

**PUBLIC ACCOUNTS COMMITTEE
1963-64**

FOURTEENTH REPORT

(THIRD LOK SABHA)

**[Appropriation Accounts (P & T), 1961-62 and Audit
Report (P & T), 1963]**



**LOK SABHA SECRETARIAT
NEW DELHI**

September, 1963/Bhadra, 1885 (Saka)

Price : Rs. 1.15 nP.

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C O R R I G E N D A

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73		4	7	out of	out
73		4	11	Against '13' in col.2, <u>insert '9'</u> in col.1	Capital Outlay
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*Not printed (One cyclostyled copy laid on the Table and five copies placed in the Parliament Library).

PUBLIC ACCOUNTS COMMITTEE

(1963-64)

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Shri Mahavir Tyagi

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19. Shri Dahyabhai V. Patel
20. Shri S. D. Patil
21. Shri Sadiq Ali
22. Pandit S. S. N. Tankha*

SECRETARIAT

Shri H. N. Trivedi—Deputy Secretary.

Shri Y. P. Passi—Under Secretary.

*Declared elected on 29-8-1963 *vice* Shri Nawab Singh Chauhan resigned from Rajya Sabha.

INTRODUCTION

1. Chairman of the Public Accounts Committee, as authorised by the Committee do present on their behalf, this Fourteenth Report on the Appropriation Accounts (P&T), 1961-62 and Audit Report (P&T), 1963.

2. The Appropriation Accounts (P&T), 1961-62 together with the Audit Report thereon were laid on the Table of the House on the 19th March, 1963. The Committee examined them at their sittings held from the 16th to 19th July, 1963. A brief record of the proceedings of each sitting of the Committee has been maintained and forms part of the Report (Part II)*.

3. The Committee considered and finalised this Report at their sitting held on the 9th September, 1963.

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

5. The Committee also considered the replies of the Ministries pursuant to their earlier recommendations which are included in Part III* of this Report. Their comments on a few selected items are contained in Chapter V of the Report.

6. The Committee place on record their appreciation of the assistance rendered to them in the examination of these Accounts by the Comptroller & Auditor General of India.

They would also like to express their thanks to the Chairman and Members of the P&T Board for the co-operation in giving detailed information asked for by the Committee during the course of their evidence.

NEW DELHI-1

September 11, 1963.

Bhadra 20, 1885 (Saka).

MAHAJIR TYAGI

Chairman,

Public Accounts Committee.

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

POSTS AND TELEGRAPHS DEPARTMENT

Financial working of the P&T Department, 1961-62

The following table shows the original and final Grants and Charged Appropriations and expenditure actually incurred there-against during the year, 1961-62:

	Original Grant or Appropriation	Final Grant or Appropriation	Actual Expenditure
Expenditure met from Revenue			
Charged	60,000	60,000	15,460
Voted	74,92,68,000	77,22,68,000	77,20,67,135
Dividend to General Revenues and Appropriations to Reserve Funds			
Voted .	11,56,77,000	14,36,64,000	17,33,27,517
Capital Outlay on Posts and Telegraphs (not met from Revenue)			
Charged .		4,50,000	..
Voted .	20,39,28,000	20,39,29,000	19,14,67,697
TOTAL			
Charged .	60,000	5,10,000	15,460
Voted .	1,06,88,73,000	1,11,98,61,000	1,13,68,62,349
GRAND TOTAL	1,06,89,33,000	1,12,03,71,000	1,13,68,77,809

As the Grants and Appropriations are for gross amounts, the above details do not include the recoveries which are adjusted in the accounts in reduction of expenditure. The total of actual recoveries against all the Grants amounted to Rs. 14,54,99,856.

Revenue Receipts and Working Expenses—Para 2 of Audit Report, pp. 1-2.

2. The actual revenue receipts of the Department during the year 1961-62 amounted to Rs. 87.89 crores against the original budget estimate of Rs. 81.00 crores. On the other hand, the working

expenses (including dividend paid to General Revenues but excluding appropriations to Renewals Reserve Fund) amounted to Rs. 75·53 crores as against the original budget estimate of Rs. 74·47 crores. The revenue surplus accordingly amounted to Rs. 12·36 crores against the budget estimate of Rs. 6·53 crores. The entire surplus was appropriated to the Renewals Reserve Fund.

A review of the estimated and actual figures of revenue receipts from 1958-59 to 1961-62 revealed that the actuals had always been higher than the budget estimates. The variation (8·5%) was more prominent during the year under report than in earlier years (e.g. 2·3% in 1960-61 and 1·7% in 1959-60).

In evidence, the Member (Finance) P & T Board stated that the estimates for revenue were generally based on the trends of past traffic. Accordingly, the estimate for 1961-62 allowed for increase of revenue of Rs. 5·6 crores over the estimate for 1960-61. However, the phenomenal increase in traffic during 1961-62 could not be anticipated. When it was pointed out to him that since 1958-59 there had been consistent under-estimating of revenue, he stated that the revenue estimates were bound to be a little conservative.

While the Committee appreciate the difficulties in arriving at precise estimates of P & T revenues, they feel that since the margin of under-estimating during the year was disproportionately large as compared to the earlier years, dependence entirely on statistical trends of actuals as interpreted centrally could not yield satisfactory estimates. On a suggestion that the possibility of collecting figures for preparation of revenue estimates from the circles based on the trend of traffic may be examined, the Member (Finance) P & T Board agreed to do so. The Committee may be informed of the results of this examination.

Financial Result of the Working of different Branches—paras 4 (i) & 6, pages 3-4 and 8.

3. The actual figures of revenue receipts and working expenses of the different Branches of the Department during the year 1961-62 were as indicated below:—

Branches	Revenue	Working Expenses
		(In crores of Rupees)
Postal	45·62	43·29
Telegraphs	11·06	9·92
Telephones	31·06	21·99
Radios	0·15	0·33

A review of the working expenses of different branches showed that the highest increase during the year 1961-62 as compared to the previous year occurred under the Telephone Branch, being 24·5% against which the corresponding increase in Revenue was only 17·7%. Some special features resulting in the increase in expenditure were (a) increased expenditure under "Petty & Other Works" (from Rs. 1·61 crores in 1959-60 to Rs. 4·89 crores in 1961-62) due to revision in the allocation rules increasing the monetary limit for the cost of new works to be charged to revenue and (b) increased rent adjusted for the trunk wires which under the existing practice are treated as assets of the Telegraph Branch on which rent at the prescribed rate is paid by the Telephone Branch.

On the other hand, a comparison of Capital Outlay and revenue of the Telegraph and Telephone Branches during the period from 1956-57 to 1961-62 showed that while the revenue of the Telephone Branch increased by 90·4% as against the increase of 61·4% in the capital outlay, the revenue of the Telegraph Branch showed a much smaller increase of 43·8% against the corresponding increase of 34·9% in its Capital Outlay. The reason was that the rent paid by the Telephone Branch to the Telegraph Branch for trunk telephone assets did not include any profit element, the result being that entire profit from those assets accrued to the Telephone Branch.

In evidence, the representative of the Department stated that the reason for the trunk lines being treated as assets of the Telegraphs branch was a historical one as previously the total number of telephones was very small and communication lines were common for Railways, Telegraphs and Telephones, etc. To a suggestion whether in view of large inter-branch adjustments between the Telegraph and Telephone branches, the two branches should not be combined for the accounting purposes, the Member (Telecom. Operations) of the P & T Board stated that in view of great technological development in recent years it was perhaps necessary. It was, however, added by the Chairman of the Board that to a certain extent all the branches of the P & T were inter-related and a change in the existing set up was a matter requiring careful consideration.

In view of the fact that telegraph and telephone are inter-related branches of telecommunication, the Committee feel that it should be logical and feasible to combine them for accounting purposes, on the same lines as in U.K. and Australia. This will avoid unnecessary adjustments and simplify the accounting procedure. The Committee desire, therefore, that Government may give this matter careful consideration and inform them of the decision taken at an early date.

Opening of unremunerative Telegraph (or Combined) Offices, Public Call Offices and Telephone Exchanges during the Second Five Year Plan—para 4(ii), page 4.

4. During the Second Five Year Plan, Government sanctioned the provision of telecommunication facilities in rural areas and other small towns subject to a cumulative limit of Rs. 40 lakhs for the loss in respect of telegraph facilities and a similar sum for the loss on account of extension of telephone facilities during the period 1956—61. The Director General, Posts and Telegraphs, had also been directed in January, 1957 to submit quarterly reports to the Government in order to keep a watch that the prescribed limit of loss was not exceeded. However, no record showing the actual loss incurred year by year in respect of these offices had been kept by the Department except for guaranteed combined offices.

In evidence the representative of the Department admitted that the Directorate had erred in not having watched receipt of requisite information from the units in prescribed form.

The Committee regret to note that the Department failed to ensure implementation of Government orders issued in January, 1957. As a result, it cannot now be verified that the total losses incurred were within the limits prescribed. The Committee take a serious view of such lapses.

5. From a note* submitted to the Committee (Appendix I), they find that the target numbers and achievement numbers in regard to the opening of such telegraph offices, public call offices and telephone exchanges during the Second Five Year Plan period were as under:—

Type of Stations'	Targets Nos.	Achievements Nos.
<i>Telegraph Offices</i>		
Administrative Stations	700	572
Towns with population of over 5,000	400	236
Out-of-the-way places	200	10

*Not vetted by Audit.

Type of Stations	Targets Nos.	Achievements Nos.
<i>Public Call Offices</i>		
Administrative towns	848	790
Towns with population of over 20,000	21	21
Out-of-the-way places	100	8
<i>Telephone Exchanges</i>		
District Towns	38	30

These figures indicate heavy shortfalls in performance against the targets fixed for telegraph offices. The shortfall particularly in case of the out-of-the-way places has been stated to be mostly due to paucity of line construction stores. **The Committee note that the shortfall has resulted in halting and inadequate implementation of Government policy regarding provision of tele-communication facilities in rural areas and other small towns.**

The Committee find from the same note that during the Third Five Year Plan also the opening of Telegraph Offices, P.C.Os and exchanges was to be continued on the same basis as during the Second Five Year Plan. Instructions had been issued in December, 1962 for keeping account of losses incurred by the offices opened on this basis since 1-4-1961, and the required information has been collected in respect of these offices up to 31-3-1963.

It is observed from the statement furnished with the note that although the actual loss on the opening of these offices had been within the anticipated amount, the progress in the opening of these offices had been very poor so far. The reason ascribed was that practically all the stores had to be diverted to meet emergent demands. However, according to the note it is expected that by the end of the Plan the targets would be met. **The Committee trust that adequate steps will now be taken by the Department to achieve the targets laid down in this regard, and that the history of the Second Five Year Plan will not be repeated in the Third Plan.**

Arrears in telephone revenue—Para 4(v), pages 5-6.

6. The total amount of telephone revenue awaiting collection on the 1st July, 1962, in respect of bills issued up to the 31st March, 1962, amounted to Rs. 2.57 crores. A substantial portion of these outstandings (about Rs. 1.38 crores) related to Government subscribers. Out

of the total outstanding of Rs. 2.57 crores, a sum of about Rs. 1.09 crores related to bills issued in 1960-61 and earlier years.

The position regarding the arrears in telephone revenue for the years 1957-58 to 1961-62 is indicated below:—

Year	No. of tele- phones at the end of the year	Total tele- phone re- venue (in crores of rupees)	Amount of arrears as on 1st July of the fol- lowing year in respect of bills issued upto end of the year (in crores of rupees)	Percentage which the arrears bear to the total revenue.
1957-58 . . .	3,35,000	18.39	1.27	6.9
1958-59 . . .	3,78,000	20.03	1.47	7.3
1959-60 . . .	4,24,000	21.96	1.53	7.0
1960-61 . . .	4,63,000	26.38	2.15	8.2
1961-62 . . .	5,21,000	31.06	2.57	8.3

The above figures indicate that there has been a steady increase in the amount of arrears as on 1st July of the following year in respect of bills issued up to the end of the year. What is more, the percentage which the arrears bear to the total revenue has been steadily going up from 6.9 in 1957-58 to 8.3 in 1961-62.

In evidence the representative of the Department stated that the outstandings had come down from Rs. 2.57 crores on 1st July, 1962 to Rs. 1.58 crores on 1st April, 1963. Of this, Rs. 78 lakhs were reported to be due from private parties. **The Committee consider this position as still unsatisfactory requiring special attention of the P & T Board. It appears to the Committee that this large amount would not have accumulated had the Department been prompt in issuing bills as also in exercising its powers to prescribe the tele-phones for non-payment of dues.**

7. The arrears in respect of Government Departments were reported to be as follows as on 1st April, 1963:

Defence Services	Rs. 25.41 lakhs
Other Govt. Deptts.	Rs. 52.77 lakhs

The Committee enquired why there should at all be any delay in settling the accounts with Government subscribers in whose case only a book adjustment had to be made. The witness explained that settlement was more often subject to delay in the case of the Ministry of Defence due to the fact that the telephone facilities were required to be provided at the lowest field levels whereas bills were scrutinised at some central places. **The Committee feel that the bills issued by one Government Department against another should be promptly settled. The Committee would like the Ministry of Finance to examine whether Government Departments should not settle the P & T bills provisionally in full on receipt subject to later settlement of discrepancies. The recovery of charges on private account could well be made from the officers concerned and taken in reduction of the charges booked to Government account.**

8. The Committee enquired why dues were outstanding since 1946-47. It was stated that in some cases complete records were not available for the period and reconciliation of accounts took sometime. However, the outstandings for bills issued in 1960-61 and earlier years had been brought down from Rs. 1.09 crores to Rs. 90 lakhs.

The Committee consider that the position is far from satisfactory. It is clear from the explanation that not all the arrears of Rs. 90 lakhs represent recoverable dues. The Committee (1960-61) had recommended in para 63 of their 31st Report that besides taking vigorous steps to accelerate recovery of arrears, the Department should also assess them realistically. While this recommendation had been noted by the Department, the Committee have gathered the impression that the position had not shown substantial improvement. They, therefore, desire that more effective action may be taken and a detailed report made to them.

9. The Committee desired to know the present position regarding introduction of various steps which were under consideration of the Department to improve the position regarding recovery of outstandings and accounting. They were informed that so far as decentralisation of telephone revenue accounting offices was concerned, as a first step these had been brought down to Circle level except in the case of two Circles which would also have accounting offices shortly. It had also been decided to decentralise these offices upto the divisional level and there were already accounts offices in some divisions. However, the implementation of the decision would take some time because of the problem of transferring a large number

of personnel from one place to another. As regards mechanisation of accounting for expediting the accounts and reducing the staff, a Committee had been constituted to examine the matter in detail.

10. A test audit of telephone revenue accounts conducted during 1961-62 brought to light instances of short recoveries (Rs. 1.96 lakhs) and failure to issue bills (Rs. 13.21 lakhs) to the extent of Rs. 15.17 lakhs. The corresponding amounts for the preceding four years in respect of these were as follows:—

Year	Failure to issue Bills	Short recoveries	Total
(in lakhs of rupees)			
1957-58	4.38	1.22	5.60
1958-59	5.83	0.96	6.79
1959-60	7.69	1.71	9.40
1960-61	10.76	2.21	12.97

Explaining the reasons for continuing instances of short recoveries and failure to issue bills, the representative of the Department stated that so far as failure to issue bills was concerned it was largely the delay in issuing the trunk call bills which was about 2-3 months. The increase in staff had not been commensurate with the increase in the number of telephones and there were difficulties in getting machines for accounting purposes. Short recoveries on the other hand were due to human errors in the preparation of bills because of the complex rate structure. However, as the rate structure had now been simplified it should result in reducing the human error in preparation of the bills. It was also added that although the number of bills issued during 1961-62 had increased by about 16% as compared to the previous year, the amount involved in the instances of short recoveries had come down from Rs. 2.21 lakhs to Rs. 1.96 lakhs.

