



सत्यमेव जयते

**REPORT OF THE  
COMPTROLLER AND AUDITOR GENERAL  
OF INDIA**

**FOR THE YEAR 1973-74**

**UNION GOVERNMENT (POSTS AND TELEGRAPHS)**





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СОВЕТСКОЕ СОЮЗНОЕ ПРАВИТЕЛЬСТВО

МИНИСТЕРСТВО КУЛЬТУРЫ

ГОСУДАРСТВЕННЫЙ ЦЕНТР

КОМПЬЮТЕРИ И ТЕЛЕВИЗИОННОЕ ОБРАЗОВАНИЕ

КОНСПЕКТ ЛЕКЦИЙ



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## PREFATORY REMARKS

This Report has been prepared for submission to the President under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts of the Posts and Telegraphs Department for 1973-74 together with other points arising from audit of the financial transactions of the Posts and Telegraphs Department.

The cases mentioned in the Report are among those which came to notice in the course of test audit during the year 1973-74 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 1973-74 have also been included wherever considered necessary.

The points brought out in this Report are not intended to convey or to be understood as conveying any general reflection on the financial administration by the Department/authorities concerned.

The first of these is the fact that the majority of the people of the world are now living in a state of material want. This is the result of the industrial revolution which has produced a surplus of material goods which the masses are unable to purchase. This is a situation which is not only a source of suffering and misery, but it is also a source of danger to the world. The masses are becoming more and more restless and are beginning to demand a better life. This demand is being met in some places by the use of force, but in many places it is being met by the use of violence.

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## CHAPTER I

### GENERAL

1. *Revenue position.*—The total revenue receipts of the Posts and Telegraphs department as budgeted for and realised during the five years ending with 1973-74 are given below :—

Year	Budget	Actual	Variation	Percent- age of variation
1969-70	226.66	233.76	+ 7.10	+ 3.1
1970-71	256.82	271.10	+ 14.28	+ 5.6
1971-72	285.12	299.81	+ 14.69	+ 5.2
1972-73	310.00	320.96	+ 10.96	+ 3.5
1973-74	362.00	360.79	- 1.21	- 0.3

The revenue receipts during 1973-74 were Rs. 1.21 crores less than the estimates. The shortfall was due to less realisation under the heads "Telephone revenue on account of rentals and local and trunk call fees etc." (Rs. 10.27 crores), "Telegraph charges realised in cash" (Rs. 2.45 crores), "Postage realised in cash" (Rs. 1.74 crores) and "Sale of service stamps" (Rs. 0.54 crore), partly offset by more receipts under the remaining heads as indicated below :—

Main heads of revenue	1973-74		
	Budget Estimates	Actuals	Variation
	(Crores of rupees)		
(i) Sale of ordinary stamps (including post cards)	71.50	71.72	+ 0.22
(ii) Sale of service stamps	15.60	15.06	- 0.54
(iii) Postage realised in cash	16.75	15.01	- 1.74
(iv) Receipts on account of Money Orders, Indian Postal Orders, etc.	16.80	26.28	+ 9.48
(v) Telegraph charges realised in cash	27.00	24.55	- 2.45
(vi) Telex rentals and call charges	11.20	11.95	+ 0.75
(vii) Rent of wires and instruments leased to railways, canals, etc.	3.50	4.24	+ 0.74
(viii) Telephone revenue on account of rentals and local and trunk call fees etc.	195.00	184.73	- 10.27
(ix) Other receipts (Net)	4.65	7.25	+ 2.60
<b>TOTAL</b>	<b>362.00</b>	<b>360.79</b>	<b>- 1.21</b>

2. The growth of revenue during five years ended with 1973-74 is indicated below :—

Main heads of revenue	1969-70	1970-71	1971-72	1972-73	1973-74	Increase in <sup>19</sup> 73-74 as compared to 1969-70	
						Amount	Percentage
	(crores of rupees)						
(i) Sale of ordinary stamps . . . . .	57.26	60.59	65.44	66.73	71.72	14.46	25.3
(ii) Sale of service stamps . . . . .	11.55	12.52	14.31	13.74	15.06	3.51	30.4
(iii) Postage realised in cash . . . . .	12.78	13.98	14.97	15.29	15.01	2.23	17.4
(iv) Receipts on account of Money Orders, Indian Postal Orders, etc. . . . .	12.39	12.43	13.95	16.43	26.28	13.89	112.1
(v) Telegraph charges realised in cash . . . . .	17.61	20.16	23.23	23.95	24.55	6.94	39.4
(vi) Telex rental and call charges . . . . .	4.22	5.74	7.79	8.41	11.95	7.73	183.2
(vii) Rent of wires and instruments leased to railways, canals, etc. . . . .	4.52	3.91	5.84	7.96	4.24	-0.28	-6.2
(viii) Telephone revenue on account of rental and local and trunk call fees, etc. . . . .	101.78	119.34	143.39	159.31	184.73	82.95	81.5
(ix) Advance rentals under Own Your Telephone and other Schemes . . . . .	7.48	10.94	8.67	..	..	-7.48	-100.0
(x) Other receipts (Net) . . . . .	4.17	11.49	2.22	9.14	7.25	3.08	73.9
<b>TOTAL</b> . . . . .	<b>233.76</b>	<b>271.10</b>	<b>299.81</b>	<b>320.96</b>	<b>360.79</b>	<b>127.03</b>	<b>54.3</b>

NOTES :—(i) Revenue from telex service was included under 'Other receipts' in the Reports prior to the Report for 1971-72. As it has been exhibited separately under 'Telex rentals and call charges' in this Report, the figures under 'Other receipts' for 1969-70 and 1970-71 shown in this Report differ from those shown in the Reports prior to the Report for 1971-72.

(ii) From April 1972 advance rentals under 'Own Your Telephone and other Schemes' are taken to 'Deposits and Advances' instead of revenue.

3. The growth of revenue in the four branches of the department compared with the increase in expenditure (inclusive of dividend and contributions to Renewal Reserve Fund/depreciation on historical cost and supplementary depreciation towards inflationary element) during the five years ended with 1973-74 is indicated below :—

Year	Revenue	Expenditure	Percentage of expenditure to revenue
	(Crores of rupees)		
<b>Postal Branch</b>			
1969-70 . . . . .	97.81	102.95	105.3
1970-71 . . . . .	110.54	111.50	100.9
1971-72 . . . . .	110.64	118.05	106.7
1972-73 . . . . .	118.25	129.64	109.6
1973-74 . . . . .	134.25	149.75	111.5
<b>Telegraph Branch</b>			
1969-70 . . . . .	24.51	30.04	122.6
1970-71 . . . . .	27.47	34.50	125.6
1971-72 . . . . .	35.76	27.53*	77.0*
1972-73 . . . . .	40.98	32.60*	79.5*
1973-74 . . . . .	40.06	44.36*	110.7*
<b>Telephone Branch</b>			
1969-70 . . . . .	110.88	86.75	78.2
1970-71 . . . . .	131.73	101.65	77.2
1971-72 . . . . .	152.74	116.57	76.3
1972-73 . . . . .	161.33	121.20	75.1
1973-74 . . . . .	186.26	137.93	74.1
<b>Radio Branch</b>			
1969-70 . . . . .	0.56	0.64	114.3
1970-71 . . . . .	1.36	0.54	39.7
1971-72 . . . . .	0.67	0.52	77.6
1972-73 . . . . .	0.40	0.40	100.0
1973-74 . . . . .	0.22	0.66	300.0
<b>Total (Department as a whole)</b>			
1969-70 . . . . .	233.76	220.38	94.3
1970-71 . . . . .	271.10	248.19	91.5
1971-72 . . . . .	299.81	262.67	87.6
1972-73 . . . . .	320.96	283.84	88.4
1973-74 . . . . .	360.79	332.70	92.2

\*Government decided in May 1972 that telegraph lines and wires, inter urban cables and voice frequency transmission equipment would be transferred from telegraph branch to telephone branch with retrospective effect from 1971-72 and the former branch would pay rent for use of these assets to the telephone branch. The decrease in expenditure of telegraph branch was due to transfer of maintenance expenditure of these assets to the telephone branch. Despite the above transfer to the telephone branch, the expenditure on telegraph branch exceeded the revenue from that branch in 1973-74.

## CHAPTER II

### GENERAL RESULTS OF APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

4. *General.*—The following table compares the expenditure during 1973-74 with the total of voted grants and charged appropriation :—

		Total grant/ approp- riation	Actual expendi- ture	Saving	Percent- age of column 3 to column 1
		1	2	3	4
(Lakhs of rupees)					
<i>Charged</i>					
<i>Original</i>	0.50	0.50	Nil	-0.50	100.0
<i>Voted :</i>					
Original	4,94,96	5,35,74	5,14,30	-21,44	4.0
Supplementary	40,78				

The saving of Rs. 21,44 lakhs in the voted section was the net result of :—

- (i) a saving of Rs. 5,45 lakhs in Grant No. 16—Posts and Telegraphs—Working Expenses;
- (ii) a saving of Rs. 18,57 lakhs in Grant No. 17—Posts and Telegraphs—Dividend to General Revenues, Appropriation to Reserve Funds and Repayment of loan from General Revenues, and
- (iii) an excess of Rs. 2,58 lakhs over Grant No. 18—Capital Outlay on Posts and Telegraphs (not met from Revenue).

5. *Excess requiring regularisation.*—The excess over the following grant requires regularisation under Article 115 of the Constitution :—

	Grant	Expenditure	Excess
	Rs.	Rs.	Rs.
18—Capital Outlay on Posts and Telegraphs (not met from Revenue)	1,24,97,00,000	1,27,54,50,010	2,57,50,010

The excess occurred despite a supplementary grant of Rs. 18,30,00,000 obtained in March 1974. The excess of Rs. 258 lakhs was mainly due to more expenditure under Stores Suspense Account (provision Rs. 664 lakhs, expenditure Rs. 2618 lakhs), which was partly offset by savings as under :—

- (i) Postal Projects (provision Rs. 822 lakhs; expenditure Rs. 666 lakhs).
- (ii) Coaxial Cable Projects (provision Rs. 2049 lakhs; expenditure Rs. 1345 lakhs).
- (iii) *L Rs.* Microwave Projects (provision Rs. 1476 lakhs; expenditure 756 lakhs).
- (iv) Railway Electrification Scheme (provision Rs. 129 lakhs; expenditure Rs. 13 lakhs).

Reasons for savings in the other two grants have been mentioned in the Appropriation Accounts.

## CHAPTER III

### REVENUE

6. *Arrears of telephone revenue.*—(i) For bills issued upto 31st March 1974 collection of Rs. 7.28 crores as telephone revenue was in arrears on 1st July 1974 as indicated below :—

	(Crores of rupees)
Government subscribers . . . . .	2.55
Other subscribers . . . . .	4.73

Out of the total outstanding of Rs. 7.28 crores, Rs. 3.47 crores related to bills issued during 1973-74 and the balance of Rs. 3.81 crores to bills issued upto 1972-73. The yearwise analysis of the arrears is given in Appendix I.

