



सत्यमेव जयते

UNION GOVERNMENT

APPROPRIATION ACCOUNTS
(POSTS AND TELEGRAPHS)

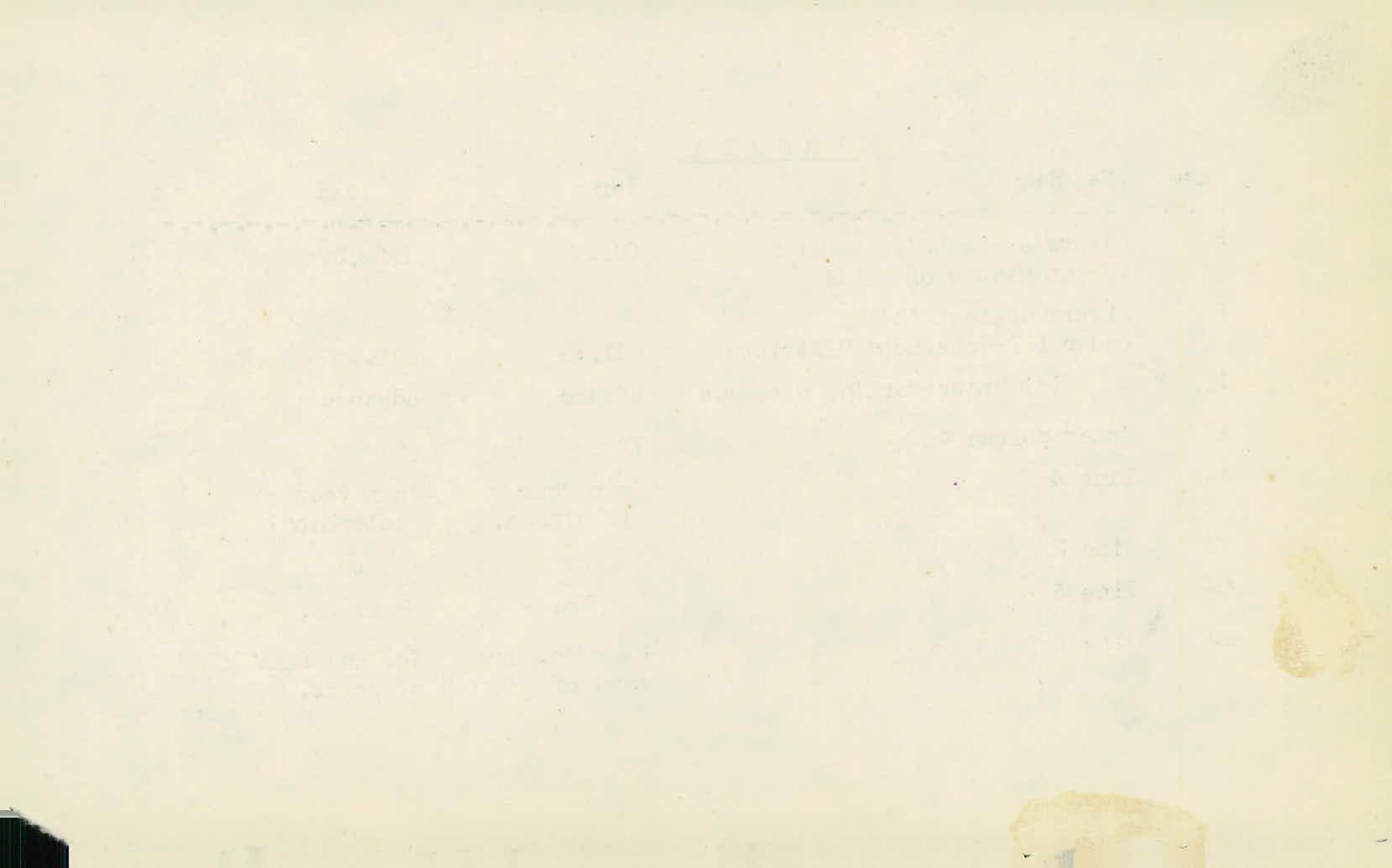
1971-72

(Containing also the financial review of the working of the 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.)



E R R A T A

Page	Heading	For	Read
3	Figure against 'O' under IV-conveyance of mails	06.27	1806.27
5	Figure against 'R' under III-Telephone Districts	-11.59	-11.95
11	<i>New</i> (i) Under Working Expenses	advanc	advance
17	Under column 4	12	(2)
24	line 4	'own your telephone,	'own your telephone'
37	line 3	or	on
49	line 5	No.	Page No.
49	line 5	Page No. and name of grant	No. and name of grant.





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Историческое описание
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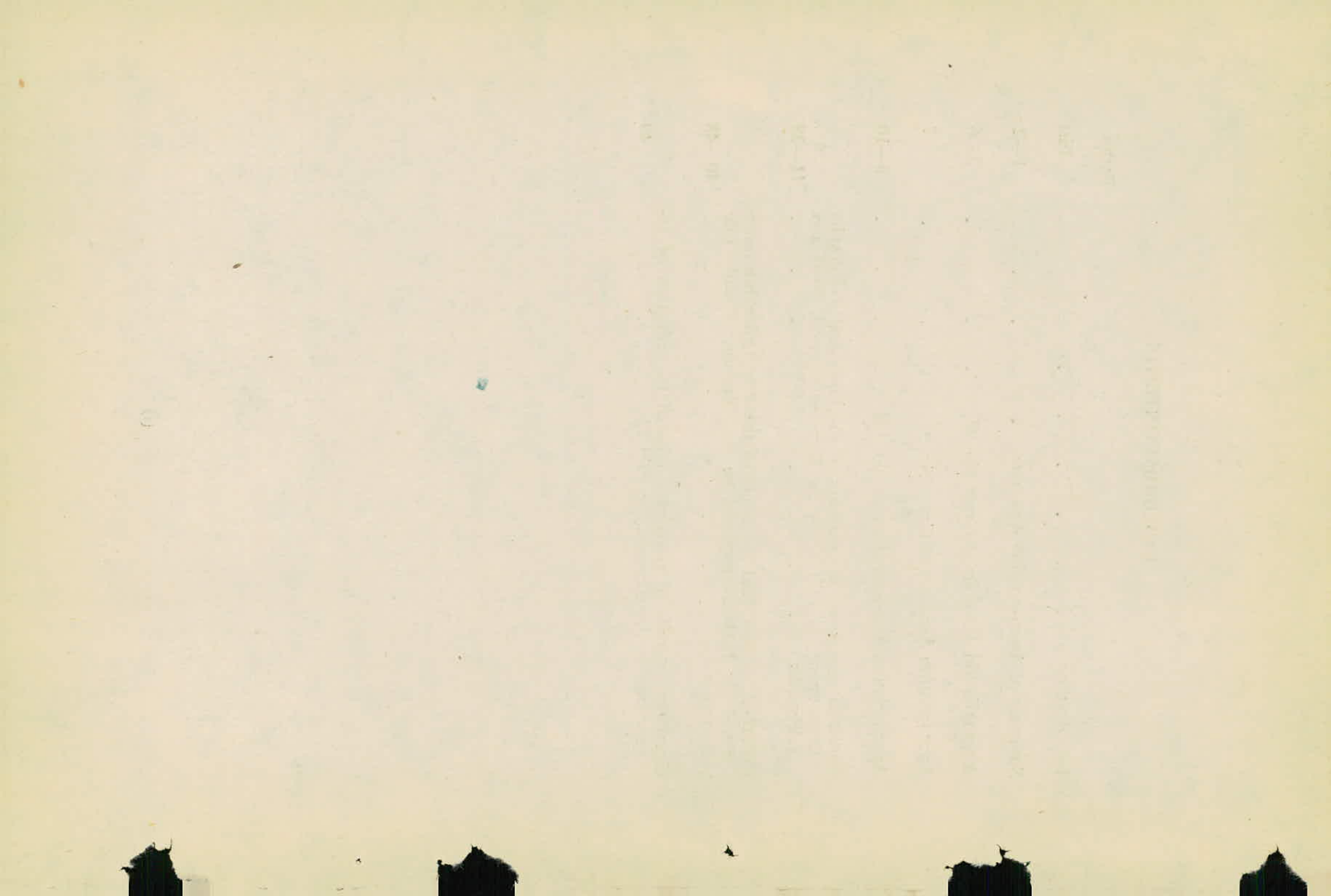
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APPROPRIATION ACCOUNTS OF THE INDIAN POSTS AND TELEGRAPHS DEPARTMENT FOR THE YEAR 1971-72

INTRODUCTORY

This compilation contains the Appropriation Accounts of the Posts and Telegraphs Department for the year 1971-72, the financial review of the working of the Posts and Telegraphs Department by the Director General of Posts and Telegraphs and the financial review and accounts of the Post Office Insurance Fund for the year 1971-72 prepared by the Director, Postal Life Insurance.

The Appropriation Accounts present the accounts of sums expended in the year ended 31st March 1972 compared with the several sums specified in the schedules appended to the Appropriation Acts passed under Articles 114 and 115 of the Constitution.

The Appropriation Accounts exhibit the total grant/appropriation, actual expenditure and saving/excess for the grant/appropriation as a whole and draw attention by way of suitable explanatory notes under each grant/appropriation to important cases of variations which call for comments, giving relevant particulars about the group heads in which these have occurred.

In these Accounts :

'O' stands for original grant or appropriation.

'S' stands for supplementary grant or appropriation.

'R' stands for re-appropriations, withdrawals or surrenders sanctioned by a competent authority.

Charged appropriations and expenditure are shown in italics.

