



GOVERNMENT OF INDIA

APPROPRIATION ACCOUNTS

POSTS AND TELEGRAPHS

1961-62

(Containing also the Financial Review of the working of the Indian Posts and Telegraphs Department by the Director General of Posts and Telegraphs and the Financial Review and the accounts of the Post Office Insurance Fund prepared by the Director, Postal Life Insurance.)



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GRAND SUMMARY OF APPROPRIATION ACCOUNTS BY GRANTS AND APPROPRIATIONS FOR 1961-62

Page No.	No. and name of the Grant or Appropriation	Original Grant or Appropriation	Final Grant or Appropriation	Expenditure	Expenditure compared with	
					Original Grant or Appropriation More + Less —	Final Grant or Appropriation More + Less —
1	2	3	4	5	6	7
		Rs.	Rs.	Rs.	Rs.	Rs.
2	Grant No. 87— Expenditure met from Revenue of the Indian Posts and Telegraphs Department— Charged ..	60,000	60,000	15,460	—44,540	—44,540
	Voted ..	74,92,68,000	77,22,68,000	77,20,67,135	+2,27,99,135	—2,00,865
3	Grant No. 88— Posts and Telegraphs Dividend to General Revenues and Appropriations to Reserve Funds— Voted ..	11,56,77,000	14,36,64,000	17,33,27,517	+5,76,50,517	+2,96,63,517
4	Grant No. 133— Capital Outlay on Posts and Telegraphs (not met from Revenue)— Charged ..	..	4,50,000	..	..	—4,50,000
	Voted ..	20,39,28,000	20,39,29,000	19,14,67,697	—1,24,60,303	—1,24,61,303
	Total— Charged ..	60,000	5,10,000	15,460	—44,540	—4,94,540
	Voted ..	1,06,88,73,000	1,11,98,61,000	1,13,68,62,349	+6,79,89,349	+1,70,01,349
	Grand Total ..	1,06,89,33,000	1,12,03,71,000	1,13,68,77,809	+6,79,44,809	+1,65,06,809

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.

The details of these recoveries by Grants are given at page 46.

The Appropriation Accounts have been prepared and examined under my direction in accordance with the provisions of the Government of India (Audit and Accounts) Order, 1936, as adapted under the India (Provisional Constitution) Order, 1947, read with Article 149 of the Constitution of India. On the basis of the information and explanations that my officers have obtained, I certify that these accounts are correct, subject to the observations in the Audit Report, 1963.

NEW DELHI :

A. K. ROY

The 13 FEB 1963

Comptroller and Auditor General of India

*Grant No. 87—Expenditure met from Revenue of the Indian Posts and
Telegraphs Department*

	Total Grant or Appropriation	Actual Expenditure	Saving
Rs.	Rs.	Rs.	Rs.
Voted—			
Original ..	74,92,68,000	77,22,68,000	77,20,67,135
Supplementary ..	2,30,00,000		
Amount surrendered ..			Nil
Charged—	60,000	15,460	44,540
Amount surrendered			27,000

Notes and comments—

Final Grant	Actual Expenditure	Saving
(In lakhs of rupees)		

Non-utilisation of funds

I—Maintenance of Assets
(including petty works)—

1. Land and repairs to
Buildings—

O ..	110.00	96.26	81.38	14.88
R. ...	—13.74			

The original provision proved excessive to the extent of about 26 per cent mainly owing to less execution of works by the Central Public Works Department.

Grant No. 88—Posts and Telegraphs Dividend to General Revenues and Appropriations to Reserve Funds

	Total Grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
Voted—			
Original	11,56,77,000	17,33,27,517	2,96,63,517
Supplementary ..	2,79,87,000		
		14,36,64,000	
Amount surrendered			Nil

Notes and comments—

1. The excess requires regularisation under Article 115(1)(b) of the Constitution.

2. This excess over the total grant was due to a larger surplus being available for transfer to the Reserve Funds after payment of dividend to the General Revenues; the actual amount of the surplus was known only when the accounts were finally closed after the end of the financial year.

*Grant No. 133—Capital Outlay on Indian Posts and Telegraphs
(not met from Revenue)*

	Rs.	Total Grant or Appropriation Rs.	Actual Expenditure Rs.	Saving Rs.
Voted—				
Original ..	20,39,28,000	20,39,29,000	19,14,67,697	1,24,61,303
Supplementary ..	1,000			
Amount surrendered ..				1,26,49,500
Charged—				
Supplementary ..	4,50,000	4,50,000	..	4,50,000
Amount surrendered				Nil

Notes and comments—

	Final Grant	Actual Expenditure	Saving — Excess +
--	----------------	-----------------------	----------------------

(In lakhs of rupees)

(1) *In the following cases, the funds provided remained unutilised to an appreciable extent—*

(a) 69-A—Capital Outlay
on New Assets

(i) I—Postal land and build-
ings—

Voted—

O. ..	107·78	63·17	62·07	—1·10
R. ..	—44·61			

The saving of Rs. 45·71 lakhs as compared with the original provision (42 per cent) was mainly due to non-acquisition of land (6·30) and less execution of works (38·31).

(ii) IV-C—Works debitable to
Telephone Development Fund—

O. ..	100·00	50·00	44·42	—5·58
R. ..	—50·00			

Final Actual Saving —
Grant Expenditure Excess +
(In lakhs of rupees)

Over 50 per cent of the original anticipation was not utilised owing to slow progress of works, non-receipt of stores and certain un-anticipated credit adjustments.

(iii) IV-F—Outlay on Co-axial
Cable Scheme connecting
Bombay, New Delhi and
Calcutta—

	O. . .	101.01	}	54.70	52.29	—2.41
	R. . .	—46.31	}			

About 48 per cent of the provision was not utilised mainly due to short supply of cables by Messrs. Hindusthan Cables, Limited (32.68) and of equipment by the Indian Telephone Industries (12.89).

(b) 69—Stores Suspense Account—

(i) General Stores—

	O. . .	416.39	}	534.84	454.35	—80.49
	R. . .	118.45	}			

The additional provision of funds to the extent of Rs. 1.18 crores made by re-appropriation in March, 1962 proved unnecessary to the extent of Rs. 80 lakhs mainly owing to (i) less payments for purchases of stores outside India (28.75) and in India (34.25) and (ii) larger issues to new works (34.85) than anticipated. Among the reasons for the additional provision of funds made in March, 1962 were heavier payments for purchases of stores outside India and less issues to new works than was anticipated in the Budget Estimates. Both the factors did not materialise to the extent anticipated in March, 1962.

(2) Re-appropriation or surrender of funds from a sub-head in excess of the savings available—

(a) 69-A—Capital Outlay on New Assets—

(i) II-A—Telegraphs other than
Railway Electrification Scheme—

Lines and Wires—

	O. . .	238.05	}	183.96	204.00	+20.04
	S. . .	0.01	}			
	R. . .	—54.10	}			

The withdrawal of the provision under this sub-head to the extent of Rs. 54.10 lakhs proved excessive, mainly due to receipt of more stores than anticipated (10.49) and increased expenditure on works. Apparently, the position regarding supply of stores

Final Grant	Actual Expenditure	Saving — Excess +
-------------	--------------------	-------------------

(In lakhs of rupees)

was not correctly assessed even at the time of fixing the final grants at the end of the year.

(ii) IV-A—Telephones other than Bombay, Calcutta Auto and Co-axial Projects—Lines and Wires—

O. . .	223·61	} 187·73	209·03	+21·30
R. . .	—35·88			

The original budget provision proved excessive by Rs. 14·58 lakhs.

Funds to the extent of Rs. 35·88 lakhs were withdrawn due to anticipated less receipts of stores from the Store Depots. This anticipation did not prove correct, as there was an excess of Rs. 21·30 lakhs over the final provision, mainly due to receipt of more stores (17·28). The position regarding the supply of stores was not apparently assessed correctly even by March, 1962.

(b) 69-B—Renewals and Replacements of wasting assets debit-able to Renewals Reserve Fund—

O. . .	205·00	} 110·00	139·33	+29·33
R. . .	—95·00			

The amount of Rs. 95 lakhs withdrawn from the group-head included a sum of Rs. 40 lakhs, re-appropriated to another group-head on the basis that the credits for stores recovered from works would be taken in reduction of expenditure. This was an incorrect assumption, as it had been decided during the previous year that the budget provision should be made for the gross figure and that expenditure against the grant should also be booked accordingly. The incorrect reappropriation resulted in an uncovered excess of Rs. 29·33 lakhs under this group-head.