(ii) The percentage of the outstanding on 1st July 1974 to the total amount collected during the year ending with preceding March and the corresponding percentages in the three preceding years are given below :—

Year	Amount collected	Outstanding on 1st July following (including outstanding for the bills issued in the preceding years)	Percentage of the outstanding to the amount collected during the year
	(Lakhs of rupees)		
1970-71 . . . . .	1,20,80	6,28	5.2
1971-72 . . . . .	1,45,86	6,92	4.7
1972-73 . . . . .	1,66,63	7,12	4.3
1973-74 . . . . .	1,85,41	7,28	3.9

(iii) The percentage of outstanding on 1st July 1974 to the total amount billed for during the year ending with preceding

March and the corresponding percentages in the three preceding years are given below :—

Year	Amount billed	Outstanding on 1st July following	Percentage of column 3 to 2
1	2	3	4
(Lakhs of rupees)			
1970-71 . . .	1,24,02	6,28	5.1
1971-72 . . .	1,49,59	6,92	4.6
1972-73 . . .	1,66,65	7,12	4.3
1973-74 . . .	1,85,66	7,28	3.9

(iv) Test check of telephone revenue accounts conducted during 1973-74 has shown many instances of short recoveries as well as of failure to issue bills. Of the instances brought to the department's notice, short recoveries of Rs. 1.23 lakhs and failure to issue bills for Rs. 7.02 lakhs had not been made good by 30th June 1974.

(v) Recovery of Rs. 25.98 lakhs was under litigation on 1st July 1974.

(vi) During 1973-74 telephone revenue written off was Rs. 11.11 lakhs as indicated below :—

	(Lakhs of rupees)
1. Whereabouts of the subscribers not known . . .	5.89
2. Solvency of the subscribers not established . . .	0.94
3. Closure of the subscribers' firms, concerns, etc. . .	0.74
4. Death of subscribers . . . . .	0.71
5. Relevant departmental files not available . . . . .	0.53
6. Other reasons . . . . .	1.74
7. Reasons not available . . . . .	0.56
	11.11

The yearwise analysis of this amount is given in Appendix I.

7. *Arrears of rent of telegraph, telephone and teleprinter circuits and telex/intelex charges.*—For bills issued upto 31st March 1974, collection of Rs. 336.00 lakhs as rent of telegraph, telephone and teleprinter circuits and telex/intelex charges was in arrears on 1st July 1974 as indicated below :—

(Lakhs of rupees)

Rent of telegraph, telephone and teleprinter circuits	315.90
Telex and intelex charges	20.10

Out of the total outstandings of Rs. 336.00 lakhs, Rs. 234.72 lakhs related to bills issued during 1973-74 and the balance Rs. 101.28 lakhs to bills upto 1972-73. Yearwise analysis is given in Appendix II.

8. *Expansion of telephone exchanges*—(a) *Coimbatore telephone exchange.*—While the expansion of the Coimbatore telephone exchange from 5000 to 8000 lines (expansion upto 7000 lines sanctioned in October 1962 at a cost of Rs. 24.25 lakhs and that upto 8000 lines sanctioned in March 1965 at a cost of Rs. 22.61 lakhs) was in progress, a project estimate for further expansion of the exchange from 8000 to 11000 lines was sanctioned in October 1966 at an estimated cost of Rs. 32.85 lakhs on the ground that the average annual growth of demand for telephone connections at Coimbatore was about 750 and this was expected to increase further with the city's growing industrial importance. The estimate of October 1966 was subsequently revised (December 1968) to Rs. 37.61 lakhs due to increase in the price of cable.

The expansion of the exchange upto 8000 lines was completed in January 1968. However, before, the expansion from 8000 to 11000 lines was completed, a further expansion of the exchange from 11000 to 11900 lines was proposed by the Postmaster General, Madras in January 1968 on the ground that the average annual growth of demand for telephone connections was about 1000. The expansion of the exchange to 11900 lines was sanctioned in March 1968 for Rs. 15.13 lakhs.

The work of expansion of the exchange from 8000 to 11000 lines was started in August 1968. One thousand eight hundred new lines were commissioned in March 1969 and the balance of 1200 lines in April 1970 at a cost of Rs. 35.40 lakhs.



Further expansion from 11000 to 11900 lines was completed in March 1972. Expenditure on this expansion brought to account upto May 1974 was Rs. 24.88 lakhs; it is likely to go up to Rs. 39.72 lakhs.

According to the instructions issued in September 1970, ninety per cent of the exchange capacity should be utilised soon after expansion, in any case not later than six months of such expansion, and ninety four per cent about six months before the due date for commissioning the next expansion.

The installed capacity, the number of working connections, idle capacity and the number of applicants waiting for new connections from time to time after March 1969 (the month of commissioning 1800 out of 3000 additional lines sanctioned in October 1966) were as under :—

Month	Installed capacity	Connectable capacity (94 per cent of column 2)	Number of working connections	Idle capacity column 3 minus column 4	Number of applicants awaiting new connections
1	2	3	4	5	6
March 1969 . . .	9800	9212	6783	2429	Not available
September 1969 . . .	9800	9212	7288	1924	645
March 1970 . . .	9800	9212	7841	1371	Not available
September 1970 . . .	11000	10340	8153	2187	78
March 1971 . . .	11000	10340	8362	1978	162
September 1971 . . .	11000	10340	8493	1847	330
March 1972 . . .	11000	10340	8588	1752	nil
September 1972 . . .	11700	10998	8692	2306	nil
March 1973 . . .	11700	10998	8823	2175	nil
September 1973 . . .	11700	10998	9074	1924	nil
March 1974 . . .	11700	10998	9518	1480	nil
September 1974 . . .	11700*	10998	9795	1203	nil

\*A 100 lines Coin-Collection-Boxes group was added to the capacity of the exchange in March 1971 and another 200 such lines in March 1972. These lines are not included in column 2 of the table above because ordinary connection cannot be released from this group.

Even in September 1974, all the 900 lines added in March 1972 were unutilised. The expanded capacity remained substantially unutilised because while assessing the annual additional demand for new connections at 750 in September 1966 and at 1000 in January 1968, the likely disconnections and withdrawal of applications for new connections were not taken into account; these were as many as 5071 during April 1967 to March 1973.

The department stated (November 1974) that "while sanctioning the projects in September 1966 and in January 1968 there was no indication that mills and factories would be closed down due to economic recession to such an extent that telephone demand would be reduced drastically. Since there is a time lag of 4 to 5 years between sanction of the project and the commissioning, there is bound to be variation between the demand forecast and the actual demand due to many factors beyond the control of the Department. This is one of such cases where the demand did not pick up as per forecast".

(b) *Peelamedu telephone exchange.*—A telephone exchange with an initial capacity of 900 lines in Peelamedu area of Coimbatore was sanctioned for Rs. 24.05 lakhs in June 1965. The building was to be so designed as to accommodate ultimately a 4000 lines exchange. The estimate was revised for Rs. 35.74 lakhs in July 1968 due to increase in the cost of exchange equipment, air-conditioning plant and cable.

The building for the exchange was completed at a cost of Rs. 7.83 lakhs in September 1968. In June 1971 when the installation of the air-conditioning plant was nearly complete and cable costing Rs. 8.88 lakhs and equipment costing Rs. 20.65 lakhs had been received, the Director General, Posts and Telegraphs ordered that the proposed exchange need not be set up in view of the low demand for telephones in Coimbatore (in March 1971 only 76 per cent of the capacity of the exchange was being utilised).

Out of the total floor area of 18,620 square feet in the building only 1,503 square feet were occupied by a 200 lines exchange (cost: Rs. 2.80 lakhs) opened in February 1973 with equipment diverted from other exchanges; the rest of the building was being used for keeping stores (November 1973).

Out of the cables costing Rs. 8.88 lakhs which had been received, cables worth Rs. 3.49 lakhs were transferred to other works by November 1973; the balance was also proposed (November 1973) to be transferred to other works. The equipment (costing Rs. 20.58 lakhs) received for the 900 lines exchange was transferred to Adyar exchange at Madras, and the batteries were transferred to Kanpur Telephone District between December 1971 and February 1972 incurring an expenditure of Rs. 7,667 on transportation. Some items of equipment (cost: Rs. 5.32 lakhs) received on transfer from Peelamedu were not found suitable for use in Adyar exchange. A few items (cost: Rs. 1.66 lakhs) were re-diverted to other works and the remaining items (cost: Rs. 3.66 lakhs) were lying unutilised awaiting transfer to other works (November 1974).

Installation of the air-conditioning plant (order placed by the Director General Supplies and Disposals at a cost of Rs. 1.41 lakhs) in the Peelamedu exchange building was almost complete in October 1971 when the supplier was asked by the Director General, Posts and Telegraphs to quote his charges for shifting the plant to the Coimbatore Trunk Auto Exchange. In October 1972, the supplier wanted Rs. 0.29 lakh for shifting the plant; this was over and above the charges for ducting, insulation and false ceiling dependent upon the quality of material and dimensions of the Trunk Auto Exchange. In May 1973, the Director General, Supplies and Disposals was requested by the Director General, Posts and Telegraphs to examine the quotation and suitably amend the supply order. This amendment had not been issued till May 1974 and the air-conditioning plant installed in October 1971 was lying unutilised.

(c) *Gwalior telephone exchange.*—Based on a survey report of September 1962, which forecast a demand for 2418 telephone connections in 1967 with increase to 3347 connections by 1972, to 4286 connections by 1977 and to 4979 connections in 1982, a project for the replacement of the manually operated telephone exchange of 1440 lines at Gwalior by a strowger type automatic exchange of 3000 lines was sanctioned in March 1964 for Rs. 58.73 lakhs, when 1069 connections were working and 600 applicants were waiting for new connections.

Pending sanction of the estimate, land for the building for the automatic exchange had already been acquired in July 1962 at a cost of Rs. 66,125. The estimate for the building for Rs. 17.03 lakhs had also been sanctioned in January 1964 before the project was sanctioned. The work of construction of the building was awarded to a contractor in August 1965; the building was to be completed by January 1967. The contractor started work in September 1965 and completed the building in August 1968. The building was handed over in March 1969 for installation of equipment. Total expenditure on the building was Rs. 13.04 lakhs upto September 1973.

Meanwhile in September 1966 further expansion of the exchange from 3000 to 4000 lines had been sanctioned at an estimated cost of Rs. 19.19 lakhs as the demand was expected to be for 3700 connections by 1971.

Eleven months later (August 1967) the project estimate for the installation of 3000 lines strowger type automatic exchange sanctioned in March 1964 (Rs. 58.73 lakhs) was revised to provide for the costlier crossbar equipment at a cost of Rs. 83.80 lakhs.

