesslike administration.

1.38. The Committee understand that the question of converting the Posts and Telegraphs Department as a whole or the Tele-communication branch alone or any specific units of the Department into a Corporation has been referred to a Working Group of the Administrative Reforms Commission (Appendix IV). The Committee would like to be informed of the action taken on their recommendation in due course.

Renewals Reserve Fund—para 4, page 4

1.39. It was mentioned in paragraph 4 of the Audit Report, 1966 that there was a deficit of Rs. 23 crores in the Renewals Reserve Fund at the end of 1964-65. The deficit in the Fund was intended to be made up progressively according to the availability of surplus. Though provision for an additional contribution of Rs. 33.83 lakhs, besides the due annual contribution, was made in the Budget Estimate 1965-66 with a view to reducing the deficit, no amount towards arrears could be contributed because the department's accounts for 1965-66 closed with a deficit. The deficit in the Fund has gone up from Rs. 23 crores at the end of 1964-65 to Rs. 24 crores at the end of 1965-66 since interest on the deficit is added to the amount of arrears every year.

1.40. The Committee desired to know how the Department proposed to make up the deficiency in their contribution to the Renewals Reserve Fund. The representative of the P. & T. Board stated

that because of economic recession and the fall in the revenues of the Department, there had not been any surplus. In fact, there had been a short-fall in the payment of dividends on the amounts borrowed from the Central Revenues. The question of making good the arrears over a period of years depended on the future revenue and expenditure position of the Department.

1.41. As regards the arrears, the witness stated that "although the figure of arrears is large, the position is not so alarming as it looks on paper". He added that out of abundant caution the Department had evolved a formula to make provisions not only for the depreciation on the costs of the assets but also to meet the rise in the costs to replace the assets. According to this formula the arrears were calculated at Rs. 30 crores some years ago, out of which Rs. 6 crores had been paid and the present short-fall amounted to Rs. 24 crores.

1.42. In reply to a question the Committee were informed that even though annual contributions were made by the Department to the Fund regularly during the last year or two, due to economic recession it was not found possible by the Department to make annual payments towards the clearance of arrears. The Fund was calculated on the basis of a Sinking Fund method and the arrears kept on rising because interest at 3.75 per cent was added to it. The Chairman, Posts and Telegraphs Board stated that since 1960 a sum of Rs. 11.78 crores inclusive of interest was contributed by the Department towards arrears and interest. As on April, 1966, the accumulated balance in the Renewals Reserve Fund was Rs. 65.88 crores. This had gone up now to Rs. 74.35 crores which was about 26 per cent of the fixed assets of the Post and Telegraph Department. According to the normal commercial practice, deposit of 26 per cent on fixed assets was considered to be a very high deposit. He further contended "We have as a policy accepted that the arrears will be contributed, if we make more profits. . . . The position financially, so far as Renewals Reserve Fund was concerned is not alarming." The Committee were also informed that withdrawals from the Fund were made for replacement of old assets in accordance with the rules framed in consultation with the Accountant General. The Committee referred to the recommendations contained in para 1.19 of the 43rd Report of the Public Accounts Committee (Third Lok Sabha) which *inter alia* had stressed upon the Department the desirability of drawing up a phased programme to liquidate the arrears within a reasonable period and pointed out that if contributions were not made by the Department to wipe off the arrears, the accounts would show wrong deficit figures. Further, the contributions made by the Department to the General Revenues by way of dividend was in ex-

cess of the interest which was to be paid by the Department. Thus it might be technically argued that the payments were made by the Department towards a part of dividend which should have really gone to the Renewals Reserve Fund.

1.43. Replying to the above, the representative of the Posts and Telegraphs Board stated that the Department was anxious to catch up with the arrears. The Department had taken a decision to "net the balance of this Fund against the Capital at charge." In addition the Department was thinking of changing the Sinking Fund System to a Straight-line-system. The Department was also thinking whether the formula itself needed a review. As regards the position of dividends *vis-a-vis* the Renewals Reserve Fund, the witness stated that the matter was under correspondence with the Accountant General (Posts and Telegraphs). The rate of dividend paid by the Department to the General Revenues was the same paid by the Railways and about 95 per cent of the dividend was in the nature of interest on the capital. The witness further stated that every business enterprise which borrowed had to pay interest on borrowings before making provision for depreciation reserve etc. and the Department was acting on the same lines.

1.44. The Committee pointed out that the dividend paid to the General Revenue comprised of two elements i.e. interest on borrowed capital (capital at charge) and an element of profit. While the matter was discussed between the Department and the Accountant General (Posts & Telegraphs), the latter had pointed out that so long the P. & T. Board did not make any profit, it was not correct that any profit should be paid before arrears of depreciation or arrears of Renewals Reserve Fund were paid. Even though under the provisions of law it was not obligatory to pay up arrears of Renewal Reserve Fund, it was not morally correct that an element of profit should be paid so long as the Department did not make any profit.

1.45. Explaining why the Department could not agree to the suggestion, the witness stated that the dividend was practically in the nature of interest. There might be a small fractional percentage which notionally might be called profit. The Tariff Committee was reviewing the income and expenditure of the Department and it was hoped that as a result of the labours of the Committee, the finances of the Department would be placed on a sounder footing and the Department would be able to catch up with those arrears.

1.46. The Committee note that the Posts & Telegraphs Department have decided to "net the balance of the Renewal 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.

1.47. The Committee hope that the most rational method for determining contributions to the Renewal 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 Renewal Reserve Fund but also for wiping out the arrears in a phased manner.

II

GENERAL RESULTS OF APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

Excess requiring regularisation para—6, pages 5—6:

2.1. The excess over the following grant requires to be regularised under Article 115 of the Constitution:—

	Amount of Grant	Expenditure	Excess	Percent- age
	Rs.	Rs.	Rs.	
103 Post and Tele- graph working Expenses	1.42,41,32,000	1.43,81,52,088	1.40,20,088	1.0

The excess of Rs. 1.40 crores over the grant was stated to be due mainly to more expenditure than anticipated under the following heads :—

	In lakhs of rupees
(i) Pay and allowances	62.82
(ii) Contingencies	66.24
(iii) Printing and stationery	15.75
(iv) Maintenance of Assets	20.54
(v) Petty and other works	19.45

2.2. The Posts & Telegraphs Department in a note (Appendix V) have explained the reasons for excess as under:—

Pay and allowances: (Rs. 62.82 lakhs)

The expenditure booked under this head covers items of an inescapable nature. The Final Grant was fixed on the basis of actuals for first 10 months and the anticipated payments in February and March. The excess of Rs. 62.82 lakhs comprises of Rs. 21.65 lakhs under pay charges and Rs. 41.17 lakhs under Allowances and Honoraria.

As regards excess expenditure of Rs. 21.65 lakhs under pay charges, it has been stated in the note that the actuals during the last 2 months of 1965-66 showed higher increase by 0.6 per cent (which comes to Rs. 21.34 lakhs) over the increases of previous years. (i.e. 1963-64 and 1964-65).

The increase under Allowances and Honoraria was Rs. 41.17 lakhs. This was mainly under Dearness Allowance (Rs. 16 lakhs) consolidated allowances to Extra Departmental Agents (Rs. 9 lakhs) Reimbursement of Medical charges (Rs. 13 lakhs). Over time allowance (Rs. 3 lakhs). Rates of Dearness Allowance were increased w.e.f. 1st December, 1965 vide announcement made in February, 1966. The effect of this increase in rates of Dearness Allowance was estimated at Rs. 72 lakhs and provision made accordingly. However, this estimate proved short by Rs. 16 lakhs. The expenditure on consolidate allowances to Extra Departmental Agents, reimbursement of Medical charges and Overtime allowance was also more than that anticipated. These payments could not be postponed.

Contingencies: (Rs. 66.24 lakhs)

It has been stated by the Posts and Telegraph Board in their note that the payments under this head were in respect of a number of detailed heads of accounts. The excess had been mainly under 'Liveries and Uniforms', (Rs. 26 lakhs) Mail bags (Rs. 18 lakhs), Electric Power and Hot weather charges (Rs. 2 lakhs) and other Contingencies (Rs. 22 lakhs). The expenditure on the first two items (Liveries and uniforms 'and Mail bags') was more than anticipated. The anticipated payments under the latter two heads, which were based on the trend of actuals for the previous years and the progress of expenditure during the year, also proved insufficient.

Printing & Stationery: (Rs. 15.75 lakhs)

The excess was due to unavoidable and urgent work in Government Presses mainly in respect of printing of essential forms.

Maintenance of Assets: (Rs. 20.54 lakhs)

More expenditure was incurred on faults and interruptions and urgent maintenance works during the closing months than anticipated.

Petty & other works: (Rs. 19.45 lakhs)

The excess was mainly due to unanticipated heavier priority demands for works of installation of new telephones.

2.3. 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 Telegraph 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 under 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. Subjects to this observation, the Committee recommend that the excess over the grant may be regularised under Article 115 of the Constitution.

III REVENUE

Arrears of telephone revenues—Para 7—Pages 7-8.

3.1. The collection of telephone revenue in respect of bills issued upto 31st March, 1966, was in arrears to the extent of Rs. 6.11 crores as on the 1st July, 1966, as indicated below:—

	(In crores of rupees)
Government subscribers	3.64
other subscribers	2.47

Out of the total outstandings of Rs. 6.11 crores, Rs. 3.02 crores related to bills issued during 1965-66 and the balance of Rs. 3.09 crores to the bills issued upto 1964-65. The year-wise analysis of the arrears is given in Appendix VI.

(ii) The percentage of outstanding on 1st July, 1966, to the total amount collected during the year ending with the preceding March and corresponding percentages in the three preceding years are indicated below:—

Year	Amount Collected	Outstanding on 1st July, following (including outstandings in respect of bills issued in the preceding years)	Percentage of arrears to the amount collected during the year
	(In lakhs of rupees)		
1962-63	33.29	321	9.6
1963-64	37.10	452	12.2
1964-65	42.94	604	14.0
1965-66	53.65	611	11.4

A statement showing the Telephone Revenue Accounts Offices in which the percentage of outstanding telephone revenue on 1st July following, for bills issued during the preceding year was high is given in Appendix VII.

(iii) A test-check of telephone revenue accounts conducted during 1965-66 has shown many instances of short recoveries and failure to issue bills. Of the instances brought to notice, short recoveries

to the extent of Rs. 1.55 lakhs and failure to issue bills to the extent of Rs. 3.83 lakhs had not been made good by the 30th June, 1966.

(iv) (a) In the Bombay Telephone District and in the jurisdiction of the Divisional Engineer, Telegraphs, Ahmedabad, disconnection of telephones for non-payment of bills was effected in 1965-66 after delays ranging from 3 months to 1 year in the case of 48 subscribers (37 in Bombay and 11 in Ahmedabad) and 2 years in the case of 1 subscriber (in Bombay). Under departmental rules, this should have been done within about a month of the issue of the bills remaining unpaid. The amount still (September, 1966) to be collected from these subscribers is about Rs. 0.58 lakh.

(b) Fifty five subscribers in the Delhi Telephone District have not paid their bills for 1 to 7 years, the amount due from them being Rs. 1.71 lakhs for varying periods prior to April, 1966. Their telephone connections have not yet (October, 1966) been disconnected. Most of them are private subscribers. In the case of 8 of these subscribers, the amount outstanding ranges from Rs. 5,000 to Rs. 27,000.

3.2. The Committee desired to know the latest position about the non-recovery of arrears of telephone revenues. The Member, P&T Board stated. "It is true that arrears for the bills issued upto March, 1966 was Rs. 611 lakhs. You will be glad to know that this figure of Rs. 611 lakhs has come down to Rs. 283 lakhs as on 1st July, 1967. Similarly the arrears for bills issued during 1965-66 during one year, in the Audit Report the figure is shown as Rs. 302 lakhs. It has come down to Rs. 74 lakhs as on 1st July, 1967". Asked about the arrears against Government subscribers the witness clarified that out of Rs. 2.83 lakhs outstanding as on 1st July, 1967 the Government portion was Rs. 137.48 lakhs and that of private parties was Rs. 144.93 lakhs.

3.3. The Committee desired to know the reasons for such huge arrears from Government subscribers. The Chairman, P&T Board stated that the main reason for this was that the accounting system which the P&T Department had been following was organized when the number of telephones was very small. That accounting system was based on keeping registers and issue of monthly bills without co-relating the monthly bills with previous arrears. These bills did not show the past arrears nor did they show that the past bills had been paid or not. Each bill was treated as a voucher. Now that system was being reorganized and a sort of cardex arrangement was being made so that the personal ledger of each subscriber was

available. This cardex system was tried in Hyderabad and Rajasthan.

3.4. In Delhi as a pilot scheme the entire account keeping system for telephone revenue was being over-hauled. The process of change in the accounting system had been going on for the last two or three years. It was hoped that as a result of change in the system of accounting there would be definite improvement in the coming two to three years.