3. Non-utilisation of "charged" Appropriation

The Supplementary *charged* appropriation of Rs. 4·5 lakhs was taken in March, 1962 for payment of decretal amounts relating to acquisition of land. As, however, the lands were acquired through the State Governments and the decree was against those Governments, the expenditure had to be booked under "Voted", instead of "*Charged*", according to a decision taken by the Ministry of Finance in September, 1959. The Supplementary *charged* appropriation, therefore, became unnecessary.

	1960-61	1961-62	Difference	
			Amount	Percentage
<i>Total—</i>				
Income	77,14	87,89	+10,75	+13·9
Working Expenses ..	65,05	70,55	+5,50	+8·5
Dividend to General Revenues ..	4,23	4,98	+75	+17·7
Surplus	7,86	12,36	+4,50	

Note—The increases/decreases in Working Expenses of the different branches of the Department during 1961-62 include certain unusual factors as indicated below:—

	Post Offices Telegraphs Telephones			
(i) Increase in petty and other works expenditure debitable to Revenue due to the revision of allocation rules		+3	+29	+1,53
(ii) Increase in inter-branch adjustment for rent of Telephone Trunk wires due to increased rates adopted in 1961-62	—94	+94
(iii) Larger contributions to Telephone Development Fund	+40
<i>Net variations</i>		+3	—65	+2,87

Excluding these unusual factors, the percentages of increase in Working Expenses in 1961-62 over those of 1960-61 are as follows:—

Post Offices	4·0
Telegraphs	6·0
Telephones	6·6

as compared to increase in percentages of income of 11·9, 12·3 and 17·8 respectively of the three branches.

In Annexure I, a detailed analysis of the financial results of each Branch is given. The surplus or deficit of the four Branches of the Department for each year, is given in Annexure II.

3. The aggregate surplus standing to the credit of the Posts and Telegraphs Department at the end of 1959-60 on which rebate of dividend will be allowed as a permanent measure was Rs. 29,61 lakhs.

A running account of the accumulated surplus since 1948-49, is given in Annexure III.

REVIEW OF REVENUE AND EXPENDITURE

4. *Revenue*—Revenue receipts during the year under important categories compare with those for the last year as follows:—

Category—	1960-61	1961-62
Sale of Stamps (Gross)	34,28	37,02
Postage realised in cash	4,49	5,15
Receipts on account of Money Orders, Indian Postal Orders, etc.	5,14	5,51
Telegraph charges realised in cash	4,28	4,79
Rent of wires and instruments leased to Railways and Canals, etc.	1,76	2,04
Telephone revenue on account of rentals, local call fees and trunk call fees (includes receipts on consolidated bills)	25,29	29,15
Advance rentals under "Own Your Telephone" Scheme	86	1,62
<i>Net</i> other receipts	1,04	2,61*
Total ..	77,14	87,89

5. There was no important change in revenue rates during the year 1961-62.

6. *Working Expenses*—The net working expenses exclusive of depreciation charges compared with the corresponding actuals of the previous year and the Budget and Revised Estimates of the current year are given below:—

	Actuals 1960-61	Budget Esti- mates 1961-62	Revised Esti- mates 1961-62	Final Esti- mates 1961-62	Actuals 1961-62
Gross Working Expenses ..	70,31	74,93	77,23	77,23	77,20
Recoveries ..	5,26	5,50	6,85	6,63	6,65
<i>Net</i> Working Expenses ..	65,05	69,43	70,38	70,60	70,55

* Includes credit of Rs. 1,00 lakhs for arrears of remuneration for management of Savings Bank and Savings Certificates work.

A supplementary grant amounting to Rs. 2,30 lakhs in Demand No. 87 was obtained during the year for (i) meeting increased impact of revision of Rules of Allocation of expenditure between Working Expenses and Capital (Rs. 1,20 lakhs), (ii) additional contribution to Telephone Development Fund due to larger collections of advance rentals under Own Your Telephone Scheme (Rs. 55 lakhs), (iii) additional amount required for payment to Air Mail Carriers for foreign mails (Rs. 31 lakhs) and (iv) payment of unadjusted bills of haulage and other charges of Railways relating to previous years (Rs. 28 lakhs) partly met out of the savings within the Grant (Rs. 4 lakhs).

Net Working Expenses for the year under important categories compare with those for the last year as follows:—

Category—	1960-61	1961-62
(i) Pay and Allowances	45,54	48,26
(ii) Contingencies	4,31	4,83
(iii) Accounts and Audit	1,79	1,80
(iv) Pensionary charges	2,61	2,77
(v) Stamps, Postcards, etc.	1,60	1,73
(vi) Stationery, Printing, etc.	1,79	2,10
(vii) Maintenance of Assets—		
(a) Pure Maintenance	2,01	2,23
(b) Petty and other works	3,05	4,88
(viii) Payments to Railways and Airmail Carriers for conveyance of mails	5,46	5,84
(ix) Contribution to Telephone Development Fund	95	1,35
(x) Other items	—4,06	—5,24
Total ..	65,05	70,55

7. The table below shows the percentage of various items of expenditure of different branches to the revenue earned by those branches during the year.

	Post Offices	Tele- graphs	Tele- phones	Radios	Percent- age which total expendi- ture under all branches bears to total revenue
1	2	3	4	5	6
1. Operative, Ad- ministrative staff costs, etc. ..	75.0	57.5	43.7	109.7	61.8
2. Payments to Railways and Air Mail Carriers for conveyance of mails ..	12.8	..	..	..	6.7
3. Stationery, Print- ing, Stamps and Postcards ..	7.3	3.3	0.6	14.7	4.4
4. Maintenance of Assets (including petty works) ..	1.2	12.6	16.4	47.2	8.1
5. Pensionary char- ges ..	3.9	3.6	1.9	12.8	3.1
6. Audit and Ac- counts charges ..	2.5	3.1	1.0	7.3	2.0
7. Contribution to Telephone Deve- lopment Fund	..	..	4.3	..	1.5
8. Miscellaneous Postal Expenses	0.1	..	..	..	..
9. <i>Deduct</i> —Credits to Working Expenses ..	-8.8	-7.9	-5.4	-15.6	-7.4
10. Dividend to General Revenues	0.9	17.5	8.3	46.5	5.7
11. Working Expen- ses and Dividend	94.9	89.7	70.8	222.6	85.9
12. Surplus + Deficit — ..	+5.1	+10.3	+29.2	-122.6	+14.1
Total ..	100.0	100.0	100.0	100.0	100.0

7.A. The table below furnishes the percentage which each major item of Working Expenses bears to the total Working Expenses of that Branch.

	Post Offices	Tele- graphs	Tele- phones	Radios	Percentage which the total ex- penditure under all branches bears to total Work- ing Ex- penses.
1	2	3	4	5	6
1. Operative, Ad- ministrative staff costs, etc. ..	79.8	79.7	69.8	62.3	77.0
2. Payments to Railways and Air Mail Carriers for conveyance of mails ..	13.6	..	..	..	8.3
3. Stationery, Print- ing, Stamps and Postcards ..	7.7	4.6	1.0	8.3	5.5
4. Maintenance of Assets (including petty works) ..	1.3	17.4	26.3	26.8	10.1
5. Pensionary char- ges ..	4.1	5.0	3.0	7.3	3.9
6. Audit and Ac- counts charges ..	2.7	4.3	1.5	4.2	2.6
7. Contribution to Telephone Deve- lopment Fund ..	..	..	7.0	..	1.9
8. Miscellaneous Pos- tal Expenses ..	0.1	..	..	..	..
9. <i>Deduct</i> —Credits to Working Ex- penses ..	—9.3	—11.0	—8.6	—8.9	—9.3
<i>Net Total</i> ..	100.0	100.0	100.0	100.0	100.0

8. Position of the grant relating to Dividend to General Revenues and Appropriations to Reserve Funds is shown in the table below:—

	Actuals 1960-61	Budget Estimates 1961-62	Revised Estimates 1961-62	Final Estimates 1961-62	Actuals 1961-62
Dividend to General Revenues ..	4,23	5,04	5,00	4,98	4,98
Appropriation to Renewals Reserve Fund ..	7,84	6,53	9,37	9,39	12,36
Appropriation to Posts and Telegraphs Development Fund ..	1	..	..	..	..
Appropriation to Revenue Reserve Fund ..	1	..	..	..	..
Total ..	12,09	11,57	14,37	14,37	17,34

A supplementary grant of 2,79.87 in Demand No. 88 was obtained for covering the larger appropriation to the Renewals Reserve Fund which was necessitated by improvement in revenue anticipated during the year. Statements showing the position of the Posts and Telegraphs Development Fund and the Revenue Reserve Fund are given in Annexures IX and X.