Equipment costing about Rs. 52 lakhs was received by March 1968. Installation of equipment could, however, be commenced only in April 1969 after the building was made over (March 1969). The 4000 lines exchange was commissioned in May 1972.

According to the instructions of the department 90 per cent of the capacity should be utilised soon after expansion. In this case this would work out to 3600 lines. However, 2355 connections only were working in May 1972, 2593 in March 1973, 2715 in September 1973, 2856 in March 1974 and 2899 in November 1974, and there were 195 applicants waiting for new connections in November 1974. Thus to a substantial extent the capacity of the exchange has remained unutilised (November 1974) for 2½ years.

The department stated (November 1974) that it was not possible to be very accurate in making a forecast of demand seven to eight years in advance of the commissioning of the exchange.

(d) *Avadi (Madras) telephone exchange.*—It was decided in August 1966 to expand the satellite telephone exchange at Avadi, a suburb of Madras from 300 lines to 1000 lines. In March 1967, the department sanctioned a project for Rs. 21.67 lakhs for replacement of this 300 lines satellite exchange functioning in a rented building (rent Rs. 5 per month) with 145 working connections, by a 1000 lines crossbar exchange (with provision for expansion upto 5000 lines). The sanction was revised in November 1968 to Rs. 30.00 lakhs due to increase in the cost of cables (from Rs. 6.89 lakhs to Rs. 13.15 lakhs) and equipment (from Rs. 9.87 lakhs to Rs. 12.02 lakhs). According to a forecast of demand for this exchange prepared in 1968, the demand for telephones from this exchange was expected to be 1392 in 1971, 2600 in 1976 and 4600 in 1981.

The project provided for the acquisition of land (Rs. 0.11 lakh) and for construction of a building (Rs. 4.72 lakhs) to house the exchange, which were sanctioned in January 1963 and June 1965 respectively before the estimate of the project as a whole was sanctioned in March 1967. The construction of the building was commenced in May 1966 and completed in January 1969.

In June 1968, the General Manager Telephones, Madras observed as under :—

“At Avadi we now have a 300 lines satellite exchange, not yet fully loaded and with a waiting list of 188 as on 1-6-1968. The demands of the area cannot by any means be described as substantial.” He further stated in July 1968 that “based on the present trends it is difficult to visualise so great an expansion within a short period of 3 years (*i.e.* demand for 1392 connections in 1971)”.

Pending completion of installation of the 1000 lines exchange in the new building the capacity of the existing satellite exchange was increased from 300 lines to 400 lines in December 1969 and the number of connections working therefrom were 309 in March 1971 and 349 in March 1972.

The 1000 lines crossbar exchange was completed at a cost of Rs. 39.20 lakhs and commissioned in August 1973. The actual

number of connections working from the exchange was as under :—

Month	Installed capacity	Connectable capacity	Actual number of working connections	Idle capacity
September 1973 . . .	1000	940	440	500
October 1973 . . .	1000	940	450	490
November 1973 . . .	1000	940	494	446
December 1973 . . .	1000	940	500	440
January 1974 . . .	1000	940	527	413
February 1974 . . .	1000	940	554	386
March 1974 . . .	1000	940	576	364
April 1974 . . .	1000	940	582	358
May 1974 . . .	1000	940	581	359
June 1974 . . .	1000	940	585	355
December 1974 . . .	1000	940	593	347

Between May 1974 and December 1974 there were no applicants on the waiting list.

The department stated in December 1974 that it was difficult to ensure complete materialisation of a forecast due to various unforeseen factors.

(e) *Ambattur (Madras) telephone exchange.*—In 1963-64, it was estimated, after a demand survey, that the demand for telephones at Ambattur, a suburb of Madras, was likely to be for 987 connections in 1965, 1679 in 1970, 2519 in 1975 and 3396 in 1980. There was a 200 lines telephone exchange at Ambattur at that time working in a rented building. In April 1964 it was decided to instal by 1969

a 1800 lines telephone exchange (estimated cost: Rs. 62.13 lakhs) in a new building which would ultimately accommodate a 10000 lines exchange.

An estimate for Rs. 69.23 lakhs was sanctioned in January 1969 for opening a 2000 lines exchange (with provision for expansion upto 10000 lines) at Ambattur. At the time of sanctioning this estimate it was expected that demand for telephone connections would be 4330 in 1971, 9140 in 1976 and 16590 in 1981; the actual demand in June 1968 was for 621 connections only.

#### **Building—**

Pending sanction of the above estimate, land (1.86 acres) was acquired in January 1966 at a cost of Rs. 0.56 lakh. Construction of the building (estimated cost : Rs. 20.47 lakhs) was started in July 1970. Upto March 1974, Rs. 12.71 lakhs had been spent on the building which was then almost (97 per cent) complete.

#### **Cables—**

Cables costing Rs. 30.09 lakhs were received between October 1971 and March 1972 against a total provision of Rs. 16.71 lakhs in the sanctioned detailed estimates. The increase of Rs. 13.38 lakhs in the cost of cables was stated to be due to receipt of a costlier (Stalpeth) type of cable than that provided in the sanctioned estimates. With a view to connect the exchange under construction with the adjacent Kellys exchange, cables costing Rs. 27.79 lakhs were laid by February 1973; thereafter no further cables were laid.

The demand for telephones from Ambattur exchange in March 1973 was for 729 connections only (528 existing connections and 201 applicants for new connections), against the estimated demands of 4330 connections in 1971 and 9140 connections in 1976. The General Manager, Telephone District, Madras stated (February 1974) that the forecast about the demand for telephones was generally a matter of guess and working sheets of the forecast were not traceable.

As the actual demand for telephones was not picking up as per the forecast, the project for expansion of the Ambattur exchange was cancelled in January 1974 and it was decided to utilise the cables meant for this project for the Mount Road

Exchange, Madras and for expansion of the existing exchange (which had in the meantime been expanded to 600 lines exchange in 1969) to a 1000 lines exchange. The cables already laid between the new building and the Kellys exchange were proposed to be utilised for the Kellys exchange and the Avadi (Madras) exchange. The building was proposed to accommodate the 1000 lines exchange mentioned above, certain subordinate offices and stores of the telephone district.

(f) *Patna telephone exchange.*—Construction of a new four-storied building was sanctioned in September 1966 for Rs. 21.56 lakhs (revised in March 1967 to Rs. 26.24 lakhs) to accommodate mainly the existing 5000 lines exchange (functioning in a small building at Patna) after its expansion to 6000 lines. For meeting the pending demand for telephones, 900 lines out of the proposed additional 1000 lines were installed in February 1968 in the old exchange building itself.

Construction of the new building (sanctioned in September 1966) was started in November 1968 and completed in June 1973 at a cost of Rs. 19.04 lakhs. Opening of a new 3000 lines exchange in the building under construction was sanctioned in June 1968 for Rs. 69.62 lakhs. The proposed new 3000 lines exchange was not, however, set up in the building. In August 1969, sanction was issued for installing the exchange equipment for 1200 additional lines in this new building for raising the capacity of the existing exchange situated in the old building from 5900 lines to 7100 lines at a cost of Rs. 24.00 lakhs. Exchange equipment for these 1200 lines for augmenting the capacity of the existing exchange in the old building was also not installed in the new building as a new 3000 lines exchange (sanctioned in March 1967, estimated cost : Rs. 72.19 lakhs) in another area (Rajindernagar) had come up.

The new building has a floor area of 3,616 square metres. A manual trunk exchange and an automatic trunk exchange were being installed in an area of about 834 square metres in the new building. The department stated (December 1974) that the remaining floor area would be utilised for future expansion of the existing exchange situated in the old building.

(g) *Other telephone exchanges.*—Additional capacities provided in the following four exchanges remained fully or substantially unutilised for about 1½ to 4 years due to lesser demand



for new telephone connections than anticipated :—

Name of exchange	Date of completion of expansion	Cost	Capacity		(Position as at the end of June 1974)		
			before expansion	after expansion	Number of working connections	Percentage of utilisation	Number of applicants waiting for connections
1. Durgapur Industries.	April 1970	Rs. 9.08 lakhs	800	1500	783	52.3	12
2. Jharia	March 1972	Rs. 38.41 lakhs (existing exchange was also replaced)	900	2000	1430	71.5	4
3. Gandhinagar	December 1972	Rs. 9.06 lakhs (estimated)	600	1000	535	53.5	5
4. Cuttack	January 1973	Rs. 63.08 lakhs (existing exchange was also replaced)	3000	5000	3719	74.4	12

(in number of lines)

The department stated (November 1974) that (i) the expansion programmes were based on surveys seven to eight years in advance, (ii) it was impossible to have any scientific method, which would enable the forecast to be so accurate as to come out true at the time of commissioning of the exchanges and (iii) the acceleration or delay in completing various development projects affected the demand for telephones.

The department stated further (November 1974) that (i) the technique of demand forecast had been constantly under review, (ii) the forecasts made by field units were now being checked with reference to average growth during the last five years, and (iii) the method of checking of the forecasts might undergo changes in the light of further experience.

9. *Telephone system at Indore.*—As the small departmental building housing the existing 3600 lines telephone exchange at Indore could not accommodate the additional equipment for expansion, the installation of a new 5000 lines exchange in another building was sanctioned in August 1965 for Rs. 81.90 lakhs. The new exchange was expected to be commissioned by December 1967.

The indent for the equipment for the new exchange had already been placed on the Indian Telephone Industries in May 1965. The installation started in October 1966 and was completed in December 1969. The Postmaster General, Bhopal attributed (December 1969) the delay to

- (i) non-availability of 'manual positions' (i.e. switch boards operated manually for special services like complaints, assistance etc.), switch-board cables and ringers in time,
- (ii) belated receipt of tie cable for sub-station transformers and underground cables, and
- (iii) time taken in finalising the revised lay-out for trunk exchange and manual positions.

Since the demand for the telephones was meanwhile rising and was expected to reach 10000 by 1970, another project for the expansion of the new 5000 lines exchange to 7800 lines was sanctioned in December 1966 for Rs. 34.41 lakhs. This

estimate was revised to Rs. 60.63 lakhs in February 1973 due to (i) increase in the cost of cables (Rs. 11.59 lakhs) and (ii) additional provision for the subscribers' apparatus and the overhead lines and wires (Rs. 14.63 lakhs).

The installation of additional 2800 lines in the new exchange was completed in March 1972 raising the installed capacity of the two exchanges to 11400 lines and the connectable capacity to 10460 lines.