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

PHYSICS 350

LECTURE 1

MECHANICS

WINTER 2008

LECTURE 1

SUMMARY OF APPROPRIATION ACCOUNTS FOR 1971-72

Page No.	Number and name of grant or appropriation	Total grant or appropriation	Expenditure	Excess	Saving
		Rs.	Rs.	Rs.	Rs.
3	<i>Grant No. 92— Posts and Telegraphs Working Expenses</i>				
	<i>Charged</i>	10,000	4,753		5,247
	Voted	2,82,97,17,000	2,73,31,09,829		9,66,07,171
7	<i>Grant No. 93— Posts and Telegraphs Dividend to General Revenues, Appropriation to Reserve Funds and Repayment of Loan from General Revenues</i>				
	Voted	35,66,30,000	50,16,33,512	14,50,03,512	
8	<i>Grant No. 144— Capital Outlay on Posts and Telegraphs (not met from Revenue)</i>				
	Voted	99,05,01,000	90,12,29,121		8,92,71,879
	Total				
	<i>Charged</i>	10,000	4,753		5,247
	Voted	4,17,68,48,000	4,13,59,72,462	14,50,03,512	18,58,79,050
	Grand Total	4,17,68,58,000	4,13,59,77,215	14,50,03,512	18,58,84,297

The excess over the voted Grant "93—Posts and Telegraphs Dividend to General Revenues, Appropriation to Reserve Funds and Repayment of Loan from General Revenues" requires regularisation.

The grants and appropriations are generally for gross amounts of expenditure (*i.e.*, exclusive of recoveries which are adjusted in the accounts in reduction of expenditure). The expenditure figures shown above are accordingly exclusive of such recoveries. The actual recoveries during the year were Rs. 90,97,89,326 as shown in the statement at page 49.

The Appropriation Accounts have been prepared and examined under my direction in accordance with the requirements of Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971. On the basis of the information and explanations that my officers required and have obtained, I certify that these accounts are correct, subject to the observations in my Report on the Posts and Telegraphs for the year 1971-72.



(A. BAKSI)

NEW DELHI ;

The 26 FEB 1973 1973.

Comptroller and Auditor General of India.

Grant No. 92.—Posts and Telegraphs Working Expenses

	Rs.	Total grant or ap- propriation Rs.	Actual ex- penditure Rs.	Excess + Saving— Rs.
<i>Charged—</i>				
<i>Original</i>	10,000	10,000	4,753	—5,247
Amount surrendered during the year				Nil
<i>Voted—</i>				
<i>Original</i>	2,82,97,17,000	2,82,97,17,000	2,73,31,09,829	—9,66,07,171
Amount surrendered during the year (March 1972)				6,67,20,000

Notes and comments:—

1. (a) Saving occurred mainly under :—

		Total grant	Actual expenditure (lakhs of rupees)	Excess + Saving—
J—Postal Expenses (including cost of combined offices)				
III—Sorting and other charges of R.M.S. divisions				
O	1770.01			
R	—102.88	1667.13	1639.34	—27.79

The saving of Rs. 130.67 lakhs was due mainly to less expenditure on establishment charges (Rs. 75.78 lakhs), contingencies (Rs. 48.79 lakhs) and travelling allowances (Rs. 6.46 lakhs).

IV—Conveyance of mails

O	06.27			
R	—50.34	1755.93	1601.52	—154.41

	Total grant	Actual ex- penditure	Excess + Saving—
	(lakhs of rupees)		

The saving of Rs. 204.75 lakhs was due mainly to less expenditure on establishment charges (Rs. 61.40 lakhs) and less payments to railways, air mail carriers, etc. (Rs. 146.82 lakhs).

N—Transfer of Advance Rentals under O.Y.T. and other Schemes to Capital

O	1069.00			
R	—174.88	894.12	894.12	—

The saving of Rs. 174.88 lakhs was due to less collection of advance rentals under 'O.Y.T. and other Schemes' than anticipated because of —

- (i) non-availability of cable pairs ;
- (ii) reduction in the availability of spare capacity in telephone exchanges due to maximum utilisation of available capacity ;
- (iii) less demand in O.Y.T. category because of availability of more connections under general category.

(b) Other cases of important savings are given below :—

F—Engineering Expenses

II—Divisions

A—Divisional and Sub-Divisional Offices

O	425.71			
R	—47.45	378.26	375.26	—3.00

J—Postal Expenses (including cost of combined offices)

I—General superintendence

A—Postal Divisions

O	480.24			
R	—48.55	431.69	430.69	—1.00

IX—Small Savings Work

O	253.71			
R	—58.32	195.39	189.27	—6.12

M—Telephone Expenses

I—Engineering and Operative Charges

A—Operative Charges

O	1697.27			
R	—35.16	1662.11	1659.67	—2.44

		Total grant	Actual expenditure	Excess + Saving—
		(lakhs of rupees)		
D-Telephone Exchanges, Carrier, Microwave, Apparatus and Plant Maintenance Establishment				
O	1139.09}	1115.50	1115.20	—0.30
R	—23.59}			
II-Telephone Accounts				
O	301.54}	284.89	282.25	—2.64
R	—16.65}			
III-Telephone Districts				
O	362.38}	350.43	349.48	—0.95
R	—11.59}			

The above savings were due mainly to less expenditure on establishment charges on account of non-filling up of vacant posts.

CC—Stores Depots and Workshops

IV—Miscellaneous Stores and Workshops Expenditure

O	30.60}	—	—	—
R	—30.60}			

This head provides mainly for (i) adjustments on account of revision of the rates of stores, (ii) write off of unserviceable stores, (iii) adjustments of surplus or deficit of stores disclosed on physical verification, etc. All credit balances in the purchase ledgers (which represent stores received but not paid for) outstanding for more than three complete account years are also adjusted under this head. The saving of Rs. 30.60 lakhs was due mainly to less debits on account of revision of rates of stores and more adjustments of credit balances in the purchase ledgers outstanding for more than three complete account years. In 1970-71 also there was a saving of Rs. 33.20 lakhs under this head for the same reasons.

I—Maintenance of Assets

1—Buildings

O	115.00}	116.90	101.39	—15.51
R	1.90}			

The saving was due to less execution of works.

2.—Telegraph and Telephone Lines and Radio Communications

O	420.00}	369.88	385.79	+15.91
R	—50.12}			

Total grant	Actual ex- penditure	Excess + Saving—
-------------	-------------------------	---------------------

(lakhs of rupees)

The saving of Rs. 34.21 lakhs was due to non-execution of maintenance works to the extent anticipated.

II-A-Expenditure on Annual Open Estimates and Petty Works

2—Telegraph and Telephone Lines and Radio Communications

O	250.00	}	239.16	216.45	—22.71
R	—10.84				

The saving of Rs. 33.55 lakhs was due to less receipt of stores from the departmental stores organisation because of which works could not be carried out to the extent expected.

3—Apparatus and plant

O	156.00	}	149.35	143.27	—6.08
R	—6.65				

The saving of Rs. 12.73 lakhs was due to short supply of items required for works.

2. The above savings were partly re-appropriated and utilised for additional expenditure under :—

H—Stamps, Post Cards, Printing and Stationery, Storage and Distribution of Forms

II—Printing and Stationery

O	437.05	}	566.00	565.71	—0.29
R	128.95				

The expenditure exceeded the original provision by Rs. 128.66 lakhs due mainly to adjustment in 1971-72 of pending debits for 1970-71 for printing done by Central Government presses.

Grant No. 93—Posts and Telegraphs Dividend to General Revenues, Appropriation to Reserve Funds and Repayment of Loan from General Revenues

	Total grant	Actual expenditure	Excess
Rs.	Rs.	Rs.	Rs.
Voted—			
Original 25,03,09,000	} 35,66,30,000	50,16,33,512	14,50,03,512
Supplementary 10,63,21,000			
Amount surrendered during the year			Nil

Notes and comments :—

1. Expenditure exceeded the grant by Rs. 14,50,03,512 ; the excess requires regularisation.
2. Anticipating a surplus of Rs. 25,03.09 lakhs the following provision was made in the budget :

	(lakhs of rupees)
(i) Dividend to General Revenues out of P&T surplus	15,41.74
(ii) Appropriation to P&T Revenue Reserve Fund	3,61.35
(iii) Appropriation to P&T Capital Reserve Fund	6,00.00
TOTAL	<u>25,03.09</u>

As a result of larger revenue receipts and lesser working expenses the surplus of the Department was estimated to be Rs. 35,66.30 lakhs in the revised estimates against the provision of Rs. 25,03.09 lakhs in the budget. Consequently, a supplementary grant of Rs. 10,63.21 lakhs was obtained in March 1972 to appropriate larger surplus to the Posts and Telegraphs Capital Reserve Fund. Actually, the accounts for 1971-72 closed with a surplus of Rs. 50,16.33 lakhs. After meeting the liability of the Department for payment of dividend to General Revenues (Rs. 13,02.10 lakhs) the balance surplus of Rs. 37,14.23 lakhs was appropriated to "Posts and Telegraphs Revenue Reserve Fund" (Rs. 2,14.23 lakhs) and "Posts and Telegraphs Capital Reserve Fund" (Rs. 35,00.00 lakhs). This resulted in excess of Rs. 18,36.79 lakhs under "Appropriation to Posts and Telegraphs Capital Reserve Fund".

The above excess was partly offset by saving of Rs. 2,39.64 lakhs under "Dividend to General Revenues out of Posts and Telegraphs surplus" and Rs. 1,47.12 lakhs under "Appropriation to Posts and Telegraphs Revenue Reserve Fund".

Grant No. 144—Capital Outlay on Posts and Telegraphs (not met from Revenue)

	Rs.	Total grant Rs.	Actual ex- penditure Rs.	Excess+ Saving— Rs.
Voted—				
Original	99,05,00,000	99,05,01,000	90,12,29,121	—8,92,71,879
Supplementary	1,000			
Amount surrendered during the year (March 1972)				8,33,26,000

Notes and comments:—

1. Saving occurred mainly under :—

II—Telegraphs (lakhs of rupees)

A—General Projects

O	1109.22	} 829.17	440.58	—388.59
R	—280.05			

Provision of Rs. 596.91 lakhs was made for telegraph lines and wires and inter-urban cables. In May 1972 Government decided to transfer these from the telegraph to the telephone branch from the accounts of 1971-72. Consequently, the expenditure under these heads was also transferred to the telephone branch in the accounts of 1971-72. This accounts for the saving of Rs. 596.91 lakhs under this head. The remaining saving of Rs. 71.73 lakhs was due to slow progress in construction of buildings and less procurement of equipment and motor vehicles.

IV—Telephones

F—Co-axial Trunk Cable Scheme

O	924.08	} 477.65	593.94	+116.29
R	—446.43			

The saving of Rs. 330.14 lakhs was due mainly to short supply of equipment and cables and less execution of building works.