9. The table below gives the financial results in respect of Capital Outlay—

	Budget Estimates 1961-62	Revised Estimates 1961-62	Final Estimates 1961-62	Actuals 1961-62
<i>Gross</i>				
69-A—Capital Outlay on New Assets	13,90	12,53	11,99	12,46
69-B—Expenditure debitable to Renewals Reserve Fund ..	2,05	1,65	1,10	1,39
69—Stores Suspense Account	3,80	5,63	5,47	4,71
69—Manufacture Suspense Account	64	63	61	59
Total Gross ..	20,39	20,44	19,17	19,15

	Budget Estimates 1961-62	Revised Estimates 1961-62	Final Estimates 1961-62	Actuals 1961-62
<i>Recoveries</i>				
69-A—Credits for sale and abandonment of assets ..	23	11	30	28
Receipts on Capital Account ..	8	..	..	..
69-A—Expenditure met from Telephone Development Fund	1,00	80	50	45
69-B—Expenditure met from Renewals Reserve Fund ..	2,05	1,65	1,10	1,39
69—Stores Suspense Account ..	3,78	5,00	5,01	5,04
69—Manufacture Suspense Account	66	78	72	74
Total Recoveries ..	7,80	8,34	7,63	7,90

Net—Capital Outlay of the Posts and Telegraphs Department 12,59 12,10 11,54 11,25

10. *Details of Capital Outlay on New Assets*—The gross and net outlay after allowing for credits on account of sale and abandonment of assets during the year under review are given below under the main heads:—

	Gross Outlay	Credits on account of sale and abandon- ment of assets	Net Outlay
Post Office Buildings, Mail Vans and Apparatus	64	..	64
Telegraph Buildings, Cables, Lines and Apparatus (other than Railway Electrification Scheme)	2,35	21	2,14
Railway Electrification Scheme ..	1,48	..	1,48
Radio Buildings, Masts, Aerials and Apparatus	26	..	26
Telephone Buildings, Lines and Wires and Apparatus and Plant (other than Bombay, Calcutta Auto and Coaxial Cable Projects)	5,61	7	5,54
Works relating to Own Your Telephone Exchange Scheme .. ..	..	..	..
Works debitable to Telephone Development Fund	45	..	45
Bombay Telephone Expansion Project ..	1,05	..	1,05
Calcutta Auto Project	10	..	10
Coaxial Cable Project	52	..	52
Total ..	12,46	28	12,18

Tables showing the percentage of profit and loss on capital invested and the percentages which the working expenses of each branch bear to the revenue earned by that branch are contained in Annexures IV and V.

11. *Stores balances (including works-in-progress)*—The expenditure incurred by the Department on the purchase of stores for stock and the credits for issues therefrom are accounted for under 'Capital—Stores Suspense'. The cost of all establishment and other charges incurred for the custody of stores are treated initially as revenue expenditure being subsequently recovered from Capital in the form of store-keeping charges on issue of stores. Similarly, the expenditure incurred on the manufacture of stores is treated as Capital expenditure and is booked under 'Workshops Manufacture Suspense' which is credited from time to time with the value of stores manufactured and issued from the workshops. The establishment, contingent and other miscellaneous expenditure for running the workshops are initially treated as revenue expenditure but passed on eventually to 'Workshop Suspense' as 'on-cost' charges. The stock balance of the General and Workshop stores decreased by 33.84 against an increase of 2.05 provided for in the budget. The decrease is chiefly due to lesser procurement partly counterbalanced by lesser issues than anticipated. The value of works-in-progress in the three workshops also decreased at the end of the year by 14.31 against a decrease of 2.05 provided for in the budget.

12. The stock balances of stores and the value of works-in-progress at the end of the year compare as follows with the authorised limits:—

					Balance	Authorised
					limit	
General Stores	..	..	..	..	4,12	7,25
Workshop Stores	..	..	..	..	1,86	1,90
Value of Works-in-progress	..	..	..	..	52	65
Total					6,50	9,80
Balance under Sub-suspense heads other than stores-in-transit	..	..	..	..	—85	
Net					5,65	

The limits for the Works-in-progress in respect of the three workshops fixed for the year 1961-62 compare with the actual balances as shown below:—

					Limits for	Balance of
					works-in-	works-in-
					progress	progress
Alipore	..	..	..	..	30	26
Jabalpur	..	..	..	..	15	7
Bombay	..	..	..	..	20	19

The issues during the year were 244·8 per cent of the value of stock at the beginning of the year as shown below:--

Stock Balance (Opening Balance)	Issues from stock 2	Percentage of Col. 2 to Col. 1 3
1		
5,71	13,98	244·8

13. *Net progressive dividend bearing outlay to the end of the year*

Opening Balance	1,41,07*
Transactions during the year	11,25
Progressive total to the end of the year.. .. .	1,52,32

14. *Renewals Reserve Fund*—A Depreciation Reserve Fund was established on the 1st April, 1925, to which contributions were made annually out of Revenues on the Sinking Fund principle, on the basis of assumed lives of wasting assets. It was replaced by a 'Renewals Reserve Fund' as from 1st April, 1936 to which annual contributions were made on broader considerations, such as the amount of capital at charge, balance at credit in the Fund and likely withdrawals during the year and fixed *ad hoc* from year to year. Interest on the balances in these funds were treated as revenue of the Department.

After considering the report of a Departmental Committee which reviewed the basis of contribution to the Renewals Reserve Fund in pursuance of a recommendation of the Public Accounts Committee, it was decided to make a fixed contribution of Rs. 1,25 lakhs annually to the Fund for five years with effect from 1956-57 and from the same year to credit to the Fund itself the interest on the balances therein.

A subsequent examination made in 1957 showed that the provision made in recent years for depreciation and replacement of assets had been totally inadequate. Pending fuller examination, increased *ad hoc* contributions were made to the Fund from 1957-58 to 1959-60.

A new convention governing relations between the Posts and Telegraphs and the General Revenues was adopted with effect from 1st April, 1960. Under this, the surplus available with the Department after meeting working expenses and payment of Dividend to General Revenues is to be utilised to strengthen its reserves, especially the Renewals Reserve Fund. Under this new arrangement, contributions to the extent of Rs. 7,84 lakhs and Rs. 12,36 lakhs respectively were made to the Fund in the years 1960-61 and 1961-62. Annexure VI shows the position of the Fund for the past several years.

A statement showing the balances in the Fund in comparison with the fixed wasting assets is at Annexure VII.

15. *Telephone Development Fund*—The 'Own Your Telephone Scheme' was introduced in December, 1949 with a view to providing additional finances for Telephone expansion. Advance rentals at the rate of Rs. 2,500 per connection in Bombay and Calcutta and Rs. 2,000 in other places are realised under this

*This is more than the closing balance of 1960-61 by 3 due to certain adjustments such as rectification of misclassifications relating to previous years carried out without financial effect.

scheme and credited to Revenue and an equal amount is contributed as a debit to Working Expenses to the "Telephone Development Fund". With effect from 1959-60 the credit to the Fund is restricted to the budget provision and any excess realisation of advance rentals over the provision made in Revised Estimates would be credited to the Fund through the accounts of the following year.

The interest on the balances in the Fund is credited as Telephone Revenues. A statement showing the position of the Fund from its inception is given in Annexure VIII.