3.5. As regards the action taken against the Government subscribers for non-payment of telephone dues, the Chairman, P&T Board stated that in some Government Departments, the procedure for payment of telephone dues was rather complicated. The question of streamlining the procedure for payments, was taken up at the highest level with the Finance Ministry. As a result thereof the Finance Ministry had asked two months ago all the Ministries to streamline the procedure. The witness further stated that "One of the most complicated procedures is laid down by the Ministry of Defence. They sent all the telephone bills to the Accounts Office at Meerut. The local authorities had no authority to pay. They want the officers to certify how many calls are private and how many official. Sometime discrepancies arise resulting in prolonged correspondence and delay in payment." The P&T Department was now trying to switch over to a system under which Government Departments would also be required to pay in cash every month rather than by book transfer. The witness further assured the Committee, "I hope we will be able to get over this difficulty and get payments in cash."

3.6. As regards the Department's estimate of bad and doubtful recoveries, the witness stated that the P&T Department did not treat any arrears from Government as bad or doubtful. In the case of private subscribers the bad or doubtful recoveries would not be more than Rs. 10 lakhs.

3.7. The Committee pointed out that Rs. 55.12 lakhs had been pending as recovery for more than 5 years and enquired the present position of this arrears. The witness stated that the total outstanding amount was now Rs. 46 lakhs. P&T had been able to recover an amount of Rs. 9 lakhs.

3.8. The Committee desired to know the steps P&T Department had taken to improve the efficiency of the telephone services in Delhi. The witness informed the Committee that so far as Delhi was concerned, the Department had taken certain steps which were

expected to bear fruit in three or four months time. By 31st March, 1968 the P&T Department would put up nearly 20,000 extra telephone lines which would reduce the load on the present system which was tremendous and the telephone service would improve.

3.9. The Committee desired to be furnished with a note indicating:—

- (i) the action taken in pursuance of the statement made by the Minister of Communications in the Lok Sabha on the 11th July, 1967 that 50 per cent. of the telephone rentals were in arrears and that he would be launching an intensive drive for recovery;
- (ii) the progress made in effecting recoveries particularly for pre-1965 period and the steps taken to ensure that such arrears were not allowed to accumulate in future.

3.10. The P. & T. Board has furnished the following information:—

“In pursuance of the statement of the Minister of Communications, it was decided to take action as follows in respect of arrears in Delhi Telephones:—

- (a) All subscribers defaulting in payment of bills issued prior to 1965 should be served with Registered A.D. Notices by August 15, 1967;
- (b) The subscribers who still default in spite of Registered A.D. Notices should be served with disconnection Notices by December 15, 1967; and
- (c) If Disconnection Notices prove futile, telephones of such subscribers as continue to default in payment should be disconnected by January 15, 1968.

The first part of the work has been completed in time with the issue of 22,595 notices in respect of 79,926 bills amounting to Rs. 61.36 lakhs.

In regard to post-1965 arrears, usual action for recovery is being continued to be taken. As already stated during the sitting of the P.A.C., the arrears generally are progressively coming down.”

3.11. 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 for 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.

3.12. From the evidence tendered before them, the Committee find that one of the main reasons for the accumulation of 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 hope 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.

3.13. 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.

3.14. Referring to the short recovery as stated in sub-para (iii) to the extent of Rs. 1.55 lakhs and failure to issue bills to the extent of Rs. 3.83 lakhs, the Committee enquired the latest position in these cases. The witness stated that the latest figure of short recoveries was Rs. 10,000 only. Regarding failure to issue bills, the figure as on 1st July, 1967 was Rs. 26,000.

3.15. With regard to incorrect billing the Committee desired to know whether the P&T Department had examined the desirability of conducting a sample survey in some of the principal telephone revenue accounting offices to find out as to what percentage of bills were challenged by the subscribers on grounds of inaccuracy. The witness stated that no sample survey had been done as such.

3.16. As regards the complaint of excessive billing due to defective meters in the telephone exchanges, the Committee were informed that the meters fitted in the exchanges were manufactured in the Indian Telephone Industries. Every meter was put to 9,999 operations and if the meter showed a mistake of even one, it was rejected. When a meter was installed in the exchange it was again tested by the installation staff. After that there was a system of acceptance testing in each exchange. This acceptance test was done by a separate group of engineers. After that all these meters were locked and the keys were kept under the personal control of the officer-in-charge of the exchange. The witness further stated that there was a system where the meter was automatically checked once in three months. Test calls were put and these meters were checked with the test meters. If there was any complaint against the meter it was checked up.

3.17. Explaining the procedure of delivery of bills of telephone revenue, the witness informed the Committee that these bills were despatched in a bundle, post office-wise; to the post office concerned. The bundle is sent through registration. From the post office these bills were distributed by post-man to subscribers through ordinary post. There was also the system of telephoning the subscribers before disconnection. So far as old arrears were concerned, a telephone would not be disconnected without giving a number of chances to the subscriber.

3.18. The Committee suggest that the P&T Department should undertake a sample survey of the bills which are challenged by the subscribers on the ground of inaccuracy. Such a survey would help the Department in knowing the defects which result in the wrong preparation of bills, and their non-delivery and enable them to take remedial measures. In addition, this would also facilitate the prompt payment of Telephone bills in future by the subscribers.

3.19. The Committee enquired about the steps taken about the decentralization of the telephone revenue accounts offices. The representative of the P&T Board stated that out of 78 divisions, 31 divisions had already been decentralized, and 14 divisions would be decentralized by January, 1968. The rest of the divisions would be decentralized progressively. Regarding mechanisation, the witness stated that mechanical system of preparation of telephone bills had been introduced in Calcutta. A Committee had been appointed to see whether mechanisation of billing system could be effected at other places also. The report of this Committee was examined in detail. One view expressed was that by a modification on the

cardex system, it might be possible to do this work economically and cheaper than by machines. The witness further added, "We will try that experiment. We have taken a decision that in Delhi and Bombay, we will try out the manual system. The Telephone Accounts Offices are being re-organised. If we find from experience, that further reconsideration is necessary, we will do it." In reply to a question whether the Post and Telegraphs Department was considering giving a rebate on prompt payment of telephone bills and levy on delayed payment of bills, the witness stated that this question was under consideration.

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

3.21. The Committee find that the P&T Department is at present experimenting with the mechanisation of the billing system in Calcutta and that the manual system of preparation of bills is being tried in Bombay and Delhi. The Committee desire that after examining the advantages and disadvantages of both the systems, the P&T Department should adopt a billing system which results in expeditious preparation of bills economically.

3.22. 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.

3.23. The Committee referring to sub-para (iv) (a) & (iv) (b) desired to know as to how the subscribers managed to keep their telephone connections without paying their bills for one to seven years. The witness stated that so far Delhi cases were concerned, eight of the subscribers whose out-standings were between Rs. 5,000 to Rs. 27,000 were all Government subscribers. In Ahmedabad 11 bills involving an amount of Rs. 12,000 belonged to private subscribers. The number of the outstanding bills as on 1st July, 1967 had come down to three bills and the amount outstanding was Rs. 1,990. In Bombay all the 39 bills belonged to private subscribers and the amount outstanding was Rs. 46,000. There the number of outstanding bills had now come down to eight and the amount involved was Rs. 7,270. In New Delhi out of 56 telephone sub-

scribers, 26 were private subscribers and 29 were Government subscribers. The amount outstanding against the private subscribers was Rs. 26,000 as against Rs. 1.45 lakhs against Government subscribers. On 1st July, 1967 the number of private subscribers was three and the amount outstanding was Rs. 1,265. Regarding Government subscribers their number was 13 and the amount outstanding was Rs. 48,584. About disconnecting the telephone connections the witness stated that the telephone connections in all the cases referred to above have been disconnected. He further stated that in Delhi out of three private subscribers two had been disconnected.

3.24. The Committee desired to know the procedure for rectifying a wrong trunk-call bill. The witness stated that such complaints should be brought to the notice of the General Manager of telephones for rectification.

3.25. The Committee regret to note that prompt action was not taken regarding disconnecting of telephones for nonpayment of bills in respect of 48 cases in Bombay Telephone District and 55 cases in Delhi Telephone District. The Committee also feel that the Posts & Telegraphs 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.

*Delay in recovery of estimating fee and compensation Para 8—
Page 8.*

3.26. 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. Twenty cases have, however, been noticed in the Punjab, Madras and Gujarat Circles and in the Bangalore Telephone District, where certain works were cancelled on varying dates during 1956 to 1964, but a recovery of estimating fees (Rs. 9,000) and compensation (Rs. 0.64 lakh) has not been made so far (upto July, 1966). In 6 cases pertaining to the Punjab Circle, demands for fees and compensation were issued after 15 to 39 months of the cancellation of work. In one case the party cancelling the work agreed in February, 1958, to pay the amount due (Rs. 6,578), but the amount has not been recovered so far (May, 1966).

3.27. The Committee desired to know the present position of recovery of estimating fee and compensation due from the various parties as a result of the cancellation of execution of the works at their instance. The Member, Posts & Telegraphs Board stated that the P&T Board had been able to recover only about Rs. 10,000, and about Rs. 65,000 were still outstanding. The witness further added, "In view of the involved procedure which now obtains for this estimating fee and the recovery of the estimating fee after going to Audit, we are considering whether we should streamline it as we have done in the other case of recovery of rentals and I propose to have a discussion with the Accountant General soon on this matter."

3.28. As regards the unhelpful attitude adopted by some Government departments which hampered the realisation of estimating fees and compensation, the witness stated that long correspondence arose because of the unhelpful attitude. The present rules were that estimating fees were supposed to be charged from private parties invariably. So far as Government Departments were concerned, the heads of the Circles had the discretion. The witness further stated, "With the help of my colleague Accountant General we shall consider whether this discretion should be taken away or not, and whether before we agree to carry out such works there should be a deposit which would cover the estimating fees which could ultimately be set off against the rentals etc. Of course it may not be possible in certain exceptional cases like emergent works for Defence Services, we shall have to allow for such cases."

3.29. 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 would also like the Department to evolve a suitable procedure whereby payment of estimating fee & 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.

Delay in Recovery of Rentals on Telephone and Telegraph Circuits
—para 10, page 9.

3.30. The Department provides telephone and telegraph circuits to Government departments and private parties, for their exclusive

use, on rentals recoverable in advance—periodically (monthly, quarterly or annually) as may be fixed in each case. The Divisional Engineer-in-charge is required to issue, within one week of completion of the installation, an Advice Note to the billing authority concerned intimating *inter-alia* the rental to be recovered and the date from which the recovery is to commence, so that the later may take necessary action in the matter. In an Engineering Division in the Punjab circle, the delay in the issue of Advice Notes in seven cases ranged from one year to eight years, in two cases, even though the circuits were handed over to the subscribers in October, 1964, no Advice Notes were issued till July, 1966; in two cases, in which recoveries fell due from July and September, 1965, the rent recoverable was omitted to be shown in the Advice Notes.

While the rental due in respect of seven cases referred to above has since been recovered, the amount due in the remaining four cases, amounting to Rs. 2.34 lakhs, is still outstanding. The Department informed Audit in December, 1966 that bills in respect of these four circuits have since been issued to the parties concerned.

3.31. The Committee desired to know the measures taken by the Department to ensure timely issue of advice notes in future. The witness gave the reasons for delay in the 11 cases as follows:—

2 cases (mentioned in Audit Report)	...	No delay was in fact involved. Earlier information furnished was not correct.
2 cases	...	Advice notes were lost in transit.
2 cases	...	Revised Advice notes had to be issued because of revised rentals.
2 cases	...	Advice notes were incomplete.
3 cases	...	Human failure.

3.32. The representative of the P & T Department stated that under the old arrangements the Accounts Officer, Telephone Revenue was under the control of the Head of the Circle. The work, however, was carried out by the Divisional Engineer who on completion of the work had to send an advice to the Accounts Officer, Telephone Revenues, who would send the bills to the parties. While submission of advices calculated on a flat rate basis was easy, those worked out on the basis of capital cost took some time. The Department had taken a policy decision to decentralise the Accounts Offices Telephone Revenue to the level of Divisional Engineers under which the Divisional Engineer would be responsible not only for the issue of Advice Notes but also for the collection of the rentals. He also conceded that "Corporation between Accounts Officer Telephone Revenues and Divisional Engineer is not as good as it should be, and

this was also one of the reasons of delay." Instructions had been issued by the Department in consultation with Audit that excepting in cases where the amount exceeded certain percentage, references to Audit would not be necessary and it was hoped that delays would be very much less now. The process of decentralisation had also been effected in 31 Divisions out of 78 Divisions and the rest of the Divisions would be covered gradually over a couple of years. In some of the Divisions the accounting procedure itself was being changed.

3.33. 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.