According to the departmental instructions, 90 per cent of the installed capacity should be utilised soon after commissioning (in any case not later than 6 months after commissioning) and 94 per cent about six months in advance of due date of commissioning of the next expansion. In spite of available spare capacity and a waiting list, new telephone connections were not released speedily as shown below:--

Month	Total installed capacity of both the exchanges	Connectable capacity	Number of working connections	Spare capacity	Number of applicants on waiting list
December 1969	8600	7740	3660	4080	4053
June 1970	8600	7740	5266	2474	2286
December 1970	8600	7740	5965	1775	2090
June 1971	8600	7740	7051	689	1786
December 1971	8600	7940	7686	254	1622
June 1972	11400	10460	7842	2618	818
December 1972	11400	10460	8675	1785	633
June 1973	11400	10460	9231	1229	846
December 1973	11400	10460	9328	1132	1494
June 1974	11400	10460	9808	652	1530
December 1974	11400	10460	9948	512	1793

Due to delay in release of new connections the estimated loss of revenue upto December 1974 was Rs. 40.98 lakhs.

The Postmaster General, Madhya Pradesh stated (May 1974) that the delay in release of connections was caused due to belated receipt of cable and its jointing materials from abroad and subscribers' instruments from the Indian Telephone Industries.

The department stated (January 1975) that it was one of the cases in which "there was lack of co-ordination, and various activities of the project were not interlinked so as to complete the project in the shortest possible time". The department also stated that a new technique for watching the progress of big projects had been introduced.

10. *Delay in the release of telephone connections.*—A project for the expansion of the Srinagar telephone exchange from 3300 lines to 4500 lines was sanctioned in October 1965 at a cost of Rs. 15.04 lakhs (Rs. 5.41 lakhs for equipment and Rs. 9.63 lakhs for cables). The project included 200 lines for opening public telephone booths, with coin collecting boxes, and another 200 lines for giving junction lines to private branch exchanges.

Indents for the equipment were placed on the Indian Telephone Industries in March 1966 and the delivery of the equipment started from July 1966. Installation of the equipment was commenced in November 1966 and completed in March 1968.

The detailed estimate for laying the primary and secondary cables was sanctioned in February 1966 and most of the cables were laid by December 1967. The detailed estimate for laying the distribution cables was, however, sanctioned only in February 1967, sixteen months after the sanction of the project. The delay was due to the changes in the cable plan approved in November 1964 and the settlement of the other points arising out of these changes. Besides, though the indents for 38.82 kilometres of distribution cables were placed between February and May 1967, only 11.40 kilometres of cables were received in 1967; 20.78 kilometres were received subsequently in 1968 and 2.02 kilometres in 1969. By March 1968, only 50 per cent of the distribution cables had been laid; the laying of cables and installation of distribution points needed to connect the cables to the overhead wires were almost completed by the end of 1971.

Further expansion of the exchange from 4500 lines to 4800 lines was sanctioned in November 1972 at an estimated cost

of Rs. 6.00 lakhs. Before, however, the sanction was issued, the work had been started (April 1972) and the expansion had been completed in August 1972.

From September 1968 to June 1973 the utilisation of the installed capacity of the exchange was as under :—

Month	Installed capacity excluding 200 lines for coin collecting boxes	Number of working connections excluding connections to coin collecting boxes, etc.	Percentage of utilisation	Number of applicants waiting for new connections
September 1968	4100	2944	71.8	381
March 1969	4100	3289	80.2	458
September 1969	4100	3548	86.5	353
March 1970	4300	3635	84.5	290
September 1970	4300	3738	86.9	448
March 1971	4300	3751	87.2	583
September 1971	4300	3784	88.0	753
March 1972	4300	3804	88.5	720
September 1972	4600	4020	87.4	966
March 1973	4600	4141	90.0	1157
June 1973	4600	4248	92.3	1047

Thus due to under utilisation of the capacity when there were applicants on the waiting list the department lost estimated revenue of about Rs. 17.16 lakhs upto September 1973.

The department stated (January 1975) that the telephone connections could not be provided in time due to the following reasons :—

- (i) Out of four motor generators required, one was commissioned in June 1968, i.e. 3 months after

installation of equipment had been completed for expansion upto 4500 lines.

- (ii) One motor generator remained out of order for about 3 years upto May 1971.
- (iii) Certain essential parts were not available for about 250 faulty switches.

11. *Indore telex exchange*.—For meeting the pending demand for 51 new telex connections, expansion of the telex exchange at Indore from 50 to 100 lines was sanctioned in December 1970 (estimated cost: Rs. 2.85 lakhs). This included a provision for 20 teleprinter machines also for new connections. While the indent for the exchange equipment was issued in April 1971, the indent for the teleprinter machines was issued only in January 1973 i.e. 21 months thereafter. The installation of the exchange equipment was started in August 1972 and was completed in January 1973 but against the indent of January 1973 for the supply of 20 teleprinter machines, only 11 machines were received (four in September 1973 and seven in November 1973). Another indent for 15 teleprinter machines was issued in May 1974, against which supply was awaited (July 1974).

The utilisation of the capacity of Indore telex exchange after its expansion in January 1973 was as under:—

Month	Exchange capacity (in lines)	Number of working connections	Number of applicants waiting for connections
January 1973	100	46	39
March 1973	100	58	40
June 1973	100	60	42
September 1973	100	61	49
December 1973	100	63	49
March 1974	100	75	57
June 1974	100	75	69
September 1974	100	78	75
November 1974	100	81	84

Due to the lines remaining unutilised, there was loss of potential revenue of Rs. 3.54 lakhs upto November 1974.

The department stated (October 1974) that a report about the delay in clearing the waiting list was awaited from the General Manager, Telecommunications, Madhya Pradesh.

12. *Loss of rent of cables.*—In August 1965, All India Radio placed a firm demand on the Posts and Telegraphs department for replacing the existing two sets of built-up underground cable pairs between the Broadcasting House in New Delhi and the high power transmitter at the Kingsway Camp, Delhi with 14 pairs/40 pounds cables as the existing cables were not able to meet the standards of broadcast circuits.

The Posts and Telegraphs department having pointed out in July 1966 that 14 pairs/20 pounds (loaded) cables would be cheaper than the cables asked for, All India Radio agreed in September 1966 to have such cables. The project estimate for the work was sanctioned in March 1967 for Rs. 2.45 lakhs; it was revised to Rs. 3.75 lakhs in July 1967 due to increase in the cost of cables.

The detailed estimate was sanctioned in September 1967 and the indents for the supply of cables and uncoils were sent to the local departmental store depot in November 1967. The cables were to be laid within 4 months of the receipt of the complete stores. In May 1968 the Director General, Posts and Telegraphs allotted top priority for the issue of cables for this work, but since the particular type of imported cables was not available, the allotment was changed to other type of cables in August 1969. While the cables were received between November 1969 and September 1970, the uncoils were supplied only in April 1971 by the Indian Telephone Industries. Consequently, cable-laying was commenced in January 1970 and completed for one length of cable in June 1971 and for the other length in October 1971. All India Radio reported in September 1971 and February 1972 respectively that the performance of the cables did not meet the required standard.

It took the Posts and Telegraphs department nearly 3 years and 2½ years respectively to rectify the defects in the two lengths of the cables and these were made over to All India Radio in August 1974. While the department lost rental for these cables (Rs. 2.44 lakhs), All India Radio had to wait all these years for improving the broadcasting service.

The department stated (November 1974) that extensive tests were conducted to locate the fault, but the nature of the fault was such that it could not be anticipated and located easily. Further tests were then carried out by the Telecommunication Research Centre and in June 1974 it was established that the poor performance of the cables was due to a manufacturing defect in the loading coils supplied by Indian Telephone Industries.

The total expenditure on the work upto August 1974 was Rs. 4.90 lakhs against the sanctioned estimate for Rs. 3.75 lakhs; excess of Rs. 0.50 lakh was due to repeated digging of roads for testing and increase in the rates of wages of mazdoors, and the balance Rs. 0.65 lakh due to increase in the cost of cables.



WORKS EXPENDITURE AND MISCELLANEOUS  
OTHER IRREGULARITIES

13. *Construction of buildings for telephone exchanges.*— Construction of new buildings for the 1500 lines telephone exchange at Rohtak (estimated cost : Rs. 33.62 lakhs) and 1800 lines telephone exchange at Hissar (estimated cost: Rs. 32.97 lakhs) was sanctioned in December 1970 and August 1970 respectively. Each of the new buildings was designed to have a plinth area of 52,470 square feet and to accommodate a 10000 lines exchange, and carrier and trunk services, with provision for expansion to accommodate equipment for another 10000 lines.

Both the buildings were completed in June 1973. Installation of equipment was started in February 1974 and was expected to be completed at Rohtak by November 1974 and at Hissar by March 1975.

The demand for telephones rose from 1055 in 1970 to 1900 in 1974 (17 per cent rise per annum) in Rohtak and from 1194 in 1970 to 1695 in 1974 (9 per cent rise per annum) in Hissar. At this rate the demand for telephones would reach 10000 lines not earlier than 1984 at Rohtak and not earlier than 1994 at Hissar. Thus, the accommodation in the two buildings would remain largely unutilised for a number of years.

A new building, providing accommodation on similar scale (plinth area 56,200 square feet) and costing Rs. 36,37 lakhs (including electrical installation) to accommodate 10000 lines is under construction for a 3000 lines telephone exchange at Patiala. A major portion of the accommodation in this building also would remain unutilised for a number of years.

The department stated (December 1974) that according to the standards fixed in February 1966 "telephone exchange buildings are to be constructed to accommodate 10000 lines if the initial exchange equipment justified for installation is between 1500 lines and 4000 lines". The department further stated (December 1974) that "the costly exchange equipment is phased out depending upon the demand but the building component which is comparatively cheaper cannot be so phased out on technical grounds. Hence buildings are designed keeping in view the initial and ultimate requirement at the stations".

It may be mentioned that the buildings for Erode (3600 lines) and Udaipur (2100 lines) telephone exchanges were sanctioned in March 1969 and January 1969 for Rs. 22.97 lakhs and Rs. 17.24 lakhs respectively to accommodate 5000 lines in each exchange. The department stated that the schemes to instal 1600 lines at Erode (later changed to 3600 lines) and 2100 lines at Udaipur were formulated before February 1966 when the standards for the telephone exchange buildings were fixed.

The schedules of quantities annexed to the agreements for the construction of the buildings at Rohtak and Hissar envisaged consumption of 494 tonnes of steel bars on the reinforced concrete work in each building, but the quantities for which payments were made to the contractors were 735 and 693 tonnes respectively. Excess quantity of steel used cost Rs. 3.14 lakhs (241 tonnes) at Rohtak and Rs. 2.62 lakhs (199 tonnes) at Hissar. The department stated (December 1974) that the quantities of steel "were under-estimated at the time of preparation of estimates".

14. *Electricity charges.*—(a) In May 1967, the Director General, Posts and Telegraphs assessed the power requirements of the Bhubaneswar Telephone Exchange at 180 kilowatts (225 KVA) initially and at 317 kilowatts (400 KVA) ultimately and instructed the Postmaster General, Orissa to make arrangements accordingly. In January 1972, an agreement, valid for ten years, was signed by the Divisional Engineer, Telegraphs, Berhampur with the Orissa Electricity Board for the supply of power through a 630 KVA sub-station to be erected by the department. In this agreement the power requirements of the circle office and the Head Post Office in that station were also taken into account.