16. *Government Telephones Board, Limited (In Liquidation)*—The following table summarises the financial results of the Government Telephones Board, Limited (in liquidation) for the period ending 8th September, 1961:—

Capital Outlay	4,75·00
Revenue Receipts from 9-9-1960 to 8-9-1961 (on account of interest on investment in Treasury Bills)	0·10
Working Expenses	Nil
	Net Profit
	0·10

Note (i)—The amount of Capital Outlay paid to the Board in 1940-41 *viz.*, 4,75·00 represents the purchase price of shares of the Bombay, the Bengal and the Madras Telephone Companies.

Note (ii)—All the three Telephone Companies have been liquidated. The Government Telephones Board, Limited has also been put into the process of voluntary liquidation on 9th September, 1960.

The accounts for the period from 1st April, 1960 to 8th September, 1960 were adopted by the contributors of the Board on 9th February, 1962 and filed with the Registrar of Companies, New Delhi on 16th March, 1962.

The Liquidator's accounts for the year from 9th September, 1960 to 8th September, 1961 duly audited were laid before a meeting of contributors on 3rd October, 1961 and were filed with the Registrar of Companies, New Delhi on 4th October, 1961.

The Liquidator's accounts for the half year ending 8th March, 1962 duly audited were filed with the Registrar of Companies, New Delhi on 8th May, 1962. The accounts for the half year ending 8th September, 1962 are being got audited and thereafter further action will be taken in the matter.

Note (iii)—The expenditure incurred on the acquisition of the assets of the Telephone Companies is Rs. 5,71·33.

NEW DELHI:

Dated the 19th January, 1963

L. C. JAIN

Director-General of Posts and Telegraphs

ANNEXURE I

(Referred to in Paragraph 2)

Financial results of the working of the Department by Branches

(In thousands of rupees)					
	Post Offices	Tele- graphs	Tele- phones	Radios	Total
I	2	3	4	5	6
I. Revenue	45,62,36	11,05,91	31,05,72	14,82	87,88,81
II. (i) Working Expenses (excluding contribution to Telephone Development Fund and credits to Working Expenses)	48,42,79	9,18,43	17,66,42	50,04	75,77,68
(ii) Contribution to Telephone Development Fund ..	..	..	1,35,00	..	1,35,00
(iii) Deduct—Credits to Working Expenses	3,99,61	87,41	1,67,81	2,32	6,57,15
(iv) Inter-branch Adjustments ..	—1,52,94	—32,76	+2,07,32	—21,62	..
<i>Net Working Expenses</i> ..	42,90,24	7,98,26	19,40,93	26,10	70,55,53
III. Dividend to General Revenues	38,38	1,93,82	2,58,46	6,90	4,97,56
Total Expenditure ..	43,28,62	9,92,08	21,99,39	33,00	75,53,09
IV. Surplus (+) or Defi- cit (—)	+2,33,74	+1,13,83	+9,06,33	—18,18	+12,35,72
V. Appropriations to Renewals Reserve Fund	10,00	1,00,00	11,20,72	5,00	12,35,72
VI. Balance	+2,23,74	+13,83	—2,14,39	—23,18	..
Appropriation to Posts and Telegraphs Development Fund .. ..	..	..	..	..	..
Appropriation to Revenue Reserve Fund .. ..	..	..	..	..	..

NOTE—The Working Expenses in item II(i) include (a) net audit charges after deducting amounts recovered from the Central Civil Estimates in connection with Postal Life Insurance, Savings Bank, Government Securities, Savings Certificates and Customs and Defence Departments. The figures for such recoveries of audit charges during 1960-61 and 1961-62 were as follows:—

Actuals 1960-61	Budget Estimates 1961-62	Revised Estimates 1961-62	Actuals 1961-62
88,98	96,17	89,44	88,61

(b) Petty and other works expenditure met from revenue.

ANNEXURE II

*(Referred to in Paragraph 2)**Statement of branchwise Surplus or Deficit*

(+) indicates Surplus and (—) indicates Deficit

(In thousands of rupees)

Year			Post Offices	Tele- graphs	Tele- phones	Radios	Total
1			2	3	4	5	6
1948-49	..	..	-1,72,76	+1,60,55	+2,66,33	-17,80	+2,36,32
1949-50	..	..	-79,46	+1,28,88	+2,00,89	-16,93	+2,33,38
1950-51	..	..	-49,96	+78,27	+3,82,26	-12,96	+3,97,61
1951-52	..	..	-58,56	+66,06	+3,43,16	-7,30	+3,43,36
1952-53	..	..	-1,94,42	+29,40	+3,57,95	-5,70	+1,87,23
1953-54	..	..	-4,64	-39,05	+2,89,15	-5,22	+2,40,24
1954-55	..	..	-22,90	-55,25	+3,44,48	-6,23	+2,60,10
1955-56	..	..	+84	-61,72	+4,09,88	-1,69	+3,47,31
1956-57	..	..	+1,32,62	+11,49	+4,96,42	-8,50	+6,32,03
1957-58	..	..	-1,99,48	+41,89	+5,37,82	-9,41	+3,70,82
1958-59	..	..	+1,30,00	-6,04	+5,23,12	-5,50	+6,41,58
1959-60	..	..	+79,73	+11,20	+4,40,73	-19,03	+5,12,63
(From the year 1960-61 the Surplus or Deficit is worked out before appropriation to the Renewals Reserve Fund while in the earlier years it is after providing for contributions to that fund).							
1960-61	..	..	-77,20	+2,07	+8,71,50	-10,01	+7,86,36
1961-62	..	..	+2,33,74	+1,13,83	+9,06,33	-18,18	+12,35,72

ANNEXURE III

*(Referred to in Paragraph 3)**Running account of the accumulated surplus of the Indian Posts and
Telegraphs Department*

(In thousands of rupees)

Year	Revenue	Expendi- ture	Net Profit	Contribution to General Revenues	Share of Profit of the Posts and Telegraphs Department	Accumulated Profit to end of the year
1	2	3	4	5	6	7
1948-49 ..	29,51,28	27,14,96	2,36,32	1,18,16	1,18,16	9,46,59
1949-50 ..	33,76,03	31,42,65	2,33,38	1,16,69	1,16,69	10,66,14
1950-51 ..	36,35,17	32,37,56	3,97,61	1,98,81	1,98,80	12,64,96
1951-52 ..	39,11,77	35,68,41	3,43,36	1,71,68	1,71,68	14,10,44
1952-53 ..	41,06,07	39,18,84	1,87,23	93,62	93,61	14,93,99
1953-54 ..	44,16,56	41,76,32	2,40,24	1,20,12	1,20,12	15,88,32
1954-55 ..	46,56,89	43,96,79	2,60,10	1,30,05	1,30,05	17,18,85
1955-56 ..	50,67,37	47,20,06	3,47,31	1,73,65	1,73,66	18,91,73
1956-57 ..	56,83,74	50,51,71	6,32,03	3,16,01	3,16,02	22,06,41
1957-58 ..	61,62,91	57,92,09	3,70,82	1,85,41	1,85,41	23,92,31
1958-59 ..	66,31,47	59,89,89	6,41,58	3,20,79	3,20,79	27,02,87
1959-60 ..	70,40,10	65,27,47	5,12,63	2,56,32	2,56,31	29,61,22

NOTE—Wherever column 7 is not found equal to column 6 plus column 7 of the previous year, the difference is due to adjustments made in the year on account of previous year's transactions.

ANNEXURE IV

(Referred to in Paragraph 10)

Surplus or Deficit compared with Capital Investment—The following table shows the percentage which the net surplus or deficit of each branch of the Department for 1961-62 and the preceding year bears to the total Capital Outlay to the end of the two years:—

(In thousands of rupees)

Branches	Dividend bearing capital outlay to end of 1961-62	Total Revenue 1961-62	Working Expenses and Dividend 1961-62	Net Surplus (+) or Deficit (-) during 1961-62	Percentage of net Surplus (+) or net Deficit (-) to Capital	
					1960-61	1961-62
1	2	3	4	5	6	7
Post Offices	9,87,92	45,62,36	43,28,62	+2,33,74	-8.3	+23.7
Telegraphs	51,54,36	11,05,91	9,92,08	+1,13,83	..	+2.2
Telephones	89,73,94	31,05,72	21,99,39	+9,06,33	+10.6	+10.1
Radios	1,15,28	14,82	33,00	-18,18	-11.1	-15.8
Total	1,52,31,50	87,88,81	75,53,09	+12,35,72	+5.6	+8.1

NOTE 1—The percentage of profit shown against the Post Office Branch is not comparable with the profit or loss of the other branches as the Capital of the Post Office compared with its total revenue is very small and consists mainly of the cost of buildings.