IV

WORKS EXPENDITURE

Avoidable extra expenditure on cable laying—Para 12—Page 10.

4.1. In Posts and Telegraphs Electrification Circle, the work of laying cables over a length of 40,900 metres was given to a contractor in 1964. According to the terms of the contract, cable drums were to be made available departmentally along the entire route a week or two in advance of the digging of trenches by the contractor. The trenches were, however, dug on in advance, and by the time the cable drums were made available, which took between 2 to 5 months, the trenches got filled up and had to be re-dug and cleared. This entailed an avoidable extra expenditure of Rs. 20,360.

4.2. The Committee pointed out that these cases revealed lack of co-ordination between the departmental Authorities and the local Railway authorities in the matter of availability of site for the work or the facilities for distribution of cable drums.

4.3. Explaining the general back-ground of the case, the witness stated that the laying of the cable and installing equipment for the electrification project of the Railways was a very large work and had to be done very quickly. The work was done in close liaison with the railways and it was necessary to follow very tight targets. As the cable was being laid along the railway track and access by road was not available, the distribution facilities had to be obtained from the Railways. As a result of a meeting held in February, 1964 the railways made a material train solely available for the use of P. & T. The distribution of the cable drums was very much slower than what was anticipated due to the peculiar condition in the section, namely, heavy train traffic and part of the route already working on direct current electrification. This was a time consuming process as the work had to be done only at night and even then the power had to be shut off at station on both sides before the cranes could be used for unloading the drums. The work of distribution of drums was completed in October 1964. The delay in distribution was due to circumstances beyond control. Meanwhile due to monsoon the trenches got partly filled up and the Department had to pay the cost of cleaning them. The witness stated that this was totally an exceptional case. The digging of trenches in April when sufficient

period of fair weather before the monsoon was available was good planning, but in view of the circumstances obtaining, the restrictions on distribution facilities caused unforeseen delay.

4.4. The Committee were also informed that in the second section it took five to six months to get clearance from headquarters of Railways at Delhi.

4.5. 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 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.

Delay in the execution of telephone expansion projects—Para 13, Page 10.

4.6. A capital expenditure of Rs. 52.22 crores was incurred in the Telephone Branch during the three years ending on the 31st March, 1966. The bulk of this expenditure relates to the installation of new exchanges, expansion of the existing exchanges and development of the trunk net-work by circuit and underground cables. It was, however, noticed that there have been considerable delays in the execution of the projects as compared with the target dates envisaged as indicated in Appendix VIII.

As the number of intending subscribers on the waiting list is much more than the available as well as projected capacity, such delays in the completion of projects result in the loss of potential revenue. Each telephone connection is expected to earn a minimum revenue of Rs. 240 per annum as rent apart from the revenue accruing from local and trunk calls.

4.7. The Committee pointed out that delays in the execution of telephone exchange projects which ranged from 7 months to 5 years and were caused generally by one or more of the following reasons:—

- (i) non-receipt of stores, equipment etc. from the suppliers;
- (ii) delay in acquisition of land; and
- (iii) delay in the construction of buildings.

4.8. The Committee desired to know the main reason for the delay in the completion of several works.

4.9. Explaining the general aspect of the delay in the completion of various telephone expansion projects, the Member, P & T Board stated that the expenditure was incurred during this period on about 3,000 large and small projects in various stages of execution out of which about 1,800 were completed during this period. The reasons for such a large number of projects being simultaneously taken in hand were the large demand in various places in the country. The witness further stated that the telephone projects took considerable time for completion and usually extended over a period of 3 to 8 years. Larger projects involving acquisition of land and construction of buildings in addition to installation of equipment and laying of cables usually take 7 to 8 years. Smaller projects not involving acquisition of land and buildings take 3 to 3½ years.

4.10. Out of 3,000 large and small projects in execution during the three years period ending 31st March, 1966, there were 500 projects each costing Rs. 5 lakhs or more with a total estimated cost of over Rs. 155 crores. The amount of Rs. 52.22 crores incurred during the three years ending 31st March, 1966 was only a part of the total cost of these projects. He further added that 1,800 telephone expansion projects were completed during the above period and this was evident from the fact that about 829 new exchanges and about 757 long distance Public Call Offices were opened and about 118 exchanges were expanded. The annual revenue of the Telephone Branch had increased by about Rs. 22 crores, part of this increase was due to adjustment of telephone tariff, but a larger proportion of the telephone revenue was due to substantial increase in the number of telephones and effective trunk calls.

4.11. In reply to a question whether the machinery etc. required for the various telephone expansion projects had arrived and was being utilised or lying idle, the witness stated that in all the cases where there were hold-ups, by and large, the machinery was diverted and it was not lying idle except in case of Tirupathi exchange where the machinery had been lying idle for the last ten months. In other places, the machinery was not obtained in advance.

4.12. In reply to another question, the Committee were informed that the building of Ernakulam exchange was completed in March 1967 and the installation of the machinery was expected to be completed by the end of 1968.

4.13. In reply to another question as to what was the minimum and maximum period of delay involved in the construction of building for various telephone expansion projects, the witness stated that in case of Ernakulam and Bezwada telephone expansion projects, there was delay of 4 to 5 years. In both the cases new buildings had to be put up in the heart of the city without dismantling the old

buildings. The P&T Board have given the following reasons for the delay in setting up of the Auto Exchange at Ernakulam:—

“The building work at Ernakulam, involved putting up of major construction in the premises of the existing telephone exchange. It had to be done with special pile foundation. An administrative approval for the work was accorded on 18th December, 1960. The pile foundation had to be done by special contractors, in view of the specialised nature of work. Tenders for this had to be invited by the Civil Wing more than once and some time was also required in processing the case for additional funds necessitated due to the rise in the building cost index.”

“During the pile foundation work, there was some hold up due to the notice from the municipal authorities, objecting to the construction as the same posed some threats to the adjoining buildings. By personal contact of our officers with the municipal authorities and by clarifications and instructions this difficulty was overcome and ultimately the notice was withdrawn.”

“The equipment rooms for the auto-exchange have been completed recently. The equipment was not obtained in advance and there was no infructuous expenditure on this account. Most of the equipment for the work has since been received from the Indian Telephone Industries and the installation work has already been started in January this year. It is expected that the installation would be completed by the end of 1968.”

4.14. The Committee referred to the reply received in connection with recommendation contained in para 19 of their 14th Report and enquired whether the Heads of the P. & T. Circles and Districts had carried out periodic reviews of the works under execution in their respective Circles and Districts so as to ensure that the progress of the various projects was accordingly to the time schedule. The witness stated that periodical coordination meetings of the connected officers were held. A detailed list of important items to be carried out in a coordinated manner was drawn up and supplied to the Heads of Circles. The progress report of these important items was supplied to all concerned including the Directorate. A list of important works sanctioned was maintained in the Directorate and the periodical reviews were undertaken in the Directorate on receipt of the progress report and their contents were reviewed.

4.15. In reply to another question, the witness stated that the progress reports indicated specific bottlenecks which arose largely because of delays in supplies from Indian Telephone Industries, P. & T. workshops, delay in execution of civil work etc.

4.16. 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 Kalayni 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.

4.17. 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.

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 blueprints 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.

4.19. Blueprints for Exchange buildings should be prepared in advance so that the construction work can be commenced as soon as the land is acquired.

4.20. 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 an increase in the cost of the execution of projects.

WORKSHOPS

General Para 14—Page 11

5.1. The Posts and Telegraphs department has three workshops. The book value of the capital invested in land, buildings and plant and machinery in the three workshops upto the end of 1965-66 is Rs. 2.08 crores. Certain data about their working during 1965-66 and the two preceding years are given below:—

(Figures in lakhs of rupees)

	Calcutta			Jabalpur			Bombay		
	1963-64	1964-65	1965-66	1963-64	1964-65	1965-66	1963-64	1964-65	1965-66
1. Total Outlay	161.81	170.02	228.25	175.21	195.80	249.50	87.44	106.25	96.59
2. Total production	151.83	162.86	215.30	171.88	198.09	239.64	90.90	111.01	109.68
3. Direct labour	27.34	27.46	29.75	15.80	18.89	21.27	15.94	17.76	18.52
4. Direct Material	75.84	92.43	138.06	118.40	136.73	183.91	25.92	38.17	24.45
5. Direct labour plus direct material	103.18	119.89	167.81	134.20	155.62	205.18	41.86	55.93	42.97
6. Overheads at prescribed rates	58.63	59.13	60.44	41.01	40.18	44.32	45.58	50.32	53.92
7. Percentage of overheads to direct labour	214	215	203	260	213	208	286	283	291
8. Percentage of overheads to direct labour plus direct material	57	49	36	31	26	23	109	90	126

5.2. The Committee, while referring to S. Nos. 7 & 8 of the Audit para, desired to know whether the Posts and Telegraphs Department had gone into the reason of high percentage of over-heads to the expenditure on direct labour as well as to that direct labour plus direct material in various Posts and Telegraphs workshops. The Senior Member (Telecom-operation) stated that Posts and Telegraphs Board in consultation with Accountant General, Posts and Telegraphs had worked out a new formula for giving comparative figures about stores, cost comparison between workshop and workshop, cost comparison with private sector and cost comparison from year to year. The witness added that this percentage of over-heads to direct labour and to direct labour plus direct material did not give a clear picture. As a matter of fact, in Calcutta workshop the percentage of over-heads to direct labour had gone down from 214 in 1963-64 to 203 in 1965-66. In 1966-67 this percentage was 211. In Jabalpur workshop, the percentage was 208 in 1965-66 as compared to 260 in 1963-64. In Bombay workshop the percentage had gone up from 286 in 1963-64 to 291 in 1965-66. This percentage of over-heads to direct labour would vary from workshop to workshop depending upon the number of workers employed which also depended upon the quantum of work involved and the programme of manufacture.

5.3. The Accountant General, Posts and Telegraphs further clarifying this position stated that a new formula had been evolved in order to present these statistics in a new form and the same has already been given in the Administrative Report of the Posts and Telegraphs Department for the year 1966-67. From the next year, new type of statistics would be included in the Audit Report also.

5.4. As regards the comparison of price of articles produced in the Posts and Telegraphs Workshop with the cost of articles produced in the private sector, the witness stated that the Posts and Telegraphs Department had compared the price of the articles produced in its workshop with the articles produced in the private sector. Giving the case of sole plate which was manufactured in Calcutta workshops only, the witness informed the Committee that the cost of sole plate was Rs. 5.20 as against the market price of Rs. 4.72. He added that where the cost of articles produced in the Posts and Telegraphs workshop was higher than those in the outside market, efforts were made to reduce the cost by introducing new methods or better machinery. In case the cost could not be reduced and the supply from outside market was assured then the Posts and Telegraphs workshop would give up the production of that article. He added that under certain circumstances absolute comparisons with the private sector might not be quite correct because in these

days of recession, the private companies were prepared to quote lower price.

5.5. The Committee asked if the Posts and Telegraphs Board had compared the figures of Calcutta, Jabalpur and Bombay workshops with regard to percentage of over-heads to direct labour plus material. The Senior Member (Tele-communication-operation) Posts and Telegraphs Board stated that such percentage did not give yardstick for measuring the efficiency of the workshops vis-a-vis the private sector. There were two ways of measuring efficiency; one was unit cost comparison, and the other was to see that the prices of units in spite of rise in cost all round was kept down. The witness stated that by and large in the last few years they were able to achieve this thing.

5.6. The Committee hope that the Department will keep a close watch over the cost of production of various items in their workshops. Wide variations in the cost of production of similar items in different workshops as well as high cost of production vis-a-vis the market price prevailing for similar items should receive special attention so that remedial measures may be taken. The cost of production in the Posts and Telegraphs Workshops should as far as possible be competitive with the rates prevailing for similar items in the open market.

Wide variations between estimated and actual Labour costs—Para 16, Page 12.

5.7. Before any work order is issued, a standard schedule of labour and materials is prepared in order to have an effective control over the actuals. A test-check of some of the work orders executed by the Bombay Telephone Workshop during 1964-65 and 1965-66 has shown wide variations between the estimates and the actuals in respect of labour hours. The percentage of the actual labour hours exceeded the estimates by 11 to 33 per cent where the individual schedules (on which estimates are based) had remained unrevised and from 10 to 25 per cent where the schedule had been revised subsequently. A few instances are given in Appendix IX.

The department had informed the Public Accounts Committee in July, 1963, that it had appointed some industrial engineers to draw standard schedules of labour and materials for various processes based on regular time and motion studies. The work was expected to be completed in about a year. But due to paucity of trained staff, it had not been possible to make much headway in preparing scientific standard schedules of labour and material.