According to the terms of the agreement, the minimum charges payable were :—

- (i) standing charges at Rs. 9 per KVA on 504 KVA (80 per cent of 630 KVA) plus
- (ii) energy charges on 36,288 units per month.

The agreement also provided for a penalty for deficiency if the power factor was below 0.8 in any month.

As against the minimum charge of 504 KVA, the actual metered requirement during March 1972 to February 1974 was 36 to 138 KVA and the power factor 0.66 to 0.74. The department had, therefore, to pay Rs. 1.56 lakhs more—Rs. 1.46 lakhs as electricity charges and Rs. 0.10 lakh as penalty. The extra expenditure for February 1974 was Rs. 6,516. Such extra expenditure would continue to be incurred till the end of the agreement (March 1982) unless remedied in the meantime.

The department stated (January 1975) that "the shortfall in the total power consumed to the contracted demand has mainly been on account of the fact that the estimates of loads like lights and fans etc. turned out to be somewhat on the high side and utilisation made actually was not to the extent expected. Further the load estimated on account of air-conditioning plant could not be drawn as the commissioning of the air-conditioning plant was delayed due to various causes." The department also stated (January 1975) that the question of execution of a fresh agreement for a smaller load in place of the existing agreement had been taken up with the Electricity Board.

(b) In pursuance of the recommendation contained in para 3.31 of the Fortieth Report (1968-69) of the Public Accounts Committee, the department issued instructions in April 1969 that the demand in contract for power supply in the first instance should be restricted to initial peakload requirement and further demand should be phased suitably after taking into account the progress of installation of telecommunication equipment and air-conditioning plant.

To meet the power requirement of the 2500 lines Telephone Exchange at Ranchi, commissioned in October 1970, a power connection for the ultimate maximum peakload of 300 KVA was taken from a private electricity supply company in July 1969, without suitably phasing the demand according to the progress of installation of equipment and air-conditioning plant. The ultimate peakload was assessed as under:—

(i) Exchange . . . . .	5 KVA
(ii) Carrier . . . . .	5 KVA
(iii) Air-conditioning plant . . . . .	160 KVA
(iv) Power plant . . . . .	60 KVA
(v) Light and fans . . . . .	60 KVA

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290 KVA say  
300 KVA

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The installation of the air-conditioning plant was completed in July 1969, but the plant was commissioned in September 1971. The department stated (November 1974) that the commissioning of the plant was delayed "due to a number of points raised by the contractors which remained under correspondence between the Department, the D.G.S.&D. and the contracting firm and had to be sorted out after meetings amongst the three parties. . . ."

On the basis of the contracted demand for 300 KVA power load, the department paid since July 1969 for (i) a guaranteed minimum of 43,200 units per month @ 9.76 paise per unit together with (ii) maximum demand charges at Rs. 14 per month per KVA for full demand for the first 12 months and at 75 per cent of the contract demand thereafter. The actual consumption of electricity from July 1969 to May 1974 was much below 43,200 units per month :

Less than 10,000 units in	4 months.
Less than 15,000 units in	5 months
Less than 20,000 units in	7 months
Less than 25,000 units in	23 months
Less than 30,000 units in	7 months
Less than 35,000 units in	6 months
Less than 40,000 units in	4 months
Less than 42,000 units in	1 month

The monthly average consumption of energy during the 4 months each before and after the commissioning of the air-conditioning plant (for which 160 KVA power load was assessed/obtained) was about 22,150 units and 25,000 units respectively.

Between July 1969 and May 1974, the department paid for 2481 lakh units of energy against 1304 lakh units actually consumed resulting in payment for 11.77 lakh units not consumed (charge: Rs. 1.15 lakhs).

For the first 12 months the maximum demand charges were payable on the basis of the "actual" maximum power load. Since no maximum demand indicator was installed in the exchange the actual peakload reached in a month could not be

ascertained. The company claimed the maximum demand charges on the basis of full 300 KVA, contracted peakload for the first 12 months ending July 1970, which were paid by the department. In July 1972 the dispute regarding the assessment of the actual power load and the consumption of energy during the first twelve months, in the absence of the maximum demand indicator, was referred to the State Electrical department before refund of a portion of charges paid could be claimed from the electricity company. The dispute is yet to be resolved (November 1974).

The department stated (December 1974) that "in the light of the delays in the testing and commissioning of the air-conditioning plant, the load requirement was reviewed and the Sub-divisional Officer, Phones, Ranchi, approached the Electric supply Company in October 1969 for reducing the contract demand. The proposal was, however, rejected by the Electric Supply Company stating that no reduction is possible till the expiry of the agreement, i.e. a period of 3 years."

Although the instructions issued by the department in June 1972 prescribed a quarterly review of all High Tension power contracts to ensure that the demand for power load for which the contract was entered into was not in excess of the power actually consumed, the contract demand had not been reduced even after the expiry of the agreement in July 1972.

15. *Reconstruction of trunk alignment between Trivandrum and Nagercoil.*—The telephone trunk line between Trivandrum and Nagercoil (67 Kilometres) was constructed by the former Travancore State in 1936, using wooden poles, State-pattern brackets and other fittings. In November 1960, the reconstruction of the alignment with the standard tubular telegraph posts and other fittings was sanctioned at an estimated cost of Rs. 1.87 lakhs for retransposing the two pairs of trunk wires making them suitable for working 8/12 channel carrier system. The detailed estimate for this project was sanctioned in October 1961 and the work was expected to be completed in about 4 months.

The Southern Region Circle Coordination Committee in its meeting held in March 1964 recommended that the trunk line between Trivandrum and Nagercoil should have the C-8 type alignment to provide three 8 channel carrier systems to meet the demand, instead of only two such systems provided in the estimate sanctioned in November 1960. Accordingly, a revised estimate for Rs. 4.07 lakhs was sanctioned in April 1965 for shifting the

main trunk wires on a new alignment alongside the National Highway for easy maintenance, while retaining the old cross country route on wooden poles to carry other trunk wires for intermediate stations. This estimate was further revised in June 1971 for Rs. 7.13 lakhs mainly for meeting payment of compensation for a larger number of trees along the alignment than originally estimated and the increased charges to Electricity Boards for shifting the power lines.

Another project estimate was sanctioned in October 1964, for Rs. 0.66 lakh (revised to Rs. 0.82 lakh in February 1967) for erection of an additional pair of wires on the new alignment to provide the carrier system for Trivandrum-Tuticorin section. A stand-by pair of wire between Trivandrum and Nagercoil was also sanctioned in March 1967 for Rs. 0.80 lakh.

The value of the stores received for the above works upto March 1971 was as follows :—

(i) Construction of new alignment along National Highway . . . . .	Rs. 3.92 lakhs
(ii) Erection of a pair of wires to provide carrier system for Trivandrum-Tuticorin section . . . . .	Rs. 1.27 lakhs
(iii) Erection of stand-by pair of wires between Trivandrum and Nagercoil . . . . .	Rs. 1.64 lakhs
	<hr/>
	Rs. 6.83 lakhs

Under section 10 of the Indian Telegraph Act, 1885, as amended from time to time, the Telegraph Authority is empowered to place and maintain a telegraph line under, over, along or across, and posts in or upon any immovable property. Obtaining of prior permission is obligatory only in respect of any property vested in or under the control or management of any local authority, e.g., municipal committee, district board, etc. However, in accordance with the instructions issued by the Ministry of Transport and Shipping in February 1964 the Posts and Telegraphs department sought permission (January 1968) from the National Highway authorities of the State Governments of Kerala and Tamil Nadu for erecting telegraph posts alongside the National Highway. While permission from the Kerala Government was received in February 1968, such permission is still awaited from the Tamil Nadu Government (November 1974). Erection of the tubular posts with brackets etc. but without wires was completed in June 1968 in the Kerala region.

Thereafter the work was suspended as the remaining work was to be done in the Tamil Nadu region.

Total expenditure incurred on the work (mainly value of stores received upto March 1974) was Rs. 7.36 lakhs.

The department stated (November 1974) that "as it was found that the chances of obtaining permission from the Tamil Nadu authorities were remote, it has been decided to reconstruct the alignment in the Tamil Nadu region in the existing cross country route". The department also stated (November 1974) that the question of the necessity for obtaining such permission from the National Highway authorities would be examined in consultation with the Ministry of Law.

16. *Non-utilisation of stores.*—(a) The Divisional Engineer, Telegraphs, Indore sanctioned in November 1969 an estimate for Rs. 0.18 lakh for the replacement of the 'lead-in uninsulated wire' in the terminal posts to block instruments at the railway stations in the Ujjain sub-division by insulated weather-proof wire. The estimate was sanctioned without obtaining a firm demand from the Railways. The estimate provided for 19,000 metres of insulated weather-proof wire at the rate of 75 paise per metre. Fourteen thousand and eight hundred metres of the wire costing Rs. 2.25 lakhs were received from the Jabalpur store depot in September 1972; the cost per metre was Rs. 15.20 as against 75 paise provided in the estimate. In February 1973 the Divisional Engineer submitted a revised estimate for Rs. 2.29 lakhs to the Postmaster General, Madhya Pradesh circle for sanction. The Postmaster General has not yet (December 1974) sanctioned the estimate, as the Railways have not placed a firm demand. The entire quantity of wire costing Rs. 2.25 lakhs is lying unutilised for the last two years.

The department stated (January 1975) that the General Manager, Telecommunications, Bhopal was being asked to look into the circumstances in which the estimate was originally sanctioned (November 1969) without a firm demand from the Railways and to obtain a firm demand from the Railways.

(b) An estimate was sanctioned for Rs. 0.50 lakh in July 1966 for connecting Balasinor with Kapadwanj (Gujarat) by a pair of copper wire. An indent for 3,000 kilograms of copper wire was placed on Ahmedabad store depot in August 1966. In April 1968 the estimate was revised and sanctioned for Rs. 0.39

lakh with the change that Balasinor was to be connected with Umreth, instead of Kapadwanj. Due to this change only 2,777 kilograms of copper wire were required. A fresh indent for 2,777 kilograms of wire was placed on Ahmedabad store depot in advance, in October 1967. The earlier indent placed in August 1966 for 3,000 kilograms of copper wire was not, however, cancelled/withdrawn.

The store depot issued 2,777 kilograms of copper wire between December 1967 and March 1968 against the indent of October 1967. The store depot also supplied the quantity (3,000 kilograms) indented in August 1966 twice—once in January 1969 (3,000 kilograms) and again in August 1969 (3,000 kilograms).

Out of the 6,000 kilograms of surplus copper wire received in 1969, 3,550 kilograms were transferred to other works between August 1971 and October 1971. The remaining 2,450 kilograms (value : Rs. 0.37 lakh) are awaiting disposal (September 1974).