NOTE 2—The capital cost of Trunk Telephone Lines is borne by the Telegraph Branch which receives rent from the Telephone Branch for the use of the lines. The rent charged to the Telephone Branch during the year 1961-62 was 2,23,00 against the Trunk Telephone Revenue of 10,76,05.

NOTE 3 (a)—The figures in column 2 against 'Post Offices' and 'Total' include (—) 47 under 69-C—Fair Price Shops for the supply of food grains to the Departmental staff at fair prices.

(b) The figures in column 2 against 'Telephones' and 'Total' include the balance of 40,11 relating to the shares of the Government Telephones Board, Limited, after adjustment of the value of assets taken over in 1943-44 from the companies at Madras, Bombay and Calcutta and value of stores received on account of orders placed against advances by the Bengal Telephone Corporation before it was taken over by Government.

(c) Compared with the Dividend bearing Capital Outlay of the Telegraph and Telephone Branches (1,41,28,30), the net Surplus of these branches (10,20,16) records a percentage of (+)7.2 during the year under review.

ANNEXURE V

*(Referred to in Paragraph 10)**Table showing percentages of branchwise working expenses to revenue*

Branches	Excluding contributions to Telephone Development Fund and Dividend		Including contributions to Telephone Development Fund and Dividend	
	1960-61	1961-62	1960-61	1961-62
Post Offices	101.1	94.0	101.9	4.9
Telegraphs	82.6	72.2	99.8	89.7
Telephones	55.2	58.1	67.0	70.8
Radios	130.2	176.1	171.2	222.6

NOTE—The above percentages do not include appropriations to the Renewals Reserve Fund.

ANNEXURE VI

(Referred to in Paragraph 14)

Statement showing the appropriations to and withdrawals from the Renewals Reserve Fund of the Indian Posts and Telegraphs Department and the balances at credit of the fund from year to year

(In thousands of rupees)

Year	Balance at the beginning of the year	Appropriation from Revenue to the Fund	Interest on the balance at the credit of the Fund	Withdrawal from the Fund	Balance at the end of the year
1	2	3	4	5	6
1948-49 ..	5,40,98	71,03	..	50,44	5,61,57
1949-50 .. (a)	5,61,85	71,03	..	49,96	5,82,92
1950-51 ..	5,82,92	71,03	..	83,00	5,70,95
1951-52 ..	5,70,95	75,00	..	79,27	5,66,68
1952-53 ..	5,66,68	75,00	..	95,87	5,45,81
1953-54 .. (b)	5,45,26	1,00,00	..	1,13,94	5,31,32
1954-55 ..	5,31,32	1,25,00	..	1,04,11	5,52,21
1955-56 .. (c)	5,52,27	1,35,00	..	(d) 98,54	5,88,73
1956-57 ..	5,88,73	1,25,00	19,50	(e) 1,20,82	6,12,41
1957-58 ..	6,12,41	2,50,00	22,80	(f) 1,13,79	7,71,42
1958-59 ..	7,71,42	2,50,00	28,39	(g) 1,47,22	9,02,59
1959-60 ..	9,02,59	4,64,20	37,54	(h) 1,54,54	12,49,79
1960-61 ..	12,49,79	7,84,36	55,78	(i) 1,58,56	19,31,37
1961-62 .. (j)	19,54,45	12,35,72	90,27	(k) 1,15,27	31,65,17

(a) Includes addition of 28 on account of pre-partition adjustments not carried out in previous years.

(b) Includes reduction of 55 on account of rectification of an adjustment made in the accounts of 1949-50 in respect of pre-partition transactions.

(c) Includes addition of 6 on account of pre-partition adjustment not carried out in the previous year.

(d) Includes 5,47 due to transfer of some Posts and Telegraphs Aeronautical Wireless Stations to the Civil Aviation Department.

(e) Includes 2,37 due to transfer of some Posts and Telegraphs Aeronautical Wireless Stations to the Civil Aviation Department.

(f) Includes (—) 68 due to compensation on account of premature surrender of wires by Railways and Canals.

(g) Includes (—) 5 due to compensation on account of premature surrender of wires by Railways and Canals.

(h) Includes (—) 4 due to compensation on account of premature surrender of wires by Railways and Canals.

(i) Includes (—) 64 due to compensation on account of premature surrender of wires by Railways and Canals.

(j) Includes 23,08 being the balance of Depreciation funds of ex-State Assets taken over by the Posts and Telegraphs Department.

(k) Includes (—) 2 due to compensation on account of premature surrender of wires by Railways and Canals.

ANNEXURE VII

(Referred to in Paragraph 14)

Statement showing the percentages which the accumulations in the Renewals Reserve Fund bear to the total fixed wasting assets of the Department (including assets constructed from Telephone Development Fund) from year to year since 1948-49

(In thousands of rupees)

Year	Fixed wasting assets to end of the year			Balance in Renewals Reserve Fund to end of the year	Percentage that column 5 bears to column 4	
	Constructed out of Telephone Development Fund	Other than those constructed out of Telephone Development Fund	Total			
1	2	3	4	5	6	
1948-49	35,80,75	35,80,75	5,61,57	15.7
1949-50	..	6,17	39,26,86	39,33,03	5,82,92	14.8
1950-51	..	81,11	45,17,03	45,98,14	5,70,95	12.4
1951-52	..	1,34,65	51,41,82	52,76,47	5,66,68	10.7
1952-53	..	1,68,90	56,99,83	58,68,73	5,45,81	9.3
1953-54	..	1,98,14	64,93,32	66,91,46	5,31,32	7.9
1954-55	..	2,14,68	74,20,57	76,35,25	5,52,21	7.2
1955-56	..	2,42,64	83,67,99	86,10,63	5,88,73	6.8
1956-57	..	2,65,67	92,97,05	95,62,72	6,12,41	6.4
1957-58	..	2,99,51	1,02,18,73	1,05,18,24	7,71,42	7.3
1958-59	..	4,45,35	1,11,78,45	1,16,23,80	9,02,59	7.8
1959-60	..	5,98,69	1,21,91,37	1,27,90,06	12,49,79	9.8
1960-61	..	6,97,09	1,32,37,98	1,39,35,07	19,31,37	13.9
1961-62	..	7,41,52	1,43,80,50	1,51,22,02	31,65,17	20.9

ANNEXURE VIII

(Referred to in Paragraph 15)

Statement showing the appropriations to and withdrawals from the Telephone Development Fund of the Indian Posts and Telegraphs Department and balances at the credit of the Fund

(In thousands of rupees)

Year	Balance at the beginning of the year	Appropriation from revenue to the Fund	Withdrawal from the Fund	Balance at the end of the year
1	2	3	4	5
1949-50 .. ..	..	1,36,68	6,17	1,30,51
1950-51	1,30,51	89,24	75,39	1,44,36
1951-52	1,44,36	61,95	53,71	1,52,60
1952-53	1,52,60	41,17	34,69	1,59,08
1953-54	1,59,08	76,03	28,82	2,06,29
1954-55	2,06,29	45,40	16,54	2,35,15
1955-56	2,35,15	71,57	27,50	2,79,22
1956-57	2,79,22	73,78	23,03	3,29,97
1957-58	3,29,97	65,91	33,84	3,62,04
1958-59	3,62,04	99,29	1,45,84	3,15,49
1959-60	3,15,49	55,00	1,54,37	2,16,12
1960-61	2,16,12	95,00	99,64	2,11,48
1961-62	2,11,48	1,35,00	44,42	3,02,06

Monthly Allowance

7. The scheme of Monthly Allowance was abolished in the year 1930. It will be seen from the statement 2 that there are still 6 annuitants assuring total annuity of Rs. 94 per month. The financial working of this branch of the Fund has been shown in statement 3.

Military Wing

8. The Military Wing of the Fund had its inception only in the year 1949. The business of the Fund under this branch has been shown in statements 4 and 5 and its receipts and expenditure in statement 6. The total number of policies issued during the year under review was 338 as against 273 in 1960-61 and the corresponding total sum assured was Rs. 17,06,500 as against Rs. 15,47,000 in 1960-61. There has been an increase of about 24 per cent in the number of new policies and 10·31 per cent in the total sum assured as compared to the corresponding figures of the previous year.