	Total grant	Actual ex- penditure	Excess + Saving —
--	-------------	-------------------------	----------------------

(lakhs of rupees)

IV—Telephones

G—Microwave Project

O	632.60	} 188.98	181.61	—7.37
R	—443.62			

The saving of Rs. 450.99 lakhs was due mainly to short supply of equipment, masts and aerials, less execution of building and line works and non-finalisation of land acquisition cases.

Stores Suspense Account

4. Purchase

O	—	—	—95.54	—95.54
---	---	---	--------	--------

The saving of Rs. 95.54 lakhs was due to more receipt of stores as well as less payments to suppliers than expected.

2. The above savings were partly re-appropriated and utilised for additional expenditure under :—

I—Postal

O	550.08	} 607.50	649.69	+42.19
R	57.42			

The excess of Rs. 99.61 lakhs was due mainly to execution of more building works and payment to railways on account of construction of Railway Mail Service vans partly offset by saving due to non-finalisation of land acquisition cases.

Stores Suspense Account

5. Miscellaneous Civil Engineering Works Advances

O	5.00	} 59.00	59.52	+0.52
R	54.00			

The excess of Rs. 54.52 lakhs was due mainly to more payments for steel and cement than anticipated.

Manufacture Suspense Account

O	223.00	} 265.25	287.18	+21.93
R	42.25			

Total grant	Actual ex- penditure	Excess + Saving —
-------------	-------------------------	----------------------

(lakhs of rupees)

The excess of Rs. 64.18 lakhs was due mainly to larger drawal of raw materials, increase in labour charges and on-cost as well as lesser production of finished goods and components.

3. Augmentation of provision by re-appropriation in March 1972 proved wholly unnecessary under :—

II—Telegraphs

B—Railway Electrification Scheme

○	40.86	}	86.72	—	—86.72
R	45.86				

In May 1972 the Government decided to transfer the Scheme from the telegraph to the telephone branch with retrospective effect from the accounts of 1971-72. Consequently, the expenditure was also transferred to the telephone branch in the accounts of 1971-72 whereas the provision stood under the telegraph branch.

IV—Telephones

D—Bombay Telephone Expansion Project

O	16.76	}	31.21	8.84	—22.37
R	14.45				

The final saving of Rs. 22.37 lakhs was due mainly to non-supply of equipment by the departmental stores organisation and adjustment of unexpected credits.

Stores Suspense Account

1. General Stores

O	617.00	}	1409.00	450.62	—958.38
R	792.00				

The final saving of Rs. 958.38 lakhs was due mainly to larger issues of stores to capital works.

(The expenditure on capital works is also accounted for under this grant and so the value of stores issued is shown as reduction of expenditure under this group head.)

**FINANCIAL REVIEW OF THE WORKING OF THE POSTS AND
TELEGRAPHS DEPARTMENT BY THE DIRECTOR
GENERAL OF POSTS AND TELEGRAPHS FOR
THE YEAR 1971-72.**

(Amounts are in lakhs of rupees except where otherwise stated)

1.1. Financial results of the working of the Department compared with the estimates for the year under report and actuals for the previous year are indicated below :—

	Actuals 1970-71	Budget Estimates 1971-72	Revised Estimates 1971-72	Actuals 1971-72
Revenue	271,10	285,12	290,00	299,81
Working Expenses				
(i) Transfer of advanc rentals under OYT and other Schemes to Capital	10,00	10,69	8,94	8,94
(ii) Depreciation	20,37	21,95	21,58	21,58
(iii) Other Working Ex- penses	223,76	250,33	246,04	242,79
Gross Working Ex- penses	254,13	282,97	276,56	273,31
Deduct—Recoveries	19,13	22,88	22,22	23,66
Net Working Expenses	235,00	260,09	254,34	249,65
Dividend due for the year	13,19	15,42	13,57	13,02
Total Expenditure	248,19	275,51	267,91	262,67
Surplus	22,91	9,61	22,09	37,14
(iv) Repayment of Loan (Principal)	9,11	..	..	..
Repayment of Loan (Interest)	48	..	..	..

1.2. The progress of Revenue and Gross Working Expenses (excluding contribution to Renewals Reserve Fund/depreciation) for the last ten years is shown in the table below :—

Year	Revenue			Gross Working Expenses		
	Amount	Increase over previous year	Percentage increase	Amount	Increase over previous year	Percentage increase
1962-63	97,87	9,98	11.4	90,21	13,01	16.9
1963-64	109,70	11,83	12.1	99,21	9,00	10.0
1964-65	123,78	14,08	12.8	115,84	16,63	16.8
1965-66	137,77	13,99	11.3	134,18	18,34	15.8
1966-67	159,34	21,57	15.7	151,63	17,45	13.0
1967-68	174,31	14,97	9.4	174,28	22,65	14.9
1968-69	209,20	34,89	20.0	196,18*	21,90	12.6
1969-70	233,76	24,56	11.7	204,74**	8,56	4.4
1970-71	271,10	37,34	16.0	233,76	29,02	14.2
1971-72	299,81	28,71	10.6	251,73	17,97	7.7

*Includes expenditure met from Contingency Fund of India (1,99.)

**Excluding expenditure met from Contingency Fund of India (1,99) incurred in 1968-69.

2. The results of the working of each branch of the Department for year 1971-72 compared with those for 1970-71 are as follows :—

	1970-71	1971-72	Increase in 1971-72 over previous year	
			Amount	Percentage
<i>Post Offices</i>				
Revenue	110,54	110,64	10	0.1
Administrative, operative, maintenance, pensionary and other charges	110,96	117,45	6,49	5.8
Inter-branch adjustments	(-)2,43	(-)2,82	(-)39	(-)16.0
Petty and other works	1,21	1,33	12	9.9
Depreciation	39	44	5	12.8
Dividend to General Revenues due for the year	1,37	1,65	28	20.4
Deficit (-) (taking into account the full dividend due for the year)	(-)96	(-)7,41	(-)6,45	(-)671.9

	1970-71	1971-72	Increase in 1971-72 over previous year	
			Amount	Percentage
<i>Telegraphs</i>				
Revenue	27,47	35,76	8,29	30.2
Administrative, operative, maintenance, pensionary and other charges	22,16	16,65	(-)5,51	(-)24.9
Inter-branch adjustments	38	8,77	8,39	2207.9
Petty and other works	4,14	88	(-)3,26	(-)78.7
Depreciation	3,22	1,20	(-)2,02	(-)62.7
Dividend to General Revenues due for the year	4,60	3	(-)4,57	(-)99.3
Surplus (+)/Deficit(-) (taking into account the full dividend due for the year)	(-)7,03	(+)8,23	15,26	217.1
<i>Telephones</i>				
Revenue	131,73	152,74	21,01	15.9
Administrative, operative, maintenance, pensionary and other charges	52,05	63,65	11,60	22.3
Inter-branch adjustments	2,87	(-)5,10	(-)7,97	(-)277.7
Petty and other works	13,04	18,10	5,06	38.8
Transfer of advance rentals under OYT and other sche- mes to Capital	10,00	8,94	(-)1,06	(-)10.6
Depreciation	16,63	19,80	3,17	19.1
Dividend to General Revenues due for the year	7,06	11,18	4,12	58.4
Surplus (taking into account the full dividend due for the year)	30,08	36,17	6,09	20.2

	1970-71	1971-72	Increase in 1971-72 over previous year	
			Amount	Percentage
<i>Radios</i>				
Revenue	1,36	67	(-)-69	(-)-50.7
Administrative, operative, maintenance, pensionary and other charges	95	95	..	..
Inter-branch adjustments	(-)-82	(-)-85	(-)-3	(-)-3.7
Petty and other works	12	12	..	..
Depreciation	13	14	1	7.7
Dividend to General Revenues due for the year	16	16	—	—
Surplus (taking into account the full dividend due for the year)	82	15	(-)-67	(-)-81.7
<i>Total</i>				
Revenue	271,10	299,81	28,71	10.6
Administrative, operative, main- tenance, pensionary and other charges	186,12	198,70	12,58	6.8
Petty and other works	18,51	20,43	1,92	10.4
Transfer of advance rentals under OYT and other Schemes to Capital	10,00	8,94	(-)-1,06	(-)-10.6
Depreciation	20,37	21,58	1,21	5.9
Dividend to General Revenues due for the year	13,19	13,02	(-)-17	(-)-1.3
Surplus (taking into account the dividend due for the year)	22,91	37,14	14,23	62.1

3. Accumulated Surplus

The accumulated surplus of the Department under the previous arrangements (upto 1959-60) which stands merged in the General Revenues is Rs. 29,78 lakhs. A rebate of dividend is allowed on this sum as a permanent measure.