In the opinion of the Committee a small reduction in the amount of short recoveries detected in test audit cannot lead to the conclusion that the position has improved. They feel that the question of short recoveries and failure to issue bills has not received due attention. They regret to note that although in evidence before the

Committee (1962-63) the representative of the Department promised to look into the question of progressive increase in the amount involved in these cases and submit a note to the Committee, this note is still awaited. In order to examine the matter further, the Committee again called for certain further information in July, 1963, which has also not been furnished by the Department so far.* The

The Committee desire that effective steps should be taken to minimise instances of short recoveries and failure to issue bills. In this connection, the Committee suggest that the process of decentralisation of Telephone Revenue Accounting Offices should be expedited. In this opinion eventually every telephone office should be entrusted with the work of making out the bills and dealing directly with its subscribers. They would like the P. & T. Board to implement this suggestion as an experimental measure in a few Divisions.

Concessions for Press Telegrams para 4(vi), page 6.

11. Press Telegrams are charged for at concessional rates in accordance with International Practice. As the quantum of concession varies according to the class of telegrams, time of booking etc. a computation of the value of the concession was not possible, but in regard to inland Press Telegrams, it had been estimated that the value of the concession during the years 1958-59 to 1961-62 computed on a rough basis, was of the order of Rs. 187.55 lakhs. The rates of charge for inland private telegrams have been revised from time to time from 1950 raising the cost of telegram of 50 words from Rs. 3-6-0 in 1950 to Rs. 4:16 nP. in 1957, but those for Press Telegrams have practically remained the same all these years.

The Committee enquired whether the non-revision of the rates for Press Telegrams since 1950 was due to the failure to review these rates or it was as a result of deliberate policy. The Chairman, P. & T. Board stated that the entire tariff including Press tariff came up for review every year at the time of framing the budget estimates. But so far the policy had been not to unduly enhance the rates for the Press. The representative of the Department, however, stated that in view of the observations made in the Audit Report the matter was again under consideration of the Government. The Committee would await the result of review and final decision by Government.

Teletypewriter Machines—Para 5(b), pages 7-8.

12. Teletypewriter machines are rented by the Telegraph branch to News Agencies, Private parties and other Government Departments in connection with improved services like Teletypewriter, Telex and Printergram services.

*A Copy of the note, not vetted by Audit, has since been received and is at Appendix VII.

The rental for the teleprinter machine is intended to cover the recurring charges on account of (i) interest on capital, (ii) depreciation and (iii) maintenance. The rate was fixed at Rs. 1,000 per annum in 1947 and was allowed to continue after review in 1958. The capital cost of the machines has further gone up beyond the 1958 level (Rs. 5,434 in 1961-62 as compared with prices ranging from Rs. 3,605 to Rs. 4,326 in 1958) and on the basis of the increased costs the rental would work out to Rs. 1,300 (approx.) per machine per annum.

The rental for the teleprinter machines given in connection with the telex and printergram services was fixed at Rs. 600 per machine per annum in 1955 in view of the fact that these machines are put to less use than those given for the teleprinter services and the maintenance expenditure would, therefore, be lower. Owing to the increase in the cost of the teleprinter machines, the rental for telex service was raised from Rs. 600 to Rs. 800 per annum with effect from the 1st April, 1962. The rental for the teleprinter machines given in connection with the printergram service had not, however, been raised correspondingly.

In evidence the representative of the Department stated that in the case of telex service, the rental of Rs. 800/- had been fixed not for the teleprinter machine alone but both for the teleprinter machine and the circuit to the Telex Exchange. In addition, there was a calling charge depending upon the distance. In the case of Printergram service, although the rental for the teleprinter machine had remained the same, the subscriber had to pay in addition rental for the lines which had been fixed at the same rates as for a private wire for telephone service. The rental for lines contained sufficient element of profit and offset the need to revise the charges for the teleprinter.

In this connection, the representative of the P. & T. Board promised to furnish a detailed note explaining the basis for fixing rents for teleprinters. This *note has since been received and is attached as Appendix II.

In this note, the need for reviewing maintenance percentages to be included in the rent by taking into account the revised conditions such as cost of maintenance, staff and spares has been accepted. It has also been admitted that the cost of teleprinter machines has increased but a review of the rates has not so far been undertaken.

*Not vetted by Audit.

The Committee suggest that a comprehensive review of the rates of rental for the teleprinter machines used in leased circuits, telex and printergram services may be undertaken by the P. & T. Board and the result thereof communicated to the Committee.

Savings under Grant for Capital Outlay—para 7, page 9.

13. During the year 1961-62 there was a saving of Rs. 1.25 crores or 6.1% over the original grant under Grant No. 133— Capital Outlay on Posts and Telegraphs (not met from Revenue) as against 22.3% in 1960-61. The main projects under which the savings occurred were the same as those on which large savings occurred in the previous year also, viz., Railway Electrification Scheme, Bombay Telephone Long Term Expansion Project and the Co-axial Trunk Cable Scheme connecting Bombay-New Delhi and Calcutta. The main reason for the less utilisation of the provision for these projects during these years was non-availability of cables.

Besides, the Appropriation Accounts also disclosed that substantial funds provided for in this Grant remained unutilised due to slow progress of work.

In evidence the representative of the Department stated that before making budget provision the Department tried to make as realistic an assessment as possible based on the promises of the suppliers of material. However, suppliers who were often different firms defaulted in varying degrees.

As regards slow progress in the execution of works, it was stated that the C.P.W.D. Wing for P & T Works had been transferred under the complete control of the Department only from the 1st July, 1963, and it was expected that there would be further improvement in the execution of works.

While the Committee are glad to note that there had been substantial decrease in the percentage of savings under this grant as compared to the previous year they feel that the savings were still on the high side. They would invite attention in this connection to their recommendation in para 6 of their 2nd Report (1962-63) and trust that the Department will be more realistic in their estimates in future.

The Committee also hope that with the transfer of the C.P.W.D. Wing for P. & T. Works under the complete control of the Department, the execution of capital works will be expedited.

Excess over voted Grant—para 8, page—10.

14. During the year under Report an excess occurred over Grant No. 88 as shown below:—

Number and name of Grant	Amount of Grant	Actual Expenditure	Excess	Per-centage
88—Dividend payable to General Revenues and Appropriations to Reserve Funds.—				
Original .	11,56,77,000			
Supplementary	2,79,87,000		2,96,63,517	20·6
Final .	14,36,64,000	17,33,27,517		

The detailed reasons for the excess under this grant have been set forth in the note submitted to the Committee by the P. & T. Directorate (Appendix III). It has been stated in the note that the increase in revenue during the year 1961-62 as compared to the previous year was 13.9% and was phenomenal. The excess in this case actually represented an improvement in the financial position of the P. & T. over what was originally expected.

Subject to the observations of the Committee in para 2 of this Report, they recommend that the excess under Grant No. 88 may be regularised by Parliament in the manner prescribed in Article 115 of the Constitution.

II

WORKS EXPENDITURE, STORES PURCHASE AND CONTROL

Defective building works—para 10, page—11.

15. In respect of a number of building works executed by a contractor during 1954-55 and 1955-56 in Jabalpur Engineering Division, measurements were taken in 1957 long after the completion of the works. In April, 1958 an *ad hoc* reduction was made in the final claim of the contractor to the extent of Rs. 22,208 on account of bad work, use of inferior quality materials, bad finish, etc. The contractor refused to accept reduction on the grounds that the measurements had been delayed by over two years and that the defects had not been communicated to him for rectification in time. He also contended that the buildings had not been properly maintained between the dates of completion of the works and the dates on which measurements were taken. He also appealed to the Director-General, Posts and Telegraphs, in April, 1959, for settlement of his claim. As a result of fresh investigations completed in 1961, it was decided that the reduction originally made in the contractor's claim could not be justified even though the works were not considered entirely faultless. The claim of the contractor was restored in February, 1962 for payment in full with the exception of a small sum of about Rs. 1,400.

In evidence, the Chairman P. & T. Board admitted that it was a bad and unfortunate case. It was explained that although one building overseer was posted in January, 1954, he had to be placed under suspension in June, 1955 as an inquiry was pending against him. Thereafter, no building overseer was available till 1st February, 1956 in that division nor could one be spared from nearby divisions. Thereafter two other overseers were also posted for short periods but they had also to be suspended or reverted to a lower post.

It is surprising to the Committee that instead of posting some experienced and reliable overseer; persons against whom either an inquiry was pending or whose work was not satisfactory should have been posted for the supervision of these works costing about Rs. 1.66 lakhs. The plea that an overseer was not available is hardly justifiable as, in their opinion, this contingency could be avoided either by recruitment of suitable person or through some arrangement with the Central or State Public Works Departments. There had also been failure even to record measurements in time which were in some cases

taken two years after the works were completed. The Committee were informed in this connection that an enquiry had been made in this case by the then Director of Telegraphs who submitted a comprehensive report in January, 1958. The Committee were surprised to learn from the Comptroller and Auditor General that the Enquiry Officer had complimented the Divisional Engineer for having carried out such a large number of building works without the assistance of a building overseer. **The Committee would like to be furnished with a copy of the report of the enquiry.**

Non-utilisation of meters for recording local telephone calls in Jammu and Kashmir, para 11 (a)—page 12.

16. Meters for recording local telephone calls were installed in the exchanges in the Jammu and Kashmir by December, 1957 at a cost of nearly Rs. 51,000 but have not been brought into service so far. It had been stated in November 1962 that the question of introducing measured rates in place of flat rates had been held in abeyance for the present.

The representative of the Department explained that when these exchanges were taken over, the quality of service was very poor, as the line construction was not of the standard type and the calling rate was high. A spot check had indicated that the calling rate in Jammu was 30 per subscriber per day as against the normal of 9 in other Indian exchanges. It was felt that introduction of measured rates would reduce the calling rate and thus improve the service. Accordingly it was decided to install meters. However, the State Government opposed the introduction of the measured rates on the ground that the quality of service was poor and should be improved before such a step was taken. The Committee were informed that in deference to the opposition of the State Government the proposal to introduce measured rates was held in abeyance in spite of the fact that the meters necessary to record local telephone calls had already been installed in Jammu & Srinagar. As regards the reasons for not consulting the State Government before the installation of the meters, the witness stated that the Department never consulted the State Governments in this regard as there was always opposition to the introduction of measured rates. **In this connection the Committee would like to point out that while the views of the State Governments may be given due consideration in such matters they should not be allowed to defer the implementation of the accepted policy of the Union Government.**

Asked why could not the meters be utilised elsewhere, the witness stated that it was thought that the new system would be introduced soon. It however transpired that the meters installed at Srinagar exchange were for manual exchange, which was expected to be con-

verted into an automatic exchange shortly. It was admitted by the representative of the Department that with its conversion into an automatic exchange the meters installed there could no longer be utilised at that place. An automatic exchange had been installed at Jammu.

The Committee feel that there had been an abnormal delay in the utilisation of the meters installed at Srinagar. They failed to see any justification for retaining these meters at that exchange especially after it had been decided to convert it into an automatic exchange. The Committee trust that these meters will now be utilised elsewhere expeditiously.

The Committee also desire that the final decision regarding introduction of the measured rates in the State should be expedited.

Non-utilisation of Hindi Speaking clock—para 11(b)—page 12.

17. In the Madras Telephone District, a 'speaking clock' costing Rs. 1.08 lakhs intended to announce the time in Hindi, was included as a part of the project for the expansion of an exchange sanctioned in August, 1954. The equipment, which had to be imported, was ordered in April, 1954 and was received in November, 1957. Before it was installed, it was decided by Government to instal a bilingual clock. It was again decided early in 1960 that the announcement should be made in English. Orders were placed for the English announcement tapes in October, 1961 and the receipt of the tapes was awaited. In the absence of the tapes the 'speaking clock' was lying unutilised.

The Committee were informed that the English tapes were likely to be available shortly from the Indian Telephone Industries. As regards utilisation of the Hindi announcement tapes, it was stated that the tapes could not be utilised in the absence of a clock which was difficult to procure due to tight foreign exchange position. The Hindi tapes being used in Delhi were of a different type.

From the facts placed before them it appears to the Committee that the original decision to instal the Hindi speaking clock had been taken without a careful examination of its suitability and utility. Frequent changes in the decision by Government in the matter resulted in the equipment costing over Rs. 1 lakh remaining unutilised for about 6 years. The Committee trust that the speaking clock will now be put to use expeditiously.

The Committee also desire that the decision about the utilisation/disposal of the Hindi tapes should be expedited.

Delay in installation of power plant, etc. para 11(c)—Page 12.

18. Sanction was accorded in August, 1957 to a detailed estimate for the installation of a power plant and test desk sets at a cost of Rs. 1.19 lakhs in the telephone exchange at Colaba, Bombay. The power plant and other stores required for the installation of the equipment were received during 1957-58 and 1958-59, but have not yet been installed owing to undue delay at different stages of execution of the project.

The drawings for the extension of the buildings to accommodate the plant had been approved in May, 1957 but the administrative approval and expenditure sanction were accorded nearly a year later, in April, 1958. The work, estimated to cost Rs. 85,800 was commenced only in April, 1959 after a delay of one more year and completed in June, 1961.

The engineering and installation details were furnished by the suppliers (The Indian Telephone Industries) only in July, 1959. These were further revised in October, 1960 to suit local convenience. The exact location of piers and chases for mounting the M.G. sets associated with the plant could not, therefore, be decided upon earlier. The Central Public Works Department, who were ultimately asked in February, 1961 to undertake this construction, furnished a supplementary estimate in September, 1961 which was administratively approved in February, 1962 and completed the work in July, 1962. The installation of the power plant and the test desk sets was completed in January, 1963.

Explaining the reasons for the delay in the installation of the power plant the representative of the Department stated that the delay was due to long time taken by the C.P.W.D. in completing the building works. Firstly, the tenders had to be invited three times. The work was awarded in February, 1959. Thereafter there were various difficulties hampering the progress of the works as explained in the note* submitted by the Ministry of Works, Housing and Rehabilitation (Appendix IV). Therefore, the total time taken for the completion of the building was 27 months instead of the stipulated period of 13 months.

The Committee are not satisfied with the explanation in this case. They observe that there had been avoidable delays not only on the part of the C.P.W.D. in the construction of the building but also on

*Not vetted by Audit.

the part of the P. & T. Department in finalising the engineering details and in according administrative sanction for the works. In the opinion of the Committee this is indicative of lack of proper planning and co-ordination between the P. & T. Department and the C.P.W.D. The Committee trust that with the transfer of the C.P.W.D. Wing under the charge of P. & T. Department such cases will not recur.

Telephone Expansion Projects—para. 12—pages 13—15.

19. The Audit para. mentioned some of the telephone expansion projects the execution of which had been considerably delayed (3 to 5 years) as compared with the target dates originally envisaged.

The Committee were informed in evidence that certain factors e.g., delay in acquisition of land, construction of buildings, supply of equipment by Indian Telephone Industries and cables by the Hindustan Cables Ltd., etc. were beyond the control of the Department. Further initial targets were fixed on a very rough basis at the time of the sanction of the project. However, the Department now took into consideration all these factors so as to prepare more realistic estimates.

The Committee enquired as to the steps taken by the Department regarding delay in the receipt of equipment. It was explained that the automatic equipment consisted of thousands of parts and the necessary co-ordination for the supply of these parts was done by the Indian Telephone Industries. The Department was having regular discussions with the Indian Telephone Industries to improve the position in this regard. As a result, it was expected that the time taken for the supply of equipment would be reduced from 18 months to about 6 or 7 months.

The Committee view with concern the inordinate delays in the execution of these projects. As the number of intending subscribers on the waiting list is much more than the available projected capacity, such delays in the completion of projects result in the loss of potential revenue. While the Committee note the difficulties experienced in the timely execution of the projects they would like to stress the need for closer liaison with the suppliers of cables and other equipments with a view to ensure timely receipt of materials. The Committee desire that the Department should look into the reasons for delays in the completion of the projects mentioned in the Audit para and take suitable steps to remove the various bottlenecks and to expedite their completion.

The Committee also feel that with better planning and co-ordination taking into account the time likely to be required for the completion of different stages of such projects it should be possible for the Department to be more realistic in their targets in future.

Stores Balances—para. 14, pages 16-17.

20. The limit of 'General Stores' is fixed every year in accordance with a formula devised in 1954. The limit fixed for 1959-60 and 1960-61 was Rs. 5 crores. It was raised to Rs. 7.25 crores in 1961-62 in consultation with the Ministry of Finance (Communications). The actual closing balance of 'General Stores' at the end of 1961-62 (Rs. 4.13 crores) was much below the prescribed limit.