5.8. The Committee desired to know the reasons of wide variations between estimated and actual labour costs. The representative

of the Posts and Telegraphs Board informed the Committee that the work orders where labour schedules were different from the actuals could be divided in two parts. One portion was called the cordage shops and the other portion was regarding the coil winding shops. So far as the cordage shop was concerned, the witness stated that it was decided some time back to purchase from outside market because it was cheaper. Therefore certain staff was shifted and old stock was utilised for doing some residual work.

5.9. As regards the second type of work i.e., oil winding shop the witness stated that on 14th June, 1967 in one case as per original schedule of labour the number of hours required was 1,125, revised schedule was fixed at 630 and actual labour hours utilised were 752. In this case the norms were changed due to the introduction of new machines. The witness stated that item 6 to 23 as given in Appendix IX of the Audit Report related to particular coil winding shop where new machines were brought in order to give better output. On receipt of these new machines, revised schedules were put in. Though there was inherent conservatism among the labour to accept the new norms but the Manager of the Workshop did not make any change in these new norms. Giving the present position of the variation with the norms, the witness stated that variation between labour hours spent varied from 4.6 per cent to zero.

5.10. Regarding the time and motion study in the industrial engineering side the witness stated that it was a continuous process. The new norms evolved after such time and motion studies, have to be accepted by the workers. The witness added that they got an industrial engineering group set up for the purpose in the Department.

5.11. 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 having an effective control over the cost of production of different items in the workshops.

5.12. 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 the manufacture of items which are produced in more than one workshop.

VI

STORES PURCHASE AND CONTROL

Loss of Stores—Para 19, page 13

6.1. The figures relating to losses of stores in 1963-64, 1964-65 and 1965-66 are given below:—

(Amount in lakhs of rupees)

Year	No. of cases of losses of stores	Amount involved	Copper wire thefts included in columns 2 and 3	
1	2	3	4	5
			Number	Amount
1963-64	5,368	12.03	5,161	10.14
1964-65	7,494	18.56	6,998	14.18
1965-66	8,702	19.05	8,131	15.90

An analysis of these losses by main categories and the agencies responsible therefor is given in Appendix X.

6.2. Explaining the present position regarding the investigation into the cases of losses, the representative of the P&T Board stated that out of 8702 cases, 8,134 related to copper wire theft, and out of the total loss of Rs. 19.00 lakhs, Rs. 15.97 lakhs related to copper wire losses.

6.3. Asked why there was a continuous increase in the number of cases of loss of stores, the witness stated that it was due to increase in copper wire thefts. In 1964-65, out of a loss of Rs. 18.56 lakhs, loss of copper wire accounted for Rs. 14.18 lakhs, while losses other than copper wire were Rs. 4.38 lakhs. For 1966-67 losses, other than copper wire were Rs. 3.14 lakhs. He added that the Department handled stores worth Rs. 40 to 50 crores a year and out of that losses other than the theft of copper wire amounted to Rs. 2 to 3 lakhs a year only. He also added that bulk of the copper wire thefts were from over-head alignments that ran along the fields for long distances and "it is not possible to patrol these lines effectively against theft and because of the high prices of copper in the black market, the general economic condition in country and the law and order position, we have had far more cases of copper wire thefts

than previously." The Department was trying to replace the copper wire by copper weld wires. He also added, "This is an imported item and because of the extreme shortage of foreign exchange, we cannot do to the extent we want it." With a view to checking thefts, the Minister had written to the Chief Ministers of the States. Many discussions had also been held with Chief Secretaries of the States and the Inspector General of Police by the Posts and Telegraphs Department.

6.4. In reply to a question, the Committee were informed that the Department had taken up the question of amending the Telegraph Wires (Unlawful Possession) Act and had suggested minimum sentence as mandatory even in the case of first offence. Even though the Bill was passed by the Rajya Sabha in June, 1966, it could not be put through Lok Sabha before the Third Parliament was dissolved. The Department hoped to bring up the Bill again before the Parliament in the near future.

6.5. The Committee desired to know the progress made for the setting up of a factory for the manufacture of copper weld wires (copper coated steel wires) so that the use of copper wire might be eliminated. The witness stated that it was decided some time back that the Hindustan Cables Ltd., would manufacture telephone cables for the P&T Department. The Hindustan Cables Ltd. had approved in April, 1967 a proposal to enter into collaboration with a Japanese firm for the manufacture of copper coated steel wires. This proposal was still under examination in the Ministry of Finance and would thereafter go to the Ministry of Industrial Development & Company Affairs. The scheme would be implemented in about two years after the final approval was given by Government.

6.6. In reply to a question the witness stated that out of 8,000 cases, the number of departmental employees involved in cases of thefts of copper wires was 10 or 12.

6.7. 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 cooperation 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.

6.8. 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.

VII

OTHER TOPICS OF INTEREST

Excessive printing of Souvenir Facsimile Stamp Albums—Para 20 —Page 14

7.1. On occasion of the Stamp Centenary celebrated by the Posts and Telegraphs Department in 1954, about 10,350 copies of 'Souvenir Facsimile Stamp Albums' were brought out for sale to the public. The printing and binding cost of each copy, which comprised of 24 sheets, was Rs. 10.08, the total cost of all the copies being Rs. 1.04 lakhs.

The sale price of the album was fixed at Rs. 25 per copy. The sale was very poor, and until January, 1966, only 1,650 copies had been sold. The position was, therefore, reviewed and orders were issued in February, 1966, that the unsold stock of these albums should thereafter be sold at the reduced price of Rs. 5 per copy. Even at this reduced price, however, only 4,133 albums were sold upto November, 1966. The Department has proposed in December, 1966 to sell the remaining copies at Rs. 15 per copy so as to be able to recoup the expenditure incurred on the production of the albums. The amount so far realised by sale is about Rs. 62,000.

7.2. The Committee enquired whether the P&T Department had analysed the reasons for the lack of demand of 'Souvenir Facsimile Stamp Albums'. The Member, P&T Board admitted that the printing of these albums was "one of the ill-conceived business ventures". He further stated that when the P&T Board set out to produce the 'Souvenir Album' it was thought that the Album would command a very wide market. But it was discovered after eight years that the sale of this Album was very poor. Since these Albums were occupying a lot of space in the P&T Department, it was thought advisable to dispose them of. At that stage it was decided to sell this album at Rs. 5 per copy. As a result of this the sale of the Album picked up and as many as 4,554 copies had been sold. The price of the Album was again raised to Rs. 15 in order to recover at least the cost of bringing out the Albums. The Albums did not have much of philatelic value. The witness stated, "I think we might have to bring down the price again if the sales do not go up, but we are trying to make up the difference in the cost as much as we can." The Comptroller & Auditor General suggested that if

the Department put some stamps markings, on the albums, they might get the price. The witness stated that these albums were only facsimile and were not real stamps. It was thought that since these facsimile albums gave a history of all the stamps brought out since 1,854, the philatelists would be interested in them but the sales did not pick up. So far the Department had managed to sell these albums for a total value of Rs. 70,000.

7.3. In reply to a question whether the P&T Board expected to sell some copies of this Album when the U.N. Conference on Trade and Development was held in India, the witness stated that an effort would be made in that direction.

7.4. The witness agreed in response to a question that publicity about the Albums and other P&T publications could be done through the Telephone Directory. The witness further stated, "I am not quite sure whether I would be morally justified in giving too much publicity to it."

7.5. 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.

7.6. 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.

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

Defalcations or loss of public money—para 21, page 14.

7.8. In 1965-66, 1,360 cases of loss of public money involving Rs. 10.96 lakhs came to light. An analysis of these cases, indicating

inter-alia important categories and the agencies responsible for these losses, is given in Appendix XI.

The employees of the department were responsible for about 64 per cent of the amount of loss reported during the year. In 149 cases, involving a loss of Rs. 1.45 lakhs (i.e., 13 per cent of the total loss), responsibility could not be fixed or has not yet been fixed (September, 1966).

Out of the total loss of Rs. 10.96 lakhs, a sum of Rs. 2.97 lakhs was recovered upto September, 1966.

7.9. Asked whether it would be possible to prescribe and adhere to a maximum time limit for settlement of cases of fraud, the witness stated "I do not think it will be possible to fix a time-limit" as much depended on the nature of the fraud and complexity of the case. The Department had to locate the point at which the fraud was committed and as most of these cases were cognizable offence, the matter had to be referred to police. Asked whether there was any machinery to ensure that deliveries of money orders were not delayed and money was not mis-appropriated temporarily by the postman in the meantime, the witness stated that norms had been laid down showing the time that should be taken in despatch and payment of money orders. Surprise visits were made and the supervisory staff were directed to see that the norms were maintained. Some difficulty, however, arose in respect of post offices (about one lakh), most of them were in remote areas. Every money order sent to a village passed through a sub-post office under the control of a responsible official.

7.10. Every branch post office had to submit a daily account showing the number of money orders in deposit and why they had not been paid. If the sub-post master had any doubt he was required to report to the Inspector of Post Offices or the overseers. Surprise visits were paid and every year quite a few people were punished for misappropriation of money. The witness stated that detailed instructions for delivery of money orders were already in force in the Department. In a note furnished subsequently (Appendix XII) the Committee have been informed by the Department that out of 1,360 cases of frauds etc. during the year 1965-66, departmental investigation in 1,348 cases had been finalised. Out of 149 cases involving Rs. 1.45 lakhs mentioned above, responsibility had been fixed in 59 cases and a sum of Rs. 0.61 lakh had been recovered upto September, 1967. 12 cases were under investigation at the end of July, 1967. The Committee have also been informed that a fraud case relating to the year 1942-43 was the oldest case pending in the Department.

7.11. The incidence of loss and frauds in respect of insured articles during the last three years was as follows:—

Year	No.	Amount involved
1963-64	143	1,21,206
1964-65	157	1,13,106
1965-66	127	1,60,755

7.12. 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 however, that pursuant to their recommendation contained in para 7.26 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.

7.13. 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.

Disposal of outstanding audit objections—para 22, page 14.

7.14. The total number of objections raised upto 1964-65 and remaining unsettled at the end of August, 1966 was 61,369 involving an amount of Rs. 10.13 crores. The numbers and amounts of different classes of objections are given below:—

Nature of objection	Number	Amount (In lakhs of rupees)
(a) want of detailed bills	606	5
(b) want of vouchers	12,226	44
(c) want of miscellaneous information	36,790	864
(d) want of sanctions to establishment, etc.	2,861	30
(e) want of sanctions to other payments	1,303	57
(f) recoverable advances not being recovered and adjusted within prescribed periods	7,583	13

*In 1963-64, 1,379 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).

7.15. The Committee were informed that as on 31st August, 1967, out of 61,369 objections involving Rs. 10.13 crores, 30,000 had been disposed of. Objections involving Rs. 3.37 crores remained yet to be cleared. About 46,000 objections had been given to the special units and they had cleared 22,000 cases involving Rs. 3.23 crores.

7.16. The Committee were informed that apart from special units, a watch was being kept over the disposal of the audit objections. He, however, added, "the main thing is to see that audit objections do not arise rather than to allow it to arise and then cleared."

7.17. At this stage the representative of the P&T Board suggested that the classification of audit objections perhaps needed revision as most of them were of a routine nature. He added "if this classification is changed to show the routine objections separately and the important and really substantial objections separately, the information contained would be more valuable and more to the point." The Comptroller & Auditor General stated in reply "I am quite willing to consider any improvement suggested which will present a more correct picture of this."

7.18. The Committee hope that a suitable pattern will be evolved in consultation with Audit whereby important audit objections get prompt attention from the officers in the P&T Department. The Committee also desire that outstanding audit objections should be settled as early as possible.

Delay in disposal of inspection reports—para 23, page 15.

7.19. The total number of outstanding inspection reports on Posts and Telegraphs offices issued by the Audit Offices upto 31st March, 1965, and the number of irregularities pointed out therein but remaining un-settled upto the end of the August, 1966, were 1,751 and 10,199 respectively. Of these 15 reports were issued more than ten years ago.

The following are some of the common types of irregularities noticed during inspections conducted in 1965-66:—

(a) Security bonds not obtained/renewed, or kept on record	132 offices (9,811 cases)
(b) Quinquennial re-attestation of service books not done	32 offices
(c) Health Certificates wanting	74 offices (5,900 cases)
(d) Annual verification of services not done	30 offices
(e) Annual physical verification of stock of articles not done	47 offices
(f) G.P.F. accounts in respect of Class IV employees not maintained properly, nominations not obtained or kept on record	25 offices

(g) Specimen signatures of savings bank depositors not on record	62 offices (25,576 cases)
(h) Bi-monthly verification of savings bank ledger balances not done	89 offices (1,35,713 cases)

7.20. The Committee were informed that out of 10,199 cases, about half of the cases had been disposed of and only 5,667 cases were pending. Out of 7,227 items referred to the special units, 3,000 items had been cleared and about 4,000 items were pending with them.