4. Review of Revenue and Expenditure

The actuals and percentage increases over preceding years in the revenue receipts under the important categories for the last few years are as under :—

Category	1967-68		1968-69		1969-70		1970-71		1971-72	
	Amount	Amount	Percentage increase over previous year	Amount	Percentage increase over previous year	Amount	Percentage increase over previous year	Amount	Percentage increase over previous year	
Sale of stamps	52,79	64,68	22.5	68,81	6.4	73,11	6.2	79,75	9.1	
Postage realised in cash	9,06	11,90	31.3	12,78	7.4	13,98	9.4	14,97	7.1	
Net receipts from other Postal Administrations	3,06	3,40	11.1	2,58	(-)24.1	1,60	(-)38.0	1,77	10.6	
Receipts on account of Money Orders, Indian Postal Orders, etc.	8,97	11,00	22.6	12,39	12.6	12,43	0.3	13,95	12.2	
Net receipts from Broadcast Receiver Licences	(-)48	2,17	552.1	63	(-)71.0	3,89	517.5	(-)56	(-)114.4	
Telegraph charges realised in cash	15,47	17,07	10.3	17,61	3.2	20,16	14.5	23,23	15.2	
Net payments to other Telegraph Administrations and Radio Companies	(-)2,44	(-)2,85	16.8	(-)2,80	(-)1.8	(-)2,96	5.7	(-)3,42	15.5	
Rent of wires and instruments leased to Railways and Canals	4,59	5,16	12.4	4,52	(-)12.4	3,91	(-)13.5	5,84	49.4	
Rental on telex installations	40	89	122.5	1,49	67.4	90	(-)39.6	1,33	47.8	
Telex call charges	67	1,35	101.5	2,73	102.2	4,84	77.3	6,46	33.5	
Telephone rentals, local call fees and trunk call fees (including receipts on consolidated bills)	74,41	84,91	14.1	1,01,78	19.9	1,19,34	17.3	1,43,39	20.2	
Net other receipts	5,37	3,24	(-)39.7	3,76	16.0	8,96	138.3	4,43	(-)50.6	
TOTAL	1,71,87	2,02,92	18.1	2,26,28	11.5	2,60,16	15.0	2,91,14	11.9	
Advance rentals under Own Your Telephone and other Schemes	2,44	6,28	157.4	7,48	19.1	10,94	46.3	8,67	(-)20.7	
TOTAL GROSS REVENUE	1,74,31	2,09,20	20.0	2,33,76	11.7	2,71,10	16.0	2,99,81	10.6	

5. The following important changes were made in the Postal, Telegraph and Telephone rates during the year 1971-72 :—

Postal

- 1-7-1971 Foreign Surface Postage rates have been revised in respect of letters, post cards, printed papers, registered newspapers, small packets, bulk bags.
- 12-8-1971 (i) Inland Parcel Postage revised from 90 paise to Re. 1 for 400 grams.
(ii) Registration fee revised from 95 paise to Re 1.
- 1-9-1971 Registration fee in respect of the foreign post revised from 95 paise to Re. 1 for ordinary articles and for bulk bags fee increased from Rs. 3 to Rs. 5.

Telegraphs

- 10-8-1971 (i) Charges for additional words in the case of inland non-press telegrams revised from 10 paise to 15 paise per word.
(ii) Rental for a teleprinter machine revised from Rs. 1800 to Rs. 2000 per annum.
(iii) Rental for a telex connection within local area revised from Rs. 1800 to Rs. 2000 per annum.
(iv) Rental for a telex connection within local area where teleprinter machine is provided by the subscriber himself revised from Rs. 280 to Rs. 450 per annum.

Telephones

1-4-1971

Category of PCO	Charges for calls between PCO and parent exchange	Charges for calls from PCO to exchanges other than parent exchange	Charges for calls to PCO from exchanges other than parent exchange
1	2	3	4

Long distance PCOs

- (a) Under 20 kms. radial distance from parent exchange 50 paise PCO charge per unit (3 minutes) duration of call or part thereof

1	2	3	4
(b) Exceeding 20 kms. but not exceeding 50 kms. radial distance from parent exchange	Re. 1 PCO charge per unit (3 minutes) duration of call or part thereof	Trunk call charge as from parent exchange plus appropriate PCO charge as in col. (2)	Trunk call charge to parent exchange of PCO plus appropriate PCO charge as in col. (2)
(c) Exceeding 50 kms. radial distance from parent exchange	Rs. 2 PCO charge per unit (3 minutes) duration of call or part thereof		

10-8-1971

(i) (a) *Direct Exchange Lines**Measured Rate Systems (within the local area)*

For purposes of tariffs, the exchange systems will be classified into two categories, viz. (i) exchange systems of 10,000 lines capacity and above and (ii) exchange systems of less than 10,000 lines capacity. The quarterly rental for the former will be Rs. 100 and for the latter the rental will be Rs. 80 per quarter.

(b) *Direct Exchange Lines**Flat Rate Systems (within the local area)*

In flat rate exchanges of 100 lines and above capacity providing 24 hours service, the rental will be Rs. 400 per annum or Rs. 35 per month.

(ii) *Casual Telephone Connections*.—The charges for casual connections will be as follows :—

(a) Measured rate systems	Period	Rental
	1 to 10 days	Rs. 60
	11 to 30 days	Rs. 120
	31 to 60 days	Rs. 180

(b) *Flat rate systems*

A rental of Rs. 10 per day subject to a minimum of Rs. 50 will be charged.

(iii) *Local Call Charges*
Measured Rate Systems

There will be no charge for the first 250 calls in a quarter and thereafter the charges will be 20 paise per call. These rates will also be applicable to S.T.D. calls which are metered in terms of local calls.

(iv) *O.Y.T. Scheme*

The charges under OYT Scheme will henceforth depend on the capacity of exchange system and the revised initial deposit and rebate in rental applicable to various systems will be as follows :—

	Capacity of Exchange System			
	10,000 lines and above	1,000 lines and above but below 10,000 lines	300 lines and above but below 1,000 lines	Below 300 lines
(a) Initial payment	Rs. 3000	Rs. 2500	Rs. 2000	Rs. 1000
(b) Initial period during which a reduction in rental is admissible	20 years	20 years	15 years	10 years
(c) Rebate in rental				
(i) on rentals paid annually	Rs. 144	Rs. 120	Rs. 128	Rs. 96
(ii) on rentals paid quarterly	Rs. 36	Rs. 30	Rs. 32	Rs. 24
(iii) on rental paid monthly	—	—	Rs. 10	Rs. 8

However, the above change in the initial payment and the rebate in rental will not apply to a subscriber to whom a telephone connection has been provided under this scheme before 10-8-1971 or to any applicant for telephone connection who has already made a deposit under this scheme and to whom a telephone connection could not be provided before that date.

(v) *Concessional tariffs for trunk calls*

There will be no concession in tariffs for ordinary, SVH and urgent trunk calls on telegraph holidays except on three national holidays. However, usual concession on Sundays and between 19.00 hours to 08.00 hours on other days will continue.

(vi) (a) *Private Manual Exchanges and Private Manual Branch Exchanges*

The revised rentals chargeable will be as follows :—

<i>Size of Board</i>	<i>Annual Rental</i>
1+3	Rs. 250
2+6	Rs. 450
3+9	Rs. 625
5+20	Rs. 50 Per equipped termination on the switch board
10+50	—do—
20+100	—do—

(Private Manual Branch exchanges only)

In the case of Private Manual Exchanges of over 50 lines capacity, rental for switch boards should be levied either on flat rate basis *i.e.* at Rs. 50 per equipped termination on the switch board or at special rates calculated on the basis of capital cost incurred in installing the switch board, whichever is higher.

(b) *Private Automatic Branch Exchanges*

Excepting 5 line and 9 line PABXs, the rental chargeable for all PABXs upto 100 lines (non-extendable) will be Rs. 75 per equipped termination on the switch board. For 5 line and 9 line PABXs, the revised rentals will be Rs. 750 and Rs. 1500 per annum respectively which includes the rental for all the internal connections.

In all other cases, *viz.*, private automatic branch exchanges of over 100 lines capacity, all extendable type of PABXs and all private automatic exchanges, rental for switch boards should be levied either on flat rate basis *i.e.* at Rs. 75 per equipped termination on the switch board or at special rates calculated on the basis of capital cost incurred in installing the switch board, whichever is higher.

1-10-1971

Rentals for extensions from long distance PCOs have been revised to Rs. 150 per annum for the first km. and to Rs. 100 per annum for each additional km. or part thereof upto 5 kms.

15-11-1971

- (a) The rental chargeable for the initial plug and socket arrangement, comprising one plug for terminating the telephone instrument, two sockets and one extension bell will be Rs. 40 per annum (instead of existing rental of Rs. 25 per annum). The existing charge for additional sockets will continue.

- (b) The Additional charge to be levied for a coloured telephone instrument will be Rs. 60 per instrument (instead of Rs. 40) and for replacement of a coloured instrument by one of another colour, the charge will be Rs. 30 (instead of Rs. 20) These charges will not be refundable in any case.

6.1 *Working Expenses*:—The net working expenses (inclusive of provision for depreciation but exclusive of dividend) compared with the corresponding actuals of previous year and the Budget, Revised and Final Estimates for the current year are given below :—

	Actuals 1970-71	Budget Estimates 1971-72	Revised Estimates 1971-72	Final Estimates 1971-72	Actuals 1971-72
Gross working expenses	254,13	282,97	276,56	276,30	273,31
Recoveries	19,13	22,88	22,22	21,96	23,66
Net working expenses	235,00	260,09	254,34	254,34	249,65

6.2 The increase in amounts and percentages in the gross working expenses for the last ten years is given in the table in paragraph 1.2.

6.3 The actuals and percentage increases over preceding years in the important categories of expenditure for the last few years are as given below :—

	1967-68	1968-69		1969-70		1970-71		1971-72	
	Amount	Amount	Percentage increase over previous year	Amount	Percentage increase over previous year	Amount	Percentage increase over previous year	Amount	Percentage increase over previous year
1. Pay and Allowances	1,12,47	1,25,07	11.2	1,34,08	7.2	1,43,11	6.7	1,52,82	6.8
2. Interim relief	—	—	—	—	—	@9,13	—	11,75	28.7
3. Contingencies	10,55	12,23	15.9	13,06	6.8	13,67	4.7	15,33	12.1
4. Accounts and Audit	3,04	3,08	1.3	3,27	6.2	3,63	11.0	3,95	8.8
5. Pensionary Charges	3,95	3,99	1.0	4,47	12.0	5,18	15.9	5,44	5.0
6. Stamps, Postcards, etc.	2,32	3,34	44.0	3,06	(—)8.4	2,41	(—)21.2	2,79	15.8
7. Stationery, Printing, etc.	3,11	2,98	(—)4.2	3,31	11.1	2,27	(—)31.4	5,66	149.3
8. Maintenance of Assets	5,60	6,99	24.8	8,73	24.9	9,88	13.2	10,98	11.1
9. Petty and other Works	19,25	*19,84	3.1	**12,48	(—)37.1	18,51	48.3	20,43	10.4
10. Conveyance of mails (Payments to railways and air mail carriers)	9,17	11,15	21.6	10,92	2.1	13,41	22.8	10,79	(—)19.5
11. Other items	2,38	2,51	5.5	2,60	3.6	2,56	(—)1.5	2,85	11.3
12. Total	1,71,84	*1,91,18	11.3	**1,95,98	2.5	2,23,76	14.2	2,42,79	8.5
13. Deduct—Recoveries	(—)13,12	(—)13,30	1.4	(—)17,50	31.6	(—)19,13	9.3	(—)23,66	23.7
14. Net	1,58,72	1,77,88	12.1	1,78,48	0.3	2,04,63	14.7	2,19,13	7.1
15. Contribution to Telephone Development Fund/Transfer of Advance Rentals under own Telephone and other Schemes to Capital	2,44	5,00	104.9	8,76	75.2	10,00	14.2	8,94	(—)10.6
16. Contribution to Renewals Reserve Fund/Depreciation	14,77	16,58	12.3	18,31	10.4	20,37	11.3	21,58	5.9
17. Total net working expenses	1,75,93	1,99,46	13.4	2,05,55	3.1	2,35,00	14.3	249,65	6.2

*Including expenditure of 1,99 met from Contingency Fund of India.

