



सत्यमेव जयते

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

FOR THE YEAR ENDED 31st MARCH 1987

No. 4 OF 1988

UNION GOVERNMENT (POSTS AND TELECOMMUNICATIONS)

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COMPTROLLER AND AUDITOR GENERAL
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68

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(POSTS AND TELECOMMUNICATIONS)**

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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 Department of Posts and Department of Telecommunications for the year 1986-87 together with other points arising from audit of the financial transactions of the Department of Posts and Department of Telecommunications.

The cases mentioned in the

Report are among those which came to notice in the course of test audit during the year 1986-87 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 1986-87 have also been included wherever considered necessary. Chapter I gives an overview of the Audit Report, bringing out the significant Audit findings.

CHAPTER I

OVERVIEW

DEPARTMENT OF POSTS

1.1 Budgetary control

There was an increase in the revenue of the department from Rs.378.01 crores in 1982-83 to Rs.557.48 crores in 1986-87. The working expenses, however, increased from Rs.462.00 crores in 1982-83 to Rs.773.93 crores in 1986-87. Thus, the gap between revenue and working expenses increased from Rs.83.99 crores in 1982-83 to Rs.216.45 crores in 1986-87.

There were persistent savings ranging from 31.74 to 49.50 per cent under the head 'Training' and from 34.42 to 82.90 per cent under "Mechanisation and Modernisation" during the three years 1984-87.

(Chapter III)

1.2 Mail Motor Service (MMS)

The percentage utilisation of the fleet strength of MMS in 12 stations varied from 47.6 to 91.7 per cent during the period 1984-87 and the average kilometres covered per vehicle per day ranged between 47.6 and 99 Kms against the prescribed 100 kms per vehicle per day. The average kilometrage per litre given by MMS vehicles was much less than the targets in seven units, resulting in an extra expenditure of Rs.11.96 lakhs on fuel. Besides, an extra expenditure of Rs.28.30 lakhs was incurred on 6.4 lakh dead kilometers covered by vehicles.

(Paragraph 4)

1.3 Postal Seals Forms and Stores (PSFS) at Aligarh

The non-recovery of gunny bags from customer departments led to the purchase of new gunny bags costing Rs.9.23 lakhs. Besides, the PSFS could not recover Rs.1.84 lakhs on account of work done for other Governments/departments due to non-maintenance of proper records.

(Paragraph 5)

1.4 Excess payment of rent

The department did not revise the rent of a hired building at Bombay when the revision was demanded by the landlord and became due under the Act. The rent was revised, subsequently, to rate higher than that demanded by the landlord earlier, resulting in an avoidable expenditure of Rs.27.77 lakhs.

(Paragraph 6)

1.5 Improper utilisation of Bag Washing Plant.

For washing the postal bags, a building was constructed at Aligarh but the bag washing plant was not installed as it was found subsequently that sufficient number of bags would not be available to feed the plant. The specially designed building, costing Rs. 2.38 lakhs, was being used as forms' stores.

(Paragraph 7)

1.6 Other topics

Due to negligence of the contractor in collecting goods from the Railways in time and the failure of the department to take immediate remedial action, an avoidable expenditure of Rs.1.76 lakhs was incurred towards wharfage charges.

(Paragraph 11)

It was noticed in Rajasthan Circle that Project Officer, Sirohi and collector, Sirohi were permitted to open Savings Bank accounts by depositing government money, in contravention of Savings Bank Rules. A sum of Rs.2.48 lakhs was, thus, allowed as interest irregularly.

(Paragraph 12)

DEPARTMENT OF TELECOMMUNICATIONS

1.7 Arrears of revenue

Out of the telephone bills issued upto 31st March 1987, Rs.55.87 crores were yet to be collected as on 1st July 1987. Arrears on account of rent of telegraph, telephone and teleprinter circuits and telex/intelextel charges for bills issued upto 31st December 1986 were Rs.14.25 crores as on 31st March 1987.

(Paragraphs 16,18 and 19)

Rs.43.57 crores and Rs.31.63 crores respectively, compared to the anticipated revenue, as the traffic actually handled was far less than the projections made by the department. While the percentage of permissible failure in STD calls for 1984-85 was fixed as 40, the percentage of actual calls failure ranged between 86.23 and 87.77 during the three years 1984-87.

(Paragraph 32)

1.8 Short/non-billing

Though the receipts of the department were required to be checked by Internal Check Organisation of the department, test check in Audit revealed short/non-recovery in 6240 cases involving Rs.3.42 crores.