7.21. The Committee pointed out that there were more than 25,000 cases where specimen signatures of savings bank depositors were not on record and desired to know how it was ensured that withdrawals from the savings bank account were being made by the right person. The representative of the P&T Board stated that special steps were being taken to obtain early specimen signatures of the remaining 11,361 cases. A large number of cases (about 15 per cent) related to dormant account and the postal authorities had to wait perforce till the depositor came to the post office. He further added that "we are keeping a watch over the progress and we hope that soon the arrears will be cleared." As regards the checks applied against the frauds, the witness stated that no withdrawal would be permitted without a comparison of the signature and the post-master would take steps to get the specimen signature when the depositor attended post office and got it verified, so that the money could be paid to the depositor.

7.22. The Committee were informed that as in the Banks, separate cards for specimen signature were now being maintained. The witness added that under the earlier system "one series of account numbers both for the head post office and the sub-post office was taken and when the sub-post office was upgraded to a head post office, the signatures could not be removed from the main book and we had to wait till the depositor came forward to get his signature."

7.23. The Committee asked whether the head of the Districts/ Circles have been directed to ensure that bi-monthly verification of savings bank ledger balances are done as the same had not been completed in 89 offices, involving 1,35,713 cases. The representative of the P&T Board stated ".....I would like to submit that the number of cases may not give a very realistic picture. Under our rules, in a year about 6 balancings have to be done. But if the savings bank ledger is balanced at the later stage, the previous stage will not arise. Actually these cases relate to about 20,302 cases of ledgers. Now we have brought it down to 19,462. We are keeping a very special check over the progress of this work and we are also getting periodical statements from the circles. In respect of the Circles where the number is very large, we have sanctioned special squads also." These squads (special units) with one Senior Accountant from

audit were created specially for this work of clearing audit objections. On being pointed out by the Committee that it may not become a permanent feature for the Department to get the arrears cleared only by *ad hoc* bodies (special units), the witness stated "We are pulling up the officials responsible for committing these irregularities. We have also issued instructions to the Post Masters General to get quarterly reports from each cell and go into the question as to why these audit objections should arise. I think, by the close attention that is being given to the causes which give rise to these audit objections, the number will go down and there is a possibility that these special cells will be liquidated." He added that with some arrangement with the Accountant General (Posts & Telegraphs) many objections which were of routine nature could be disposed of rapidly.

7.24. The Committee find from evidence that heavy arrears of outstanding inspection reports remain to be cleared in the different wings of the Department. The accumulation is particularly heavy in respect of the savings bank accounts where 11,361 specimen signatures of depositors are yet to be taken for the completion of the registers. In respect of savings bank ledgers out of 20,302 cases, only 840 cases could be cleared by the Department. The Committee hope that vigorous efforts will be made by the Department to obtain specimen signatures of the depositors in those cases where they are yet outstanding. The Committee also desire that the Department should carry out the verification of the savings bank ledger balances in respect of 19,462 cases where that has not been done so far.

7.25. The Committee would also like to impress upon the P&T Department that the settlement of audit objections through special units is not a sound solution and should not become a regular feature. The drawing and disbursing officers should be directed to pay adequate and prompt attention to the settlement of audit objections. They hope that with proper supervision and guidance, the P&T Department will not only be able to clear these arrears, but will also be able to ensure that such arrears do not arise or accumulate in future.

VIII

APPROPRIATION ACCOUNTS (P&T) 1965-66

Grant No. 19—Capital Outlay on Posts and Telegraphs (not met from revenue)

Land and Buildings—Pages 8-9, 134-AI, III & IV.

8.1 134-A—Capital Outlay on Posts and Telegraphs (not met from revenue)

I. I-Postal

(a) Lands and Buildings—

(i) Land—

	O	30.92	} 7.92	4.28	—3.64
	R	—23.00			

The saving was due mainly to (i) non-completion of acquisition proceedings in some cases and (ii) non-adjustment of debits.

(ii) Buildings—

	O	142.09	} 103.83	107.54	—43.71
	R	—38.26			

The net saving of Rs. 34.55 lakhs in original Grant was due to slow progress in the execution of building works.

	Total Grant	Actual Expenditure	Excess Saving— (In lakhs of rupees)
III—Radios—			
(a) Lands and Buildings—			
(i) Land—			
O		0.13	} 6.30
R		6.17	
IV—Telephones—			
A—General Projects—			
(a)(i) Land—			
O		13.91	} 14.94
R		1.03	

The saving in the above cases was due to non-completion of proceedings for acquisition of land.

8.2. Explaining the Saving of Rs. 17.76 lakhs under this heading for Postal, Radio and Telephone Branches, the witness stated that land proceedings took some time and the time that would be taken in this case could not be assessed properly. However, over the revised estimate the saving was of the order of about Rs. 18 lakhs. Apart from that due to emergency the Department was asked to go slow on expenditure, particularly, on administrative and staff quarters.

8.3. The Committee pointed out that land acquisition proceedings often took some time and enquired why in view of this the Department could not make a token provision in the budget and thereafter make a large provision in the Supplementary Grants in the light of actual progress made. The witness stated that it was not possible to make token provision when the Department expected to pay out some money in a particular year. The Department had to make a reasonable forecast and they had to provide for the expenditure on land acquisition which was likely to materialise during a particular year.

8.4. The witness further stated that in these land acquisition cases the persons whose lands were being acquired brought forward writ petitions and this delayed the finalisation of the cases. He added that the whole question of amendment of the Land Acquisition Act was before a Committee and with the improvement in the Act some method would be devised to provide for a better forecast for payments for land.

8.5. Asked why the Department had not constructed even a single staff quarter on the land acquired at Ernakulam, the witness promised to furnish a note. The note has been furnished and is at Appendix XIII.

8.6. The Committee find from the Ministry's note that, though land measuring about 4½ acres was purchased at Ernakulam 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 multi-storeyed 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 fund, preparation of blue-prints for buildings so that construction work can be started without undue delay.

8.7. The Committee pointed out that some of the Railway Mail Service Sorting Offices were very congested and desired to know the action taken by the Department in the matter. The witness stated that the Department was finding it difficult to get an additional suitable accommodation. The department had made repeated efforts to get suitable accommodation, within the Railway premises as also outside it.

8.8. As regards the construction of the buildings, he added that hitherto the Railways were constructing buildings within the Railway premises from their own resources. Due to the lack of funds the Railways had stated that they would not be able to construct these buildings. Since it was presumed that the Railways would construct the buildings, the P&T Department also did not make any provision for the construction of the buildings in the Fourth Five Year Plan. He also added that a high level conference was being held with the Railway Board and it was hoped that the Railway Board appreciating the difficulties of the Department, would provide the necessary capital.

8.9. 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.

NEW DELHI;
January 30, 1968.
Magha 10, 1889 (Saka).

M. R. MASANI,
Chairman,
Public Accounts Committee.

APPENDIX I

(Reference Para 1.8 of the Report)

DEPARTMENT OF COMMUNICATIONS

(POSTS & TELEGRAPHS BOARD)

No. 6-22/67-R

Dated, New Delhi-1, the 21st Nov., 1967.

"It is understood that the shortfall in the rent of wires and instruments leased to Railways in 1965-66 as compared to the budget provision was mainly due to non-realisation of arrears of ordinary rentals amounting to 94 lakhs and additional rentals on electrification cables amounting to 134 lakhs from the Railways. Please state the progress made in reaching a settlement with the Railways for the expeditious recovery of this rental. The procedure, if any, evolved to ensure that such delays do not recur in future".

Comments of the P.&T. Department.

In respect of wires leased to 'Railways' the Posts & Telegraphs Department, levies a flat-rate annual rental. According to the convention, the rates are revised, once in five years taking into account the latest costs. These rates are arrived at on 'Cost-basis' i.e. on a no-profit no-loss basis. The rates are based on (1) the interest on the capital cost of lines leased (2) depreciation and (3) maintenance costs.

The question of revision of the rates payable by Railways to the P&T for the quinquennium 1961-66 had been under correspondence and discussion for the last several years and attempts were made from time to time to arrive at a settlement. Even though agreement was reached earlier between the representatives of the P&T and the Railway Board on (1) the rate of interest and (2) the mode of charging depreciation, difference of opinion still persisted on the total capital cost on which the above charges were to be levied and on the rate for maintenance. In the inter-departmental meeting held on 30th October, 1967 agreement has, however, been reached on all the points.

In regard to electrification cables, it was agreed between the Railways and P&T that the cables would be owned and maintained by the P&T and 'Railways' be charged rentals calculated on the basis of 'Annual Recurring Expenditure' in respect of (1) cables (2) equipments and (3) buildings. The matter was under continuous examination by both the Departments and though agreement regarding the element of Annual Recurring Expenditure in respect of 'Equipments' and 'Buildings' could be reached earlier, the element of rental on A.R.E. on cables continued to be under dispute. It was only in the inter-departmental meeting held on 30th October, 1967 that agreement in respect of the A.R.E. on 'Cables' could be arrived at.

"Necessary data to enable the Audit Offices to prefer the bills for arrears of rentals is under compilation in the Directorate and will be sent to Audit shortly".

As now Agreement has been reached in regard to the broad principles of fixation of rental, it is expected that no such delay will occur in regard to finalisation of rentals for the next quinquennium.

Sd./- NARGOLWALA,
Senior Member (Finance).

APPENDIX II

(Reference Para 1.10 of the Report)

O.M. No. 4-4/67-B

GOVERNMENT OF INDIA

DEPARTMENT OF COMMUNICATIONS

(POSTS & TELEGRAPHS BOARD)

Dated, New Delhi-1, the 21st Nov., 1967.

OFFICE MEMORANDUM

SUBJECT:—*Public Accounts Committee—Consideration of Audit Report P&T, 1967 and Appropriation Accounts P&T, 1965-66—Further information required by Public Accounts Committee—List of points.*

The following information was desired by the Public Accounts Committee at their sittings held on the 27th and 28th October, 1967 vide item 1 of list of points received with Lok Sabha Secretariat O.M. No. 2/VIII/2/67/PAC dated the 7th/8th November, 1967.

“Please furnish the figures of revenue receipts as per budget estimates and the actual realisation together with the variation and the percentage of variation for the year 1966-67.”

The requisite information is furnished in the Annexure.

Sd./- NARGOLWALA,
Senior Member (Finance).

ANNEXURE

Comparative Statement of Budget Estimates and Actuals 1966-67 under main heads of Revenue Receipts

Main heads of Revenue	B.E. 1966-67	Actuals 1966-67	(Figures in Crores of Rupees)	
			Variation	
			Amount	Percentage
1 Sale of ordinary stamps (including post cards)	38.80	39.61	(+) 0.81	2.1
2 Sale of service stamps	9.50	9.05	(—) 0.45	(—) 4.7
3 Postage realised in cash	8.15	8.32	(+) 0.17	2.1
4 Telegraph charges realised in cash	14.00	14.62	(+) 0.62	4.4
5 Receipts, on account of money orders, I.P.Os. etc.	8.64	8.46	(—) 0.18	(—) 2.1
6 Rent of wires and instru- ments leased to Rlys. and canals etc.	2.50	2.88	(+) 0.38	15.2
7 Telephone revenue on ac- count of Rentals and local and Trunk call fees	76.00	68.30	(—) 7.70	(—) 10.1
8 Advance Rentals under own Your Telephone scheme	2.50	2.60	(+) 0.10	4.0
9 Other receipts (Net)	5.05	5.50	(+) 0.45	8.9
TOTAL	165.14	159.34	(—) 5.80	(—) 3.5

APPENDIX III

(Reference Para 1.14 of the Report)

DEPARTMENT OF COMMUNICATIONS

POSTS & TELEGRAPHS BOARD

(i) Please state the amount of foreign exchange spent on the import of paper for printing of stamps during the last three years. Also indicate the amount of foreign exchange earned by sale of stamps for Philatelic purposes.

(ii) What are the potentialities of earning foreign exchange through sale of stamps for philatelic purposes abroad and what are your suggestions in this behalf?

(i) The amount of foreign exchange spent on the import of paper for printing of stamps during the last three years is shown below:—

Item	Quantity printed in 1964-65	Foreign Exchange involved Rs.	Quantity printed in 1965-66	Foreign Exchange involved Rs.	Quantity printed in 1967-67	Foreign Exchange involved Rs.
	<i>Reals</i>		<i>Reals</i>		<i>Reals</i>	
1 Public Postage	432	3,99,168	801	7,40,124	354	5,25,109
2 Commemorative Postage	39	36,036	26	24,024	22	32,637

The amount of foreign exchange earned by sale of stamps for philatelic purposes during 1964-65 and 1965-66 is shown below:—

Name and particulars of the parties through which stamps were sold exported	Amount of foreign exchange earning		
	1964-65	1965-66	1966-67
	(Rs.)	(Rs.)	(Rs.)
1	2	3	4
1. Through Authorised Agent	22448.52	32239.43	41934.03
2. Bombay Philatelic Bureau :—			
(a) Overseas orders	6262.61	4904.26	2178.08

1	2	3	4
(b) Sold on ships	..	13446.21	24974.51
3. Exported by stamps dealers (as ascertained from Ministry of Commerce)	9000.00	100000.00	3000.00 (Upto January '67)
TOTAL	37711.13	150589.90	72086.62

(ii) The question of earning more foreign exchange by sale of our stamps abroad has been engaging the attention of the Department since some time past. With a view to obtaining various suggestions and exploring this matter in this regard, this subject has been included in the agenda for discussion in the Seminar on 'Philately' which will be held on the 26th & 27th November, 1967. The result of the discussions of the Seminar will be intimated to the Public Accounts Committee in due course. However, it is felt that by bringing out multi-coloured stamps depicting the flora & fauna of the country, its art and culture, the demands for Indian postage stamps in foreign countries will increase and result in larger foreign exchange earnings on this account.