**Excluding expenditure of 1,99 met from Contingency Fund of India during 1968-69.

@Sanctioned with effect from 1-3-1970.

7.1 The table below shows the percentage of various items of expenditure of different branches to revenue earned by these branches during the year under review:—

	Post Offices	Tele- graphs	Tele- phones	Radios	Total
1. Operative, administrative, staff cost, etc.	93.6	65.0	35.4	40.9	60.4
2. Conveyance of mails	9.8	..	..	..	3.6
3. Stationery and Printing	3.8	..	0.8	..	1.9
4. Stamps, Postcards, etc.	2.5	..	..	..	0.9
5. Maintenance of assets	0.6	2.8	6.1	4.3	3.6
6. Petty and other works	1.2	2.6	11.8	4.7	6.8
7. Pensionary charges	2.6	1.7	1.3	1.1	1.8
8. Audit and Accounts charges	2.7	3.4	0.4	0.7	1.6
9. Transfer of advance rentals under OYT and other schemes to Capital . . . . .	..	..	5.9	..	3.0
10. Depreciation	0.4	3.4	13.0	5.3	7.2
11. <i>Deduct</i> —Credits	12.0	2.0	5.7	3.9	7.6
12. Dividend to General Revenues	1.5	..	7.3	23.9	4.4
13. Working Expenses and Dividend	106.7	76.9	76.3	77.0	87.6
14. Surplus (+)/Deficit (—)	—6.7	23.1	23.7	23.0	12.4
TOTAL	100.0	100.0	100.0	100.0	100.0

7.2 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	Total
1. Operative, administrative, staff cost, etc.	89.0	84.5	51.2	77.0	72.5
2. Conveyance of mails	9.2	..	..	..	4.3
3. Stationery and Printing	3.7	0.1	1.2	0.1	2.3
4. Stamps, Postcards, etc.	2.4	..	..	..	1.1
5. Maintenance of assets	0.6	3.3	8.8	8.0	4.4
6. Petty and other works	1.1	3.3	17.2	8.8	8.2
7. Pensionary charges	2.5	2.3	1.9	2.1	2.2
8. Audit and Accounts charges	2.6	4.5	0.6	1.3	1.9
9. Transfer of advance rentals under OYT and other schemes to capital . . . . .	..	..	8.5	..	3.6
10. Depreciation	0.4	4.5	18.9	10.0	8.7
11. <i>Deduct</i> —Credits to Working Expenses	11.5	2.5	8.3	7.3	9.2
NET TOTAL	100.0	100.0	100.0	100.0	100.0

7.3 Tables exhibiting the results of comparison of the annual revenue with direct working expenses for the Department as a whole and for the Postal, Telegraph and Telephone branches are given on the following pages.

STATEMENT SHOWING REVENUE AND EXPENDITURE OF POSTS AND TELEGRAPHS
DEPARTMENT

	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72
Total revenue as per account (T)	1,59,34	1,74,31	2,09,20	2,33,76	2,71,10	2,99,81
Less 'Own Your Telephone' collections	2,60	2,44	6,28	7,48	10,94	8,67
Balance	1,56,74	1,71,87	2,02,92	2,26,28	2,60,16	2,91,14
Add portion of 'Own Your Telephone, collections allocable as revenue for the year	1,15	1,27	1,58	1,79	2,26	2,33
TOTAL REVENUE (A)	1,57,89	1,73,14	2,04,50	2,28,07	2,62,42	2,93,47
Working expenses (excluding petty and other works, contributions to Renewals Reserve Fund/Depreciation and Telephone Development Fund/Transfer of advance rentals to capital) (B)	1,22,27	1,39,47	1,58,04	1,66,00	1,86,12	1,98,70
Petty and other works (P)	14,46	19,25	*19,84	**12,48	18,51	20,43
Contribution to Telephone Development Fund	2,60	2,44	..	..	..	..
Transfer of advance rentals under Own Your Telephone and other schemes to capital	..	..	5,00	8,76	10,00	8,94
Contribution to Renewals Reserve Fund	10,65	14,77	16,58	18,31	..	..
Depreciation	..	..	..	..	20,37	21,58
Dividend due for the year (Y)	12,46	10,95	11,85	12,84	13,19	13,02
TOTAL EXPENSES (C)	1,62,44	1,86,88	*2,11,31	**2,18,39	2,48,19	2,62,67
Percentage of working expenses (B) to Revenue (A)	77.4	80.6	77.3	72.8	70.9	67.7
Percentage of total expenses (C) to Revenue (A)	102.9	107.9	103.3	95.8	94.6	89.5
Percentage of (B) plus (Y) to Revenue (A)	85.3	86.9	83.1	78.4	75.9	72.1
Percentage of (P) to (T)	9.1	11.0	9.5	5.3	6.8	6.8

*Including 1,99 met from Contingency Fund of India.

**Excluding 1,99 met from Contingency Fund of India during 1968-69.

STATEMENT SHOWING REVENUE AND EXPENDITURE OF POSTAL BRANCH

	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72
REVENUE (A)	70,15	74,24	93,98	97,81	110,54	110,64
Working expenses (excluding petty and other works and contribution to Renewals Reserve Fund/Depreciation) (B)	76,50	85,81	97,30	100,41	108,53	114,63
Petty and other works	98	1,42	1,55	1,00	1,21	1,33
Contribution to Renewals Reserve Fund	21	29	31	34	..	..
Depreciation . . . . .	..	..	..	..	39	44
Dividend due for the year (Y)	80	83	98	1,20	1,37	1,65
TOTAL EXPENDITURE (C)	78,49	88,35	100,14	102,95	111,50	118,05
Percentage of working expenses (B) to Revenue (A)	109.1	115.6	103.5	102.7	98.2	103.6
Percentage of (B) plus (Y) to (A)	110.2	116.7	104.6	103.9	99.4	105.1
Percentage of total expenditure (C) to Revenue (A)	111.9	119.0	106.6	105.3	100.9	106.7

STATEMENT SHOWING REVENUE AND EXPENDITURE OF TELEGRAPH BRANCH

	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72
REVENUE (A)	16,96	19,95	22,52	24,51	27,47	35,76
Working expenses (excluding petty and other works, contribution to Renewals Reserve Fund/Depreciation) (B)	13,94	16,25	18,64	19,64	22,54	25,42
Petty and other works	3,05	4,45	*4,58	** 2,43	4,14	88
Contribution to Renewals Reserve Fund	2,17	2,46	2,68	2,90	..	..
Depreciation . . . . .	..	..	..	..	3,22	1,20
Dividend due for the year (Y)	3,63	3,83	4,06	4,34	4,60	3
TOTAL EXPENDITURE (C)	22,79	26,99	*29,96	**29,31	34,50	27,53
Percentage of working expenses (B) to Revenue (A)	82.2	81.5	82.8	80.1	82.1	71.1
Percentage of (B) plus (Y) to (A)	103.6	100.7	100.8	97.8	98.8	71.2
Percentage of total expenditure (C) to Revenue (A)	134.4	135.3	133.0	119.6	125.6	77.0

*Including 73 met from Contingency Fund of India.

**Excluding 73 met from Contingency Fund of India during 1968-69.

STATEMENT SHOWING REVENUE AND EXPENDITURE OF TELEPHONE BRANCH

	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72
Total revenue as per account	71,92	79,76	92,26	110,88	131,73	152,74
Less 'Own Your Telephone' collections	2,60	2,44	6,28	7,48	10,94	8,67
BALANCE	69,32	77,32	85,98	103,40	120,79	144,07
Add portion of 'Own Your Telephone' collections allocable as Revenue for the year	1,15	1,27	1,58	1,79	2,26	2,33
TOTAL REVENUE (A)	70,47	78,59	87,56	105,19	123,05	146,40
Working expenses (excluding petty and other works, contributions to renewals Reserve Fund/Depreciation and Telephone Development Fund/Transfer of advance rentals under OYT and other Schemes to Capital) (B)	31,81	37,48	41,93	45,70	54,92	58,55
Petty and other works	10,38	13,27	*13,59	** 8,95	13,04	18,10
Contribution to Telephone Development Fund	2,60	2,44	..	..	..	..
Transfer of advance rentals under OYT and other schemes to Capital . . . . .	..	..	5,00	8,76	10,00	8,94
Contribution to Renewals Reserve Fund	8,19	11,92	13,48	14,95	..	..
Depreciation . . . . .	..	..	..	..	16,63	19,80
Dividend due for the year (Y)	7,90	6,15	6,66	7,14	7,06	11,18
TOTAL EXPENSES (C)	60,88	71,26	*80,66	**85,50	101,65	116,57
Percentage of working expenses (B) to Revenue (A)	45.1	47.7	47.9	43.4	44.6	40.0
Percentage of (B) plus (Y) to (A)	54.4	55.5	55.5	50.2	50.4	47.6
Percentage of total expenses (C) to Revenue (A)	86.4	90.7	92.1	81.3	82.6	79.6

*Including 1,25 met from Contingency Fund of India.

**Excluding 1,25 met from Contingency Fund of India during 1968-69.

8. *Posts and Telegraphs Revenue Reserve Fund* :—This Fund was constituted in the year 1960-61 with the introduction of the new financial convention between the General Revenues and the Posts and Telegraphs Department. Credits to the Fund are made out of the surplus of the year after payment of the dividend to General Revenues. The balances in the Fund are utilised to meet deficits in the working results of the Department, if any, as well as to cover deficiencies, if any, in the payment of dividend to the General Revenues. Repayments of loans (and interest thereon) taken from General Revenues during previous years, if any, are also made out of balance in the Fund. In case, the balance in the Fund is not sufficient to meet these deficits or deficiencies, loans taken from General Revenues for the purpose are initially credited to the Fund. The results of the working of the Fund in the year are given in Annexure V.