The limits for 'Workshops Stores' were fixed *ad hoc* on the basis of the production targets. The question of evolving a revised formula for fixing more realistic limits was under consideration of the Department.

In evidence, the representative of the Department stated that a review of the formula for General Stores was made and it was found that it was still valid. The reason for the closing balance of the General Stores being lower than the authorised limit was that there was delay in the receipt of stores against orders already placed. At the end of March, 1962 supplies to the extent of Rs. 10 crores were outstanding against orders placed earlier than 30th September, 1961. Further due to increasing demand the issues from stock had been more than the supplies received and therefore it had not been possible to build up stocks. The Committee were also informed that the closing balance had been fixed taking into account the annual requirements and the period necessary for procurement.

As regards 'Workshop Stores', it was stated that a formula for fixing the limits for these stores had been evolved and the Accountant General had agreed to it. The formula had, however, not yet been finally approved.

The Committee agree that there should be adequate stocks to minimise delays in the issue of stores for works. The fact that stocks have not been built up to the extent necessary would go to show that either the procurement time envisaged in the formula is unrealistic or procurement action is delayed. The Committee, therefore, consider that it would be advisable that the position is examined from this point of view so that the stocking formula and the action for procurement are both placed on a realistic footing. In this connection the Committee suggest that the P. & T. Board should ascertain the procedures followed by the Railway Board and the D.G.S.&D.

State of Balances under sub-suspense heads of Stores Suspense Accounts—para. 15, pages 17-18.

21. The total balances outstanding under the sub-suspense heads of the stores suspense account at the end of the year 1961-62 was Rs. 34·81 lakhs. These represent (i) value of stores purchased and brought on to stock in respect of which payments have not been made or have not yet been brought to account and *vice versa* (ii) value of stores sold but not realised and *vice versa* and (iii) stores-in-transit not acknowledged by the receiving units. The outstandings at the end of the year 1961-62 were heavier than those of the previous year (Rs. 15·67 lakhs). Some of the items relate to the period as far back as 1948-49.

The Member (Finance) P. & T. Board admitted in evidence that the position regarding clearance of balances under sub-suspense heads was very unsatisfactory. A part-time Committee had, therefore, recently been appointed under the Chairmanship of the Chief Controller of Telegraph Stores for two months in the first instance. The terms of reference of the Committee were to clear the outstandings, to investigate into the reasons for accumulation of these balances and to suggest remedial measures in this regard.

The Committee enquired about the reasons for the delay in the clearance of balances outstanding since 1948-49 especially the balances under 'Stores-in-transit'. It was explained that it was mainly due to difficulty in linking the debits with the corresponding credits of the receipt vouchers. Asked whether there was no time limit fixed for clearing the entries regarding 'stores-in-transit' the witness stated that ordinarily such entries should be cleared within three months.

The Committee were also informed that the total number of items outstanding under various sub-suspense heads had come down from 27,996 on 31st March, 1962 to 15,690 on 28th February, 1963.

The Committee regret to note that despite their repeated comments the position regarding the clearance of balances under sub-suspense heads had remained unsatisfactory. They feel particularly concerned at the old outstandings some of which had been pending clearance since 1948-49. In particular, they are perturbed at the old outstandings under the head 'Stores-in-transit'. While the Committee note that the amount outstanding under this head has been reduced from Rs. 50·46 lakhs (10,575 items) as on 31st March, 1962 to Rs. 5·47 lakhs (4,730 items) on 28th February, 1963*, they cannot

*Note not printed.

overlook the failure to link the issues with acknowledgements and to investigate the unlinked issues for years. The Committee feel that such a state of affairs is fraught with great risks. The same observations arise in respect of outstandings under other sub-suspense heads as well. The Committee desire that investigation and liquidation of these arrears should be undertaken on an urgent basis and completed within a time limit. They suggest that this task may be assigned to an officer on whole time basis as a departmental committee of officers with other duties appears to be unsuitable for speedy results. Steps should also be taken by the Department to ensure that the instructions issued by them are strictly followed by all concerned to avoid accumulation of arrears in future.

Surplus Stores—para. 16—page 18.

22. With effect from April, 1959 the procedure for examination and disposal of surplus stores was revised by the Department. As on 14th March, 1963 the position was that against 36 lists (value Rs. 14.20 lakhs) reviewed by the Surplus Stores Committee between April, 1959 and December, 1961, sanction for disposal was accorded in 14 cases (value Rs. 1.31 lakhs) between January 1960, and December 1962 and disposal action had been taken through D.G.S.&D. in 5 cases between January, 1962 and March, 1963.

Apart from the stores actually declared as surplus, stores worth over Rs. 22 lakhs had been in stock for long periods without any issue, as indicated below:—

	In stock without issue for more than			Total
	3 years	4 years (In lakhs of rupees)	5 years	
General Stores	2.79	1.92	3.24	7.95
Workshop Stores	4.33	2.86	7.38	14.57
TOTAL	7.12	4.78	10.62	22.52

The representative of the Department stated in evidence that despite issue of instructions in 1957 for expediting the disposal of surplus stores the progress in their disposal had been insignificant. Therefore, certain further instructions were issued in August-September, 1962 in consultation with the Ministry of Finance and Audit delegating further authority to the Circle and the Divisional Offices regarding examination and disposal of unserviceable stores. The question

of further simplification of the procedure in this regard in accordance with the directions of the Ministry of Finance was under consideration.

The Committee view with concern the slow progress in survey and sanctioning the disposal of surplus stores and their actual disposal. As the stores have been lying in stock for long, the delay in their disposal is likely to result in avoidable loss to Government due to attendant risk of their deterioration, besides expenditure on their care and custody and interest on capital unnecessarily locked up. They, therefore, desire that the matter should receive serious attention of the Department and the disposal of unserviceable stores should be expedited.

Losses of Stores—para. 17(b)—page 19.

23. The total number of cases of losses of stores which occurred or were detected during 1961-62 was 5,801 involving an amount of Rs. 15.08 lakhs. It will be seen from the table given below that the position had deteriorated during 1961-62 both in regard to the number of cases of losses and the amount involved.

Year	No. of cases of losses of stores	Amount (in lakhs of Rupees)	No. of copper wire theft	Amount involved in copper wire theft (in lakhs of rupees)
1959-60	5,898	13.32	5,528	10.65
1960-61	5,462	12.08	4,967	9.51
1961-62	5,801	15.08	5,376	12.19

In a note furnished by the D.G. P.&T. in pursuance of the recommendations of the Committee in para. 21 of their 2nd Report (1962-63) it had been stated that the following measures had been taken to reduce cases of loss due to theft of copper wire:—

- (a) Increased vigilance and co-operation between P. & T. Directorate and State Governments.
- (b) More extensive use of Electronic Fault locators, and
- (c) Replacement of copper wire by copper-weld wire in affected sections.

It had also been stated that approximately 1400 miles of copper wire had been replaced by the copper weld wire. Approximately 50 Electronic Fault locators were already in use and another 30 Fault

locators would be deployed on receipt from Indian Telephone Industries. The Heads of Circles had also been enjoined upon to impress on the State Government that full use of the provisions of the Telegraph Wires (Unlawful Possession) Act, 1950 and the Defence of India Rules should be made in prosecutions connected with copper wire thefts.

The Committee view with concern the heavy incidence of losses due to theft of copper wire. They would watch the results of the measures adopted by the Department through future Audit Reports.

III
WORKSHOPS

General Working of the P. and T. Workshops—para 18—page 20

24. Certain data regarding the working of the three P. & T. workshops during 1961-62 and the two preceding years are given below:

(Value in lakhs of rup ~~es~~)

Years	Alipore			Jabalpur			Bombay		
	1959-60	1960-61	1961-62	1959-60	1960-61	1961-62	1959-60	1960-61	1961-62
1. Total Outlay	101.90	136.07	138.84	88.54	103.70	111.05	55.19	60.73	67.87
2. Total Production	100.71	129.18	135.14	85.70	98.55	115.28	49.38	58.08	70.11
3. Percentage of overheads to Production	42	36	37	30	30	27	64	63	54
4. Percentage of direct labour to the Production	19	17	18	12	11	10	29	20	18

The Committee had recommended in paragraph 39 of their Twenty Second Report (Second Lok Sabha) that early and effective steps might be taken for the modernisation of the workshops to increase their production with a view to bringing down the high over-heads. The gradual increase in production with reduced percentage of over-heads to production as shown by the comparative statement given above was stated to be the result of the steps taken by the Department in this direction. To step up production, the introduction of incentive schemes in some of the shops in the three workshops had been approved by Government in May, 1962.

In evidence, the Committee were informed that the Incentive Scheme which was introduced in June-August, 1962 did not prove successful as it did not provide sufficient incentive to workers to put in extra work. Therefore, in order to make it more attractive it had

been revised from May, 1963. Under the revised scheme a worker would earn 35% extra for a 50% increase over the basic output, whereas the corresponding extra earnings under the previous scheme was 10 to 12%.

The Committee were also informed that the standard (basic) output had been fixed on the basis of the actual output in the past. But the actual output (and therefore the basic output) per worker was very much lower than it should be. As an instance, in Alipore workshop the output of each worker was only 40% of what he was capable of doing. In Bombay workshop the output was about 50%.

The Committee feel concerned to note the enormous waste of manpower in these workshops due to low productivity of labour. They recommend that Government should keep the working of these workshops under a close review so as to see that the incentives offered do actually achieve increases in productivity by taking all necessary steps. They would like to watch the achievements in this regard through future Audit Reports.

The Committee enquired as to the reasons for the increase in the percentage of direct labour and overheads in Alipore workshops during 1961-62 as compared with the previous year in spite of increase in production. The representative of the Department promised to furnish the information later on. This is, however, still awaited. The figures of production given in para 24 above in terms merely of money value do not give a complete picture about the real increase in production. In order to have a better idea in this respect the Committee called for a note regarding the quantitative increase in the manufacture of principal items of production in these workshops. This note is still awaited. **The Committee disapprove of such delays in furnishing the information called for by the Committee and desire that it should be expedited.**

Staff—para 19—page—20

25. An expert committee, set up by Government in September 1953 to examine the classification of industrial workers into highly skilled, skilled, semi-skilled and unskilled workers, recommended in February/July, 1954 the ratios of the different categories of workers in certain shops. In 1955, a Central Trade Test Board was also constituted by Government to fix similar ratios for all other shops. The Board submitted its recommendations in December, 1956. The fixation of strength was not done on the basis of these recommendations, but similar Boards were constituted in 1957, 1958, 1959-60 and 1961-62. It was finally decided in April, 1962 to abolish the system of having a Central Trade Test Board, as by this time, the task was considered as

a near impossible one for the reason that the items to be manufactured in the workshops changed from time to time and did not have any relation with the production of the previous year. It was also decided that the General Manager should be authorised to form local trade test boards for recruitment and promotion and that check on the strength of workers should be exercised by the General Manager, Posts and Telegraphs Workshops, annually through scrutiny of labour bookings on work orders and idle labour booking.

In evidence, the representative of the Department stated that as the Central Trade Test Board had to examine all the three workshops there was considerable time lag between the examination of a workshop and the submission of the Report by the Board. As the items to be manufactured in the workshops changed from time to time, the standards fixed by the Boards on the basis of previous year's production could not be implemented under the changed circumstances. Therefore, local trade test boards for each workshop were considered more useful. No extra expenditure was incurred on the constitution of the local Test Boards as these were composed of departmental officers.

The Committee regret to note that without examining the feasibility of implementing the recommendations of the Central Trade Test Board constituted in 1955 similar Boards were constituted in subsequent years also. It is surprising that it should have taken the Department about six years to find out that the Central Trade Test Boards were not suitable for the purpose of fixing the strength of the staff. This, the Committee regret to point out, resulted in infructuous expenditure of Rs. 17,000 apart from the pay and allowances of the departmental officers appointed as Chairmen of the Boards from time to time.

Loss on estimates—para 20—page—21

26. Finished manufactured articles are generally issued from the workshops as and when they are ready, at estimated rates, the difference between the estimated and the actual cost of manufacture being charged off to revenue as loss or gain after the work orders (i.e. the accounts) are closed. Out of 6887 work orders closed during 1961-62, 3509 showed losses (Rs. 20.79 lakhs) and 3,332 gains (Rs. 13.05 lakhs) as compared with the estimates. The variations from estimates were between 10 and 25 per cent in 1,571 cases (Rs. 3.60 lakhs), between 25 and 50 per cent in 499 cases (Rs. 2.40 lakhs) and more than 50 per cent in 213 cases (Rs. 1.21 lakhs).

The variations have been attributed mainly to (i) rate revision and wrong valuation in estimates and stores vouchers; (ii) adoption of improved methods of production; (iii) variation in on-cost as a result of rate variation in labour and (iv) inadequate or excess provision in the standard schedule for labour and material.

In evidence, the Committee were informed that some industrial engineers had been appointed to draw up standard schedules of labour and material for various processes on a scientific basis based on time and motion study. The work was expected to be completed in about one year.

The Committee regret to note the wide fluctuations between the estimated and the actual cost of manufacture. They would like to emphasise the necessity of having reasonably correct estimates for various works for the purpose of control over the actual cost. An analysis of the reasons for the variations between the actuals and estimates could help the administration in eliminating the wastage at various stages of production. The Committee trust that consequent upon the fixation of standard schedules for labour and material the estimates would be more realistic in future.

Work Orders—para 21—pages 21-22

27. In March, 1957, the Posts and Telegraphs Workshops Board prescribed time limits of 6 and 9 months from the date of their opening for the closure of work orders relating to the stores items and instruments items respectively. Out of the total number of 7,352 work orders closed during 1961-62, these time limits could not be adhered to in 2,929 cases (about 40 per cent) while 1,524 work orders where the time-limits had been exceeded were still to be closed on the 31st March, 1962. The extent of delay was as indicated below:

Workshops	Number of work orders closed during 1961-62 after the prescribed period, but			Number of work orders outstanding on 31-3-62
	Within 6 months of the prescribed date	Between 6 months and 12 months of the prescribed date	After more than 12 months	
Alipore . . .	496	280	278	1,068
Jabalpur . . .	222	80	53	83
Bombay . . .	724	327	469	373
TOTAL . . .	1,442	687	800	1,524

Out of the 1,524 work orders outstanding on the 31st March, 1962, 166 related to 1959-60 and earlier years. The delay in closure of work orders had been attributed mainly to non-availability of raw materials in time, discrepancy in labour booking, priority to other jobs in hand, wrong valuation of stores and technical and other difficulties connected with the operation.

The Committee were informed that as against 1524 work orders outstanding on 31st March, 1962 the number of outstanding work orders in March, 1963 was only 364. It was stated that there had been improvement in the position in this regard as compared to the earlier years and every effort was being made by the Department to close the work orders expeditiously.

While the Committee note the improvement in the position regarding the closure of work orders, they feel concerned that five to six years' delay should have occurred in closing some of the work orders. They suggest that a periodical review of the unclosed work orders should be undertaken by the managements, in order to avoid such delays in future.

*Uneconomic manufacture in Departmental Workshops—para 22—
Pages 22-23*

28. On reviewing some instances of uneconomic manufacture in the Departmental Workshops, the Public Accounts Committee (1961-62) urged that the policy of Government in regard to items of stores to be manufactured in Posts and Telegraphs Workshops should be clearly laid down [vide para 26 of their 38th Report (2nd Lok Sabha)]. An informal Committee was constituted by the Department in October, 1961 to go into the question and to suggest, *inter alia*, the ways and means of procurement of stores from outside sources, whenever this was found to be economical and practicable. That Committee submitted its report in November, 1962, and it was under consideration of the Department.

Meanwhile, manufacture of articles departmentally at uneconomic rates continued during 1961-62. The cost of manufacture of some items e.g. heat coils, protected cable terminals and sockets was nearly double the cost at which such stores could be obtained from the market.

It was stated by the Department in October, 1962 that the manufacture of heat coils had since been discontinued. The Protected

Cable Terminals, which had become obsolete, were being manufactured for the time being in order to use up the components and to provide facilities till a new design was evolved. As regards sockets, it had been decided to continue manufacture on a smaller scale to act as a control on open market prices.