Extra Premium Fund

9. In the case of policies issued to members of the Defence Services, extra premiums are payable from the Defence Services Estimates to cover the extra risks involved in the performance of duties of such insurants as members of the Defence Service including the risks arising from service on the high seas, risks of war and risks of aviation. The amount of extra premium including interest thereon recovered and adjusted upto 1961-62 is Rs. 68,66,010 which has been shown separately in statement 6. The extra premia recovered from Defence Services Estimates are meant to cover the cost of the extra mortality in the Military Wing.

Trend of business

10. While there has been an increase of business, the number of existing policies surrendered shows an increasing trend as compared to the number of policies surrendered during the previous three years as shown below:—

	1958-59	1959-60	1960-61	1961-62
Civil Wing	735	814	925	1,064
Military Wing	18	27	39	49

Loan Scheme

11. The loan scheme was introduced in September, 1949. The amounts of loans advanced and recovery made during the financial year have been shown in statements 3 and 6. The details thereof are also given below:—

	Civil Wing Rs.	Military Wing Rs.
Amount of loan advanced*	26,47,821	3,85,206
Amount of loan recovered	17,64,683	1,61,988
Recovery of interest on loan	3,97,438	42,165

Civil Wing—Receipts and payments on account of loan are departmental figures and they aggregate to Rs. 21,62,121 and Rs. 26,48,852 against the corresponding booked figures of Rs. 22,92,027 and Rs. 28,65,427. The differences of Rs. 1,29,906 and Rs. 2,16,575 on the receipt and payment sides respectively are under settlement.

*Excludes amounts paid as refunds of excess recovery of loans which are booked under the same head of account.

Military Wing—Under this head also the receipts and payments are departmental figures and they aggregate to Rs. 2,04,153 and Rs. 3,85,237 against the corresponding booked figures of Rs. 2,00,462 and Rs. 4,22,007. The differences of Rs. 3,691 and Rs. 36,770 on the receipt and payment sides respectively are under settlement.

Expense Ratio

12. (a) The overall expense ratio of both the Wings has shown a slight downward trend this year. The details of the premium income and expenses for 1961-62 are shown below.

The overall Expense Ratio from 1958-59 onwards is also shown separately for the two Wings:—

Summary of premium income, expenses and expense ratio

(In thousands of rupees)

	Premium income									Expenses			Ratio of expenses to Premium income			
	1st year			Renewal			Total			1st year	Renewal	Total	1st year	Renewal	Overall	
1958-59—																
	Civil*	..	..	..	..	6,78	1,17,19	1,23,97	89	12,24	13,13	13·15	10·44	10·59		
	Military	..	..	..	..	1,52	26,03	27,55	8	37	45	5·08	1·42	1·62		
1959-60—																
	Civil	..	..	..	..	5,65	1,24,92	1,30,57	88	11,95	12,83	15·59	9·57	9·83		
	Military	..	..	..	..	1,54	26,58	28,12	7	63	70	4·46	2·37	2·48		
1960-61—																
	Civil	..	..	..	..	4,89	1,23,94	1,28,83	77	13,22	13,99	15·81	10·67	10·86		
	Military	..	..	..	..	1,05	27,20	28,25	4	54	58	4·25	1·98	2·07		
1961-62—																
	Civil	..	..	..	..	6,22	1,21,77	1,27,99†	1,12	11,62	12,74	18·01	9·55	9·96		
	Military	..	..	..	..	92	27,40	28,32	5	40	45	5·99	1·46	1·61		

* Excludes figures relating to Baroda State Government Insurance Fund.

† Exclusive of figures for wanting lists.

The percentage of expenses to the premium income of Post Office Insurance Fund (Civil and Military Wings combined) for 1961-62 is 8·44 as against 9·28 for 1960-61.

12(b). At the end of 1961-62 the Civil Wing Fund had 1,49,499 active policies (including six annuities) against which a total expenditure of Rs. 12,74,418 was incurred. This works out to an expenditure of Rs. 8.52 per policy which shows a decrease in the expense per policy as compared to an expenditure of Rs. 9.57 per policy in 1960-61. The *per capita* expenditure of active policies of Military Wing Fund shows a decrease *viz.* Rs. 4.85 in 1961-62 as against Rs. 6.34 in 1960-61.

13. The valuation in respect of the Post Office Insurance Fund was made as at 31st March, 1960 and the bonus for the triennium 1957—60 was declared by the Government of India in their notification No. 29/1/61-LI dated 23rd December, 1961. The rate of bonus for all Whole Life policies was Rs. 20 per thousand sum assured per annum. In respect of pre-1940 Endowment Assurance policies this rate was Rs. 17 while it was Rs. 15 per thousand sum assured per annum for all Endowment Assurance policies issued on or after 1st April, 1940. The bonus declared on the last occasion is the highest since 1912.

14. With effect from the 1st April, 1961 the accounts of the pre-1940 and post-1940 sub-sections of the Civil Wing of the Post Office Insurance Fund which were being maintained separately have been amalgamated.

15. The work of preparation of Balance Sheet of the Fund as at 31st March, 1962 will be taken up after the final compilation of outstanding liability figures.

16. The closing balance on 31st March, 1962 as per departmental figures as indicated in the statements 3 and 6 works up to Rs. 18,20,96,942 and this differs from the booked figures as per audit office records, *viz.* Rs. 18,03,70,110 by Rs. 17,26,832. The difference is under settlement.

CAMP-CALCUTTA,

Dated the 28th September, 1962

S. B. VELANKAR

Director, Postal Life Insurance

STATEMENT NO. 1
 (Referred to in Paragraph 4)
 Business of the Post Office Insurance Fund during the year 1961-62/1960-61
 (Civil Wing)

	1961-62				1960-61			
	Number of lives insured	Amount insured	Amount received as premia including fines, Medical fees, etc.	Amount of claims met including cost of management	Number of lives insured	Amount insured	Amount received as premia including fines, Medical fees, etc.	Amount of claims met including cost of management
	1	2	3	4	5	6	7	8
		Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
<i>Life Insurance—</i>								
Postal Department ..	77	1,88,000	1,50,237	4,00,588	52	91,500	1,22,020	5,49,015
Other Departments ..	86	2,34,500	2,81,405	8,10,351	130	2,95,500	2,99,674	9,69,127
Total ..	163	4,22,500	4,31,642	12,10,939	182	3,87,000	4,21,694	15,18,142
<i>Endowment Assurance—</i>								
Postal Department ..	4368	77,75,300	46,50,020	23,96,823	2443	47,18,900	42,87,850	32,27,996
Other Departments ..	3138	69,50,300	78,19,066	65,48,718	2174	46,95,000	82,78,533	67,46,812
Total ..	7506	1,47,25,600	1,24,69,086	89,45,541	4617	94,13,900	1,25,66,383	99,74,808
<i>Grand Total—</i>								
Postal Department ..	4445	79,63,300	48,00,257	27,97,411	2495	48,10,400	44,09,870	37,77,011
Other Departments ..	3224	71,84,800	81,00,471	73,59,069	2304	49,90,500	85,78,207	77,15,939
Total ..	7669	1,51,48,100	1,29,00,728	1,01,56,480	4799	98,00,900	1,29,88,077	1,14,92,950

STATEMENT NO. 2

(Referred to in Paragraph 4)

Abstract of Life Insurance Policies, Endowment Assurance Policies and Monthly Allowance contracts issued, discharged, lapsed and surrendered during the year 1961-62

(Civil Wing)