(Paragraphs 17 and 20)

1.9 Calcutta Trunk Automatic Exchange

In Calcutta Trunk Automatic Exchange there was a shortfall of revenue in 1984 and 1985 by

1.10 Telephone systems at Allahabad, Kanpur and Pune

The operating efficiency of telephone systems at Allahabad, Kanpur and Pune was generally below the targets, resulting in not only poor service to the subscribers but also in loss of substantial potential revenue. The actual revenue, earned per Direct Exchange Line (DEL) per month, was less than the targets fixed in Kanpur and Pune Telephones resulting in shortfall of revenue amounting to Rs.1137.8 lakhs during 1981-86. The percentage of ineffective trunk calls was high which in turn deprived the department of potential

revenue amounting to Rs.275 lakhs. Besides, spare capacity, available in Allahabad and Pune telephones, was not utilised despite waiting lists, depriving the intending subscribers of service and revenue amounting to Rs.115.5 lakhs to the department.

(Paragraphs 36, 37 and 38)

1.11 Delay in supply by Indian Telephone Industries.

A test check in Audit of 51 projects/schemes executed by the department revealed that there was abnormal delay in supply of exchange equipment by Indian Telephone Industries (ITI) (a public sector undertaking under the administrative control of the same Ministry) ranging from 4 to 76 months in 22 cases. Such delays in supply of equipment could be minimised by effective co-ordination. There was no clause for liquidated damages in the agreement entered into with ITI upto March 1986; on the contrary there was a provision for payment of price escalation during extended period of supply.

(Paragraph 58)

1.12 Non-commissioning of Galvanising Plants.

With a view to achieve saving in Zinc consumption, reduction in gross formation and in operational cost, the department imported two plants for replacement of old galvanising plants at Calcutta and Jabalpur between January 1983 and March 1984. Both the plants have not been commissioned. Non-commissioning of plants deprived the department of the expected savings amounting to Rs.534.01 lakhs in Zinc consumption, Rs.24.72 lakhs

per annum due to reduction in gross formation and Rs.15.07 lakhs per annum on operational cost.

(Paragraph 29)

1.13 Under-utilisation of land in Bombay

In Bombay, the department took on lease 1,63,229 sq. yards of land through the State government, for wireless expansion, in 1968. In 1979, it was decided not to expand wireless system. The department developed 8053 sq. yards of land at a cost of Rs.65.18 lakhs but used only 729 sq. yards. In the meantime there were large scale encroachments on the land and the department paid Rs.150 lakhs as lease rent till March 1987.

(Paragraph 45)

1.14 Other topics

Due to under utilisation of connectable capacity of Moradabad, Jammu and Jadavpur telephone exchanges, the department lost potential revenue amounting to Rs.61.90 lakhs.

(Paragraphs 55, 56 and 57)

The department suffered a loss of Rs.27.31 lakhs due to supply of sub-standard paper. This included Rs.14.76 lakhs due to supply of paper with higher grammage, which could not be tested within the warranty period by Bombay Telephones in the absence of in-house facility for testing.

(Paragraph 39)

To accommodate telecommunication services, a telecom. building was constructed at Textile Market,

Surat. The department had to incur an extra expenditure of Rs.4.32 lakhs as the floor height in two floors was kept in excess of the requirement. Further, the delay in

construction of the building cost the department another Rs.7.70 lakhs for hiring a godown for keeping the imported equipment.

(Paragraph 31)

DEPARTMENT OF POSTS

CHAPTER II

GENERAL

1. Organisational set-up

1. The Department of Posts functions through "Postal Services Board" headed by a Chairman who is also Secretary to the Government of India, Department of Posts. The department maintains Postal operations and discharges agency functions of savings bank and other small savings schemes of the Government, Postal Life Insurance, collection of Customs Duty on Postal articles, disbursement of pension

to Military and Railway pensioners, family pension to employees of Industries covered by Provident Fund scheme and coal mines etc.

1.1 Major activities

The data in respect of major activities of the department during the year 1986-87 in so far as their financial and physical targets and achievements are concerned are as under :

	Financial targets for the year 1986-87	Actuals for 1986-87	Percentage of expenditure	Physical targets for 1986-87	Achievements during 1986-87	Percentage of achievements to targets
	(Rupees in crores)			(in numbers)		
1. Opening of new post offices	1.30	0.03	2.31	500	--	--
2. Appointment of extra delivery agents	--	--	--	--	--	--
3. Installation of letter boxes	--	--	--	--	--	--
4. Provision of counter facilities at village post offices	--	--	--	--	--	--
5. Construction of Postal buildings	24.00	18.59	77.46	100	102	102.00
6. Construction of staff quarters	6.50	9.70	149.23	1200	1726	143.83
7. Railway Mail Service vans	1.50	0.80	53.33	25	--	Nil.
8. Mail Motor Service vehicles	1.40	1.24	88.57	120	129	107.50

The nil progress against physical targets in respect of opening of new post offices, appointment of extra delivery agents, installation of letter boxes and provision of counter facilities at village post offices was due to ban on new appointments.