In addition to the above, certain items of stores required for consumption in the Alipore Workshops were manufactured during 1961-62 at rates higher than those at which these were obtained from the market, resulting in an extra expenditure of Rs. 24,000.

In the Bombay Telephone Workshops, Mild Steel Screws of various types were manufactured during 1961-62 at a total cost of Rs. 85,231. This entailed an extra expenditure of about Rs. 64,000 as compared with the rates quoted by the Indian Telephone Industries.

The representative of the Department stated in evidence that the department was analysing the causes of differences in the cost of manufacture and the market price of the items whose cost of manufacture was high. The manufacture of such items was also generally stopped if the cost of production was higher than the market price. However, manufacture of some items was continued to meet urgent demands. The manufacture of protected cable terminals of the type mentioned in the audit para had accordingly been stopped and manufacture of another type undertaken.

As regards high cost of manufacture of Mild Steel Screws in Bombay Telephone Workshop, it was stated that the outturn of the type of machine used in the Workshops was much less than that in use in the Indian Telephone Industries. The manufacture of this item had, however, also been stopped.

It was also stated in extenuation, that in the case of some of the items the cost of manufacture at the Workshops was also lower than the cost of manufacture in the private sector. The Committee desired to be furnished with a note indicating the cost of manufacture of such items and their market price. **This, however, is still awaited.**

The Committee inquired about the action taken on the recommendations of the informal Committee constituted by the Department in October, 1961. They were informed that the main recommendations of the Committee were as follows:

- (1) A second switching factory should be set up early so that more equipment is available at least during the Fourth Plan.
- (2) Similarly a second cable factory should be established quickly.

(3) The production of teleprinters at Hindustan Teleprinters should be stepped up.

(4) Basic components for the manual equipment should be manufactured at Bombay. For this to be done on a proper basis, the factory should be shifted to the new site and suitable modern plant and machinery installed.

(5) Existing plant for manufacture of tubes at Jabalpur should be replaced by a modern one for manufacture of welded type tubes.

(6) A new plant for manufacture of special telegraph quality iron wire should be set up.

The Committee also recommended the principal items of stores and equipment to be manufactured in each of the departmental workshops.

It was stated by the witness that necessary steps were being taken to implement the various recommendations of the Committee.

Referring to recommendation No. (6) of the Departmental Committee regarding setting up of the plant for the manufacture of special telegraph quality iron wire, the Committee enquired whether this type of wire could not be obtained from the market. It was admitted that there was existing capacity both in the private and the public sector to undertake the manufacture of the required type of wire. But although the department had placed orders with some firms through the D.G.S. & D. for the supply of wire the supplies had not been adequate. The reason, perhaps, was that the production of special type of steel required for the purpose was limited. But in spite of the release to the manufacturers of the Steel billets and zinc for galvanising the wire the supplies of wire had not been adequate. The witness, however, agreed that in case the private sector was able to meet the demands of the department, the department should not take up the manufacture of this item.

The Committee would like to emphasise the desirability of examining the existing capacity both in the private sector and public sector before undertaking the manufacture of any new item. It would obviously be better if the workshops concentrated on items which were not available economically from the market. Such a co-ordinated plan would not only increase production but also result in economy.

29. Explaining the reasons for the unsatisfactory working of the Workshops, the Chairman, P & T Board, stated in extenuation that originally these Workshops were designed as repairing centres for

equipment which was largely imported. He further added that with the growing emphasis on indigenous production steps had been taken to expand and modernise these Workshops. But because of limited resources at the disposal of the Department it would take some years before these could be converted into modern factories. It was, however, admitted that the Workshops, as they existed, left a great deal to be desired.

While the Committee note the financial difficulties in accelerating the pace of modernisation they cannot overlook the fact that, as stated in para 24 above, according to the Department's own admission the performance of labour in the Workshops even under existing conditions is below 50% of its capacity. They are, therefore, not surprised over the high cost of production of various items as compared to their market price. This emphasises the urgent need to streamline the working of these Workshops. The Committee would, therefore, like the P&T Board to take suitable measures to improve the working of the Workshops and operate them on sound Commercial lines instead of merely waiting for their expansion and modernisation.

Idle Machinery—para 24, pages 23-24

30. There were cases of purchase or acquisition of machinery which had remained unutilised for a long time.

Sub-para (a)—Rivet making machine

A machine for manufacturing rivets was purchased for the Jabalpur Workshops and installed in 1945 at a cost of Rs. 56,724. This had not been brought into use, as rivets were available in the open market at a competitive price and as the raw material, viz., annealed mild steel wire of close tolerance, for making the rivets was not readily available. The Jabalpur Workshops had been conducting experiments with scrap iron wire available with it, but wire of the required specification was yet to be obtained.

In evidence the Committee were informed that experiments made with scrap galvanised wire had successfully established that the material was suitable for manufacturing rivets and the cost of manufacture would not be higher than the market price. It had therefore been decided to utilise the machine. It was, however, admitted by the witness that before purchasing the machine, the availability of rivets in the market should have been examined.

It is apparent that the machine had been purchased by the Department without adequate justification. The Committee trust that the machine will now be utilised fully.

Sub-para (b)—Shearing machine

31. This machine (costing Rs. 24,000) required for the manufacture of tubes was transferred to the Jabalpur Workshops from Calcutta in 1946. This was installed after eleven years in March, 1957 at a cost of Rs. 2,100 and had not so far been put to any use.

The representative of the Department admitted that the machine should not have been transferred from Calcutta to Jabalpur as the two machines already existing at Jabalpur were sufficient to meet the existing requirements.

Asked why the machine could not be transferred to some other Government factory, the witness stated that the necessary enquiries would be made in this regard.

The Committee observe that due to lack of correct assessment of the needs of the department not only the machine remained unutilised for long but also the expenditure incurred on its transfer from Calcutta to Jabalpur Workshops and on its installation proved infructuous.

The Committee also regret to note the delay in the utilisation/disposal of the machine and desire that an early decision in the matter be taken.

Sub-para (c)—Moulding machine

32. It was noticed in 1962 that a moulding machine (cost Rs. 11,908) for the production of switch board plugs etc. had been incorrectly taken to stock in 1953 as an item of stores instead of under 'plant and machinery' and had been lying idle for the last nine years.

It was explained to the Committee that the machine was not purchased but was manufactured by the Manager of the Bombay Workshops himself on his own initiative. However, it was found that the design was not suitable for the intended purpose and it was difficult to operate the machine. It was also contended that the manager had been successful in establishing that this type of machine could be used successfully for some other purpose. The Department was now examining whether the machine could be utilised in some other way or it should be disposed of.

While the Committee would welcome encouragement being given to making of innovations for improving of techniques of production, they feel that such efforts should be channelised through properly

equipped research and development sections after proper design studies. Unauthorised and ill directed effort made by the Manager in this case has obviously resulted in waste. The Committee also observe that this is another case where there had been undue delay in taking a decision about the utilisation/disposal of machine which had remained idle for the last nine years. They desire that an early decision should be taken in this regard also.

Sub-para (d)—Weigh bridge—page 24

33. A project for the installation of a 10-ton Weigh Bridge in the Madras Store Depot was sanctioned in April, 1958 at a cost of Rs. 13,500. The Weigh Bridge (cost Rs. 9,734) was received by January, 1959, but had not been installed till October, 1962 pending finalisation of its location in the Store Depot compound, where construction of building, roads, etc. was also to be undertaken.

It had been stated by the Department in November, 1962 that the question of selecting the location of the Weigh Bridge could not be finalised earlier as the question of acquisition of the rented land on which the Store Depot was located was under consideration and the acquisition was finalised in October, 1961.

It was explained in evidence that there was some dispute about the amount to be paid for the land transferred by the Rehabilitation Department. Contrary to expectations prolonged correspondence had to be undertaken with the Ministry of Rehabilitation. However, as a result of negotiations it had been possible to get the amount reduced by about Rs. 1 lakh. The land had now been acquired and the weigh-bridge installed.

In the opinion of the Committee with proper planning and co-ordination the inordinate delay in acquiring the land and in the installation of the weigh-bridge could have been avoided to a great extent.

Undue delay in disposal of stores—para 25 (b)—page 24

34. Manufacturer's brass labels (18665 numbers) valued at Rs. 50,000 to be affixed on the field telephones had been lying in stock for over 12 years. These stores were recommended by the Surplus Stores Committee in October, 1961 to be scrapped and disposed of. The sanction of the Posts and Telegraphs Workshops Board for the disposal of the stores was still awaited.

The Committee were informed that the labels had been obtained from the Defence Segregated Surplus Stores. However, these could

not be utilised as there were some letterings over them, which were not checked at the time of their purchase. Sanction had now been issued for their disposal. The witness, however, regretted the delay in sanctioning the disposal of these stores.

The Committee observe that this is another instance where the stores had been purchased without due examination of their utility to the Department. The Committee trust that the Department will be more careful in future. The Committee regret to note that even though the stores were recommended for disposal in October, 1961, they have not yet been disposed of. In this connection, the Committee would also invite attention to para 22 of this Report.

Loss of ferrous scraps in a workshop—para 26—page 24

35. The annual stock verification in a workshop conducted by the Department in July, 1958 disclosed a shortage of about 83 tons of ferrous scraps valued at Rs. 28,000 representing cut-pieces recovered in the manufacturing processes. In this connection, it was alleged that a firm to whom certain ferrous scrap (667 tons) had been sold by auction in November, 1957 removed 475 tons from the workshops premises by actual weighment, between December, 1957 and January 1958, but in regard to the balance, they were allowed to remove the scrap without weighment and in doing so, they removed an excess quantity. (73 tons as estimated by the special police establishment). The matter was still under investigation and the departmental action was yet to be finalised.

Explaining the reasons for the delay in taking action against the delinquent officials, the representative of the Department stated that after the shortage came to notice in July, 1958, preliminary enquiries were made regarding the reasons for the shortage. Thereafter first complaint was made to the local police in December, 1958 and the matter was also referred to the Special Police Establishment in March, 1959. Their report was received in March, 1960, recommending departmental action against a few officials of the Jabalpur Workshops whose negligence contributed to the loss. Thereafter a departmental enquiry was ordered against a Gazetted Officer and five non-gazetted officers. The enquiry against the gazetted officer had been completed about 2-3 months back but no decision had yet been taken on the report of the enquiry. The enquiry against other officials was still pending. As each official was working under a separate controlling authority and each of them wanted all the sets of documents for his personal perusal and the documents had to be sent from one place to another, there had been delay in finalising the

enquiry. The Committee were also informed that the officials involved had been transferred to another place and the promotions due to some of them had been withheld.

It was also stated by the representative of the Department that the firm which was suspected of being involved in this case had been blacklisted and the matter had also been taken up with the Ministry of Law for examining whether a suit could be filed against the firm.

The Committee have repeatedly urged that the departmental action against the delinquent officials should be prompt and adequate if it was to serve the desired purpose. They desire that the departmental action should now be finalised expeditiously and a report submitted to them at the earliest. The Committee would also like to be informed of further action, if any, taken against the firm.

IV

DEFALCATIONS, LOSS OF PUBLIC MONEY—OTHER TOPICS OF INTEREST

Defalcations or loss of public money—para 27, page 25

36. The number of cases of defalcations or losses of public money which came to light during 1961-62 was 1332 involving an amount of Rs. 12.11 lakhs. The total amount involved in these cases during the year was the heaviest so far recorded. The increase was more marked in the Savings Bank Branch. As in the past the employees of the department were responsible for the bulk of these losses (59%).

The Audit Report disclosed some of the cases of losses in the Savings Bank etc. involving heavy amounts. As a deterrent to the fraudulent practice of not crediting Savings Bank deposits in the Government accounts, the question of issue of receipts for Savings Bank deposits was examined by the Department and it was decided that the system might be tried at some selected post offices in the first instance.

In evidence, the Committee were informed that the procedure for the issue of receipt for Savings Bank deposits in three Head Post Offices had been finalised in consultation with the Accountant General. However, its practical working would have to be watched. It was also stated in evidence that the system of internal check and local control accounts had been introduced in 116 out of 317 head post offices in all. It was intended to extend this system to the remaining head post offices by the 1st April, 1964. With the introduction of these checks it was expected that there would be more control over the savings bank accounts and frauds would be detected much earlier.

In a note submitted to the Committee (Appendix V) pursuant to action taken on their recommendation in para 30 of 2nd Report (1962-63) it had been stated that suitable instructions for exercising proper supervision over the work of the post offices had been issued to all heads of Postal Circles. 100 additional posts of Inspectors of Post Offices had also been sanctioned in December, 1962, for carrying out Second Inspection in more post offices. The Heads of circles had also been instructed on 14th December, 1962 that the programme for second Inspection should be drawn up and communicated to all inspecting officers confidentially. Several other measures are also reported to have been taken to reduce the incidence of such frauds.

The Committee would like to watch the practical effect of the adoption of various measures through future Audit Reports.

Expenditure in the publication of a journal—para 31, page 26.

37. The publication of the journal "Dak-Tar" was sanctioned by Government in 1954 at a cost not exceeding Rs. 8,000 for twelve consecutive monthly issues. It was then stated by the Department that the journal would become self-supporting in the course of two years. However, even six years after the start of the journal the excess of expenditure over income during 1961-62 was Rs. 26,679.

A large number of copies (26,717) out of the total of 79,550 copies printed i.e. about 34 per cent, remained surplus to requirements. In respect of 4460 copies, the accounts remained to be settled with the agents and 7526 had been issued as complimentary.

In evidence the representative of the Department stated that the original estimates were grossly under-estimated as detailed estimates of various items of expenditure had not been prepared. Salary of the editor alone came to about Rs. 7,000 in the first year. However, the sanction for the expenditure was issued every year in consultation with the associated Finance.

The Committee were also informed that in the year 1961-62 concrete steps were taken to bring down the establishment cost as well as the cost of printing and paper. The establishment was reduced by one L.D.C. and one Steno-typist resulting in a saving of Rs. 2490. Similarly by using inferior quality of paper a sum of Rs. 650 was spent less than would have been the case if the usual art paper had been used.

Explaining the object of the publication of the journal the witness stated that the journal had a P.&T. bias and its object was to spread *esprit de corps* amongst the staff as in the case of other commercial organisations and to bring the administration nearer to the employees who were working in far flung corners of the country. It also provided the staff an opportunity to give expression to their literary talents in their own journal.

As regards settlement of accounts with the agents, the witness stated that these agents were departmental officials who had been sent copies in advance for sale to the P.&T. employees. The number of copies with the agents had come down from 4460 to 3126. Instructions had also been issued to all Post Master Generals and General Managers of Telephones to ensure that accounts were settled with the agents expeditiously.

The Committee regret to note that the Finance Ministry should have accepted the estimated cost of Rs. 8,000 per year without any supporting data and should have year after year acquiesced in the extra expenditure *ex-post-facto*. In view of limited objective of the journal the Committee feel that the deficit incurred on its publication was on the high side. It is regrettable that such a large number of surplus copies (26,717, out of 79,550 in all or 34 per cent) should have been printed during 1956-57 to 1961-62 resulting in avoidable waste. They observe that even during 1962-63 the average number of copies sold was 720 as against 1300 copies printed every month. The Committee also feel that distribution of 7,526 copies as complementary during 1956-57 to 1961-62 as against the total sale of 40,643 copies during that period was excessive. They desire that efforts should be made to reduce the number of such copies to the barest minimum. The Committee urge that steps should be taken to reduce the cost of publications of the journal with a view to making it pay its way.

In this connection, the Committee would like the Ministry of Finance to examine the general question of the publication of such departmental journals with a view to effecting economies by (a) combining two or more such publications (b) decreasing their frequencies and (c) if they are to continue separately, every effort should be made to make them self-supporting.

Participation in the Indian Industries Fair, 1961—para 35, page 29

38. The Department participated in the Indian Industries Fair, 1961. A total expenditure of Rs. 4.73 lakhs was incurred in this connection consisting of a sum of Rs. 1.84 lakhs for the construction of the Posts & Telegraphs Pavilion in the Fair and its electrification and decoration, Rs. 1.19 lakhs for the external and internal murals, models, etc. and Rs. 1.70 lakhs for rent and other miscellaneous expenditure.