	Life Insurance Policies				Endowment Assurance Policies				Monthly Allowance			
	1961-62		1960-61		1961-62		1960-61		1961-62		1960-61	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.
Opening Balance ..	13,135	3,04,53,432	13,541	3,13,77,455	1,33,067	26,61,04,809	1,32,654	26,45,66,033	6	94	6	94
Issued during the year ..	163	4,22,500	182	3,87,000	7,506	1,47,25,600	4,617	94,13,900	..	..	..	..
Addition on account of conversion .. ..	..	..	..	..	34	-1,07,648	38	-1,64,879	..	..	..	..
Total ..	13,298	3,08,75,932	13,723	3,17,64,455	1,40,607	28,07,22,761	1,37,309	27,38,15,054	6	94	6	94
<i>Deduct—</i>												
Discharged during the year—												
by Death	238	5,96,374	391	8,04,743	317	5,49,727	353	5,85,346	..	..	..	..
by Maturity .. ..	..	..	..	..	2,645	49,18,282	3,068	57,95,867	..	..	..	..
by Surrender	147	3,55,661	154	3,64,835	917	15,20,271	771	12,33,032	..	..	..	..
by Lapse	7	11,500	5	9,200	107	2,12,900	50	96,000	..	..	..	..
by Cancellation .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Effects of conversion ..	34	2,10,169	38	1,32,245	..	..	..	..	..	..	..	..
Total ..	426	11,73,704	588	13,11,023	3,986	72,01,180	4,242	77,10,245	..	..	..	..
Balance on 31-3-1962/31-3-1961	12,872	2,97,02,228	13,135	3,04,53,432	1,36,621	27,35,21,581	1,33,067	26,61,04,809	6	94	6	94

STATEMENT NO. 3

(Referred to in Paragraph 7)

Statement showing the Financial Results of the Administration of the Post Office Insurance Fund to the end of the year 1961-62
(Civil Wing)

C.I.—Life Insurance

Receipts—	1961-62		1960-61	
	Rs.	Rs.	Rs.	Rs.
Balance on 1st April, 1961/1960		(A) —2,17,168 } 2,91,50,575 }		—163 } 2,91,09,730 }
Premia realised on Life Insurance Policies during 1961-62/1960-61 ..	4,31,642	2,89,33,407	4,21,694	2,91,09,567
Medical Fees recovered .. .. .	..	..	..	..
Loan Recovery—Principal	1,87,537	..	3,30,623	..
Interest	47,626	6,66,805	61,987	8,14,304
Total ..		2,96,00,212		2,99,23,871
Payments—				
Policies paid	8,63,545		11,61,366	
Surrender value paid	2,23,183		2,26,260	
Medical fees paid	475		489	
Refunds	11,763		3,325	
Loan payments	2,52,791		2,39,104	
Loan refunds	77		62	
Postal establishment including cost of printing, etc. ..	1,11,973	14,63,807	1,26,702	17,57,308
Total—Net Receipts ..		2,81,36,405		2,81,66,563
Interest on Balance		9,96,941		10,00,070
Balance on 31st March, 1962/31st March, 1961		2,91,33,346		2,91,66,633
<i>Deduct</i> —Reserve value on converted policies		—47,526		—16,058
		2,90,85,820		2,91,50,575

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STATEMENT NO. 3—concl'd.
C.II—Endowment Assurance

	1961-62		1960-61	
	Rs.	Rs.	Rs.	Rs.
Receipts—				
Balance on 1st April, 1961/1960
		(A) 2,17,168		163
		11,33,63,803		10,76,27,993
		11,35,80,971		10,76,28,156
Premia realised on Endowment Assurance Policies during 1961-62/				
1960-61		1,24,63,846	1,25,59,951	
Medical fees recovered		732	1,194	
Fines realised		4,206	4,732	
Assignment fees realised		302	506	
Loan Recovery—				
Principal		15,77,146	16,69,204	
Interest		3,49,812	3,49,665	1,45,85,252
Total		12,79,77,015		12,22,13,408
Payments—				
Policies paid		69,76,350	80,30,609	
Surrender value paid		7,18,403	5,88,630	
Refund of medical fees paid	4	
Medical fees paid		22,840	13,970	
Refunds		84,771	95,081	
Refund of assignment fees	4	
Loan payments		23,95,030	26,77,254	
Loan refunds		954	404	
Postal establishment including cost of printing, etc.		11,43,177	12,46,510	1,26,52,466
Total—Net Receipts		11,66,35,490		10,95,60,942
Interest on balance		40,27,378		37,86,803
Balance on 31st March, 1962/31st March, 1961		12,06,62,868		11,33,47,745
Add Reserve value on converted policies		47,526		16,058
		12,07,10,394		11,33,63,803

C.III—Monthly Allowance

	1961-62		1960-61	
	Rs.	Rs.	Rs.	Rs.
Balance on 1st April, 1961/1960		91,469		88,796
Allowance paid	186		186	
Postal establishment including cost of printing, etc.	51	237	240	426
Total— <i>Net Receipts</i>		91,232		88,370
Interest on Balance		3,194		3,099
Balance as on 31st March, 1962/31st March, 1961		94,426		91,469

(A) Changes made to settle misclassification as per Balance Sheet as at 31st March, 1961.

Receipts and payments (other than loan) shown in the statements are departmental figures and they aggregate to Rs. 1,79,28,241 (exclusive of figures for the wanting schedules) and Rs. 1,01,56,717 against the corresponding booked figures of Rs. 1,78,55,091 and Rs. 1,00,54,572 respectively. The differences of Rs. 73,150 on the receipt side and Rs. 1,02,145 on the payment side are under settlement.

STATEMENT NO. 4

*(Referred to in Paragraph 8)**Business of the Post Office Insurance Fund during the year 1961-62**(Military Wing)*

	1961-62				1960-61			
	Number of lives insured	Amount insured	Amount received as premia including fines and medical fees	Amount of claims met including medical fees, refunds and cost of management	Number of lives insured	Amount insured	Amount received as premia including fines and medical fees	Amount of claims met including medical fees, refunds and cost of management
		Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
Life Insurance	15	1,20,000	64,932	4,395	20	96,000	61,685	3,262
Endowment Assurance ..	323	15,86,500	27,73,778	10,82,146	253	14,51,000	27,69,324	5,81,965
Total ..	338	17,06,500	28,38,710	10,86,541	273	15,47,000	28,31,009	5,85,227

STATEMENT NO. 5

(Referred to in Paragraph 8)

*Abstract of Life Insurance Policies and Endowment Assurance Policies issued, discharged and surrendered during the year 1961-62**(Military Wing)*

	Life Insurance Policies				Endowment Assurance Policies			
	1961-62		1960-61		1961-62		1960-61	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
		Rs.		Rs.		Rs.		Rs.
Balance of 1960-61/1959-60	382	20,59,314	—1 } 371 }	—2,000 } 20,42,134 }	8,815	5,79,37,872	1 } 8,656 }	2,000 } 5,73,61,815 }
Issued during the year ..	15	1,20,000	20	96,000	323	15,86,500	253	14,51,000
Effects of conversion ..	..	..	..	..	5	—2,18,950	6	—2,66,275
Total ..	397	21,79,314	390	21,36,134	9,143	5,93,05,422	8,916	5,85,48,540
<i>Deduct—</i>								
Discharged during the year—								
by Death ..	1	2,000	..	..	42	5,01,459	21	3,01,000
by Maturity ..	..	..	..	..	79	3,44,478	40	1,37,069
by Surrender ..	1	10,000	2	11,000	48	1,88,748	37	1,41,599
by Lapse ..	..	..	..	..	..	..	..	..
by Cancellation ..	..	..	..	..	1	5,000	3	31,000
Effects of conversion ..	5	41,170	6	65,820	..	..	..	..
Total ..	7	53,170	8	76,820	170	10,39,685	101	6,10,668
Balance on 31st March, 1962/31st March, 1961 ..	390	21,26,144	382	20,59,314	8,973	5,82,65,737	8,815	5,79,37,872

STATEMENT NO. 6

(Referred to in Paragraphs 8 and 9)

Statement showing the Financial Results of the Administration of the Post Office Insurance Fund to the end of the year 1961-62
(Military Wing)

C.I—Life Insurance

	1961-62		1960-61	
	Rs.	Rs.	Rs.	Rs.
Receipts—				
Balance on 1st April, 1961/1960	(A)	13,016 5,65,997		—2,052 5,06,239
		5,79,013		5,04,187
Premia realised on Life Insurance Policies during 1961-62/1960-61 ..	64,932		61,685	
Fines realised .. .. .	..	..	..	..
Medical fees realised .. .. .	..	..	120	..
Loan Recovery—Principal .. .. .	..	..	175	61,980
Interest	521	65,453		
Total ..		6,44,466		5,66,167
Payments—				
Life Insurance Policies paid	2,218		..	..
Surrender value paid	262		836	..
Medical Fees paid	51		68	..
Postal establishment including cost of printing, etc.	1,864		2,358	..
Loan payment	1,572	5,967	1,199	4,461
Total—Net Receipts ..		6,38,499		5,61,706
Interest on Balance		20,392		18,720
Balance on 31st March, 1962/31st March, 1961		6,58,891		5,80,426
Less—Reserve value on converted policies		—1,436		—14,429
Total ..		6,57,455		5,65,997