1.2 Revenue and working expenses

The data on estimates of revenue and working expenses and on corresponding actuals during the last five years were as below :

Year	Revenue			Working expenses			Deficit (-)		
	Estimates (Rs. in crores)	Actuals (percen- tage increase over pre- vious year in bracket) (Rs. in crores)	Percentage variation	Estimates (Rs. in crores)	Actuals (percen- tage increase over pre- vious year in bracket) (Rs. in crores)	Percentage variation	Estimates (Rs. in crores)	Actuals (percen- tage increase over pre- vious year in bracket) (Rs. in crores)	Percentage variation
1982-83	375.37	378.01	(+)0.71	438.66	462.00	(+)5.32	(-)63.29	(-)83.99	32.71
1983-84	440.22	434.54 (14.95)	(-)1.30	549.17	507.77 (9.91)	(-)7.54	(-)108.95	(-)78.23 (12.81)	32.79
1984-85	495.00	444.41 (2.27)	(-)10.22	626.53	568.66 (11.99)	(-)9.24	(-)131.53	(-)124.25 (-69.67)	5.53
1985-86	520.00	476.84 (7.29)	(-)8.30	706.78	640.39 (12.61)	(-)9.39	(-)186.78	(-)163.55 (-31.63)	12.44
1986-87	550.00	557.48 (16.91)	1.36	875.50	773.93 (20.85)	(-)11.60	(-)325.50	(-)216.45 (32.34)	5.86

The above table indicates a continuous increase in the revenue from Rs.378.01 crores in 1982-83 to Rs.557.48 crores in 1986-87. Similarly the working expenses have gone up from Rs.462.00 crores in 1982-83 to Rs.773.93 crores in 1986-87. The table also indicates an increasing trend of loss in running the Department of Posts which increased from Rs.83.99 crores in 1982-83 to Rs.216.45 crores in 1986-87.

The growth of receipts under main heads during the year 1982-83 to 1986-87 is given in Appendix. I.

1.3 Agency functions

Information in respect of transactions relating to jobs undertaken by the Department of Posts on Agency function is given below. The percentage increase (+)/decrease (-) over previous year is shown in brackets.

	1982-83	1983-84	1984-85	1985-86	1986-87
	-----	-----	-----	-----	-----
1(a) No. of S.B. Accounts current at the end of the year (in lakhs)	399	392 (-1.75)	413 (+5.36)	417.42 (+1.07)	Not available
(b) Total balance in S.B. Accounts at the end of the year (Rs. in crores)	2128.4	2133.5 (+0.24)	2249.1 (+5.42)	2461.16 (+9.42)	3011.54 (+22.36)
2(a) Number of Postal Life Insurance Policies at the close of the year (in lakhs)	10.01	10.8 (+6.93)	11.5 (+6.48)	12.16 (+5.74)	13.05 (+7.32)
(b) Total sum assured at the close of the year (Rs. in crores)	685.3	809.4 (+18.11)	942.8 (+16.48)	1070.91 (+13.59)	1305.67 (+21.92)
3. Cash certificates and National Savings Annuity Certificates (Number of transactions in lakhs)	156.0	203.0 (+30.13)	200.0 (-1.48)	316.17 (+58.09)	437.50 (+38.37)

CHAPTER III
APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 General

The summarised position of actual expenditure during 1986-87 against Grants and Appropriation relating to Department of Posts is as given below:

	Original grant/ appropriation	Supplementary	Total	Actual expenditure	Variation savings(-)
----- (Rupees in crores)					
<u>Revenue</u>					
Voted	875.20	124.40	999.60	902.98	(-)96.62
Charged	0.30	--	0.30	0.21	(-)0.09
<u>Capital</u>					
Voted	36.33	--	36.33	31.25	(-)5.08
	911.83	124.40	1036.23	934.44	(-)101.79

2.2 The broad results of Appropriation Audit are as follows:

The overall supplementary grant obtained during 1986-87 constituted 13.6 per cent of the original grant and appropriation against less than 1 per cent during 1985-86.

Supplementary grant of Rs. 124.40 crores under revenue section (voted) was obtained in March 1987 while Rs. 49.80 crores were surren-

dered in March 1987 itself under the above section.

The overall saving of Rs. 101.79 crores (net) represented 9.8 per cent of the total provision of voted grant and charged appropriation.