The building materials valued at Rs. 80,000 were dismantled after the Fair was over and were sold out by public auction for Rs. 5,057 only. The external and internal murals, models etc. had been stored after dismantlement in a rented building for which a proportionate rent of Rs. 126 per month was being paid since February, 1962.

In evidence, the representative of the Department explained that the main consideration for taking decision by the Government that the P. & T. Department should participate in the Indian Industries Fair, was to inform the Public about the services being rendered and the new services proposed to be introduced by the Department. The various items being manufactured in the P. & T. Workshops and the items which were required by the Department and could be taken up for manufacture by the private sector were also exhibited there.

Asked whether the building could not be utilised for some other purpose instead of dismantling it and auctioning the material at a very low price, it was explained that the place allotted to the Department was required to be restored to its original condition within 15 days of the closure of the exhibition.

The Committee enquired the reasons for spending a large amount for the external and internal murals, models, etc. It was contended by the Chairman, P. & T. Board that the Department had to maintain certain standards. Further these could be used for other exhibitions also. The Committee were also informed that the murals etc. were being transferred to the departmental training centres as a large number of these exhibits were useful for training purposes.

In the opinion of the Committee the expenditure incurred on participation in the Indian Industries Fair was unduly high. They feel particularly concerned over the large amount (Rs. 1.19 lakhs) spent on external and internal murals, models, etc. The Committee trust that unless there be some commercial commodity to advertise, efforts will be made by the Department to see that the expenditure incurred in such cases is kept down as far as possible on future occasions of this kind.

*Disposal of outstanding Audit Objections and Inspection Reports—
paras 36-37, pages 29—32*

39. The number of objections raised during 1960-61 and earlier years and remaining unsettled at the end of August, 1962 was 43,096 covering an amount of Rs. 5.59 crores. Some of the objections date back to periods from 1947-48 and include the following types of defects:

Nature of irregularity	Number	Amount (In lakhs of rupees)
(a) Want of detailed bills (Rs. 2 lakhs), non-submission of vouchers (Rs. 27 lakhs) and non-supply of relevant information & other items (Rs. 3.08 lakhs)	33,137	337
(b) Expenditure incurred in excess of sanctioned estimates	2,150	110
(c) Execution of works without sanctioned estimates	1,102	32*
(d) Want of sanction to payments	2,081	65
(e) Want of sanction to establishment	2,809	14
(f) Advances not being recovered or adjusted within prescribed periods	1,817	1

*Represents expenditure incurred. The total estimated cost was not available.

The total number of inspection reports on the Posts and Telegraphs Offices issued by the Audit Offices upto the 31st March, 1961 and the items of irregularities outstanding in the latter's books at the end of August, 1962 were 1,055 and 5,086 respectively. Some of these objections date back to 1950-51.

In evidence, the Committee were informed that the number of audit objections had come down from 43,096 to 21,324 on 1st June, 1963. The amount involved had also been reduced from Rs. 5.59 crores to Rs. 3.15 crores. Directions had been issued to the heads of Circles impressing upon them the need to attend to audit objections promptly and to see that such objections did not arise in future. The matter was also proposed to be discussed at the next Post Master General's Conference which was to be held shortly.

The Committee were also informed that the Committee set up in U.P., Delhi and Bihar to settle audit objections, had helped in settling about 8000 audit objections. Four other similar committees had been set up in Andhra Pradesh, Bombay, West Bengal and Central Circles. In Circles, where the number of audit objection was not large, one committee had been appointed for two Circles.

The Committee examined the P. & T. Board regarding the various types of objections mentioned in the audit para. As regards non-maintenance of detailed bills in respect of miscellaneous office expenditure and of vouchers [item (a)], the witness agreed that it was a serious matter as in the absence of bills the actual details of payments and their propriety and the existence of the proper sanctions for the expenditure could not be verified. He promised to bring this fact to the notice of all the heads of circles at the next Post Master General's Conference. He, reported, however, that the amount involved in respect of non-submission of vouchers had come down from Rs. 27 lakhs to Rs. 16 lakhs.

As regards expenditure incurred in excess of sanctioned estimates [item (b)] the Committee were informed that sanction for the estimates had been issued in all the cases except in respect of Calcutta Automatisation Project. It, was however, admitted that there had been delay in sanctioning the estimates.

Regarding execution of works without sanctioned estimates [item (c)] it was explained that in these cases although the projects had been sanctioned there was delay in sanctioning the detailed estimates for various components of the projects. The number of these works had come down from 1102 to 554.

The Committee inquired about the details of these works, *e.g.*, the main reasons in general for executing these works without sanctioned estimates, the Circle-wise and year-wise break-up and the total amount involved in these works, etc. Similar information was also asked for in respect of audit objections relating to want of sanctions to payments and want of sanctions to establishment [items (d) and (e)]. The witnesses who did not have the information readily available, promised to submit notes later on. The Committee also desired to be furnished with a statement showing the latest position regarding the number of audit objections under various categories and the amount involved therein. **These notes are awaited. The Committee expect that representatives of the Ministries appearing before them should come well-briefed with information regarding the subjects under discussion.**

The Committee regret to note that despite their repeated comments the number of outstanding audit objections continued to be fairly large. They also note with concern the large number of objections arising for want of vouchers and sanctions of various kinds. In the opinion of the Committee these indicate laxity of control which should be seriously viewed by the Posts and Telegraphs Board. The Committee observe that consideration of the objections in departmental Committees set up in some circles had been useful in reducing their number and that similar Committees were being formed in other Circles. They would watch the improvements through future Audit Reports.

The Committee could not obtain satisfactory explanation for the inordinate delays in giving final replies to Audit in respect of irregularities pointed out in the reports of inspection by Audit. The types of irregularities reported indicate non-compliance with rules and orders which could well have been avoided. Delays in rectification of such irregularities as failure to obtain security deposits, non-maintenance of stock registers of receipt books, insecure treasury arrangements, are fraught with serious risks. The Committee were informed in evidence that though general instructions were issued for avoidance of such irregularities, a specific examination of the cases reported had not been undertaken. **The Committee feel that issue of general instructions in such cases could hardly serve the intended purpose. They desire that the Department should evolve a procedure for reviewing the work of the particular offices in respect of which objections involving contravention of rules and orders were comparatively large in number or occurred at frequent intervals.**

OUTSTANDING RECOMMENDATIONS

40. The Committee now proceed to deal with some of the more important items outstanding from their previous Reports on Posts and Telegraphs Accounts.

Replies received from the Posts and Telegraphs Directorate and other Ministries/Departments concerned showing action taken or proposed to be taken on the recommendations of the Committee contained in Appendices I and IV to their Second Report (1962-63) have been included in Part III of this Report. Notes, etc. indicating action taken have been received in 55 out of 63 items in all. Only in the following cases notes are awaited:

S. Nos. 2, 23 and 25 of Appendix I.

S. Nos. 2, 3, 16, 24 and 32 of Appendix IV.

While the Committee are happy to observe that there had been some improvement in submitting notes pursuant to 'action-taken' on the recommendations of the Committee as compared with the earlier years, they trust that every effort will be made in future by the Department to furnish these notes within the time-schedule laid down for the purpose.

41. From the notes submitted by the Department the Committee observe that in respect of items at S. Nos. 1, 20 and 33 of Appendix I to Second Report, the cases were *sub-judice* or under arbitration. The Committee would like to be informed of the final outcome of these cases.

*Excessive expenditure on Conveyance of goods by bullock carts—
Paras 52—54 of 38th Report (1961-62)*

42. In para 54 of their 38th Report, the Public Accounts Committee dealt with a case in which subsequent to a change in the basis for inviting tenders there had been an extra expenditure of Rs. 13,000 due to failure of the Circle authorities to notice the glaring increase in the rates of carriage of mails quoted by an existing contractor under a different name. The Committee had observed that the fact that the increased rate was in force for a period of about a year without its being detected was indicative of scant regard paid to the financial interest of Government by the circle authorities. The Com-

mittee desired to be informed of the action taken against the official responsible for this lapse.

In a note submitted to the Committee (Appendix VI) it had been stated that the officer who had initially accepted the tender and who could be held to be mainly responsible for the irregularity expired on 4th April, 1962. Hence, no action could be taken against him. One officer was administered with a warning to be more careful in future.

The Committee regret to observe that this is an instance where departmental action was initiated only after the Committee had made their recommendation. When the over-payment was noticed by the Department in June 1959, the Department should have initiated action to fix responsibility immediately thereafter. Unfortunately, there was delay in initiating action even after the case was included in the Audit Report (1961). The Committee have repeatedly exhorted departments to initiate prompt action against delinquent officials if it is to serve the desired purpose. They trust that the Departments will in such cases be more prompt in future.

Delay in installation of boilers—para 27 of Second Report (1962-63)

43. In this case there had been a delay of over 15 years in bringing two boilers into use. The Committee had desired that prompt and adequate disciplinary action should be taken against the delinquent officials and a report submitted to them.

In evidence, the Committee were informed that the question of taking disciplinary action against the departmental officials was still under consideration. It was, however, expected to be finalised shortly. The Committee were also informed that the boilers had been put into use from 1st April, 1963.

The Committee observe that this is another case where there had been inordinate delay in taking action against the delinquent officials. They desire that the departmental action should be expedited and a report submitted to them at an early date.

MAHAVIR TYAGI,

Chairman,

Public Accounts Committee.

NEW DELHI;

September, 11 1963.

Bhadra 20, 1885 (Saka).

APPENDICES

APPENDIX I

Reference para 5 of the Report

GOVERNMENT OF INDIA

MINISTRY OF TRANSPORT & COMMUNICATIONS

(Deptt. of Commns. & C. A.)

P. & T. Board.

No. 97-39/63-TP.

Dated, New Delhi, the 20th July, 1963.

SUBJECT:—*Public Accounts Committee—Consideration of the Audit Report (P. & T.) 1963—Opening of Unremunerative Telegraph (or combined) Offices, P. C. Os. and Telephone Exchanges during the Second Five Year Plan—[Para. 4 (ii)].*

During the discussions of the P.A.C. on the para, the Committee desired to have information regarding the targets set for and the number of offices opened during the Second Five Year Plan. The information is submitted below:—

During the Second Five Year Plan, it was proposed that 1,400 new Telegraph Offices and 1,200 P.C.Os. and 38 Telephone Exchanges would be opened. Amongst these 1,300 Telegraph Offices and 969 Public Call Offices and 38 Telephone Exchanges were proposed to be opened in the following categories of towns:—

A. Telegraph Offices:

- (i) 700 offices in District, Sub-division and Tehsil towns.
- (ii) 400 offices at places with population of over 5,000 subject to annual loss being limited to Rs. 1,000 per annum.
- (iii) 200 offices in out-of-the-way places, i.e., places far from the existing telegraph network.

B. Public Call Offices:

- (i) 848 P.C.Os. at District, Sub-divisional and Tehsil towns.
- (ii) 21 P.C.Os. at places with a population of over 20,000.
- (iii) 100 P.C.Os. in remote localities, i.e., at places far from the existing network.

C. Telephone Exchanges:

17

38 new Exchanges were to be provided at the District Head-quarter towns which did not have such facility at the beginning of the Plan period.

It was realised that this policy would involve a loss. A limit of Rs. 40 lakhs was set for the cumulative amount of the losses in respect of such new offices during the five year period 1956—61.

As mentioned during the discussions in the P.A.C. no separate accounts have been maintained in respect of the offices opened on the above basis. Unfortunately, therefore, it is not possible to verify whether the total loss incurred was within the limit prescribed. However, in regard to the number of offices opened the following information is available:—

Type of Stations	Targets Nos.	Achievements Nos.
<i>Telegraph Offices</i>		
Administrative Stations	700	572
Population of over 5,000	400	236
Out-of the way places	200	10
<i>P. C. Os.</i>		
Administrative towns	848	790
Towns with population of over 20,000	21	21
Out-of-the-way places	100	8
<i>Telephone Exchanges</i>		
District Towns	38	30

The shortfall particularly in the case of out-of-the-way places was mostly due to paucity of line construction stores. On the same account, a number of works for the Railways could not be carried out.

During the Third Five Year Plan period also, the opening of Telegraph Offices, P.C.Os. and exchanges is to be continued on the same basis. The progress so far has been very poor as practically all the stores had to be diverted to meet emergent demands. However, it is expected that by the end of the Plan, the targets would be met.

Instructions have been issued for keeping account of losses incurred by the offices opened on this basis since 1st March, 1961. Information collected in respect of these offices with a few exceptions is indicated in the statement attached herewith.

Sd/- JAGDEESH PRASAD,
Member (Development).

Statement showing the number of Telegraph offices and P.C.Os opened on a loss basis during the III Five Year Plan [i.e. from 1-4-61 to 31-3-63]

Sl. No.	Name of circle	T. Os.			P.C.Os			Actual Loss
		Target for III Plan Nos.	Opened during 1st two years Nos.	Anticipated loss in respect of offices opened	Target for III Plan Nos.	Opened during 1st two years Nos.	Anticipated loss in respect of offices opened	
1.	Andhra	209	—	—	30	6	15,097	8,776
2.	Assam	97	—	—	89	—	—	—
3.	Bihar	142	5	2,709	67	4	2,136	4,285
4.	Bombay	114	1	5,928	39	4	3,888	3,415
5.	Central	13	4	3,659	66	10	24,822	29,832
6.	Gujarat	24	—	—	31	9	18,766	5,887
7.	J & K	9	—	—	16	—	—	—
8.	Kerala	270	11	2,383	3	1	225	715
9.	Madras	187	5	4,161	11	9	10,810	2,959
10.	Mysore	42	6	1,145	16	10	12,180	12,464
11.	Orissa	36	10	15,036	43	2	9,598	16,401
12.	Punjab	5	—	—	21	—	—	—
13.	Rajasthan	27	4	1,188	60	11	18,398	14,002
14.	U. P.	63	2	2,078	30	14	15,400	18,101
15.	West Bengal	39	—	—	21	5	6,713	9,679
TOTAL		1,277	48	38,287	543	85	1,38,111	1,26,516

APPENDIX II

*Note from the Office of the Director General, Posts & Telegraphs
No. 4/60/62-R, dated 18th July, 1963.*

Reference para 12 of the Report

(1) Leased Circuits:

A subscriber taking a leased circuit is provided with a line between two points and if required teleprinters at either end. The line is for the exclusive use of the subscriber and may be taken for a number of hours per day varying from 4 to 24.

There are 476 leased circuits which would need ordinarily 952 teleprinter machines. The Department has rented out only 254 machines which are distributed as follows:—

Government	215
Press	27
Industry	12

The rent for the non-press circuits is Rs. 60 per mile per annum for the first 25 miles, Rs. 45 per mile per annum for the next 475 miles and Rs. 30 per mile per annum for the remaining length of the circuit. For the press the charges are Rs. 30 per mile uniformly per annum. For a non-press circuit of say 1,000 miles chargeable length the annual rental is thus Rs. 37,875.

The rent for the teleprinter machines is to be calculated on the basis of 5 per cent interest charge and 6·7 per cent depreciation. In addition, a maintenance charge is leviable depending upon the usage of the machine. For very lightly loaded machines it is 1·1 per cent and for the heavily loaded machines 13·4 per cent. The maintenance charges are based on the recommendations of the Colombo Plan Consultants who have submitted a report on the modernisation of the telegraph network in 1954. The charge to be levied considering the present capital costs of the teleprinter machines for leased circuit works out to Rs. 1,415 per annum for a machine loaded with the full amount of traffic. Based on this percentage, for lightly loaded machines, the rental works out to Rs. 725 per annum and for fully loaded machines Rs. 1,415 per annum. A calculation sheet is attached. The present charge is

Rs. 1,000 per annum. Most of the machine supplied to leased circuits are lightly loaded and a review of the manner in which the rental should be charged for these machines either on a uniform basis or on the extent of use is proposed to be made. At the same time, the maintenance percentages will also be reviewed to take into account the revised conditions such as cost of maintenance staff and spares.