9. The table-below gives the financial results of capital outlay :—

	Actuals 1970-71	Budget Estimates 1971-72	Revised Estimates 1971-72	Final Estimates 1971-72	Actuals 1971-72
GROSS					
134-Capital outlay on Posts and Telegraphs					
Fixed Assets	51,12	89,50	72,80	71,80	81,57
Suspense	6,55	7,32	17,57	16,27	5,69
Manufacture Suspense	2,24	2,23	2,51	2,65	2,87
TOTAL GROSS	59,91	99,05	92,88	90,72	90,13
RECOVERIES					
Credits for sale and abandonment of assets	2	68	12	3	36
Expenditure met from advance rentals under OYT and other schemes transferred to Capital	10,00	10,69	8,94	8,94	8,94
Expenditure met from P&T Capital Reserve Fund	4,23	3,69	14,36	14,36	14,36
Amount transferred from Revenue	14,62	16,83	16,41	16,41	16,41
Depreciation on Historical costs transferred from revenue	16,14	18,06	17,47	17,47	17,47
Extraordinary receipts on Capital Account . . . . .	..	..	..	..	14
Sale of unserviceable stores and recovered materials . . . . .	..	95	1,55	1,55	..
Suspense	5,86	7,47	7,46	7,09	7,19
Manufacture Suspense	2,08	2,08	2,42	2,50	2,45
TOTAL RECOVERIES	52,95	60,45	68,73	68,35	67,32
NET capital outlay of the P&T Department	6,96	38,60	24,15	22,37	22,81

10.1. *Details of capital outlay on fixed 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 abandonment of assets	Net outlay
Post Office buildings, Mail Vans and Apparatus and Plant	6,50	..	6,50
Telegraph buildings, Cables, Lines and Wires and Apparatus and Plant (other than Railway Electrification Scheme)	4,41	35	4,06
Railway Electrification Scheme	(—)8	..	(—)8
Radio buildings, Masts, Aerials and Apparatus and Plant	32	..	32
Telephone buildings, Lines and Wires and Apparatus and Plant (other than Bombay, Telephone Expansion, Microwave and Coaxial Cable Projects).	62,57	1	62,56
Bombay Telephone Expansion Project	9	..	9
Co-axial Cable Project	5,94	..	5,94
Microwave Project	1,82	..	1,82
TOTAL	81,57	36	81,21

10.2. The following table shows the increases in amounts and percentages of the net outlay on fixed assets for the last ten years:—

Year	Capital outlay on fixed assets	Increase over previous year	
		Amount	Percentage
1962-63	17,70	5,52	45.3
1963-64	25,36	7,66	43.3
1964-65	26,36	1,00	3.9
1965-66	30,21	3,85	14.6
1966-67	33,22	3,01	10.0
1967-68	36,70	3,48	10.5
1968-69	36,36	(—) 34	(—) 0.9
1969-70	57,00	20,64	56.8
1970-71	51,10	(—)5,90	(—)10.4
1971-72	81,21	30,11	58.9

Table showing the percentage of profit and loss (without taking into account the contribution to Renewals Reserve Fund/Depreciation and expenditure on Annual Open Estimates charged to Revenue) to Capital outlay on fixed assets is in Annexure III.

11. *Stores balances (including works-in-progress)*

The stock balance of the General, Workshop and Civil Engineering stores decreased by 151 against a decrease of 15 provided in Budget Estimates. This is mainly due to larger issues to capital works than anticipated. The value of works-in-progress in the three telecommunication factories at the end of the year increased by 43 against 15 provided in the Budget.

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

	Balance
General Stores	11,00
Workshop Stores	4,30
Civil Engineering Stores	(—)1,81
Value of Works-in-Progress	2,76
TOTAL	16,25
Balance under sub-suspense heads other than stores-in-transit	(—)2,32
NET	13,93

The balances of the works-in-progress in respect of the three telecommunication factories for 1971-72 are shown below:—

	Balance of the works-in-progress
Calcutta	1,59
Jabalpur	8
Bombay	1,09

The issues during the year were 459.6% of the value of stock at the beginning of the year as shown below:—

Stock balance/Opening balance	Issues from stock	Percentage of column (2) to column (1)
(1)	(2)	(3)
11,36	52,21	459.6

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

Opening balance	270,94*
Addition during the year	22,81
Progressive total to the end of the year	<u>293,75</u>

*Differs from the closing balance of 1970-71 due to pro forma correction in rectification of misclassification relating to previous years carried out during the year (Rs. 2 lakhs).

14. *Renewals Reserve Fund.*—Depreciation Reserve Fund was established on 1st April 1925 to which contributions were made annually out of Revenue 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. The amount of contribution was fixed *ad hoc* from year to year. Interest on the balances in these Funds was 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.

From 1963-64, the due contribution to the Renewals Reserve Fund are being calculated according to commercial principles, viz., the lives and the approximate present value of the assets.

The convention between the Posts and Telegraphs and the General Revenues has further been revised with effect from 1-4-1967. Under the terms of the revised convention, the balance at credit of the fund is deducted from the net capital outlay before calculation of the due dividend payable to General Revenues. No interest is consequently paid to the Fund by the General Revenues. The amount of due contribution calculated according to commercial principles as mentioned in the preceding para is increased by the amount of interest, which the Fund would have otherwise earned at 3.75% per annum.

The P & T Renewals Reserve Fund has been abolished with effect from 1st April 1970 and the balance at the credit of the Fund (Rs. 118, 77,30,027) was set off against the capital-at-charge by proforma correction without financial adjustment in accordance with Government of India, Ministry of Finance (Department of Economic Affairs) New Delhi O. M. No. F. I. (2)/B/70 dated 1-2-1971 circulated under P&T Board Memo. No. 16-43/71-B dated 25-3-1971. All expenditure on renewals and replacements hitherto debitable to the Renewals Reserve Fund is treated as fresh capital outlay. From 1st April 1970 the value of the assets of the Department is shown as reduced by the amount of depreciation calculated on the historical cost of assets. The depreciation would be charged upon the working expenses of the Department and transferred annually to meet a part of the capital expenditure. In addition to the depreciation on the historical cost, a supplementary provision towards inflationary element of the cost of replacement of assets is made annually from the working expenses and appropriated to the P&T Capital Reserve Fund for financing capital expenditure.

15. *Posts and Telegraphs Capital Reserve Fund.*—This Fund was constituted with effect from 1st April 1968 with a view to facilitating utilisation of the funds for financing such part of the Department's capital expenditure as may be decided upon from time to time. This Fund was instituted in replacement of erstwhile Telephone Development Fund and the P&T Development Fund the balances at the credit of which at the end of 1967-68 were transferred by correction without any financial adjustment to the Capital Reserve Fund as its opening balance for 1968-69.

Upto 1969-70 interest on the balances at the credit of the Fund was credited to the Fund itself. With effect from 1970-71, the balances in the P&T Capital Reserve Fund do not carry interest as these are netted against capital-at-charge. With effect from 1st April 1970, the supplementary provision towards the inflationary element of the cost of replacement of assets made annually from working expenses is also appropriated to the Fund.

The results of the working of the Fund since 1968-69 are given in Annexure IV.

(N. V. SHENOI)

NEW DELHI,
Dated the 21 December 1972

Director General,
Posts and Telegraphs.

ANNEXURE I

(Referred to in paragraph 2)

Financial results of the working of the Department by branches

	Post Offices	Telegraphs	Tele- phones	Radios	Total
I. Revenue . . .	110,64	35,76	152,74	67	299,81
II. (i) Working ex- penses (exclud- ing deprecia- tion, Transfer of Advance Rentals under OYT and other Schemes to Capital and credits to working ex- penses and inter - branch adjustments) .	132,15	18,23	90,50	1,17	242,05
(ii) Transfer of Advance Ren- tals under OYT and other schemes to Capital .	..	..	8,94	..	8,94
(iii) Depreciation on historical cost as well as supplementary depreciation towards in- flationary ele- ment. . .	44	1,20	19,80	14	21,58
(iv) Deduct Credits to Working Expenses .	(-)13,37	(-)70	(-)8,75	(-)10	(-)22,92
(v) Inter - branch adjustments .	(-)2,82	8,77	(-)5,10	(-)85	..

III. Dividend to General Revenues for the year	1,65	3	11,18	16	13,02
Total expenditure	118,05	27,53	116,57	52	262,67
IV. Surplus	(-),7,41	8,23	36,17	15	37,14

NOTE:—The working expenses in item II(i) above include:—

- (a) Net P & T audit charges, i.e., after deducting the expenditure borne by Central Civil Estimates in connection with Postal Life Insurance, Savings Bank, Government Securities, Savings Certificates and by Customs and Defence Departments. The figures of such expenditure borne by other departments during 1970-71 and 1971-72 were as follows:—

Actuals 1970-71	Budget Estimates 1971-72	Revised Estimates 1971-72	Actuals 1971-72
95	1,04	91	90

- (b) The following expenditure on petty and other works met from Revenue:—

Post Offices	Telegraphs	Telephones	Radios	Total
1,33	88	18,10	12	20,43

ANNEXURE II

(Referred to in paragraph 2)

STATEMENT OF BRANCHWISE SURPLUS OR DEFICIT

(+) indicates 'Surplus' and (—) indicates 'Deficit'