2.3 There were significant savings exceeding 10 per cent of the provision under the following heads of account:

Revenue Section

Head of Account	Total grant	Actual expenditure	Savings	Percentage of savings
(Rs. in crores)				
A-I Direction and Administration	3.21	2.85	0.36	11.21
B-I Postal net work	488.42	414.46	73.96	15.14
B-4 Training	2.02	1.15	0.87	43.07
D-2 Audit	1.56	1.32	0.24	15.38
E-2 Petty works	1.50	1.23	0.27	18.00
G-3 Compassionate allowance	0.23	0.09	0.14	60.87
G-6 Other pensions	0.23	0.11	0.12	52.17
H-2 Stationery and forms Printing Storage and distribution	25.63	11.21	14.42	56.27

The broad reasons for final savings of Rs. 96.71 crores in the voted grant and charged appropriation under Revenue were:

(i) restriction imposed on creation/filling up of vacant posts, (ii) less expenditure as a measure of economy, (iii) non-adjustment of debits for supplies made by Director General, Supplies and Disposal

(DGS&D), (iv) receipt of less claims of pensions than anticipated, (v) non-supply of anticipated articles of stationery, forms etc. by the Stationery Office, Calcutta and (vi) non-finalisation of DGS&D Rate contracts and non-receipt of claims from Government Printing Presses.

Capital Section

Head of Account	Total grant	Actual expenditure	Savings	Percentage of savings
----- (Rupees in crores)				
AAI Administrative Offices	5.00	4.47	0.53	10.60
AA-2 Postal network	20.20	14.11	6.09	30.15
AA-4 Training	0.73	0.60	0.13	17.81
AA-5 Mechanisation and Modernisation	2.40	1.57	0.83	34.58

The broad reasons for final savings of Rs. 5.08 crores under capital grant were (i) slow progress in construction of buildings for Post Offices/Training centres, (ii) non-receipt/less receipt of claims for supply of machinery and equipment for printing presses, (iii) slow progress in installation of in-house computers and procurement of other mechanical devices

and (iv) supply of less number of Railway Mail Service vans by Railways.

3. Persistent savings

Persistent savings exceeding 10 per cent of provision were noticed in the following heads of account.

Head of Account -----	Percentage savings -----		
	1984-85	1985-86	1986-87
Revenue -----			
B-4 Training	31.74	49.50	43.10
Capital -----			
AA-2 Postal network	7.83	26.46	30.15
AA-5 Mechanisation and modernisation	50.95	82.90	34.58

The savings under above heads were partly offset by excesses under other heads.

Persistent excesses exceeding 10 per cent of provision were

noticed under the Head Capital-Section AA-3 Staff quarters: 34.94 per cent (Rs. 3.67 crores) in 1984-85, 96.98 per cent (Rs. 7.83 crores) in 1985-86 and 49.26 per cent (Rs. 3.20 crores) in 1986-87.

CHAPTER IV

SCHEMATIC REVIEWS

4. Mail Motor Service

4.1 Introduction

The Posts and Telegraphs Mail Motor Service came into existence in 1944 and was entrusted with the following functions :

- (i) Conveyance of mail bags between post offices and railway stations, aerodromes, sea ports and from one post office to another,
- (ii) Clearance of letter boxes,
- (iii) Conveyance of cash,
- (iv) Delivery of heavy parcel in some places,
- (v) Running of mobile post offices,
- (vi) Purchase, repair and maintenance of vehicles for the above purpose,
- (vii) Conveyance of departmental forms and stationery and staff to and from air port sorting office in some places.

Qualified Automobile Engineers/Senior Superintendent/Superintendent of Post Offices designated as Senior Managers/Managers, P&T Motor Service are in-charge of Mail Motor Service (MMS).

4.2 Scope of Audit

A review was conducted in

Audit on the working of 12 MMS units at Ahmedabad, Bangalore, Bombay, Chandigarh, Delhi, Ernakulam, Hyderabad, Jaipur, Kanpur, Madras, Nagpur, and Udaipur.

4.3 Highlights

- Percentage utilisation of the fleet strength varied from 47.62 to 91.67 during the years 1984-87. The average kilometres covered per vehicle per day ranged between 47.56 and 99 against 100 Kms prescribed per vehicle per day.

- 6.41 lakhs dead kilometres were covered by the MMS vehicles resulting in an extra expenditure of Rs.28.30 lakhs on fuel.

- Excess fleet strength was noticed in MMS, Ahmedabad, Ernakulam and Madras Units.

- The average KMPL given by MMS vehicles in 7 units was less than the target fixed, resulting in an extra expenditure of Rs.11.96 lakhs on fuel.