(2) *Telex:*

In the Telex service a subscriber makes use of his teleprinter which is connected over a circuit to the local Telex exchange, the switching equipment in the exchange and the long distance line to the distant subscriber through the distant Telex exchange. Telex exchanges have been designed and manufactured in India and have been installed recently. A subscriber can dial the other subscribers and pass messages on the teleprinter for the time that he wishes. The charges in this case were first determined on an all-India basis in 1961. The principles adopted were: (i) the charges for a long distance connection should be approximately 50 per cent of the corresponding charge for a telephone connection, in line with the practices adopted by different administrations and (ii) to include a fixed rental as in the case of telephone service for the supply of the teleprinter machine and the circuit to the Telex exchange. The rental after taking all the factors into account was fixed at Rs. 800 per annum and is considered appropriate. It is to be added in this case that the machine are lightly loaded and if machines only were rented, the charge for them would have been approximately Rs. 725 per annum. For purposes of comparison it is to be mentioned that the local circuit required for a Telex connection is the same as for a telephone connection. In the rates for telephone connections a total fixed rental of Rs. 200 per annum is charged at most stations. Allowing for the number of free telephone calls allowed within the fixed rental and the rent for the telephone instrument at the subscribers' premises, the average fixed charge for a telephone line works out Rs. 80 or Rs. 84 per annum. On a purely capital cost basis, the rental for a teleprinter works out to approximately Rs. 725. Thus the total charge is of the order of Rs. 800. A combined charge of Rs. 800 was fixed.

(3) *Printergram Service:*

The printergram service provides the facility of direct communication between a subscriber's office and the Central Telegraph Office for speedy booking and reception of telegraph messages. The equipment used is the teleprinter at the subscriber's premises, the

circuit to the exchange and the Printergram exchange. The Printergram service was first introduced in 1955. The charges for the service were fixed at Rs. 600 per annum for the teleprinter at the subscriber's end, Rs. 50 for the telegraph circuit upto 3 miles limit and Rs. 17 per annum for every additional mile or part thereof. In 1960, when the telephone rates were revised, it was decided that the rate for the Printergram circuit should be the same as for a private wire for telephone service (the non-exchange private wire telephone rates are much higher than the public rates because it is an individual service). The rates for lines for private wire were Rs. 250 per annum for the first kilometer and Rs. 75 per annum for every additional kilometer or fraction thereof. These rentals included the rentals for the telephone also, namely, of Rs. 120 for the two telephones at the two ends. The line rates were revised accordingly in 1960 vide copy of the orders attached. It will be seen that the line rates include an element of Rs. 120 for the end apparatus. Recently, the cost of teleprinter machines have increased, but a review of the rates have not so far been undertaken.

Calculations showing capital cost and annual recurring expenditure of Teleprinter machines supplied for use with leased circuits:

Capital cost

Cash	..
Stores	4751
Freight 1.5%	71.27
Establishment charges 7%	337.56
Store keeping charge 10%	475.10
Capital cost	5634.93
Say	5635

Annual Recurring Expenditure

Interest	5%
Maintenance—	
(i) Teleprinters used in lightly loaded circuits (100 messages per day)	1.1%
(ii) Teleprinters used in fully loaded circuits (1,200 messages per day)	13.4%
Depreciation	6.7%
TOTAL	(i) 12.8 (ii) 25.1

Rs.

(1) Annual Recurring Expenditure of Teleprinter machines for item (1) 12.8% of Rs. 5635	=721.28
Say	= 725
(2) Annual Recurring Expenditure of Teleprinter machine for item (2) 25.1 % of Rs. 5635	=1414.4
Say	= 1415

**INDIAN POSTS & TELEGRAPHS DEPARTMENT OFFICE OF THE
DIRECTOR GENERAL OF POSTS & TELEGRAPHS**

To

- (i) All Heads of Circles.
- (ii) The General Managers/District Managers

Telephones,	Telephones,
Bombay/Calcutta	Madras/New Delhi.
- (iii) All Accounts Officers, Telephone Revenue.

No. 2-57/59-R

Dated New Delhi, March 25, 1960.

SUBJECT:—'Printergram' Service.

'Printergram' Service provides for the facility of direct communication between a subscriber's office and the Central Telegraph Office and thus provides speedy collection and delivery of telegrams.

2. The Service consists of the following arrangements:—

- (i) the subscriber's station equipment consisting of a teleprinter machine and a control unit;
- (ii) the subscriber's line (line between the Central Telegraph Office and the subscriber's office); and
- (iii) the equipment at the Central Telegraph Office consisting of teleprinters, whose number will depend upon the amount of traffic to be handled.

When the subscriber wants to send a message, he gets into touch over his teleprinter with the Switch Board Operator and states his requirements. The Switch Board Operator connects the subscribers to the Printergram Operator in the Central Telegraph Office. The Printergram Operator then receives the message from the subscriber on a Teleprinter, books the message and then passes on the message for onward transmission.

Similarly on receipt of a message from an outstation at the Central Telegraph Office, the message is given to the Printergram Operator who contacts the subscriber through the intermediary of the Switch Board Operator. The Printergram Operator then transmits the message to the subscriber.

3. This service was first introduced in Bombay at the rates and conditions prescribed in the Director-General, Posts & Telegraphs Memo. No. R-2-25/55, dated 5th December, 1955, (copy enclosed). In supersession of these orders, the President has now been pleased to prescribe the following revised scale of charges for the service:—

A. For the Teleprinter machine at the Subscriber's end:

- (i) if provided by the P. & T. Department, rental at the rate of Rs. 600 per annum;
- (ii) if provided by the subscriber, no rent. But the subscriber shall be responsible for its installation and maintenance.

B. For the subscriber's line:

Rental at the rate of Rs. 250 per annum for the first kilometre and Rs. 75 per annum for every additional kilometre or fraction thereof.

4. Normally the Teleprinter machines will be supplied by the P. & T. Department. If for any reason, the Department is not in a position to provide the Teleprinter machines, the Heads of Circles are authorised to permit the parties to arrange for their own Teleprinter machines. In such cases the teleprinter machines arranged by the subscribers shall be installed and maintained by them at their own cost and the machine should conform to Departmental standards, specially with regard to code, speed, voltage and current and should have an answer back unit and automatic starting switches.

5. Before the service is provided, the subscriber is required to open a Deposit Account under the rules as laid down in Chapter III of the P. & T. Financial Hand Book Vol. IV (First Edition). The cost of the messages booked through 'Printergram' service will be recovered by the Officer-in-Charge, Central Telegraph Office concerned through 'Deposit Account' opened for the purpose.

6. The initial minimum period of guarantee both in regard to the 'Teleprinter' and the 'subscriber's line' shall be one year for

all new subscribers and rent shall be payable annually in advance. No refund shall be admissible if the service is given up during the initial period of guarantee. In cases where the service is given up after the expiry of the initial period of guarantee, a refund at the rate of one-fourth of the annual rental paid shall be admissible for each complete quarter of a year during which the service remains surrendered, that is to say, no refund shall be admissible for any quarter of a year during which service has been availed of for any period. Rent for a quarter of a year shall be one-fourth of the annual rental.

7. So far as the existing subscribers are concerned, the revised rentals and rules of refund as prescribed in paragraphs 3 and 6 above shall apply only from the commencement of the next rental period falling on or after 1st April 1960.

8. The Accounts Officer, Telephone Revenue in whose accounting jurisdiction the subscriber's line and station are situated, will be the billing authority for recovery of rental for all the teleprinter machines and subscriber's lines provided under this scheme. The recovery of the rental for teleprinter machines at the subscriber's premises as well as for the subscriber's line for the initial period will, however, be effected by the Engineering authorities before providing the service as is done in the case of telephone service. To enable the Accounts-Officer, Telephone Revenue concerned to prefer the claim in respect of rentals for the subsequent periods, the Engineering authorities will issue necessary advice, notes showing full particulars of the service provided. On receipt of the advice note, the Accounts Officer, Telephone Revenue will open a rent ledger folio for the Printergram service provided to each subscriber and recover charges as and when the same fall due. The Accounts Officer, Telephone Revenue will continue to recover the charges till a closing advice note for the service is received by him from the Engineering authorities.

9. These orders shall come into force with effect from 1st April 1960. The rates mentioned herein are subject to revision at any time by Government.

Sd/- P. M. AGERWALA,
Chief Engineer.

APPENDIX III

Reference para 14 of the Report

No. 7-3/63-B

GOVERNMENT OF INDIA

MINISTRY OF TRANSPORT AND COMMUNICATIONS

(Departments of Communications and Civil Aviation)

(Posts & Telegraphs Board)

New Delhi, the 7th June, 1963

17th Jyaishta, 1885

OFFICE MEMORANDUM

SUBJECT:—*Public Accounts Committee—Excess of Rs. 2,96,63,517 over Grant No. 88-P&T Dividend to General Revenues and Appropriations to Reserve Funds for the year 1961-62—Regularisation of (Para 8 of the Audit Report, P. & T. 1963).*

From the final accounts for the year 1961-62 it is seen that an excess of Rs. 2,96,63,517 over the Voted Grant has occurred under Grant No. "88-Posts and Telegraphs—Dividend to General Revenues and Appropriations to Reserve Funds" as indicated below:

	Rs.
Original Grant	11,56,77,000
Supplementary Grant (March '62)	2,79,87,000
Total sanctioned Grant	<u>14,36,64,000</u>
Actual expenditure	<u>17,33,27,517</u>
EXCESS	<u>2,96,63,517</u>

This excess requires regularisation by Parliament by an excess Vote under Article 115 of the Constitution.

2. The total amount of this Grant is the difference between the budgeted revenues of the Department and its budgeted net Working Expenses (i.e. equal to net receipts). Thus any improvement in Revenue or reduction in expenditure in relation to the budgeted amounts will automatically cause an excess over this grant.

3. In the original budget for 1961-62 the amount of this grant was estimated at Rs. 11,56.77 lakhs. In the Revised Estimates the Gross Revenue receipts were expected to be Rs. 3,75 lakhs more than the budget i.e. Rs. 84,75 lakhs representing an increase of 9.8% over the actuals of 1960-61. The increase in the Gross Working Expenses was estimated at Rs. 2,30 lakhs. The recoveries which are taken in reduction of Working Expenses for the purpose of working out the net receipts were expected to be Rs. 1,34.87 lakhs more. As a result of these changes the Revised Estimates under this Grant was placed at Rs. 14,36.64 lakhs i.e. Rs. 2,79.87 lakhs more than the budgeted figure and a Supplementary Grant of Rs. 2,79.87 lakhs was obtained in March, 1962. When the actuals for the year became available, it was seen that the Gross Revenue Receipts exceeded the Revised Estimates by Rs. 3,13.81 lakhs and the Gross Working Expenses were less by Rs. 2.46 lakhs. This increase in revenue over the previous year was 13.9% and was phenomenal; the increase during the three earlier years ranging between 6.2 and 9.5 per cent. The actual recoveries, were also less by Rs. 19.63 lakhs. Due to these, the actuals under this Grant increased to Rs. 17,33.28 lakhs resulting in an excess of Rs. 2,96.64 lakhs over the sanctioned Grant including the Supplementary Grant obtained in March, 1962. The excess in this case actually represents an improvement in the financial position of the P. & T. over what was originally expected.

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

(Sd/.) S. S. SHIRALKAR,
Member (Finance),
Posts and Telegraphs Board.

APPENDIX IV

Reference para 18 of the Report

No. 4502-WII/63.

GOVERNMENT OF INDIA

MINISTRY OF WORKS, HOUSING AND REHABILITATION

(Department of W&H)

New Delhi, the 12th July, 1963.

SUBJECT:—P.A.C.—Consideration of Appropriation Accounts (Post and Telegraph) 1961-62—Para 11-C of Audit Report (P. & T.)—1963.

What are the reasons for the delay (i) in the completion of the building Works (April, 1958, to December, 1960) and (ii) in the construction of piers, etc. (costing only Rs. 980) in the ground floor (February 1961—July, 1962).

(i) The Administrative Approval and Expenditure sanction for the work amounting to Rs. 65,400 was accorded on 31-3-1958. The preparation of working drawings and the detailed estimates and draft N. I. Ts. usually take about 6 months. It took more time in this case as Superintending Engineer concerned was busy with other important projects. The tenders for the work were invited by the Superintending Engineer, Bombay Central Circle on 15th January, 1959 for the first time. As there was no response from the contractors on the first call, the work could only be awarded in February, 1959 with time limit of 15 months. Upto August, 1959 i.e. after 6 months, the progress of the work was 2%. The main difficulties hampering the work were:—

- (a) A part of the existing building was to be demolished and the Central Public Works Department authorities had to wait till the accommodation to be demolished was vacated.
- (b) There was an underground tank coming in the way of the proposed extension for which the Central Public Works Department authorities had to fix a temporary tank at another spot and then they undertook the demolition of the work.

- (c) A temporary lavatory was required to be constructed to enable the Post and Telegraph authorities to vacate the existing lavatory which was required to be demolished. The plans for the same were sent to the Post and Telegraph authorities for approval of that Department and the Municipal Corporation.
- (d) The entire design for the extension had to be changed in view of the fact that some walls of the existing structure were not strong enough to carry additional load.

The above bottle-necks could only be removed after discussing the matter thoroughly with the Post and Telegraph authorities in August, 1959.

There was further inordinate delay in the progress of the work as the air-conditioning ducting could not be removed from the site, which prevented the laying of the first floor R. C. C. slab of the building. It was decided that an opening in the wall should be made for making connection to the existing duct before the R.C.C. slab could be laid. This work of shifting the duct could only be completed in June, 1960. The physical progress of the work to the end of July, 1960 was thus only 33% for the various reasons stated above.

The work was likely to be completed by February, 1961 but due to heavy monsoons during the period July, 1960 to September, 1960 (3 months) the progress could not be maintained. The work could only be started in the first week of October, 1960 and was completed on the 4th June, 1961.

From the circumstances explained above it will be seen that the delay in the completion of work was beyond the control of the Central Public Works Department.

(ii) *Construction of piers etc.*

The Administrative Approval for Rs. 980 was accorded by the Post and Telegraph Authorities in February, 1962. The work was completed in July, 1962 i.e. within 5 months, which period also included the time required for completing the codal formalities. No delay could, therefore, be attributed to the Central Public Works Department.

(Sd/-) PREM KRISHEN,
Secretary to the Govt. of India.

APPENDIX V

Reference para 36 of the Report

No. 14-30 (PT) /61-INV

GOVERNMENT OF INDIA

MINISTRY OF TRANSPORT AND COMMUNICATIONS

(Departments of Communications & Civil Aviation)

(Posts & Telegraphs Board)

Dated at New Delhi, the 14th May, 1963

24th Vaisakha, 1885

SUBJECT:—Public Accounts Committee—Second Report, 1962-63
(Third Lok Sabha)—Misappropriation in the Savings
Bank branch (Para 25 of Audit Report, 1962).

In Serial No. 30 of Appendix IV to their Second Report, 1962-63 (Third Lok Sabha), the Public Accounts Committee observed that the Savings Bank frauds spread over long periods of time (three to five years) remained undetected despite the Post Offices having been visited several times by the Inspecting Officers: and the Committee also urged that remedial measures be taken to make these inspections more effective and laxity on the part of the inspecting officers in exercising the prescribed checks dealt with promptly and suitably.

2. Suitable instructions for exercising proper supervision over the work of Post Offices have been issued to all Heads of Postal Circles, vide this Office letter No. 4-24/MS/62-INV, dated 16-11-1962 (copy enclosed).

3. The Committee also recommended that a suitable programme of inspections of every office to take place strictly within a specified period should be laid down and implemented through an adequate inspectorial staff. All Post Offices are inspected regularly once in twelve months and programmes are laid out every year. It may be stated that 100 additional posts of Inspectors of Post Offices have been sanctioned in December, 1962 for carrying out second inspection in more post offices. The Heads of Circles have also been

instructed on 14-12-1962 that the programme for second inspection should be drawn up and communicated to all Inspecting Officers confidentially.