Year	Post Office	Telecommunication Branch			(In thousands of rupees)	
		Telegraph	Telephone	Radio	Total	Total
					(Col. 3+4+5)	(Col. 2+6)
1	2	3	4	5	6	7
1962-63	(+)79,34	(—)1,37,31	(+)58,37	(—)40	(—)79,34	..
1963-64	(+)3,44,18	(—)2,04,98	(+)1,03,30	(—)10,86	(—)1,12,54	(+)2,31,64
1964-65	(—)1,28,47	(—)83,21	(+)2,14,36	(—)2,68	(+)1,28,47	..
1965-66	(—)3,28,33	(—)5,25,09	(+)3,30,98	(—)12,37	(—)2,06,48	(—)5,34,81
1966-67	(—)8,33,61	(—)5,83,36	(+)11,04,11	(+)2,99	(+)5,23,74	(—)3,09,87
1967-68	(—)14,11,76	(—)7,04,43	(+)8,50,53	(+)8,21	(+)1,54,31	(—)12,57,45
1968-69	(—)6,15,59	(—)7,44,44	(+)11,59,85	(—)10,80	(+)4,04,61	(—)2,10,98
1969-70	(—)5,14,29	(—)4,80,01	(+)25,38,54	(—)6,34	(+)20,52,19	(+)15,37,90
1970-71	(—)95,24	(—)7,02,54	(+)30,07,73	(+)81,54	(+)23,86,73	(+)22,91,49
1971-72	(—)7,40,87	(+)8,23,27	(+)36,16,46	(+)15,37	(+)44,55,10	(+)37,14,23

- NOTES :—(1) During the years 1962-63 to 1963-64 the appropriations to Renewals Reserve Fund were made out of the surplus. The surpluses/deficits shown above for these years have been worked out after including the appropriations to Renewals Reserve Fund.
- (2) The surpluses/deficits for the year 1965-66 and 1966-67 have been worked out after taking into account the full dividend payable for the year including the unpaid dividend and dividend paid by withdrawal from Revenue Reserve Fund during 1965-66.
- (3) The surplus/deficit for the year 1967-68 has been worked out after excluding the arrear dividend for the year 1965-66 and 1966-67 paid during the year.
- (4) The surplus/deficit for the year 1968-69 has been worked out after excluding the expenditure (1,99,47) incurred during the year but met from the Contingency Fund of India.
- (5) The surplus/deficit for the year 1969-70 has been worked out after excluding the expenditure (1,99,47) met from Contingency Fund of India during the year 1968-69 recouped in 1969-70.

ANNEXURE III

(Referred to in paragraph 10.2)

The balance excluding outlay on petty and other works compares as below with the Capital outlay or fixed assets.

(In thousands of rupees)

Branches	Capital outlay on fixed assets to the end of 1971-72	Total Revenue 1971-72	Working Expenses (excluding depreciation and petty and other works) and Dividend 1971-72	Balance 1971-72	Percentage of balance to fixed assets	
					1970-71	1971-72
Post Offices	38,43,26	110,64,13	116,28,28	(—)5,64,15	2.0	(—)14.7
Telegraphs	25,13,37	35,76,15	25,44,96	10,31,19	0.3	41.0
Telephones	483,01,88	152,74,02	78,66,90	74,07,12	18.1	15.3
Radios	3,54,40	66,71	25,04	41,67	33.2	11.8
TOTAL	550,12,91	299,81,01	220,65,18	79,15,83	13.2	14.4

- NOTES :—(1) The percentage of balance shown against the Post Office branch is not comparable with the balance of the other branches as the capital of the Post Offices compared with its total revenue is very small and consists mainly of the cost of buildings.
- (2) With the ownership of lines and wires and VFT equipments having been transferred from Telegraph branch to Telephone branch with effect from 1971-72 vide P&T Board letter No. 111/8/71/T2 dated 8-5-72 the Telephone branch receives rent from the Telegraph branch for the use of lines and VFT equipments. The rent charged to the Telegraph branch during 1971-72 was Rs. 4,87,27,000.

ANNEXURE IV

(Referred to in paragraph 15)

Position of the Posts and Telegraphs Capital Reserve Fund

(In thousands of Rupees)

Year	Opening balance at the beginning of the year	Contri- butions	Interest on balance	With- drawals	Closing balance at the end of the year
1968-69 . .	2,19,81	..	9,56	..	2,29,37
1969-70 . .	2,29,37	..	7,51	1,20,00	1,16,88
1970-71 . .	1,16,88	14,23,06	..	4,23,06	11,16,88
1971-72 . .	11,16,88	39,11,46	..	14,36,00	35,92,34

NOTE.—With effect from 1-4-1970 the balance at the credit of the Fund is netted against the dividend bearing Capital Outlay and does not earn interest.

ANNEXURE V

(Referred to in paragraph 8)

Position of the Posts and Telegraphs Revenue Reserve Fund

(In thousands of Rupees)

Year	Balance at the beginning of the year	Amount appro- priated from sur- plus/loan taken from the General Revenues	Interest on the balance at the credit of the fund	With- drawals from the Fund	Balance at the end of the year
1961-62	1,02	..	3	..	1,05
1962-63	1,05	..	4	..	1,09
1963-64	1,09	1,31,64	4	..	1,32,77
1964-65	1,32,77	2,14,36	5,10	2,14,36	1,37,87
1965-66	1,37,87	6,44,63	2,71	7,85,21	..
1966-67	..	..	..	..	..
1967-68	..	19,61,55	..	19,61,55	..
1968-69	..	7,70,78	..	7,70,78	..
1969-70	..	13,38,43	1,37	12,76,52	63,28
1970-71	63,28	12,91,49	10,42	9,58,76	4,06,43
1971-72	4,06,43	2,14,23	23,88	..	6,44,54

- NOTES:—(1) The amounts shown as “appropriated from surplus” and “withdrawals from the Fund” in 1964-65 represent the total of surplus/deficit in the accounts of the year under individual branches and no net accretion to or withdrawal from the Fund took place in the year. In 1965-66 the amount shown as “appropriated from surplus” and the amount of 6,44,63 out of that shown as “withdrawals from the Fund” represent the total of surplus/deficit in the account of the year under individual branches and net withdrawal of 1,40,58 only from the Fund took place in the year.
- (2) The amounts shown under columns 3 and 5 against 1967-68 represent the loan taken from General Revenues to meet deficit in the working of the Department, and the dividend liability for the year as well as the arrears of dividend of 1965-66 and 1966-67, and the withdrawal of that amount. No surplus was available to be appropriated to the Fund.
- (3) The amounts shown under columns 3 and 5 against 1968-69 represent the loan taken from General Revenues to meet the shortfall in the payment of due dividend for the year (11,51) and payment of the first instalment of loan together with interest thereon (7,59 27) taken by the Department during 1967-68.

FINANCIAL REVIEW OF THE POST OFFICE INSURANCE FUND FOR THE YEAR 1971-72

1. The Post Office Insurance Fund was established by the Central Government in the year 1883 for the benefit of only the postal employees. After some time it was found that it eminently suited the needs of Government employees and as demands from other quarters grew, its benefits were gradually extended to all employees of the Central and the State Governments, local bodies, universities and Government-aided institutions.

After Independence, the scope of the Fund was extended in 1949 to the Defence Services personnel. Its scope was further extended in 1965 when the industrial and work-charged employees of the Posts and Telegraphs Department whose pay is regulated under the Fundamental Rules were made eligible.

2. The business of the Fund at the beginning of the year under review, the new business done, the number and value of policies discharged by death, maturity and surrender during the year and the business in force at the end of the year have been shown in the appended statements 1 and 2. The principal features of the working of the Fund for the year 1971-72 are discussed in the following paragraphs.

NEW BUSINESS

3. (i) The target of new business for the year which was fixed at Rs. 10 crores has been exceeded by issuing 24,968 policies for Rs. 10,16,65,800. This is against 25,498 policies for Rs. 9,64,16,700 issued during the previous year. The gradual growth of the business has thus been maintained.

(ii) Yet another redeeming feature is that the average value per policy has gone up considerably during the year. This value works out to Rs. 4,072 as against Rs. 3,781 in the previous year.

TREND OF TOTAL BUSINESS

4. The percentage of policies finding exit during the last five years to the number of policies in force at the beginning of the year is as follows:—

Year	No. of policies in force	No. of policies finding exit by maturity, death, surrender, lapse, etc.	Percentage of column 3 to 2
1	2	3	4
1967-68	190502	5416	2.84
1968-69	200885	5578	2.78
1969-70	215930	5553	2.57
1970-71	234249	5495	2.35
1971-72	254252	7275	2.86

271945 policies were in force at the end of the year under review against 254252 at the end of the previous year. The steady rise in the number of policies in force has thus been maintained.

CLAIMS

5. The total number of claims settled during the year under review is 7134 for Rs. 1,77,42,250 as compared to 5391 for Rs. 1,30,24,990 in the previous year.

LOAN SCHEME

6. The loan scheme was introduced in September 1949. In deserving cases, subsequent loans are granted even when the previous loan is outstanding. The amounts of loan advanced and recovery made during the financial year have been shown in statement 3. Loan scheme has been more popular amongst the insurants. Comparatively the number of insurants who have taken advantage of the loan scheme is higher this year and the interest earned on the loan has also gone up. The details thereof are given below:—

Amount of loan advanced (excluding amounts as refunds of excess recovery of loan which are booked under the same head of account)	Rs. 53,12,701
Amount of loan recovered	31,80,185
Amount of interest on loan	9,66,876

Receipts and payments on account of loan are departmental figures and they aggregate to Rs. 41,47,061 and Rs. 53,17,269 against the corresponding booked figures of Rs. 45,31,546 and Rs. 58,19,474. The differences of Rs. 3,84,485 and Rs. 5,02,205 on the receipt and payment sides respectively are under settlement.

EXPENSE RATIO

7. (i) The details of premium income and expenses for the year 1969-70, 1970-71 and 1971-72 are given below:—

(In thousands of Rupees)

Year	Premium income			Expenses			Ratio of expenses to premium income		
	1st year	Rene-wal	Over-all	1st year	Rene-wal	Over-all	1st year	Rene-wal	Over-all
1969-70	4138	22096	26234	450	1481	1931	10.88	6.70	7.36
1970-71	4137	23813	27950	553	1773	2326	13.36	7.44	8.32
1971-72	4888	28408	33296	627	2035	2662	12.83	7.16	8.00

(ii) It will be seen from the above table that inspite of the rise in the expenses of management it has been possible to bring down the expense ratio from 8.32 to 8.00 due to the marked increase in the premium income.

(iii) The average cost per policy during the year under review works out to Rs. 9.79 as against Rs. 9.15 in the previous year. The increase of 64 paise is mainly due to the enhanced salaries and rise in the cost of other incidental expenditure.