Sd./- M. DAYAL,
Director General,
Posts & Telegraphs.

Lok Sabha Secretariat (P.A.C. Branch)

P. & T. Board U.O. No 30/65/67-H.

Dated, New Delhi-1, the 22-11-1967.

APPENDIX IV

(Reference Para 1.38 of the Report)

ADMINISTRATIVE REFORMS COMMISSION

SARDAR PATEL BHAVAN,
PARLIAMENT STREET, NEW DELHI,
August 16, 1967.

CONSTITUTION OF A WORKING GROUP ON POSTS AND TELEGRAPHS

REF: Para 5 of the Government of India, Ministry of Home Affairs
(Department of Administrative Reforms) Resolution No. 40/
3/65-AR (P), dated 5th January, 1966.

The Administrative Reforms Commission hereby appoints the following persons to constitute the Working Group on Posts and Telegraphs:

- | | |
|---|------------------|
| 1. Comrade Ram Kishan, M.P.,
16, Dr. Rajendra Prasad Road,
New Delhi. | CHAIRMAN |
| 2. Shri S. M. Joshi, M.P.,
29, Canning Lane, New Delhi. | Member |
| 3. Shri N. R. M. Swamy, M.P.,
16, Western Court, New Delhi. | Member |
| 4. Senior Member (Posts)**
or
Senior Member (Telecom. Operations)**
Posts & Telegraphs Board, New Delhi. | Member |
| 5. Shri L. K. Narayanswamy,
Member, P&T Board, New Delhi. | Member-Secretary |

** Senior Member (Posts) will attend the meeting if the subject under consideration relates to Posts. Senior Member (Telecom. Operations) will attend the meeting if the subject under consideration relates to Telecom. Operations.

2. The Working Group will examine the administrative structure and the working procedure of the Posts and Telegraphs De-

partment and suggest reforms with a view to securing greater efficiency in the services provided to the community, consistent with economy in expenditure, for this purpose, the Study Team will in particular, examine:

- (i) the constitution, functions and powers of the P&T Board;
- (ii) Whether the Postal Department should be separated from Telecommunications;
- (iii) Whether it would be desirable to convert it into a corporation or a public sector undertaking, either the P&T Department as a whole, or the Telecommunications Branch alone, or any specific units of the Department;
- (iv) Whether delegation of powers and the definition of responsibilities at different levels within the Department is adequate;
- (v) The policies and procedures relating to recruitment, training, promotion, maintenance of discipline and provision of incentives for good work;
- (vi) machinery for attending to public complaints and redressal of public grievances;
- (vii) performance of the various production units servicing the P&T Department;
- (viii) the procedure for purchase and distribution of stores and equipment required for maintenance as well as expansion projects;
- (ix) the adequacy of the procedures for the supply of forms and stationery;

and make suitable recommendations.

3. The Working Group will submit its report within four months.

Sd./- V. V. CHARI,
Secretary.

APPENDIX V

(Reference Para 2:2 of the Report) No. 1—40/67—B.

GOVERNMENT OF INDIA

DEPARTMENT OF COMMUNICATIONS

(Posts & Telegraphs Board)

Dated, New Delhi-1, the 27th October, 1967.

OFFICE MEMORANDUM

SUBJECT:—Regularisation of Excess over Voted Grant No. 103—P&T Working Expenses (Para 6 of Audit Report, P&T, 1967).

The final accounts for the year 1965-66, have disclosed an excess of Rs. 1,40,20,088 over the Voted Grant No. 103—P&T Working Expenses as per details below:—

	Rs.
Amount of Voted Grant	1,42,41,32,000
Actual Expenditure	1,43,81,52,088
Excess over Grant	1,40,20,088

2. The original Voted Grant for 1965-66 was Rs. 140.34 crores. A supplementary Grant of Rs. 2.07 crores was obtained in February, 1966, to meet additional expenditure due mainly to subsequent increase in the rates of dearness allowance to the whole-time employees, grant of consequent *ad hoc* increase in the consolidated allowances of Extra Departmental employees, liberalisation of orders for grant of house rent allowance to the employees and larger contribution to the Telephone Development Fund to provide for adjustment of arrears of contribution of previous year. Though the additional requirement on these accounts was assessed at about Rs. 4.72 crores, the supplementary Grant was obtained only for Rs. 2.07 crores after adjusting the economy cut of Rs. 1.75 crores and savings under certain items of expenditure. Thus the total voted Grant for 1965-66 amounted to Rs. 142.41 crores. The revised allotments were made

to the field units accordingly and they were asked to keep the expenditure within their allotments. The final Grant proposals from the units had amounted to Rs 144.70 crores, but considering that the demands of the units were usually in excess of the actual requirements and that the economy cut of Rs. 1.75 crores should be implemented in full, the Final Grant was restricted to the total Voted Grant of Rs. 142.41 crores. It was anticipated that the total expenditure for the year will not exceed this amount (Rs. 142.41). However, the actual expenditure amounted to Rs. 143.81 crores resulting in an excess of Rs. 1.40 crores over the Voted Grant as per details given in para 3 below.

3. The above excess of Rs. 1.40 crores over the Voted Grant comprises of the excess/savings under the following heads:—

(In lakhs of Rupees)		
	Excess	Savings
Pay & Allowances	62.82	..
Contingencies	66.24	..
Printing & Stationery	15.75	..
Maintenance of Assets	20.54	..
Pety & Other works	19.45	..
Contribution to T. D. F. . . . .	..	37.51
Net other heads . . . . .	..	7.09
Total	184.80	44.60
Net Excess	140.20	

4. The reasons for the excess are explained below:—

Pay & Allowances: (Rs. 62.82 lakhs)

The expenditure booked under this head covers items of an in-escapable nature. The Final Grant was fixed on the basis of actuals for first 10 months and the anticipated payments in February and March. The excess of Rs. 62.82 lakhs comprises of Rs. 21.65 lakhs under Pay charges and Rs. 41.17 lakhs under Allowances and Honoraria. The annexure to this memorandum compares the actual pay charges for the last two months with those of first ten months for the 3 years from 1963-64 to 1965-66. It shows that while the actuals

of last two months of 1963-64 and 1964-65 were 21.3 per cent and 21.4 per cent respectively, of these for the first ten months, this percentage rose to 22.0 per cent during the year 1965-66. Thus the actuals during the last 2 months of 1965-66 showed higher increase by 0.6 per cent (which comes to Rs. 21.34 lakhs) over the increases of previous years.

The increase under Allowances and Honoraria was Rs. 41.17 lakhs. This was mainly under Dearness Allowance (Rs. 16 lakhs) consolidated allowances to Extra Departmental Agents (Rs. 9 lakhs) Reimbursement of Medical charges (Rs. 13 lakhs) Overtime allowance (Rs. 3 lakhs). Rates of Dearness Allowance were increased *w.e.f.* 1st December, 1965 *vide* announcement made in February, 1966. The effect of this increase in rates of Dearness Allowance was estimated at Rs. 72 lakhs and provision made accordingly. However, this estimate proved short by Rs. 16 lakhs. The expenditure on consolidated allowances to Extra Departmental Agents, Reimbursement of Medical charges and Overtime allowance was also more than that anticipated. These payments could not be postponed.

Contingencies: (Rs. 66.24 lakhs).

The payments under this head are in respect of a number of detailed heads of accounts. The excess had been mainly under 'Liberaries and Uniforms', (Rs. 26 lakhs) Mail bags (Rs. 18 lakhs), Elecrtic Power and Hot weather charges (Rs. 2 lakhs) and other Contingencies (Rs. 22 lakhs). The expenditure on the first two items (Liberaries & Uniforms' and Mail bags') was more than anticipated. The anticipated payments under the latter two heads, which were based on the trend of actuals for the previous years and the progress of expenditure during the year, also proved insufficient.

Printing & Stationery: (Rs. 15.75 lakhs).

The excess was due to unavoidable and urgent work in Government Presses mainly in respect of printing of essential forms.

Maintenance of Assets: (Rs. 20.54 lakhs).

More expenditure was incurred on faults and interruptions and urgent maintenace works during the closing months than anticipated.

Petty & other works: (Rs. 19.45 lakhs).

The excess was mainly due to unanticipated heavier priority demands for works of installation of new telephones.

5. It will thus be seen that the excess was unavoidable. The provision was, however, not made by way of obtaining supplementary Grant or an advance from the Contingency Fund of India because it was anticipated that the economy cut of Rs. 1.75 crores would materialise and that the expenditure would not exceed Rs. 142.41 crores i.e. the sanctioned grant but that anticipation proved wrong, in spite of the fact that instructions were issued to the subordinate offices from time to time emphasising the need for economy in expenditure.

6. The Public Accounts Committee, are, therefore, requested kindly to recommend regularisation of the excess by Parliament under article 115 of the Constitution.

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

Sd./- S. D. NARGOLWALA,
Senior Member (Finance).

ANNEXURE

Pay Charges	(Figures in thousands of Rs.)		
	1963-64	1964-65	1965-66
1. Actuals upto January	31,88,55	33,89,21	36,23,20
2. Actuals for February and March	6,80,12	7,26,51	7,96,70
3. Actuals for the year	38,68,67	41,15,72	44,19,90
4. Percentage of (2) to (1)	21.3	21.4	22.0
5. 21.4% of (1) . . . . .	..	..	7,75,36
6. Difference between (2) and (5) . . . . .	..	..	21,34

APPENDIX VI

(Reference Para 3.1 of the Report)

**Statement showing year-wise analysis of telephone revenue arrears
as on 1st July, 1966 in respect of bills issued upto 31st March,
1966.**

Year	Rental	Trunk Calls	Total
(In lakhs of rupees)			
1946-47 to 1955-56	3.48	4.66	8.14
1956-57	1.24	1.96	3.20
1957-58	1.66	2.51	4.17
1958-59	4.50	3.15	7.65
1959-60	5.93	4.15	10.08
1960-61	15.21	6.67	21.88
1961-62	22.04	10.25	32.29
1962-63	28.75	16.87	45.62
1963-64	42.86	34.76	77.62
1964-65	64.78	33.73	98.51
1965-66	239.62	62.41	302.03
Total	430.07	181.12	611.19

APPENDIX VII

(Reference Para 3·1 of the Report)

Statement showing the telephone revenue accounts offices in which the percentage of outstanding telephone revenue on 1st July following for bills issued during the preceding year was high.

Name of Revenue Accounts office	Amount billed for during the previous year	Amount outstanding on 1st July following for bills issued during the preceding year	Percentage of 3 to 2
(In thousands of rupees)			
<i>Srinagar</i>			
1-7-1963	19,63	1,72	8·77
1-7-1964	21,01	3,49	16·62
1-7-1965	32,74	8,36	25·52
1-7-1966	37,30	14,28	38·28
<i>Shillong</i>			
1-7-1963	79,28	20,85	26·30
1-7-1964	85,88	22,95	26·72
1-7-1965	110,17	46,46	42·17
1-7-1966	129,46	42,17	32·57
<i>North</i>			
1-7-1963	251,26	11,20	4·45
1-7-1964	197,72	22,44	11·35
1-7-1965	232,53	24,75	10·64
1-7-1966	306,39	47,08	15·36
<i>New Delhi</i>			
1-7-1963	391,42	63,40	16·20
1-7-1964	582,86	132,00	22·65
1-7-1965	656,15	150,67	29·96
1-7-1966	779,93	117,53	15·07

APPENDIX VIII

(Reference Para 4.6 of the Report)

Instances of delay in completion of telephone exchanges and telephone expansion works

Serial No.	Name of project	Date of sanction	Estimated cost of project (in lakhs of rupees)	Target date of completion	Actual date of completion	Main reasons for delay in completion
1	2	3	4	5	6	7
<i>Delhi Telephone District</i>						
1	Delhi Gate exchange expansion by 3000 lines (9000 to 12000) IIIrd phase	7-2-1962	56.54	March, 1965	October, 1965	Delay is due to non-receipt of essential stores from Indian Telephone Industries.
<i>Uttar Pradesh Circle</i>						
2	Expansion of Kanpur Auto Exchange from 7500 to 8500 lines.	8-1-1962	13.29	Not known	31-3-1965	Due to paucity of cables and instruments.
3	Installation of 3000 lines Auto Exchange at Allahabad.	4-6-1959	31.29	End of 1961	Do.	The building work against which the installation of the equipment is to be done has not so far been commenced. The possession of land has since been taken. The 600 lines and 400 lines auto equipment has been installed in the old building. The equipment for the balance of 2,000 lines has not so far been received nor it can be installed for want of building.