4. The following further measures recently taken are likely to reduce the incidence of such frauds:—

- (i) Consequent on the introduction of Control and Internal Check Organizations in the Savings Bank branch of Head Post Offices, the trend of deposits and withdrawals at each office will be known at a glance. If any office shows a downward trend in deposits instead of the normal increase, the matter could be brought to the notice of inspecting officers for scrutiny at the time of their visits.
- (ii) From the list of ledger balances prepared by the Control Organization, accounts with reasonable balances which are not operated upon for months together will be known. Particulars of some of these could be intimated to the inspecting officers for taking up their scrutiny at the time of inspections.
- (iii) A regular register has been prescribed for noting down the particulars of accounts in which transactions have taken place and pass books have not been submitted to the head office for entry of interest and comparison of balances.
- (iv) It has also been decided to carry out an experiment of issuing receipts for S.B. deposits from serially numbered receipt books in the jurisdiction of New Delhi, Madras and Nagpur head offices. The continuity of the serial numbers of the receipts could be checked in the head offices and the liability of the Government to the depositor will depend on the possession of the receipt by the depositor and not merely an entry in the pass book.

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

(Sd./-) S. C. JAIN,
Member (Banking & Insurance),
Posts & Telegraphs Board.

INDIAN POSTS AND TELEGRAPHS DEPARTMENT

OFFICE OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS

No. 4-24/MS/62-INV.

Dated New Delhi, the 16th November, 1962

To

All Heads of Postal Circles.

Of late there is an alarming increase in the number and amount of S.B. frauds committed in single-handed S.Os. and B.Os. The *modus operandi* used in most of these cases is non-credit in office books while deposits are entered in pass books of the depositors. If, therefore, sufficient number of pass books are checked carefully by the inspecting officers at the time of inspections and by Head Offices at the time of entry of interest such frauds can be easily detected. It is noticed, however, that in most of these cases the commission of frauds continued for four to five years before being detected. This shows that proper checks are not being applied at the time of inspections by Inspectors and Superintendents and the Account Offices are also not exercising proper supervision over the work of these B.Os. and S.Os. The Director General, therefore, desires that the following instructions should be strictly followed:—

- (i) Question 97 of Inspection Report of Branch Offices and 178 of Inspection Report of S.Os. lays down that inspecting officers, before commencement of inspection of a single-handed B.O. or Sub-Office should select at random from S.B. journals or ledgers 10 S.B. accounts and issue notices to depositors of these accounts to present their pass books for verification at a certain time and date at the post offices they are going to inspect. It has been noticed that no such notice is issued by inspecting officers who obtain pass books at the time of inspection from the postmaster who in turn produces some pass books from his own custody and is, therefore, able to hood-wink the inspecting officer. The very purpose of this check is frustrated and the dishonest branch or sub-Postmaster continues his dishonest activities unhampered. It is necessary that selection of pass books for this check should under no circumstances be left to the Postmasters but should be done intelligently as random samples by the inspecting officers. D.G. desires that it should be brought home to the inspecting officers that if a fraud is detected subsequently to an inspection, its own detection

at the time of inspection will only mean that inspection has been only superficial and not carried out intelligently and vigilantly. In such a case responsibility for loss or fraud will have to be shared by the inspecting officers.

- (ii) Rules 491 and 492 of P.&T. Manual Vol. VI lays down that if a pass book is presented for the first time at a sub or Branch Office for S.B. transaction or for entry of interest after receipt of interest statement, the pass book should be forwarded to H.O. where it should be properly examined with a view to verifying its balances, and interest should be added to it. If the pass book is not received for entry of interest, the fact should be noted in error book and brought to notice of the supervisor.

It is noticed that supervisors or A.P.M. are not in the habit of calling for these pass books and later take the plea that the non-receipt of pass books was to be noticed by ledger clerks and not by A.P.M. This plea is not tenable as the A.P.M. in-charge has to ensure that this important check of verifying balances at the time of entry of interest has to be carried out properly. The Director General desires that it should be brought home to all supervising staff of Head Offices that for failure to call for pass books for this purpose, they will be held personally responsible and in case Department suffers loss as a result of their laxity of supervision, they will be liable for monetary recovery for their contributory negligence.

The above orders may kindly be brought to the notice of all concerned.

Kindly acknowledge receipt.

(Sd./-) G. S. BHATIA,
Director of Complaints.

APPENDIX VI

Reference para 42 of the Report

No. 8-1/62-Disc.

GOVERNMENT OF INDIA

MINISTRY OF TRANSPORT AND COMMUNICATIONS

(Departments of Communications and Civil Aviation)

(Posts & Telegraphs Board)

Dated at New Delhi, the 16th May, 1963

26th Vaisakha, 1885

SUBJECT:—Public Accounts Committee—Second Report, 1962-63 (Third Lok Sabha)—Sl. No. 32 of Appendix I—Excessive expenditure on conveyance of goods by bullock carts (Para 21 of Audit Report, P.&T., 1961).

In Para 54 of their Thirty-eighth Report 1961-62 (2nd Lok Sabha), the Public Accounts Committee observed that the glaring difference in the rates for the carriage of mails (87 nP. and Rs. 10.20 nP.) was not noticed by the Circle authorities while entering into the contract in June, 1958, and the fact that the increased rate was in force for a period of about a year without detection is indicative of the scant regard paid to the financial interest of Government by the Circle authorities. The Committee also desired to be informed of the action taken against the officials responsible for the lapse. The position is explained below.

2. The explanation from four officers was called for on 30th December, 1961. The Officer who had initially accepted the tender and who could be held to be mainly responsible for the irregularity expired on 4-4-1962. Hence, no action could be taken against him. One Officer was administered with a warning to be more careful in future. Regarding the remaining two officers, after careful examination of their explanations, they have been absolved of any irregularity.

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

(Sd./-) S. C. SEN GUPTA,

Member (Administration),

Posts & Telegraphs Board.

APPENDIX VII

Reference para 10 of the Report

No. 23/16/63-TR

GOVERNMENT OF INDIA

MINISTRY OF TRANSPORT & COMMUNICATIONS

(Department of Communications and Civil Aviation)

(Posts and Telegraphs Board)

New Delhi-1, 1 September, 1963.

SUBJECT:—Public Accounts Committee—Consideration of the Appropriation Accounts (P&T) 1961-62 and the Audit Report (P&T), 1963—Telephone Revenue [para (4) (v)]

1. In S. No. 1 of the list of points forwarded along with Lok Sabha Secretariat O.M. No. 2/VIII/2/63/PAC, dated July 25, 1963 the Public Accounts Committee desired to be furnished with information on the following points:

- (i) What are the reasons for the continuous increase in the amount involved in instances of short recoveries and failures to issue bills since 1957-58?
- (ii) In which Circles the incidence of such cases was comparatively high and what steps have been taken by the Department to minimise the recurrence of such cases?
- (iii) What is the Circle-wise break-up of the telephone dues pending recovery on 31st March, 1962 on account of failure to issue bills in time?
- (iv) What is the amount recovered so far (Circle-wise) against these bills?
- (v) Were any instructions issued to minimise the instances of failure to issue bills and short recoveries?

The information is given below *seriatim*:

Item (i)—Amongst others, the main reasons for short recoveries as exhibited in the accounts are the following:—

- (a) During the period 1957—62 there has been a rapid growth in the number of telephones from 3 lakhs to 5 lakhs and the total telephone revenue from 18 crores to 31 crores.

To bring the Telephone Revenue Offices as near as possible to subscriber, 8 new offices were opened in the period. As all experienced staff in the old offices could not be transferred to the new stations the new recruits took time to get trained and short recoveries and failure to issue bills increased to some extent thereby.

- (b) Pending consideration of the recommendations for staff standards of the Establishment Standard Committee, additional staff consequent on increase in work was not sanctioned to the Telephone Revenue Offices from April 1959 to November 1960. Between October 1956 and October 1960 posts of Upper Division Clerks in the non-district TR Offices were temporarily filled by Lower Division Clerks. Certain reviews, checks and reconciliations prescribed for minimising errors could not in consequence receive the desired attention. In the transition stage on the introduction of new billing periods and tariffs from 1st April, 1960, the extent of errors increased.

Item (ii)—The incidence of such cases was comparatively high and recurring in the Delhi Telephone District, Calcutta Telephone District and the TRAO, Lucknow vide Annexure 'A'.

The General Manager, Delhi Telephone District was directed in July 1962 to take steps to avoid irregularities of this nature. The assistance for internal review in that office has since been augmented.

The incidence of and the reasons leading to these irregularities at Calcutta have been studied at a high level and necessary instructions have been given.

During the last inspection of the Lucknow AOTR Office the prescribed checks have been asked to be tightened up and disciplinary action asked to be taken against recurrence.

Item (iii) & (iv)—Information is furnished in Annexure 'B'.

Item (v)—Detailed examination reveals that short recoveries and failure to issue bills in time result from certain typical irregularities such as incorrect evaluation of trunk call tickets and errors in recording or subtracting meter reading or delay in the sending to the TR Branch of Advice Notes intimating shifting and opening of telephone connections or omission to bill for accessories due to oversight. General instructions have in the past been issued to the field units from time to time pointing out these irregularities and for taking action to prevent recurrence of such lapses. Comprehensive

instructions have also been issued recently. The procedure for the submission of the Advice Notes to the Telephone Revenue Officer is being examined and it is proposed to issue instructions prescribing the return to the telephone revenue offices of the exchange copy of the Advice Note immediately on the opening or shifting of telephone connection (without waiting for the actual physical completion of all the connected line work) to enable the issue of a provisional bill in the first instance. This is expected to eliminate most cases of delay in the issue of bills.

The incidence of short recoveries and delay in the issue of bills was also high-lighted in the last Conference of Heads of Circles and Telephone Districts held in August, 1963 and the importance of avoiding these lapses has been stressed.

*Member, (Telecom. Operations),
Posts and Telegraphs Board..*

ANNEXURE—A

Statement showing amounts involved in short recoveries and failure to issue bills

Name of T. R.A.O.	1956-57			1957-58			1958-59			1959-60			1960-61			1961-62					
	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3			
							Figures in thousands of rupees														
1. T.R.A.O. (North)	..	6	8	1	9	1	14	15	3	163	15	62	77	13	328	341					
2. T.R.A.O. (Baroda)	4	4	..	15	15	2	9	11	5	7	12	2	15	17				
3. T.R.A.O. Lucknow	..	48	7	65	72	6	17	23	72	86	158	33	46	79	31	65	96				
4. T.R.A.O. (W.B. & O)	..	4	4	4	8	1	21	22	2	18	20	2	44	46	10	53	63				
5. T.R.A.O. Shillong	..	16	2	5	7	1	1	2	..	2	2	3	31	34	13	5	18				
6. T.R.A.O. Patna	..	14	2	32	34	4	6	10	..	4	4	3	14	17	1	15	16				
7. T.R.A.O. Jaipur	1	62	63	..	6	6	1	2	3	7	7	14				
8. T.R.A.O. Nagpur	..	5	..	..	..	5	5	10	7	18	25	29	2	31	9	48	57	
9. T.R.A.O. Poona	1	3	4	18	7	25	1	2	3	9	25	34	17	51	68				

Statement showing amounts involved in short recoveries and failure to issue bills

Name of T. R.A.O.	1956-57			1957-58			1958-59			1959-60			1960-61			1961-62		
	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3
10. T.R.A.O. Hyderabad	6	6	..	..	..	..	..	..	1	8	9
11. T.R.A.O. Madras Circle	1	..	..	2	..	2
12. T.R.A.O. Trivandrum	1	..	1
13. T.R.A.O. Bangalore	10	..	10
14. T.R. Br. of C.A. Dist.	82	71	23	94	33	8	41	62	53	115	76	97	173	27	170	197
15. T.R. Br. of BY Dist.	11	20	3	23	21	2	23	20	2	22	36	14	50	24	4	28
16. T.R. Br. of M.S. Dist.	1	..	..	1	9	9
17. T.R. Br. of D.I. Dist.	104	4	297	301	3	422	425	2	405	407	13	751	764	20	5	571
TOTAL	290	119	437	556	94	586	680	171	768	939	227	1095	1322	197	1320	1517

N.B.—The information relating to T.R. Branches of D.E.T. A.M., D.E.T. Trichy & Hyd. Telephone Dist. are included in their respective parent offices.

Col. 1.—Amount involved in Short Recovery.

Col. 2.—Amount involved in failure to issue bills on due dates.

Col. 3.—Total (1 plus 2).

ANNEXURE—B

Statement showing (1) The telephone dues pending recovery on 31-3-1962 on account of failure to issue bills in time; and (2) Amount recovered so far (upto 31-3-1963) against these bills.

S. No.	Name of Circle	Amount reported in audit paras as non-issue of bills	Pending recovery on 31-3-62	Recovered since upto 31-3-1963
1	2	3	4	5
		Rs.	Rs.	Rs.
1	A.O.T.R. Patna	15,216	13,494	12,114
2	„ Calcutta	43,418	43,418	} 45,313
3	„ Orissa	9,558	9,558	
4	„ Shillong	5,399	2,937	1,079
5	„ Calcutta T.D.	1,70,387	1,52,472	1,10,016
6	„ Andhra	7,559	6,579	3,976
7	„ North	3,27,849	1,900	1,900
8	„ Nagpur	48,291	42,266	40,986
9	„ Bombay Tele. Dist. (including Ahd.)	4,300	764	543
10	„ Baroda	15,281	15,281	15,281
11	„ Rajasthan	6,671	2,517	2,458
12	„ U.P.	64,730	3,652	3,582
13	„ Delhi T.D.	5,50,894	4,10,701	2,01,878
14	„ (Central Poona)	51,247	39,116	39,116
	TOTAL	13,20,800	7,44,655	4,78,242

APPENDIX VIII

Summary of main conclusions/recommendations

Sl. No.	Para No.	Ministries/ Departments concerned	Conclusion/recommendations
1	2	3	4
1	2	P&T	While the Committee appreciate the difficulties in arriving at precise estimates of P&T revenues, they feel that since the margin of underestimating during the year was disproportionately large as compared to the earlier years, dependence entirely on statistical trends of actuals as interpreted centrally could not yield satisfactory estimates. On a suggestion that the possibility of collecting figures for preparation of revenue estimates from the circles based on the trend of traffic may be examined, the Member (Finance) P&T Board agreed to do so. The Committee may be informed of the results of this examination.
2	3	Do.	In view of the fact that the telegraph and telephone are inter-related branches of tele-communication, the Committee feel that it should be logical and feasible to combine them for accounting purposes, on the same lines as in U.K. and Australia. This will avoid unnecessary adjustments and simplify the accounting procedure. The Committee desire, therefore, that Government may give this matter careful consideration and inform them of the decision taken at an early date.