EXTRA PREMIUM FUND

8. With effect from 1st April 1965 the system of collection of extra premium from the Defence Services Estimates on each individual policy was abolished and the maintenance of individual extra premium accounts of Defence Wing policies discontinued. Only a separate account of the total balance at the credit of the Extra Premium Fund which is treated as an 'Advance on account' is maintained. The amount at the credit of Extra Premium Fund at the end of the year under review was Rs. 1,14,35,735 (*vide* Statement 3).

INTRODUCTION OF NEW SCHEMES

9. The following new schemes have been introduced with effect from 1st September 1971 :—

(i) Endowment Assurance policies maturing at the age of 35.

(ii) Convertible Whole Life Policies.

INTEREST EARNING ON THE FUND BALANCES

10. The interest on the Fund balances (including Extra Premium Fund) for the year ending 31st March 1972 has worked out to Rs. 1,71,40,062 (*vide* Statement 3). The earning on account of interest on the Fund balances has increased due to the increase in the rate of interest to 5.20 per cent in the year under review as compared to 5 per cent in the previous year.

11. The closing balance as on 31st March 1972 as per departmental records works out to Rs. 35,00,93,365 and this differs by Rs. 47,20,593 from the booked figures as per Audit Office Records, *viz.*, Rs. 34,53,72,772. The difference is under settlement.

NEW DELHI,
Dated the 10th November, 1972.

R. KISHORE,
Director (P.L.I.)

STATEMENT No. 1

(vide paragraph 2)

Business of the Post Office Insurance Fund during the year 1971-72/1970-71

	1971-72				1970-71			
	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
Postal Life Insurance								
Postal Department	15254	5,54,81,300	1,82,68,366	68,19,170	16696	5,73,73,500	1,12,44,288	49,66,235
Other Departments	9714	4,61,84,500	1,52,36,689	1,76,69,230	8802	3,90,43,200	1,68,61,432	1,31,53,663
TOTAL	24968	10,16,65,800	3,35,05,055	2,44,88,400	25498	9,64,16,700	2,81,05,720	1,81,19,898

STATEMENT No. 2

(vide paragraph 2)

Abstract of Postal Life Insurance policies including monthly allowance contracts issued, discharged, lapsed and surrendered during the year

POSTAL LIFE INSURANCE

	1971-72		1970-71	
	Number	Amount	Number	Amount
Opening balance	254252	75,35,94,743	234249	67,06,54,593
<i>Deduct</i> policies transferred or ascertained to be liabilities of Pakistan	—	—	—	—
BALANCE	254252	75,35,94,743	234249	67,06,54,593
Issued during the year	24968	10,16,65,800	25498	9,64,16,700
TOTAL	279220	85,52,60,543	259747	76,70,71,293
<i>Deduct</i>				
Discharged by death	846	24,38,090	634	17,84,561
Discharged by maturity	5188	1,29,65,894	3859	92,51,896
Discharged by surrender	1100	23,38,266	898	19,88,533
Discharged by lapse	141	5,23,500	104	3,76,000
Discharged by cancellation }				
Effects of conversion/Commutation	—	1,75,375	—	75,560
TOTAL	7275	1,84,41,125	5495	1,34,76,550
Balance on 31-3-1972/31-3-1971	271945	83,68,19,418	254252	75,35,94,743

STATEMENT No. 3

(vide paragraph 6)

Statement showing the result of the administration of the Post Office Insurance Fund
at the end of the year 1971-72

C-I POSTAL LIFE INSURANCE

	1971-72	1970-71	(A) (—) 34,394
			(B) (—) 1,634
			29,06,21,740
Balance on 1st April 1971/1970	31,42,36,393		
Premia realised on PLI policies during 1971-72/1970-71	3,34,80,189	2,80,83,186	
Medical fees recovered during 1971-72/1970-71	8,778	9,195	
Fines recovered during 1971-72/1970-71	15,857	10,762	
Assignment fees realised during 1971-72/1970-71	174	572	
Miscellaneous receipts	57	2,005	
Loan recovery (principal)	31,80,185	23,04,417	
Loan recovery (interest)	9,66,876	7,74,169	3,11,84,306
TOTAL	35,18,88,509		32,17,70,018
PAYMENTS			
Policies paid (including monthly allowance)	2,00,19,257	1,43,27,496	
Surrender value	15,62,750	13,59,637	
Medical fees	86,218	78,956	
Refund of assignment/nomination fees	—	2	
Refunds	1,83,872	1,33,417	
Loan payments	53,12,701	41,99,247	
Loan refunds	4,568	4,874	
Postal establishment including printing, etc.	26,36,303	22,20,390	2,23,24,019
TOTAL NET RECEIPTS	32,20,82,840		29,94,45,999
Interest on balances	1,65,74,790		1,47,90,394
Balance on 31st March 1972/1971	33,86,57,630		31,42,36,393

C. II. EXTRA PREMIUM FUND

BALANCE ON 1ST APRIL 1971/1970		1,08,70,788		1,03,53,449
Premia realised during the year 1971-72/1970-71	—	—	—	—
TOTAL		1,08,70,788		1,03,53,449
Postal establishment including cost of printing, etc.	325	325	325	325
TOTAL		1,08,70,463		1,03,53,124
Interest on balance		5,65,272		5,17,664
Balance on 31st March 1972/1971		1,14,35,735		1,08,70,788

Receipts and payments (other than loan) are departmental figures and they aggregate to Rs. 5,00,79,845 and Rs. 2,44,88,400 against the corresponding booked figures of Rs. 5,17,39,290 and Rs. 2,43,16,327 respectively. The difference of Rs. 16,59,445 and Rs. 1,72,073 on the receipt and payment sides respectively is under settlement.

Receipts and payments relating to Extra Premium Fund shown in the statement are departmental figures and they aggregate to Rs. 5,65,272 and Rs. 325 against the corresponding booked figures of (—) Rs. 55,479 and Rs. Nil respectively. The difference of Rs. 6,20,751 and Rs. 325 on the receipt and payment sides respectively is under settlement.

(A)—Due to Pakistan share *vide* A. G. P & T's letter No. BBII/260/BR—60/Misc./I/V dated 18-6-1971 to the D.G.P&T., New Delhi.

(B)—Due to interest there on.

STATEMENT NO. 4

(Vide Paragraph 7)

Expense Ratio—1971-72

	Rs.	Rs.
<i>(a) Expense ratio of first year's business 1971-72</i>		
First year's premium income	48,87,982	
Cost of issue of policies		5,49,669
Medical fees paid		86,218
		<u>6,35,887</u>
<i>Less</i> Medical fees realised		8,778
		<u>6,27,109</u>
Expense ratio of new business	$\frac{6,27,109 \times 100}{48,87,982}$	= 12.83 per cent
Expense ratio of new business 1970-71		= 13.36 per cent
<i>(b) Expense ratio of renewals</i>		
Premium income	3,32,96,317	
<i>Less</i> first year's income	48,87,982	
	<u>2,84,08,335</u>	
Cost		26,36,303
<i>Deduct</i> on account of amount of cost of some circles adjusted in 1971-72 on account of short adjustment thereof in 1970-71		51,205
		<u>25,85,098</u>
<i>Less</i> first year's cost		5,49,669
		<u>20,35,429</u>
Expense ratio of renewals	$\frac{20,35,429 \times 100}{2,84,08,335}$	= 7.16 per cent
Expense ratio of renewals 1970-71		= 7.44 per cent

(c) Overall expense ratio

Premium income	3,34,80,189	
<i>Less</i> refunds	<u>1,83,872</u>	
	3,32,96,317	
Medical fees paid †		86,218
<i>Less</i> medical fees realised		<u>8,778</u>
		77,440
Cost		<u>25,85,098</u>
		26,62,538
Overall expense ratio	$\frac{26,62,538 \times 100}{3,32,96,317}$	= 8.00 per cent
Overall expense ratio 1970-71		= 8.32 per cent

**GRANTWISE DETAILS OF RECOVERIES ADJUSTED IN
REDUCTION OF EXPENDITURE IN THE ACCOUNTS
FOR 1971-72**

(Referred to in the Summary of Appropriation Accounts at page 2)

No.	Page No. and name of grant	Budget estimates	Actuals	Variations
		Rs.	Rs.	More + Less — Rs.
3.	92—Posts and Telegraphs Working Expenses	22,88,36,000	23,66,46,641	+ 78,10,641
8.	144—Capital Outlay on Posts and Telegraphs (not met from Revenue)	60,45,00,000	67,31,42,685	+ 6,86,42,685
TOTAL		83,33,36,000	90,97,89,326	+ 7,64,53,326

NOTES :

- I. Recoveries under Grant "92—Posts and Telegraphs Working Expenses" are for the following :—
- (1) Value of stores issued to works and manufacture from unserviceable dump.
 - (2) Sale proceeds of stores from unserviceable dump.
 - (3) Amount of pension recovered from other Governments or other departments of Union Government.
 - (4) Amount of commuted value of pensions recovered from other Governments or other departments of Union Government.
 - (5) Recoveries for services rendered to other Government departments, etc.
 - (6) Share of revenue establishment debitable to capital.
 - (7) Recoveries of indirect and freight charges on stores and of maintenance charges of departmental trucks used for carrying stores issued to works charged to capital.
 - (8) Recoveries of on-cost on manufactured articles issued from departmental telecommunication factories.
- II. Recoveries under Grant "144—Capital Outlay on Posts and Telegraphs (not met from Revenue)" are for the following :—
- (1) Amount met from advance rentals under 'Own Your Telephone and other schemes'.
 - (2) Amount met from Capital Reserve Fund.
 - (3) Contribution from revenue.
 - (4) Depreciation on historical cost transferred from revenue.
 - (5) Credits for sale and abandonment of assets.
 - (6) Extraordinary receipts on capital account.
 - (7) Stores (i) issued to works debitable to revenue, (ii) sold, (iii) transferred, etc.
 - (8) Issues of manufactured articles debited to working expenses, sales, etc.
 - (9) Net loss or gain on estimates in the departmental telecommunication factories.
 - (10) Loss in the process of manufacture in the departmental telecommunication factories.

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