The department stated (January 1975) that the General Manager, Telecommunications, Ahmedabad was being asked to fix responsibility for the omission in cancelling the indent issued in August 1966.

(c) An estimate for Rs. 0.88 lakh was sanctioned in June 1966 for laying underground cables at Bikaner for the exclusive use of the Defence department on an accepted rent of Rs. 16,398 per annum, guaranteed for 6 years. Eleven thousand seven hundred and fifty six metres of cables costing Rs. 1.19 lakhs were obtained in 1967 for the work on priority basis. The cables could not be laid as the Defence department did not indicate the exact location for the termination of the cables. Cables costing Rs. 0.12 lakh and Rs. 0.48 lakh were utilised on other works in May 1968 and January 1972 respectively. The remaining cables costing Rs. 0.59 lakh are lying un-utilised (December 1974) for the past 7 years.

The department stated (January 1975) that "the General Manager, Telecommunications, Jaipur is being instructed to claim compensation from the Air Force authorities. He is also being asked to examine why timely action could not be taken for deciding the case when location of the places was not indicated by the Air Force authorities".



17. *Delay in utilisation of stores.*—The Postmaster General, Gujarat sanctioned in January 1968 the erection of a pair of Trunk wires (estimated cost : Rs. 0.78 lakh) between Viramgam and Mehsana to provide a direct trunk circuit in order to reduce the abnormal cancellation of trunk calls on that route for lack of circuits. Against indents placed in February 1968, 5550 kilograms of copper wire costing Rs. 0.84 lakh were received for this purpose in January 1969. In the meantime a direct circuit between Viramgam and Mehsana was provided in May 1968 from the Ahmedabad-Mehsana 3-channel carrier system, the installation of which was started in August 1966 and completed in May 1968. However, the estimate (sanctioned in January 1968) for the erection of a pair of wires between these stations was cancelled only 15 months afterward (August 1969) and the copper wire received in January 1969 was transferred to other works after 4 years (1385 kilograms in December 1972, 1539 kilograms in March 1973 and the balance 2626 kilograms in August 1973).

The department stated (December 1974) that the reasons for the delay in cancelling the estimate and in returning of the stores were being investigated.

## STORES PURCHASE AND CONTROL

18. *Unused stock of aluminium and copper-weld wire.*—Due to recurring cases of theft of copper wire, the department took up (April 1972) a programme of replacing copper wire by copper-weld or aluminium wire.

As a part of this programme the Director General, Posts and Telegraphs allotted, in July 1972, 2,000 kilometres of aluminium wire to the Jammu and Kashmir circle. The wire costing Rs. 12 lakhs was received in the Jammu store depot in November-December 1972. The wire is yet to be used (August 1974). Similarly, 228 kilometres of aluminium wire (cost : Rs. 1.37 lakhs) received between July 1973 and October 1973 for two works of replacement in Kota division were lying unused (October 1974). The department stated (December 1974) that the reasons for the wires remaining unused were being ascertained.

Out of 190 tonnes of copper-weld wire received in the circle store depot at Jaipur between March 1973 and May 1973, 20.3 tonnes were transferred to the depot at Delhi and 40 tonnes to the depot at Patna as these were surplus to requirement. Of the balance (129.7 tonnes), 65.2 tonnes were issued to the works in Rajasthan circle and the remaining 64.5 tonnes (cost : Rs. 11.80 lakhs) were lying unused (September 1974). The department stated (December 1974) that out of 4 sections in which copper wire was to be replaced, aluminium wire was used in three sections instead of copper-weld wire as aluminium wire of a particular type was technically adequate and more economical.

In another depot at Ahmedabad, 35 tonnes of copper-weld wire (cost : Rs. 6.41 lakhs) were lying unused for about two years (October 1974).

19. *Import of cable termination boxes.*—The Telecommunication Factory at Jabalpur had the capacity to manufacture annually 6,000 cable termination boxes (100 pairs) provided requisitions for these quantities were placed 3 to 6 months in advance. Against requisitions placed by the Chief Controller of Telegraph Stores, Calcutta for 7,868 boxes (3868 in March 1971, 500 in October 1971, 3000 in March 1972 and 500 in October 1972), the factory produced 7,849 boxes during the two years ending March 1973 (5,000 in 1971-72 and 2,849 in 1972-73). The stock balance exceeded the pending demands by

787 boxes in April 1971 and 1,452 boxes in September 1971. However, the Chief Controller of Telegraph Stores, Calcutta invited tenders in April 1971 for 1,500 boxes and in September 1971 placed an order for the supply of 1,000 boxes at Rs. 575 each. In April 1971, the Director General, Posts and Telegraphs also released foreign exchange of Rs. 5 lakhs (later reduced to Rs. 2.37 lakhs) in favour of the supplier for the import of components required for the manufacture of the boxes. As against the purchase price of Rs. 575 per box, the cost of production at the factory was Rs. 239 each with very little foreign exchange element. In September 1973, when Audit pointed out the disparity in the two rates as also the higher expenditure in foreign exchange for purchases from the market, the Chief Controller of Telegraph Stores, Calcutta supported the purchases even at such high cost to meet the requirements of 21,000 boxes to fulfil the targets set for the Fourth Five Year Plan. However, on receipt of instructions from the Director General, Posts and Telegraphs the Chief Controller of Telegraph Stores, Calcutta cancelled the order for 989 boxes in December 1973. By that time, however, the firm had already delivered 34 boxes, out of which 11 were accepted after tests. The extra cost on the purchase of these 11 boxes was Rs. 3,696. By December 1973, however, the firm had fully utilised Rs. 2.37 lakhs in foreign exchange on the import of the components. Thus the firm got the benefit of foreign exchange of Rs. 2.35 lakhs for the components of 989 boxes without any obligation to supply the boxes to the department.

The department stated (December 1974) that "the grant of import licence stipulates that all items imported under it shall be used in the application for which the licence is issued and no portion thereof shall be otherwise utilised or sold or permitted to be utilised by any other party. The firm is, therefore, obliged to seek the permission of P&T if the imported materials were to be disposed of. The matter is under correspondence with the C.C.T.S. (Chief Controller of Telegraph Stores), Calcutta, regarding the utilization of the imported materials."

20. *Purchase of rails.*—In October 1963, the Heads of Posts and Telegraphs Circles were delegated full powers, for a period of one year, to make purchases of rails from the Railways against estimates sanctioned by the competent authority provided the rails were taken direct to the site of work. If, however, the rails were to be purchased for stock the powers were limited to purchases upto Rs. 50,000 at a time. This delegation of powers lapsed in October 1964.

In June 1965, the South Eastern Railway announced from Calcutta the availability of rails for immediate issue ex-stock. The Postmaster General, Bihar circle in consultation with the Divisional Engineer, Telegraphs, Patna placed an order on the South Eastern Railway on 3rd November 1966 for the supply of 5,200 rails for the following trunk alignments and other works :

- (i) Reconstruction of alignment in Patna-Gaya section,
- (ii) Reconstruction of line between Mokameh and Kiul,
- (iii) Replacement of posts between Burbigha and Bihar-shariff,
- (iv) Erection of new alignment between Hathidah and Bhagalpur, and
- (v) Opening of combined offices and public call offices.

Four thousand seven hundred and eighty three rails (861 tonnes) valued at Rs. 4.55 lakhs were received during February—April 1966; the order for the balance quantity was cancelled in February 1967.

The South Eastern Railway sent a bill for Rs. 4.55 lakhs in April 1968, but confirmed it as final in March 1973, after exchange of correspondence. Thereafter acceptance of the amount was communicated by the Posts and Telegraphs department in August 1973. The book debit for Rs. 4.55 lakhs is yet to be raised by the Railway for adjustment of the cost.

These rails were found to be unsuitable for all the four trunk alignments for which they were obtained, and the requirement for other works was not high. As such, only 3081 rails could be used in eight years between April 1966 and April 1974 on small works. Fifty one rails (cost : Rs. 5,358) were stolen and 1,651 rails (cost : Rs. 1.73 lakhs) are still lying unused (November 1974).

The department stated (November 1974) that the Postmaster General acted outside his competence in making the purchase and the remaining 1651 rails were expected to be utilised within a year. The department also stated that instructions had been issued to fix responsibility for the loss of 51 rails.

21. *Loss of cable in fire.*—In February 1973, 143 drums of imported cable, with inflammable polythylene covering, costing Rs. 25.63 lakhs (foreign exchange element : Rs. 11.83 lakhs) were received in a circle telegraphs store depot. Each drum contained 500 to 505 metres of cable. As was the usual practice the drums were stocked in open yard of the depot.

At about 3.30 p.m. on 3rd March 1973 fire broke out in the open yard. The circle store depot had not been treated as a "Large Store" requiring installation of fire hydrants and hose pipes for fire-fighting and ordinary fire-fighting appliances available in the depot (fire extinguishers mounted in walls, buckets filled with sand etc.) proved inadequate to extinguish the fire. The Fire Brigade was summoned but in the absence of adequate water supply in the vicinity, it took about three hours to put out the fire.

Out of 143 drums containing about 72,000 metres of cable, only 53 drums could be rescued. About 10,071 metres of cable were subsequently salvaged from the drums charred by fire. Of the remaining 35,274 metres of cable costing Rs. 12.56 lakhs (foreign exchange element : Rs. 5.79 lakhs) damaged by fire, 12.90 tonnes of copper scrap were extracted. The copper scrap has not been disposed of so far (November 1974).

Exact reasons for the out-break of the fire could not be found out in Police investigation and departmental enquiry. The departmental enquiry, however, showed that there was dry grass in the compound of the depot which could not be completely weeded out till the date of the outbreak of the fire due to the paucity of mazdoors in the store depot and the non-availability of outside labourers to do the work at departmental rates.

The department stated (October 1974) that it was for the first time that "such large quantities of plastic sheathed and insulated cables were procured and as such the special hazards of fire on such material were not apprehended at that stage". After this incident instructions were stated to have been issued "to tighten up the security arrangements in the store yards, with particular reference to safe storage of these cables against fire hazards". The department also stated (October 1974) that instructions were being issued to treat the circle store depots as 'Large Stores' for providing fire fighting appliances.

22. *Steel rods found short in a depot.*—During physical verification of stock in May 1972 in a Posts and Telegraphs (Civil)

Sub-division, 43.27 tonnes of steel rods (of eleven sizes) costing Rs. 0.46 lakh were found short.

The departmental rules provide that an immediate report of such losses should be sent to the next higher authority and to Audit. The loss was reported to the police in July 1972 as no conclusion could be reached after departmental enquiry conducted in May/June 1972. The Executive Engineer stated in November 1973 that the loss was not reported to the police in May 1972 as it was not a case of theft or fraud.

No report was made to Audit. The case came to the notice of audit during local audit inspection in February 1973. The Executive Engineer stated in August 1973 that the report to Audit was not sent due to over-sight.