1	2	3	4
3	4	P&T Finance	(i) The Committee regret to note that the Department failed to ensure implementation of Government orders issued in January 1957 regarding provision of tele-communication facilities in rural areas and other small towns. As a result, it cannot now be verified that the total losses incurred were within the limits prescribed. The Committee take a serious view of such lapses.
	5	Do.	(ii) The Committee note that the shortfall in opening such offices has resulted in halting and inadequate implementation of Government policy regarding provision of tele-communication facilities in rural areas and other small towns. (iii) The Committee find that during the Third Five Year Plan also the opening of such offices was to be continued on the same basis as during the Second Five Year Plan. The trust that adequate steps will now be taken by the Department to achieve the targets laid down in this regard, and that the history of the Second Five Year Plan will not be repeated in the Third Plan.
	6	P&T	(i) The Committee consider the position regarding arrears in telephone revenue as still unsatisfactory requiring special attention of the P&T Board. It appears to the Committee that this large amount would not have accumulated had the Department been prompt in issuing bills as also in exercising its powers to proscribe the telephones for non-payment of dues.
	7	Do. Finance All other Ministries	(ii) The Committee feel that the bills issued by one Government Department against another should be promptly settled. The Committee would like the Ministry of Finance to examine whether Government Departments

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5	8	P&T	<p>should not settle the P&T bills provisionally in full on receipt subject to later settlement of discrepancies. The recovery of charges on private account could well be made from the officers concerned and taken in reduction of the charges booked to Government account.</p>
6	10	Do.	<p>The Committee consider that the position regarding outstandings for bills issued in 1960-61 and earlier years is far from satisfactory. It is clear from the explanation that not all the arrears of Rs. 90 lakhs represent recoverable dues. The Committee (1960-61) had recommended in para 63 of their 31st Report that besides taking vigorous steps to accelerate recovery of arrears, the Department should also assess them realistically. While this recommendation had been noted by the Department, the Committee have gathered the impression that the position had not shown substantial improvement. They, therefore, desire that more effective action may be taken and a detailed report made to them.</p>
6	10	Do.	<p>In the opinion of the Committee a small reduction in the amount of short recoveries detected in test audit cannot lead to the conclusion that the position has improved. They feel that the question of short recoveries and failure to issue bills has not received due attention. They regret to note that although in evidence before the Committee (1962-63) the representative of the Department promised to look into the question of progressive increase in the amount involved in these cases and submit a note to the Committee, this note is still awaited.</p>

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			<p>(ii) The Committee desire that effective steps should be taken to minimise instances of short recoveries and failure to issue bills. In this connection, the Committee suggest that the process of decentralisation of Telephone Revenue Accounting Officers should be expedited. In their opinion eventually every Telephone Office should be entrusted with the work of making out of the bills and dealing directly with the subscribers. They would like the P&T Board to implement this suggestion as an experimental measure in a few Divisions.</p>
7	11	P&T	<p>The Committee would await the result of review of rates for Press Telegrams and final decision by Government.</p>
8	12	Do.	<p>The Committee suggest that a comprehensive review of the rates of rental for the teleprinter machines used in leased circuits, telex and printergram services may be undertaken by the P&T Board and the result thereof communicated to the Committee.</p>
9	13	P&T	<p>(i) While the Committee are glad to note that there had been substantial decrease in the percentage of savings under the grant for Capital Outlay as compared to the previous year they feel that the savings were still on the high side. They would invite attention in this connection to their recommendation in para 6 of their 2nd Report (1962-63) and trust that the Department will be more realistic in their estimates in future.</p> <p>(ii) The Committee also hope that with the transfer of the C.P.W.D Wing for P&T Works under the complete control of the Department, the</p>

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			execution of capital works will be expedited.
10	14	P&T	Subject to the observations of the Committee in para 2 of this Report, they recommend that the excess under Grant No. 88 may be regularised by Parliament in the manner prescribed in Article 115 of the Constitution.
11	15	Do.	It is surprising to the Committee that instead of posting some experienced and reliable overseer, persons against whom either an inquiry was pending or whose work was not satisfactory should have been posted for the supervision of the works costing about Rs. 1.66 lakhs. The plea that an overseer was not available is hardly justifiable as, in their opinion, this contingency could be avoided either by recruitment of suitable person or through some arrangement with the Central or State Public Works Departments. There had also been failure even to record measurements in time which were in some cases taken two years after the works were completed. The Committee were informed in this connection that an enquiry had been made in this case by the then Director of Telegraphs who submitted a comprehensive report in January, 1958. The Committee would like to be furnished with a copy of the report of the enquiry.
12	16	P&T <hr/> Home	(i) The Committee were informed that in deference to the opposition of the State Government the proposal to introduce measured rates was held in abeyance in spite of the fact that the meters necessary to record local telephone calls had already been installed in Jammu & Srinagar. In

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			<p>this connection, the Committee would like to point out that while the views of the State Governments may be given due consideration in such matters they should not be allowed to defer the implementation of the accepted policy of the Union Government.</p>
		P&T	<p>(ii) The Committee feel that there had been an abnormal delay in the utilisation of the meters installed at Srinagar. They failed to see any justification for retaining these meters at that exchange especially after it had been decided to convert it into an automatic exchange. The Committee trust that these meters will now be utilised elsewhere expeditiously.</p>
			<p>The Committee also desire that the final decision regarding introduction of the measured rates in the State should be expedited.</p>
13	17	Do.	<p>From the facts placed before them it appears to the Committee that the original decision to instal the Hindi speaking clock had been taken without a careful examination of its suitability and utility. Frequent changes in the decision by Government in the matter resulted in the equipment costing over Rs. 1 lakh remaining unutilised for about 6 years. The Committee trust that the speaking clock will now be put to use expeditiously.</p>
			<p>The Committee also desire that the decision about the utilisation disposal of the Hindi tapes should be expedited.</p>
14	18	Do.	<p>The Committee are not satisfied with the explanation regarding delay in the installation of power plant, etc. They observe that there had been avoidable delays not only on the part of the C.P.W.D. in the construction of the building but also on the part of the</p>
		<p>W.H&R (Deptt of W&H.)</p>	

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P&T Department in finalising the engineering details and in according administrative sanction for the works. In the opinion of the Committee this is indicative of lack of proper planning and co-ordination between the P&T Department and the C.P.W.D. The Committee trust that with the transfer of the C.P.W.D. Wing under the charge of P&T Department such cases will not recur.

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P&T

(i) The Committee view with concern the inordinate delays in the execution of some of the Telephone projects. As the number of intending subscribers on the waiting list is much more than the available projected capacity, such delays in the completion of projects result in the loss of potential revenue. While the Committee note the difficulties experienced in the timely execution of the projects they would like to stress the need for closer liaison with the suppliers of cables and other equipments with a view to ensure timely receipt of materials. The Committee desire that the Department should look into the reasons for delays in the completion of the projects mentioned in the Audit para and take suitable steps to remove the various bottlenecks and to expedite their completion.

(ii) The Committee also feel that with better planning and co-ordination taking into account the time likely to be required for the completion of different stages of such projects it should be possible for the Department to be more realistic in their targets in future.

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Do.

The Committee agree that there should be adequate stocks to minimise delays in the issue of stores for works. The fact that stocks have not been built up to the extent necessary would

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go to show that either the procurement time envisaged in the formula is unrealistic or procurement action is delayed. The Committee, therefore, consider that it would be advisable that the position is examined from this point of view so that the stocking formula and the action for procurement are both placed on a realistic footing. In this connection the Committee suggest that the P&T Board should ascertain the procedures followed by the Railway Board and the D.G.S.&D.

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P&T

The Committee regret to note that despite their repeated comments the position regarding the clearance of balances under sub-suspense heads had remained unsatisfactory. They feel particularly concerned at the old outstandings some of which had been pending clearance since 1948-49. In particular, they are perturbed at the old outstandings under the head 'Stores-in-transit'. While the Committee note that amount outstanding under this head has been reduced from Rs. 50.46 lakhs (10,575 items) as on 31-3-62 to Rs. 5.47 lakhs (4,730 items) on 28-2-63, they cannot overlook the failure to link the issues with acknowledgements and to investigate the unlinked issues for years. The Committee feel that such a state of affairs is fraught with great risks. The same observations arise in respect of outstandings under other sub-suspense heads as well. The Committee desire that investigation and liquidation of these arrears should be undertaken on an urgent basis and completed within a time limit. They suggest that this task may be assigned to an officer on whole time basis as a departmental committee of officers with other duties appears to be unsuitable for speedy results. Steps should also be taken by the Depart-

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			ment to ensure that the instructions ^s issued by them are strictly followed by all concerned to avoid accumulation of arrears in future.
18	22	P&T	The Committee view with concern ⁿ the slow progress in survey and sanctioning the disposal of surplus store and their actual disposal. As the stores have been lying in stock for long, the delay in their disposal is likely to result in avoidable loss to Government due to attendant risk of their deterioration, besides expenditure on their care and custody and interest on capital unnecessarily/locked up. They, therefore, desire that the matter should receive serious attention of the Department and the disposal of un-serviceable stores should be expedited.
19	23	Do.	The Committee view with concern the heavy incidence of the losses due to theft of copper wire. They would watch the results of the measures adopted by the Department through future Audit Reports.
20	24	Do.	(i) The Committee feel concerned to note the enormous waste of manpower in the P&T workshops due to low productivity of labour. They recommend that Government should keep the working of these workshops under a close review so as to see that the incentives offered do actually achieve increases in productivity by taking all necessary steps. They would like to watch the achievements in this regard through future Audit Reports. (ii) The figures of production given in para 18 of the Audit Report in terms merely of money value do not give a complete picture about the real increase in production. In order to have a better idea in this respect the Committee called for a note regarding the quantitative increase in the manufacture of principal items of production in these Workshops. This note is still awaited.
			The Committee disapprove of delays in furnishing the information called

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			for by the Committee and desire that it should be expedited.
21	25	P&T	The Committee regret to note that without examining the feasibility of implementing the recommendations of the Central Trade Test Board constituted in 1955 similar Boards were constituted in subsequent years also. It is surprising that it should have taken the Department about six years to find out that the Central Trade Test Boards were not suitable for the purpose of fixing the strength of the staff. This, the Committee regret to point out, resulted in infructuous expenditure of Rs. 17,000/- apart from the pay and allowances of the Departmental officers appointed as Chairmen of the Boards from time to time.
22	26	Do.	The Committee regret to note the wide fluctuations between the estimated and the actual cost of manufacture of various articles in the Workshops. They would like to emphasise the necessity of having reasonably correct estimates for various works for the purpose of control over the actual cost. An analysis of the reasons for the variations between the actuals and estimates could help the administration in eliminating the wastage at various stages of production. The Committee trust that consequent upon the fixation of standard schedules for labour & material the estimates will be more realistic in future.
23	27	Do.	While the Committee note the improvement in the position regarding the closure of work orders, they feel concerned that five to six years' delay should have occurred in closing some of the work orders. They suggest that a periodical review of the unclosed work orders should be undertaken by the managements in order to avoid such delays in future.
24	28	Do.	(i) A note called for by the Committee indicating the cost of manufacture and the market price of items whose cost of

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			<p>manufacture at the Workshops was lower than the market price is still awaited.</p> <p>(ii) The Committee would like to emphasise the desirability of examining the existing capacity both in the private sector and public sector before undertaking the manufacture of any new items at the Workshops. It would obviously be better if the workshops concentrated on items which were not available economically from the market. Such a co-ordinated plan would not only increase production but also result in economy.</p>
29		P&T	<p>(iii) While the Committee note the financial difficulties in accelerating the pace of modernisation they cannot overlook the fact that, as stated in para 24 above, according to the Department's own admission the performance of labour in the Workshops even under existing conditions is below 50% of its capacity. They are, therefore, not surprised over the high cost of production of various items as compared to their market price. This emphasises the urgent need to streamline the working of the Workshops. The Committee would, therefore, like the P&T Board to take suitable measures to improve the working of the Workshops and operate them on sound commercial lines instead of merely waiting for their expansion and modernisation.</p>
25	30	Do.	<p>It is apparent that the rivet making machine had been purchased by the Department without adequate justification. The Committee trust that the machine will now be utilised fully.</p>
26	31	Do.	<p>The Committee observe that due to lack of correct assessment of the needs of the department not only the shearing machine remained unutilised for long but also the expenditure incurred on its transfer from Calcutta to Jabalpur Workshops and on its installation proved infructuous.</p>

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			The Committee also regret to note the delay in the utilisation/disposal of the machine and desire that an early decision in the matter be taken.
27	32	P&T <hr/> All other Ministries	While the Committee would welcome encouragement being given to making of innovations for improving of techniques of production, they feel that such efforts should be channelised through properly equipped research and development sections after proper design studies. Unauthorised and ill directed effort made by the Manager in this case has obviously resulted in waste. The Committee also observe that this is another case where there had been undue delay in taking a decision about the utilisation/disposal of machine which had remained idle for the last nine years. They desire that an early decision should be taken in this regard also.
28	33	P&T	In the opinion of the Committee with proper planning and co-ordination the inordinate delay in acquiring the land and in the installation of the weigh-bridge could have been avoided to a great extent.
29	34	Do.	The Committee observe that the purchase of manufacturer's brass labels is another instance where the stores had been purchased without due examination of their utility to the Department. The Committee trust that the Department will be more careful in future. The Committee regret to note that even though the stores were recommended for disposal in October, 1961 they have not yet been disposed of. In this connection the Committee would also invite attention to para 22 of this Report.
30	35	P&T <hr/> All other Ministries	The Committee have repeatedly urged that the departmental action against delinquent official should be prompt and adequate if it was to serve the desired purpose. They desire that the departmental action in this case should now be finalised expeditiously.

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31	36	P&T	<p>and a report submitted to them at the earliest. The Committee would also like to be informed of further action, if any, taken against the firm. The Committee would like to watch the practical effect of the adoption of various measures for reducing the incidence of frauds through future Audit Reports.</p>
32	37	<p>Do. <hr/> Finance</p>	<p>The Committee regret to note that the Finance Ministry should have accepted the estimated cost of Rs. 8,000 per year without any supporting data and should have year after year acquiesced in the extra expenditure <i>ex-post-facto</i>. In view of the limited objective of the journal the Committee feel that the deficit incurred on its publication was on the high side. It is regrettable that such a large number of surplus copies (26,717, out of 79,550 in all or 34%) should have been printed during 1956-57 to 1961-62 resulting in avoidable waste. They observe that even during 1962-63 the average number of copies sold was 720 as against 1300 copies printed every month. The Committee also feel that distribution of 7,526 copies as complimentary during 1956-57 to 1961-62 as against the total sale of 40,643 copies during that period was excessive. They desire that efforts should be made to reduce the number of such copies to the barest minimum. The Committee urge that steps should be taken to reduce the cost of publication of the Journal with a view to making it pay its way.</p> <p>In this connection, the Committee would like the Ministry of Finance to examine the general question of the publication of such departmental journals with a view to effecting economies by (a) combining two or more such publications (b) decreasing their frequencies and (c) insisting that if they are to continue separately every effort should be made to make them self-supporting.</p>

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33	38 P & T		In the opinion of the Committee the expenditure incurred on participation in the Indian Industries Fair was unduly high. They feel particularly concerned over the large amount (Rs. 1.19 lakhs) spent on external and internal murals, models etc. The Committee trust that unless there be some commercial commodity to advertise, efforts will be made by the Department to see that the expenditure incurred in such cases is kept down as far as possible on future occasions of this kind.
34	39 P & T		(i) The Committee desired to be furnished with circle-wise and year-wise break-up etc. of Audit Objections at items (c), (d) and (e) of Audit para. The Committee also desired to be furnished with a statement showing the latest position regarding the number of audit objections under various categories and the amount involved therein. These notes are awaited.
	P & T	All other Ministries	(ii) The Committee expect that representatives of the Ministries appearing before them should come well briefed with information regarding the subjects under discussion.
	P & T		(iii) The Committee regret to note that despite their repeated comments, the number of outstanding audit objections continued to be fairly large. They also note with concern the large number of objections arising from want of vouchers and sanctions of various kinds. In the opinion of the Committee these indicate laxity of control which should be seriously viewed by the Posts & Telegraphs Board. The Committee observe that consideration of the objections in departmental Committees set up in some circles had been useful in reducing their number and that similar Com-

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			mittees were being formed in other Circles. They would watch the improvements through future Audit Reports.
			(iv) The Committee feel that issue of general instructions for avoidance of irregularities pointed out in the audit inspection reports could hardly serve the intended purpose. They desire that the Department should evolve a procedure for reviewing the work of the particular offices in respect of which objections involving contravention of rules and orders were comparatively large in number or occurred at frequent intervals.
35	40	P & T	While the Committee are happy to observe that there had been some improvement in submitting notes pursuant to 'action-taken' on the recommendations of the Committee as compared with the earlier years, they trust that every effort will be made in future by the Department to furnish these notes within the time-schedule laid down for the purpose.
34	41	Do.	The Committee would like to be informed of the final outcome of the cases at S. Nos. 1, 20 and 33 of Appendix I to Second Report (1962-63).
17	42	Do.	The Committee regret to observe that the case commented upon in para 54 of their 38th Report (1961-62) is an instance where departmental action was initiated only after the Committee had made their recommendation. When the over-payment was noticed by the Department in June, 1959, the Department should have initiated action to fix responsibility immediately thereafter. Unfortunately, there was delay in initiating action even after the case was included in the Audit Report (1961).

1	2	3	4
			The Committee have repeatedly exhorted departments to initiate prompt action against delinquent officials if it is to serve the desired purpose. They trust that the Departments will in such cases be more prompt in future.
38	43	P & T	The Committee observe that this is another case (delay of 15 years in bringing two boilers into use) where there had been inordinate delay in taking action against the delinquent officials. They desire that the departmental action should be expedited and a report submitted to them at an early date.