Madhya Pradesh Circle

- | | | | | | | |
|---|---|------------|----------|--|-------------|--|
| 4 | Laying C-8 trunk copper wire of 200 lbs. p.m. between Bhopal and Guana. | 31-12-1962 | Rs. 6.97 | 6 months from the date of receipt of full stores | In progress | Due to delay in receipt of essential stores. |
|---|---|------------|----------|--|-------------|--|

Kerala Circle

- | | | | | | | |
|---|--|-----------|--|-----------|-------------|--|
| 5 | Automatisation of Ernakulam, Mattan Cherry-Cochin and Willingdon Island Exchanges. | 21-8-1957 | 51.00
(Composite project)
Rs. 22.46 (Ernakulam Exchange) | Not fixed | In progress | Due to delay in construction of the building work. |
|---|--|-----------|--|-----------|-------------|--|

Mysore Circle

- | | | | | | | |
|---|--------------------------------------|----------|------------|-----------|-------------|---|
| 6 | Bombay-Madras Co-axial Cable scheme. | 9-2-1964 | Rs. 341.68 | 30-6-1965 | In progress | Due to delay in construction of buildings and for want of equipment and cables. |
|---|--------------------------------------|----------|------------|-----------|-------------|---|

Andhra Circle

- | | | | | | | |
|---|---|--------------------------------------|-----------|--|-------------|--|
| 7 | Project for erecting C-8 lines along road from Secunderabad to Guntakal and installation of one 8-channel carrier system. | 4-1-1963 | Rs. 25.79 | 10 months after receipt of all stores. | Do. | Delay in procuring important items of stores such as post materials etc. |
| 8 | Installation of 2,000 lines Auto-Exchange at Vijayawada. | 15-7-1959
revised on
24-8-1960 | Rs. 27.86 | Not fixed | 9-7-1966 | Due to delay in construction of the building. |
| 9 | Installation of 300/600 lines Auto-Exchange at Cuddapah in replacement of existing one. | 31-12-1962 | Rs. 1.34 | 2 months after receipt of stores. | In progress | No provision was made in the project estimates for construction of new building for installation of exchange. Original proposal was that installation should be made in the existing building. |

1	2	3	4	5	6	7
20	Installation of 400/600 lines ISAX at Tirupathi in replacement of existing one.	18-1-1961	Rs. 2.16	3 months after receipt of store	In progress	<p>Later on it was decided in October, 1955 that the existing Departmental Telegraph Office should be shifted to a rented building and the present building utilised for installation the exchange after some minor repairs. The work is yet to be completed (August, 1966).</p> <p>No provision was made in the project estimate for construction of new building for installation of the exchange. It was originally proposed to instal the exchange in a rented building and later on, in October, 1965, it was decided that I.T. Devasthanam authorities would construct the building but the work has not been taken up so far (August, 1966).</p>
<i>Assam Circle</i>						
21	Installation of 2,800 lines MAX at Gauhati	22-10-1959 revised on 23-11-1962	Rs. 23.98 (Original) Rs. 56.00 (Revised)	1961-62 1966	January, 1966	Due to delay in construction of the building.
<i>West Bengal Circle</i>						
22	Installation of 1,000 lines Auto-Exchange at Panihati.	23-1-1961	Rs. 30.55	1963	In progress	<p>Due to delay in construction of the building. The building plan, which was drawn up with a capacity of 3,300 was revised to increase the capacity to 10,000 lines. The work is expected to be completed by the middle of 1967.</p>

13 Expansion of Kalyani Exchange in replacement of 50 lines SAK by 400/600 lines SAK	16-4-1962	Rs. 16.75	Middle of 1964	Not commenced	Due to delay in acquisition of land and abnormal delay in commencing the construction of the building.
<i>Bihar Circle</i>					
14 Expansion of Jharia Exchange by 600 lines (from 900 to 1,500 lines)	25-5-1962	Rs. 13.82	Not fixed (Normal time for completion of a project is 2½ years).	In progress	Due to revision of the project. Installation of 2,000 lines cross bar system is under examination. The construction of building commenced on 4th February, 1965 and is still in progress (December, 1966).
	31-5-1962				

APPENDIX IX

(Reference Para 5.7 of the Report)

Instances of variations between estimated and actual labour hours in the work orders executed in Bombay Telephone Workshops

Serial No.	Work Order No. & Date	Date on which scheduled prepared	Date on which scheduled revised	Labour hours		Variations in labour hours	Percentage of variations
				Estimated	Actual		
1	2	3	4	5	6	7	8
1	15907 3-2-1965	26-7-1963	..	340	452	112	33
2	10681 21-9-1964	15-6-1961	18-9-1964	2,247	2,490	243	11
3	10757 12-11-1964	28-8-1964	..	2,854	3,447	593	21
4	10798 17-12-1964	28-8-1964	..	1,826	2,070	244	13
5	15774 12-1-1965	3-6-1964	8-8-1964	131	172	41	31
6	14647 5-9-1964	25-2-1964	4-9-1964	630	752	122	19
7	15453 30-11-1964	25-2-1964	4-9-1964	630	737	107	17
8	13759 27-5-1964	25-7-1963	26-5-1964	536	671	135	25
9	14981 16-10-1964	25-7-1963	26-5-1964	536	690	154	29
10	14365 3-8-1964	16-4-1964	20-10-1964	70	82	12	17
11	15294 18-11-1964	28-6-1963	10-6-1964	201	260	59	29
12	13852 10-6-1964	23-8-1963	10-6-1964	197	252	55	28

13	13773	27-5-1964	15-3-1963	27-5-1964	476	595	119	25
14	14806	21-9-1964	15-3-1963	27-5-1964	476	592	116	24
15	15800	16-1-1965	15-3-1963	27-5-1964	476	616	140	29
16	13760	27-5-1964	17-4-1963	26-5-1964	554	689	135	24
17	15798	16-1-1965	17-4-1963	26-5-1964	554	708	154	28
18	13768	27-5-1964	13-7-1963	27-5-1964	372	463	91	24
19	14984	16-10-1964	13-7-1963	27-5-1964	620	718	98	16
20	14972	16-10-1964	16-4-1964	14-7-1964	155	201	46	30
21	14182	14-7-1964	27-6-1963	14-7-1964	150	186	36	24
22	15806	16-1-1965	27-6-1963	14-7-1964	150	190	40	27
23	15535	14-12-1964	17-4-1963	19-9-1964	915	1,085	170	19

APPENDIX X
(Reference Para 6.1 of the Report)
Statement showing losses of stores 1965-66

Persons responsible for the loss	Losses due to theft		Losses due to accidents (fire, flood, etc.)		Losses due to reasons not known		Total	
	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.
1. Persons unconnected with the Department—								
(a) Loss from stock	13	9,249	..	..	..	..	13	9,249
(b) Loss from existing alignment, etc.	2,781	6,86,953	10	53,056	23	3,022	2,814	7,43,031
(c) Loss in transit	3	1,064	35	31,518	16	11,548	54	44,130
2. Departmental Employees—								
(i) Contributory negligence								
(a) Loss from stock	4	2,736	..	..	1	248	5	2,984
(b) Loss from existing alignment, etc.	3	70	..	..	..	..	3	70
(ii) Directly responsible								
(a) Loss from stock	1	70	..	..	..	..	1	70
3. Responsibility not fixed upto September, 1966—								
(a) Loss from stock	21	14,650	1	100	1	2,588	23	17,338
(b) Loss from existing alignment, etc.	4,515	7,89,957	6	5,973	1	1,037	4,522	7,96,967
(c) Loss in transit . . . . .	..	..	..	..	2	314	2	314
4. Responsibility could not be fixed—								
(a) Loss from stock	29	23,807	1	2,000	1	4	31	25,811
(b) Loss from existing alignment, etc.	1,131	2,52,281	..	..	86	14,986	1,217	2,67,267
(c) Loss in transit . . . . .	..	..	..	..	20	3,681	20	3,688
Total 1965-66	8,501	17,80,837	53	92,647	151	37,435	8,705	19,10,919
Total 1964-65	7,362	16,06,009	12	1,30,362	120	1,19,918	7,494	18,56,289

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N.B.—The figures under "Loss from existing alignment, etc." include 8,134 cases of theft of copper wire from existing alignments involving Rs. 15.97 lakhs.

APPENDIX XI

(Reference Para 7.8 of the Report)

Defalcations or loss of public money during 1965-66

Persons responsible for the loss	Savings Bank frauds			Post Office Certificate frauds			Money orders (including telegraphic and value payable money orders) frauds			Insured articles frauds and losses			Miscellaneous frauds and losses		
	No.	Amount	Amount re-covered, if any	No.	Amount	Amount re-covered, if any	No.	Amount	Amount re-covered, if any	No.	Amount	Amount re-covered, if any	No.	Amount	Amount re-covered, if any
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
		Rs.	Rs.		Rs.	Rs.		Rs.	Rs.		Rs.	Rs.		Rs.	Rs.
1. Persons unconnected with the Department	25	33,712	6,458	..	..	..	30	21,494	4,076	8	7,546	1,370	105	1,79,459	93,889
2. Departmental employees—															
(i) Departmental Postmasters (including sub and branch post-masters)—															
(a) Contributory negligence	9	25,988	..	..	..	..	17	5,336	170	4	4,557	500	44	33,068	7,160
(b) Directly responsible	42	86,356	4,763	2	18,175	..	43	11,743	3,618	11	2,187	672	80	19,728	11,302
(ii) Ex-ante Departmental agents (including those in-charge of sub and branch post offices)—															
(a) Contributory negligence . . . . .	..	..	..	..	..	..	7	550	30	4	1,224	243	33	5,105	2,778
(b) Directly responsible	49	13,819	5,580	165	46,080	13,480	9	3,499	2,514	123	41,841	16,085

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	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
(iii) Clerks—																
(a) Contributory negligence		9	1,01,438	10	5	9,618	1,172	19	20,263	289	27	9,904	3,300
(b) Directly responsible		11	14,651	10,045	2	400	400	10	21,955	1,325	21	22,178	11,828	63	57,998	23,229
(iv) Postmen & Village Postmen																
(a) Contributory negligence		1	2,090	..	..	..	..	10	1,754	..	1	250	..	8	832	84
(b) Directly responsible		93	31,272	5,580	6	31,000	30,350	11	5,737	5,351
(v) Peons and other class IV servants—																
(a) Contributory negligence		1	704	..	..	..	..	2	508	..
(b) Directly responsible		1	308	..	..	..	..	1	350	350	2	8,220	..	14	10,529	4,509
(vi) Other—																
(a) Contributory negligence		1	102	..	1	100	100	13	13,814	520
(b) Directly responsible		1	1,900	1,900	4	602	..	38	15,492	11,457
3. Mail contractor's agents Directly responsible																
		3	2,700	..	22	2,139	430
4. Responsibility not fixed upto September, 1966																
		4	8,425	150	1	2,320	..	33	22,316	2,929	34	56,429	956	57	38,565	15
5. Responsibility could not be fixed																
		2	976	..	2	8,000	5,275	..	..	..	..	..	..	16	8,249	421
Total		153	2,87,853	27,006	7	28,895	5,675	417	1,75,174	34,630	127	1,60,755	48,822	656	4,42,968	1,80,530

APPENDIX XII

(Reference Para. 7.10 of the Report)

GOVERNMENT OF INDIA

MINISTRY OF COMMUNICATIONS

(P & T BOARD)

Lok Sabha Secretariat may kindly refer to item No. 9 of the list of points received *vide* their O.M. No. 2/VIII/2/67 PAC dated 7-11-1967 about defalcation or loss of public money during 1965-66. The PAC had desired to be informed on the following points:—

- (i) the number of cases of defalcation or loss of money in which responsibility has not been fixed so far;
- (ii) the number of cases of fraud etc. at the end of July, 1967 which have not been finally investigated;
- (iii) the longest period for which any case has been outstanding; and
- (iv) is the extent of losses of insured articles on the increase or decrease during the last three years?