C.II—Endowment Assurance

Receipts				
Balance on 1st April, 1961/1960	.. .. .	(A)	8,29,474 } 2,15,26,038 }	2,052 } 1,87,56,484 }
			<u>2,23,55,512</u>	<u>1,87,58,536</u>
Premia realised on Endowment Assurance Policies during 1961-62/				
1960-61 .. .. .	.. .. .		27,73,326	27,69,014
Fines realised .. .. .	.. .. .		412	216
Assignment fees realised .. .. .	.. .. .		..	..
Medical fees realised .. .. .	.. .. .		40	94
Loan recovery—Principal .. .. .	.. .. .		1,61,988	92,737
Interest .. .. .	.. .. .		41,644	38,772
			29,77,410	29,00,833
Total	..		2,53,32,922	2,16,59,369
Payments—				
Policies paid .. .. .	.. .. .		9,14,954	4,64,966
Surrender value paid .. .. .	.. .. .		1,16,457	55,489
Medical fees paid .. .. .	.. .. .		1,193	997
Refunds .. .. .	.. .. .		6,734	5,911
Postal establishment including cost of printing, etc. .. .. .	.. .. .		42,808	54,602
Loan payments .. .. .	.. .. .		3,83,634	2,62,814
Loan refunds .. .. .	.. .. .		31	15
			14,65,811	8,44,794
Total—Net Receipts	..		2,38,67,111	2,08,14,575
Interest on Balance .. .. .	.. .. .		8,14,290	6,97,034
Balance on 31st March, 1962/31st March, 1961 .. .. .	.. .. .		2,46,81,401	2,15,11,609
Add—Reserve value on converted policies .. .. .	.. .. .		1,436	14,429
Total	..		2,46,82,837	2,15,26,038

STATEMENT NO. 6—concl'd.

C.III—Extra Premium Fund

	1961-62		1960-61	
	Rs.	Rs.	Rs.	Rs.
Receipts—				
Balance on 1st April, 1961/1960		(A) —8,42,490 } 66,59,937 }		55,75,226
		58,17,447		55,75,226
Extra premium realised during the year 1961-62/1960-61	8,33,066	8,33,066	8,78,482	8,78,482
Total		66,50,513		64,53,708
Payments—				
Postal establishment including cost of printing, etc.	4,655	4,655	4,658	4,658
Total—Net Receipts		66,45,858		64,49,050
Interest on Balance		2,20,152		2,10,887
Balance on 31st March, 1962/31st March, 1961		68,66,010		66,59,937

(A) Opening Balance corrected *vide* para 12 of valuation report—Controller of Insurance No. 102-1 (C) (3)/59 dated 6-12-1961 (Rs. 8,14,000+ Interest Rs. 28,490=Rs. 8,42,490).

Receipts and payments (other than loan) shown in the statements are departmental figures and they aggregate to Rs. 36,73,392 and Rs. 10,86,541 against the corresponding booked figures of Rs. 35,81,385 and Rs. 8,11,960 respectively. The differences of Rs. 92,007 and Rs. 2,74,581 on receipt and payment sides respectively are under settlement. The receipt and payment figures of loan branch as well as of extra premium fund have not been included in the above figures.

Receipt and payment figures relating to Extra Premium Fund shown in the statements are departmental figures and they aggregate to Rs. 10,53,218 and Rs. 4,655 against the corresponding booked figures of Rs. 7,51,778 and Rs. 4,655. The difference of Rs. 3,01,440 under receipt is under settlement.

STATEMENT NO. 7

Expense Ratio—1961-62

(Civil Wing)

(a) Expense ratio of first year's business 1961-62

	Rs.	Rs.
First year's premium income	6,22,176	
Cost of issue of policies		89,489
Medical fees paid—		
Life Insurance		475
Endowment Assurance		22,840
		<hr/>
		1,12,804
Less Medical fees realised		—732
		<hr/>
		1,12,072

Expense ratio of new business $\frac{1,12,072 \times 100}{6,22,176} = 18.01$ per cent

(b) Expense ratio of renewals

Premium income	1,21,76,778	
Cost		11,65,712
		—6,312(A)
		2,946(B)
		<hr/>
		11,62,346

Expense ratio of renewals $\frac{11,62,346 \times 100}{1,21,76,778} = 9.55$ per cent

(c) Overall expense ratio

Premium income—		
Life Insurance	4,31,642	
Endowment Assurance	1,24,63,846	
		<hr/>
		1,28,95,488
Medical fees paid—		
Life Insurance		475
Endowment Assurance		22,840
		<hr/>
		23,315
Less Medical fees realised		—732
		<hr/>
		22,583(C)

STATEMENT NO. 7—*contd.*
Expense Ratio—1961-62—contd.
(Civil Wing)—concl'd.

	Rs.	Rs.
<i>Less Refunds—</i>		
Life Insurance	11,763	
Endowment Assurance	84,771	
	96,534	
	1,27,98,954	
<i>Cost—</i>		
Life Insurance		1,11,973
Endowment Assurance		11,43,177
Monthly Allowance		51
		12,55,201
<i>Less Actuarial cost of 1960-61 adjusted in 1961-62</i>		-6,312(A)
<i>Add Adjustment of balance out of the total amount of Rs. 9,319 relating to 1959-60 less the amount of Rs. 6,373 adjusted last year (vide statement No. 7)</i>		2,946(B)
		12,51,835
		22,583(C)
		12,74,418

Overall expense ratio $\frac{12,74,418 \times 100}{1,27,98,954} = 9.96$ per cent

Overall expense ratio for 1960-61 = 10.86 per cent

(Military Wing)

(a) *Expense ratio of first year's business—*

First year's premium	91,585	
Cost of issue of policies		4,281
Medical fees paid		1,244
		5,525
<i>Less Medical fees realised</i>		-40
		5,485

STATEMENT NO. 7—concl'd.
Expense Ratio—1961-62—concl'd.
(Military Wing)—concl'd.

	$5,485 \times 100$		=5.99 per cent
	91,585		
(b) Expense ratio of renewals—		Rs.	Rs.
Premium income		27,39,939	
Cost			40,391
			—421(A)
			39,970
	$39,970 \times 100$		=1.46 per cent
	27,39,939		
(c) Overall expense ratio—			
Premium income—			
Life Insurance		64,932	
Endowment Assurance		27,73,326	
		28,38,258	
Medical fees paid—			
Life Insurance			51
Endowment Assurance			1,193
			1,244
Less Medical fees realised			—40
			1,204(B)
Less Refunds—			
Endowment Assurance		6,734	
		28,31,524	
Cost—			
Life Insurance			1,864
Endowment Assurance			42,808
			44,672
Less Actuarial cost of 1960-61 booked during 1961-62			—421(A)
			44,251
			1,204(B)
			45,455
	$45,455 \times 100$		=1.61 per cent
	28,31,524		
Overall expense ratio for 1960-61			=2.07 per cent

STATEMENT SHOWING GRANT-WISE DETAILS OF RECOVERIES
ADJUSTED IN REDUCTION OF EXPENDITURE IN THE
ACCOUNTS FOR 1961-62

(Referred to in the Grand Summary of Appropriation Accounts at page 1)

Page No.	Number and name of the Grant	Budget Estimates	Actuals	Variations More + Less —
1	2	3	4	5
		Rs.	Rs.	Rs.
2	87—Expenditure met from Revenue of the Indian Posts and Telegraphs Department—	5,50,05,000	6,65,28,953	+1,15,23,953
4	133—Capital Outlay on Posts and Telegraphs (not met from Revenue)	7,80,49,000	7,89,70,903	+9,21,903
	Total	13,30,54,000	14,54,99,856	+1,24,45,856





Comptroller and Auditor General of India
1963

PAGPT.23.62(N)

2,725