The police could not trace the culprit and reported in November 1972 that the gate-keeper at the stores depot did not check the quantities of stores leaving the storeyard. The Executive Engineer, Posts and Telegraphs (Civil) confirmed in November 1973 that the system of gate-pass to enable the gate-keeper to check the materials passing out of the storeyard was not followed until after the occurrence of this loss.

The department stated in December 1974 that the case was under investigation with a view to fixing responsibility for the loss.

23. *Losses of stores.*—The losses of stores during 1971-72, 1972-73 and 1973-74 are given below :—

Year	Number of cases of loss of stores	Amount (lakhs of rupees)	Copper wire thefts included in columns 2 and 3	
			Number	Amount (lakhs of rupees)
1	2	3	4	
1971-72	35,724	236.66	31,640	208.53
1972-73	28,523	192.00	23,369	142.60
1973-74	15,100	132.06	14,315	110.56

An analysis of these losses by main classes and agencies responsible is given in Appendix. III.

NOTE :—Figures for 1972-73 differ from those shown in the last year's Report for the reason that the figures shown therein were not complete, for want of some information.

## OTHER TOPICS

24. *Non-refund of interest-bearing advances granted to government servants.*—According to the rules, an advance for the purchase of land should be recovered in lumpsum, along with interest, if the sale deed for the land is not produced by the Government servant within two months (or such extended period as may be sanctioned) of the drawal of the advance. Similarly, an advance for the purchase of scooter/motor car should be recovered in lumpsum, along with interest, if the vehicle is not purchased and hypothecated to the President of India within one month (or such extended period as may be sanctioned) of the drawal of the advance.

In paragraph 26 of the Report of the Comptroller and Auditor General, Union Government (Posts and Telegraphs) for the year 1969-70, mention was made of 167 cases involving non-refund of Rs. 3.65 lakhs on account of unutilised advances for the purchase of vehicles paid to Posts and Telegraphs employees in Andhra circle during the three years ending March 1970. In April 1972 the Director General, Posts and Telegraphs instructed all heads of circles to review all such advances made during 1970-71 and 1971-72 and recover the unutilised advances. In Orissa circle, the unutilised advances for the purchase of land (Rs. 5.02 lakhs) paid to 177 Government servants between April 1971 and December 1973 and those for the purchase of vehicles (Rs. 2.79 lakhs) paid to 93 Government servants between April 1970 and March 1973 remained un-recovered (September 1974) though the Government servants did not produce the sale deeds in respect of land and proof of purchase of vehicle and hypothecation deeds thereof, within the prescribed period.

The department stated (December 1974) that after the irregularity was pointed out by Audit (September 1974), the Postmaster General, Orissa circle had initiated vigorous action in the matter.

25. *Under-utilisation of machines in telegraph offices.*—Reperforators and auto-transmitters are used in the Telegraph Offices, along with teleprinter machines, for automatic recording and retransmission of telegraph messages received from several linked telegraph offices. Advantage is also taken of the high speed automatic transmission, possible through these machines, to transmit many more messages per hour than is possible through

manual operators. Besides this, whenever there is interruption or breakdown of the telegraph circuits, the operators are engaged in recording the messages on tapes for subsequent automatic transmission. In view of these advantages the department decided in 1963 to install reperforators and auto-transmitters in all telegraph offices.

A test check of the utilisation of these machines in certain telegraph offices showed that 139 such machines (cost : Rs. 6.50 lakhs) were lying unutilised in 5 telegraph offices for periods ranging from 2 to 5 years, as shown below :—

Name of telegraph office	Total number received	Number lying unutilised	Value (lakhs of rupees)	Lying unutilised since
<b>Reperforators</b>				
1. Calcutta . . . . .	49	11	0.78	1972
2. Delhi . . . . .	86	44	2.64	1971
3. Nagpur . . . . .	23	12	0.79	1969
4. Poona . . . . .	16	12	0.72	1970
5. Quilon . . . . .	4	2	0.12	1971
<b>TOTAL</b>		<b>81</b>	<b>5.05</b>	
<b>Auto-transmitters</b>				
1. Calcutta . . . . .	47	9	0.20	1972
2. Delhi . . . . .	86	44	1.14	1971
3. Nagpur . . . . .	23	3	0.08	1968
4. Poona . . . . .	..	..	..	..
5. Quilon . . . . .	4	2	0.03	1971
<b>TOTAL</b>		<b>58</b>	<b>1.45</b>	



The department stated (December 1974) that the reperforators and auto-transmitters remained unused as "there were problems that certain material did not arrive in time, space was not available, the availability of tapes became difficult. In a review in 1969, recognising these factors, pending orders were amended for machines of a slightly different type which would require less space, cost less and provide more operator convenience". The department stated further (December 1974) that in view of the increase in cost of the parchment paper tape rolls used in these machines, the possibility of modifying the machines for use in other normal operations was under examination.

26. *Delay in occupation of staff quarters.*—The construction of 115 quarters (estimated cost : Rs. 18.48 lakhs) for the staff of the Telecommunication Factory, Jabalpur was completed in March 1973 at a cost of about Rs. 19.08 lakhs and the Executive Engineer (Civil) Jabalpur requested the Manager of the Telecommunication Factory in April 1973 to take them over. In July 1973, an inspection of the quarters conducted jointly by the Manager and the Executive Engineer disclosed that certain building works (*e.g.* electrical wiring, arrangement for draining out rain water from the roof, installation of individual water meters etc.) and other works in the area (*e.g.* streetlighting, cleaning of roads to the quarters, levelling of earth accumulated during construction etc.) had not been completed. One hundred and twelve quarters were taken over by the Manager in October 1973. The allotment of the quarters commenced in November 1973, but only 41 quarters were occupied by December 1973. Out of 114 quarters taken over till June 1974, ten were vacant. At the end of November 1974 three quarters were vacant.

In June 1974, the General Manager, Telecommunication Factories, Calcutta informed the Director General, Posts and Telegraphs that since there was not sufficient demand for the quarters from the staff of the factory some of the quarters were offered to the staff of other Posts and Telegraphs units located in Jabalpur, but response from the latter was also not encouraging as the floor area of the quarters built according to the prescribed standards for the staff of the factory was less than the area prescribed for general pool quarters.

Due to delay in taking over the quarters and their allotment and occupation the department paid during April 1973 to November 1974 house rent allowance of about Rs. 0.55 lakh to those who could have been allotted quarters and also lost rent amounting to Rs. 0.62 lakh for the vacant quarters.

The department stated (December 1974) that the delay in taking over of the quarters was due to defects in the buildings, and the quarters remained vacant "because of lack of interest among the staff on which Government cannot have any control".

27. *Defalcations or loss of public money.*—Two thousand six hundred and forty seven cases of loss of public money amounting to Rs. 34.87 lakhs came to light in 1973-74. An analysis of these cases, showing *inter-alia* the important classes and the agencies responsible for these losses is given in Appendix IV.

The employees of the department were responsible for about 70 per cent of the loss reported during the year. Responsibility has not been fixed or could not be fixed (July 1974) in 462 cases (Rs. 8.18 lakhs, *i.e.*, about 23 per cent of the total loss).

Out of the total loss of Rs. 34.87 lakhs, Rs. 8.70 lakhs were recovered upto July 1974.

28. *Outstanding audit observations.*—The total number of observations raised up to 1972-73 and remaining unsettled at the end of August 1974 was 91,850 for an amount of Rs. 18.47 crores. The number and amounts of different classes of observations are given below :—

Nature of observation	Number	Amount (lakhs of rupees)
(a) Sanction for establishment not received . . . . .	9,759	89.35
(b) Sanctions not received for contingent and miscellaneous expenditure . . . . .	853	15.62
(c) Sanctions to estimates not received . . . . .	728	120.55
(d) Detailed bills for lumpsum drawals not received . . . . .	1,346	21.74
(e) Vouchers not received . . . . .	10,071	99.02
(f) Payees' receipts not received . . . . .	711	22.59
(g) Advances paid to government servants not recovered . . . . .	14,224	38.58
(h) Agreements with contractors/suppliers not received . . . . .	724	46.66

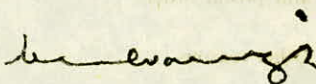
Nature of observation	Number	Amount (lakhs of rupees)
(i) Payments to contractors/suppliers not in conformity with contracts and agreements . . . . .	139	10.28
(j) Overpayments or amounts disallowed in Audit not recovered . . . . .	3,164	14.96
(k) Sanctions to write off of losses, etc., not received . . . . .	110	2.68
(l) Breach of financial propriety . . . . .	29	2.20
(m) Irregularities or want of details/documents in respect of overtime, out-station allowance, medical claims and other personal claims . . . . .	1,297	2.33
(n) Excess/short payments, accounting difference in respect of money orders, post office certificates and postal orders . . . . .	23,317	694.90
(o) Other reasons . . . . .	25,378	665.10
<b>TOTAL . . . . .</b>	<b>91,850</b>	<b>1,846.56</b>

- NOTES :—(1) The above figures include 26 observations for Rs. 0.13 lakh pertaining to the Base circle under the Army Postal service.
- (2) The number of observations and amounts thereof in respect of Uttar Pradesh circle, included in the paragraph are not complete.
- (3) The observations relating to Bihar and Orissa circles are not included in the paragraph.

29. *Delay in disposal of inspection reports.*—The total number of inspection reports on Posts and Telegraphs offices issued by the Audit offices up to 31st March 1973 and the number of irregularities pointed out therein remaining unsettled up to the end of August 1974 were 4,853 and 34,571 respectively. Out of the 1,196 reports issued during 1973-74, 220 reports had not been received back with the first reply (August 1974). In addition, 50 inspection reports issued prior to April 1973 had also not been received back with the first reply (August 1974).

The following are some of the common types of irregularities noticed as a result of test check during inspections conducted in 1973-74 :—

- (a) Annual physical verification of stock not conducted.
- (b) Security bonds not obtained/not renewed or not kept on record.
- (c) Non-renewal and non-execution of lease of buildings.
- (d) Irregularities in maintenance of service books and leave accounts.
- (e) General Provident Fund accounts of Class IV employees not maintained properly.
- (f) Short/excess interest allowed on savings bank accounts.
- (g) Verification of savings bank ledger balances and their agreement not completed to the prescribed extent.
- (h) Overpayment/irregular payment of children's education allowance/tuition fees.



(KULVANT SINGH)

Accountant General Posts and Telegraphs.

DELHI

The

- 8 APR 1975

Countersigned



(A. BAKSHI)

Comptroller and Auditor General of India.