2. The information desired is furnished below *ad-seritim*:—

- (i) There were 149 cases of defalcation or loss of money in which responsibility was not fixed or could not be fixed upto September, 1966. Out of these 149 cases responsibility in respect of 59 cases has been fixed upto September, 1967. Thus there remain 90 such cases in which responsibility has not been fixed so far. Out of the amount of 1.45 lakhs involved in these 149 cases, a sum of 0.61 lakhs has since been recovered.
- (ii) Out of 1360 cases of frauds etc. during the year 1965-66, departmental investigation in 1348 cases has been finalised. 12 cases are under departmental investigation at the end of July 1967. Police investigation is, however, pending in 154 cases.
- (iii) A fraud case relating to the year 1942-43 is the oldest case pending. In this case the Postmaster of Purnea H.O. (Bihar) systematically defalcated a sum of Rs. 81,297 in the shape of pay, leave salary, etc., between the period

from 1918 to 1941. The fraud came to light in 1942 and the accused was found guilty under Section 409, 471 and 477-A I.P.C. and was sentenced to undergo 10 years R.I. and to pay a fine of Rs. 3,000 by a court of law in 1946. Certificate proceedings against the accused under PAD Act were also instituted by the Department to recover the amount of loss from the properties of the accused. The case has been pending for realisation of the decretal amount through the Court of Law.

- (iv) The incidence of loss and frauds in respect of insured articles during the last three years is as follows:—

Year	No.	Amount involved
1963-64	143	1,23,206
1964-65	157	1,13,106
1965-66	127	1,60,755

Numerically the cases of loss and frauds in respect of insured articles during 1965-66 have decreased in comparison with those of the previous years. There has however been a slight increase in the amount in the year 1965-66. The loss would have been appreciably less, but for the following cases involving heavy amounts:—

- (i) Loss of Regd. bag from Kharagpur HMS/2, dated 7-11-65 for WB-4 Out, involving 26 insured letters valued at Rs. 13,205.
- (ii) Fraudulent delivery of 2 insured letters valued at Rs. 10,000 by the Registration Clerk, Shillong H.O.
- (iii) Loss of Regd. bag from Calcutta RMS/A. Night set D/- 19-8-65 for Tinsukia RMS/2, involving 8 Insured letters valued at Rs. 11,065/-.

Sd./- M. DAYAL, Director-General.

Lok Sabha Secretariat (PAC Branch)

D.G., P. & T. U.O. No. 14-2/INV, dated 22nd November, 1967.

APPENDIX XIII

(Reference Para. 8.5 of the Report)

No. 64-17/67-TPS (Bldg.)

GOVERNMENT OF INDIA

(Department of Communications P. & T. Board)

New Delhi, dated the 21st November, 1967

OFFICE MEMORANDUM

SUBJECT:—*Public Accounts Committee—notes on list of points on which further information is desired by the Public Accounts Committee at their sittings held on the 27th and 28th October, 1967.*

Lok Sabha Secretariat may kindly refer to their Office Memorandum No. 2 VIII/2/67 PAC, dated the 7th November, 1967 calling for list of points on which further information is desired *vide* item No. 11(i). The note in this respect is given below:—

A plot of land measuring about 4½ acres was purchased at Ernakulam during November 1963 for the purpose of constructing staff quarters. According to the initial plans drawn up the sitting of only 96 quarters was possible. Since this number was considered inadequate for our requirements the Sr. Architect was requested to consider construction of 3 or 4 storeyed building instead of the normal double-storeyed type. The question of special foundation and structural provisions for this was examined and finalised and a revised layout providing for 132 quarters on the site has since been prepared. The Civil Wing of the Department is preparing the necessary estimates and it is proposed to commence construction during 1968-69.

In this connection it is pointed out that generally due to inadequate resources the Department has been unable to construct as many buildings for staff quarters as are required to provide basic facilities for the staff. As at the end of the Third Five Year Plan the total number of quarters available all over the country is only about 12,500 which comes to roughly 4.2 per cent quarters per hundred employees which is rather low. This is due to various economy measures imposed, particularly towards the end of the Third Plan and the beginning of Fourth Plan due to National Emergency. The

progress on building construction in general and construction of quarters in particular received a serious setback towards the end of 1963 (there were temporary setbacks on a number of occasions in earlier years also), arisen out of a policy decision taken by the Ministry of Finance with a view to effect sizeable reduction in expenditure.

In the draft 4th Plan for the Department it has been possible to earmark tentatively only Rs. 5 crores for acquisition of land and Rs. 10 crores for construction of staff quarters which would enable only about 8,000 additional quarters to be constructed. But the 4th Plan is not yet finalised and funds are being made available to the Department on the basis of annual budgets to a much restricted extent. The actual number of quarters that will be constructed will entirely depend upon the position of resources made available from year to year.

Sd./-

Member (Telecom. Development)

APPENDIX XIV

Summary of main conclusions/recommendations of the Committee

S. No.	Para No. of the Report	Ministry/Deptt.	Conclusions/Recommendations
1	2	3	4
1	1.11	P. & T. Board	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 suit-

I**2****3****4**

able 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.

2**1.12**

P. & T. Board

Ministry of Railways
(Railway Board)

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.

3**1.17****P. & T. Board**

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 and Telegraphs Department took the initiative in organising a seminar on philately in which a number of leading philatelists, 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.

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| 4 | I. 18 | P. & T. Board | 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 entires. |
| 5 | I. 19 | P. & T. Board | 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. |
| 6 | I. 20 | P. & T. Board | 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. |
| 7 | I. 31 | -do- | 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. |

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8	1.32	P. & T. Board	<p>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.</p>
9	1.33	-do-	<p>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.</p>
10	1.34	-do-	<p>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.</p>

11 1.35

-do-

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 the Railways on account of arrears of rental on line and equipment, this percentage increase in expenditure is disturbing.

12 1.36

-do-

Complaints have been voiced both inside and outside Parliament about the delay in the transmission and delivery of telegrams. The Committee consider that the Department should launch an intensive drive to modernise and improve the efficiency of the Telegraph Branch so as to win public confidence with a dependable and prompt service. Such an improvement in service is bound to attract more traffic and earn larger revenues. The Committee also stress the need for observing the utmost economy so as to arrest the upward trend in expenditure and keep it as close to the revenue as possible.

13 1.37

-do-

The Committee understand that the Postal Branch and the Tele-communication branches were amalgamated in 1914, in conformity with the set-up obtaining generally in other Commonwealth countries. It is questionable whether the loss on the postal side which renders a general service to the public should be made good entirely at the expense of the Tele-communication branches which are capital intensive and which need to be expanded urgently to keep pace with developments in industry and commerce. The Com-

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			<p>mittee consider that with the vast increase in the postal and telecommunication services that has taken place since Independence, the time has come when the position should be critically reviewed keeping in view the requirements of each service and the imperative need for efficient and business-like administration.</p>
14	I.38	P. & T. Board	<p>The Committee understand that the question of converting the Posts and Telegraphs Department as a whole or the Telecommunication branch alone or any specific units of the Department into a Corporation has been referred to a Working Group of the Administrative Reforms Commission (Appendix IV). The Committee would like to be informed of the action taken on their recommendation in due course.</p>
15	I.46	-do-	<p>The Committee note that the Posts & Telegraphs Department have decided to "net the balance of the Renewal 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.</p>
16	I.47	-do-	<p>The Committee hope that the most rational method for determining contributions to the Renewal Reserve Fund will be worked out and that the Tariff Committee, which is currently reviewing the</p>

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 Renewal Reserve Fund but also for wiping out the arrears in a phased manner.

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-do-

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 Telegraph 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 under 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. Subjects to this observation, the Committee recommend that excess over the grant may be regularised under article 115 of the Constitution.

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3.11

-do-

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

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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.

19 3.12 P. & T. Board

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.

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20 3.13 P. & T. Board
 Ministry of Finance

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.

- 21 3.18 P. & T. Board The Committee suggest that the P&T Department should undertake a sample survey of the bills which are challenged by the subscribers on the ground of inaccuracy. Such a survey would help the Department in knowing the defects which result in the wrong preparation of bills, and their non-delivery and enable them to take remedial measures. In addition, this would also facilitate the prompt payment of telephone bills in future by the subscribers.
- 22 3.20 -do- The Committee feel that the scheme for the decentralisation of the Telephone Revenue Account Offices should be pursued with vigour so that telephone bills are prepared and sent to subscribers without undue delay. Such a step will also help in the early realisation of telephone dues.
- 23 3.21 -do- The Committee find that the P&T Department is at present experimenting with the machanisation of the billing system in Calcutta and that the manual system of preparation of bills is being tried in Bombay and Delhi. The Committee desire that after examining the advantages and disadvantages of both the systems, the P&T Department should adopt a billing system which results in expeditious preparation of bills economically.
- 24 3.22 -do- 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.

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25	3.25	P. & T. Board	<p>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 Posts & Telegraphs 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.</p>
26	3.29	-do-	<p>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 outstanding. 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.</p>

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| 27 | 3.33 | -do- | <p>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.</p> |
| 28 | 4.5 | <p><u>P. & T. Board</u>
 Ministry of Railways
 (Railway Board)</p> | <p>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.</p> |
| 29 | 4.16 | P. & T. Board | <p>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 Kalayani 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.</p> |
| | 4.17 | -do- | <p>Considering the time involved in the acquisition of land, the Committee suggest that action to acquire land should be initiated</p> |

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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.

- 4.18 P. & T. Board 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.
- 4.19 -do- Blueprints for Exchange buildings should be prepared in advance so that the construction work can be commenced as soon as the land is acquired.
- 4.20 -do- 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 revenues, but also an increase in the cost of the execution of projects.

[Efforts should also be made to ensure timely supply of material for different stages of construction.] 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 revenues, but also an increase in the cost of the execution of projects.

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5.6

-do-

The Committee hope that the Department will keep a close watch over the cost of production of various items in their workshops. Wide variations in the cost of production of similar items in different workshops as well as high cost of production *vis-a-vis* the market price prevailing for similar items should receive special attention so that remedial measures may be taken. The cost of production in the Posts and Telegraphs Workshops should as far as possible be competitive with the rates prevailing for similar items in the open market.

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5.11

-do-

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

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			effective control over the cost of production of different items in the workshops.
	5.12	P. & T. Board	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 the manufacture of items which are produced in more than one workshop.
32	6.7	-do-	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 cooperation 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.

33 6.8 do 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.

34 7.5 -do- 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.

35 7.6 -do- 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.

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| 36 | 7.7 | P. & T. Board | They also hope that the P&T Department will make every effort to dispose of the unsold stocks. |
| 37 | 7.12 | -do- | 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 however that pursuant to their recommendation contained in para 7.26 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. |
| 38 | 7.13 | -do- | 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. |
| 39 | 7.18 | -do- | The Committee hope that a suitable pattern will be evolved in consultation with Audit whereby important audit objections get prompt attention from the officers in the P&T Department. The Committee also desire that outstanding audit objections should be settled as early as possible. |

- 40 7.24 -do- The Committee find from evidence that heavy arrears of outstanding inspection reports remain to be cleared in the different wings of the Department. The accumulation is particularly heavy in respect of the savings bank accounts where 11,361 specimen signatures of depositors are yet to be taken for the completion of the registers. In respect of savings bank ledgers, out of 20,302 cases, only 840 cases could be cleared by the Department. The Committee hope that vigorous efforts will be made by the Department to obtain specimen signatures of the depositors in those cases where they are yet outstanding. The Committee also desire that the Department should carry out the verification of the savings bank ledger balances in respect of 19,462 cases where that has not been done so far.
- 41 7.25 -do- The Committee would also like to impress upon the P&T Department that the settlement of audit objections through special units is not sound solution and should not become a regular feature. The drawing and disbursing officers should be directed to pay adequate and prompt attention to the settlement of audit objections. They hope that with proper supervision and guidance, the P&T Department will not only be able to clear these arrears, but will also be able to ensure that such arrears do not arise or accumulate in future.
- 42 8.6 -do- The Committee find from the Ministry's note that, though land measuring about 4½ acres was purchased at Ernakulam in November,

*In 1963-64, 1,379 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).

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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 multi-storeyed 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.

43

8.9

P. & T. Board

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.

96

Sl. No.	Name of Agent	Agency No.	Sl. No.	Name of Agent	Agency No.
27.	Bahree Brothers, 188, Lajpatrai Market, Delhi-6.	27	33.	Bookwell, 4, Sant Narakari Colony, Kingsway Camp, Delhi-9.	96
28.	Jayana Book Depot, Chaparwala Kuan, Karol Bagh, New Delhi.	66		MANIPUR	
29.	Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi-1.	68	34.	Shri N. Chaoba Singta, News Agent, Ramlal Paul High School Annex. Imphal.	---
30.	People's Publishing House, Rani Jhansi Road, New Delhi.	76		AGENTS IN FOREIGN COUNTRIES	
31.	The United Book Agency, 43, Amrit Kaur Market, Pahar Ganj, New Delhi.	88	35.	The Secretary, Establishment Department, The High Commission of India, India House, Aldwych, LONDON, W.C.-2.	
32.	Hind Book House, 82, Janpath, New Delhi.	95			

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