NEW DELHI

The

- 9 APR 1975

## APPENDIX I

(Referred to in paragraph 6 at pages 6-7)

(a) Yearwise analysis of telephone revenue in arrears on 1st July 1974 for bills issued upto 31st March 1974 :—

Year	Amount (lakhs of rupees)
1951-52 to 1962-63 . . . . .	12.60
1963-64 . . . . .	7.64
1964-65 . . . . .	8.46
1965-66 . . . . .	8.51
1966-67 . . . . .	11.05
1967-68 . . . . .	23.19
1968-69 . . . . .	27.03
1969-70 . . . . .	30.24
1970-71 . . . . .	42.85
1971-72 . . . . .	72.64
1972-73 . . . . .	137.63
1973-74 . . . . .	346.50
TOTAL . . . . .	728.34

(b) Yearwise analysis of telephone revenue written off during 1973-74 :—

Year	Amount (lakhs of rupees)
Upto 1967-68 . . . . .	4.21
1968-69 . . . . .	1.12
1969-70 . . . . .	1.26
1970-71 . . . . .	1.10
1971-72 . . . . .	1.55
1972-73 . . . . .	0.85
1973-74 . . . . .	0.88
Break-up not available . . . . .	0.14
TOTAL . . . . .	11.11

## APPENDIX II

(Referred to in paragraph 7 at page 8)

Yearwise analysis of arrears of rent of telegraph, telephone and teleprinter circuits and telex/intelex charges on 1st July 1974 for bills issued upto 31st March 1974 :—

(lakhs of rupees)

Year	Rent of telegraph telephone and teleprinter circuits	Telex and intelex charges	Total
Upto 1968-69 . . . . .	9.01	0.40	9.41
1969-70 . . . . .	8.48	0.19	8.67
1970-71 . . . . .	9.45	0.49	9.94
1971-72 . . . . .	31.17	1.87	33.04
1972-73 . . . . .	36.15	4.07	40.22
1973-74 . . . . .	221.64	13.08	234.72
<b>TOTAL</b> . . . . .	<b>315.90</b>	<b>20.10</b>	<b>336.00</b>

APPENDIX III

(Referred to in paragraph 23 at page 38)

Statement showing the losses of stores during 1973-74

Sl. No.	Persons responsible for the loss	Losses due to theft		Losses due to accident (fire, flood etc.)		Losses for which reasons are not known		Total	
		Number	Amount Rs.	Number	Amount Rs.	Number	Amount Rs.	Number	Amount Rs.
<b>1. Persons unconnected with the department—</b>									
(a)	Loss from stock .	33	63,418	4	39,477	1	104	38	1,02,999
(b)	Loss from existing alignments, etc. .	7,927	68,76,865	26	4,14,987	23	1,76,586	7,976	74,68,438
(c)	Loss in transit .	..	..	..	..	39	3,07,860	39	3,07,860
<b>2. Departmental employees</b>									
<i>(i) Contributory negligence</i>									
(a)	Loss from stock	6	16,369	..	..	1	87	7	16,456
(b)	Loss from existing alignments, etc. .	471	2,12,016	..	..	..	..	471	2,12,016
(c)	Loss in transit .	..	..	..	..	..	..	..	..
<i>(ii) Directly responsible</i>									
(a)	Loss from stock	3	21,897	..	..	2	1,321	5	23,218
(b)	Loss from existing alignments, etc. .	..	..	..	..	..	..	..	..
(c)	Loss in transit .	..	..	..	..	..	..	..	..
<b>3. Responsibility not fixed upto July 1974</b>									
(a)	Loss from stock .	23	1,02,386	4	1,38,524	4	2,468	31	2,43,378
(b)	Loss from existing alignments, etc. .	4,422	27,87,178	..	..	..	..	4,422	27,87,178
(c)	Loss in transit .	9	2,415	..	..	32	6,90,030	41	6,92,445
<b>4. Responsibility could not be fixed</b>									
(a)	Loss from stock .	54	66,575	2	6,104	2	300	58	72,979
(b)	Loss from existing alignments, etc. .	1,554	10,52,932	..	..	439	2,23,000	1,993	12,75,932
(c)	Loss in transit .	..	..	..	..	19	3,184	19	3,184
TOTAL 1973-74 .		14,502	1,12,02,051	36	5,99,092	562	14,04,940	15,100	1,32,06,083
TOTAL 1972-73 .		28,367	1,68,61,683	50	20,88,808	106	2,49,661	28,523	1,92,00,152

NOTE :—(i) The figures under “Loss from existing alignments, etc.” include 14,310 cases of theft of copper wire (Rs. 105.82 lakhs) from existing alignments.

(ii) The figures under “Loss from Stock” include 3 cases of theft of copper wire (Rs. 0.18 lakh).

(iii) The figures under “Loss in transit” include 2 cases of theft of copper wire (Rs. 4.56 lakhs).

(iv) The statement excludes the figures for some units.

APPENDIX II

Statement of the Department of the Interior  
 for the year ending June 30, 1900

Item	Quantity	Unit	Value		Remarks
			Estimated	Actual	
1. Fuel for engine	100	gals.	10.00	10.00	
2. Oil for engine	50	gals.	5.00	5.00	
3. Coal for engine	1000	tons	100.00	100.00	
4. Lard for engine	100	lbs.	10.00	10.00	
5. Grease for engine	100	lbs.	10.00	10.00	
6. Soap for engine	100	lbs.	10.00	10.00	
7. Paper for engine	100	lbs.	10.00	10.00	
8. Ink for engine	100	lbs.	10.00	10.00	
9. Stationery for engine	100	lbs.	10.00	10.00	
10. Miscellaneous for engine	100	lbs.	10.00	10.00	
11. Fuel for engine	100	gals.	10.00	10.00	
12. Oil for engine	50	gals.	5.00	5.00	
13. Coal for engine	1000	tons	100.00	100.00	
14. Lard for engine	100	lbs.	10.00	10.00	
15. Grease for engine	100	lbs.	10.00	10.00	
16. Soap for engine	100	lbs.	10.00	10.00	
17. Paper for engine	100	lbs.	10.00	10.00	
18. Ink for engine	100	lbs.	10.00	10.00	
19. Stationery for engine	100	lbs.	10.00	10.00	
20. Miscellaneous for engine	100	lbs.	10.00	10.00	
21. Fuel for engine	100	gals.	10.00	10.00	
22. Oil for engine	50	gals.	5.00	5.00	
23. Coal for engine	1000	tons	100.00	100.00	
24. Lard for engine	100	lbs.	10.00	10.00	
25. Grease for engine	100	lbs.	10.00	10.00	
26. Soap for engine	100	lbs.	10.00	10.00	
27. Paper for engine	100	lbs.	10.00	10.00	
28. Ink for engine	100	lbs.	10.00	10.00	
29. Stationery for engine	100	lbs.	10.00	10.00	
30. Miscellaneous for engine	100	lbs.	10.00	10.00	

Total amount expended for engine supplies, \$1,000.00

Total amount received for engine supplies, \$1,000.00

Balance on hand, June 30, 1900, \$0.00



APPENDIX IV

(Referred to in paragraph 27 at page 42)

Statement showing defalcations or loss of public money during 1973-74

Sl. No.	Persons responsible for the loss	Savings Bank frauds			Post Office Certificates frauds			Money Orders (including telegraphic and value paid money orders) frauds			Insured articles frauds and losses			Miscellaneous frauds and losses			Total		
		Number	Amount	Amount recovered, if any	Number	Amount	Amount recovered, if any	Number	Amount	Amount recovered, if any	Number	Amount	Amount recovered, if any	Number	Amount	Amount recovered, if any	Number	Amount	Amount recovered, if any
1.	Persons unconnected with the department . . .	24	42,600	40,900	4	7,200	7,200	21	11,800	6,000	6	13,000	400	219	1,32,300	31,700	274	2,06,900	86,200
2.	Departmental employees																		
	(i) Departmental Postmasters (including sub and branch postmasters)																		
	(a) Contributory negligence . . . . .	2	1,200	100	..	..	..	2	800	600	11	8,500	3,000	40	69,300	14,900	55	79,800	18,600
	(b) Directly responsible . . . . .	160	4,27,500	83,400	10	59,100	..	35	1,75,100	38,000	11	5,700	1,800	168	2,08,600	89,400	384	8,76,000	2,12,600
	(ii) Extra departmental agents (including those incharge of sub and branch post offices) . . .																		
	(a) Contributory negligence . . . . .	17	38,800	8,300	..	..	..	29	7,100	4,800	10	7,900	1,500	31	5,100	4,500	87	58,900	19,100
	(b) Directly responsible . . . . .	322	3,64,500	1,83,100	3	21,500	13,500	266	70,700	47,400	21	13,200	7,900	200	74,600	42,700	812	5,44,500	2,94,600
	(iii) Clerks																		
	(a) Contributory negligence . . . . .	7	12,100	4,500	..	..	..	2	1,100	1,100	14	35,600	7,400	41	62,500	14,300	64	1,11,300	27,300
	(b) Directly responsible . . . . .	41	60,400	12,600	..	..	..	22	1,68,600	14,500	41	50,900	5,900	103	1,65,100	78,600	207	4,45,000	1,11,600
	(iv) Postmen and village Postmen																		
	(a) Contributory negligence . . . . .	..	..	..	..	..	..	5	11,300	700	2	3,800	1,200	3	2,000	700	10	17,100	2,600
	(b) Directly responsible . . . . .	38	6,100	300	1	1,500	1,500	95	52,800	19,800	10	7,700	3,200	22	10,600	6,900	166	78,700	31,700
	(v) Peons and other Class IV servants																		
	(a) Contributory negligence . . . . .	..	..	..	..	..	..	1	..	..	4	25,500	13,100	6	20,000	2,800	11	45,500	15,900
	(b) Directly responsible . . . . .	2	24,000	..	..	..	..	6	7,500	1,700	3	400	100	13	7,800	4,100	24	39,700	5,900
	(vi) Others																		
	(a) Contributory negligence . . . . .	1	500	..	..	..	..	3	600	..	13	4,000	..	10	6,500	300	27	11,600	300
	(b) Directly responsible . . . . .	6	32,400	..	..	..	..	3	3,100	1,700	15	83,500	..	26	20,400	8,200	50	1,39,400	9,900
3.	Mail Contractors' agents																		
	(a) Contributory negligence . . . . .	..	..	..	..	..	..	..	..	..	..	..	..	5	1,300	..	5	1,300	..
	(b) Directly responsible . . . . .	..	..	..	..	..	..	..	..	..	..	..	..	9	13,100	2,800	9	13,100	2,800
4.	Responsibility not fixed upto July 1974 . . . . .	26	42,900	4,000	4	10,000	2,000	21	37,700	12,800	180	5,24,600	400	72	1,08,600	9,900	303	7,23,800	29,100
5.	Responsibility could not be fixed . . . . .	1	1,000	..	..	..	..	2	1,600	..	132	87,100	1,200	24	4,800	200	159	94,500	1,400
	TOTAL . . . . .	647	10,54,000	3,37,200	22	99,300	24,200	513	5,49,800	1,49,100	473	8,71,400	47,100	992	9,12,600	3,12,000	2,647	34,87,100	8,69,600