- The maintenance expenditure on Petrol Oil Lubricants (POL) per KM was the lowest in Ahmedabad and Kanpur and the highest in Bombay and Nagpur.

- Spares and accessories were purchased far in excess of authorised limit and without calling for tenders.

- Inordinate delays ranging from 6 to 26 months occurred in awarding

work for fabrication of body after receipt of chassis.

- The average number of break-downs per vehicle and the average time taken in rectifying the same in MMS Jaipur were 200 to 300 per cent higher than in MMS Bombay.

- Carrying of mails by private operators in Lucknow was found to be substantially cheaper than carrying the same by MMS in Kanpur.

4.4 Operational performance

(i) The table in Appendix II indicates the operational performance of the fleet during the three years upto 31st March 1987.

The percentage utilisation of the fleet strength varied from 47.62 to 91.67 in all the three years. While the percentage utilisation of fleet in MMS Kanpur was the lowest i.e. 54.54 in 1984-85 and 47.62 in 1985-86 and that in Jaipur was 58.53 in 1986-87, the utilisation of fleet in MMS, Nagpur was the highest at 91.67 per cent in all the three years.

The departmental instructions issued in September 1979 provide that each vehicle should cover on an average 100 Kms per day and the vehicles should be utilised to the maximum extent preferably in two shifts giving a gap of two hours for checking up the vehicles and where this is not feasible it should work on a schedule of 8 hours per day. It was observed in Audit that in 9 out of 12 units, viz. Ahmedabad, Bombay, Chandigarh (except 1984-85), Ernakulam, Hyderabad, Kanpur, Madras, Nagpur and Udaipur (except 1985-86), the average kilometres covered per

vehicle per day ranged between 47.56 and 99 which was less than the stipulated average distance of 100 Kms per day per vehicle during the three years ending 1986-87. Though MMS Nagpur utilised its fleet strength to 91.67 per cent the average kilometres covered per day was 47.56 in 1984-85, 48.30 in 1985-86 and 48.57 in 1986-87 which was the lowest in all the three years.

Four units, viz. Delhi, Ernakulam, Hyderabad and Kanpur covered 6.41 lakhs dead kilometres out of which 4.76 lakh dead kilometres was covered by Delhi MMS alone. To avoid dead mileage, 25 schedules were proposed by Delhi MMS to be run from Market Road Post Office, but this decision had not been implemented. As a result of covering 6.41 lakh dead kilometres, the department had to spend Rs.28.30 lakhs on account of consumption of fuel.

The cost of operation per gross kilometre covered was the lowest in MMS, Chandigarh i.e. Rs.1.02 in 1984-85, Rs.1.07 in 1985-86, Rs.1.06 in 1986-87 while it was the highest Rs.5.80 in 1984-85, and Rs.6.79 in 1986-87, in MMS, Nagpur and Rs.6.23 in 1985-86 in MMS, Bombay.

(ii) Excess fleet strength

On examination of the approved schedules in MMS, Ahmedabad, it was noticed in Audit that the requirement of vehicles for operating all the schedules including standby vehicles, worked out to 29 as against the actual fleet strength of 36 during 1984-85 and 1985-86 and 35 in 1986-87. It was also noticed that one Maruti Van pur-

chased in December 1986 was also on the fleet strength of MMS, Ahmedabad. The Manager MMS, Ahmedabad pointed out its unsuitability and it was diverted to the PMG, Ahmedabad.

Departmental standards provide

	1984-85	1985-86	1986-87
(a) Operative vehicles	8.33	9.59	12.22
(b) Standby vehicles at 16-2/3 per cent of (a)	1.39	1.60	2.04
(c) Justified vehicles (a+b)= Say	9.72 10	11.19 11	14.26 14
(d) Vehicles held	11	14	16
(e) Excess vehicles held	1	3	2

As per Inspection report of Director (MV), in MMS Madras, 12 vans were found surplus in August 1986.

4.5 Fuel efficiency

In order to gauge the efficiency of the vehicles and to guard against any possible leakage of fuel, it is necessary to work out every week the kilometreage per litre (KMPL) given by each vehicle to compare it with the target KMPL arrived at quarterly. Table given in Appendix III shows the fuel efficiency for the three years ending 1986-87. It was observed that the lowest average KMPL was given by MMS, Bombay in 1984-85 (5.43) and 1985-86 (5.62) and MMS, Delhi in 1986-87 (5.20) while the highest average was given by MMS, Ahmedabad in all the three years which was 8.60 in 1984-85, 8.95 in

that standby vehicles should be at 16-2/3 per cent of the total number of operative vehicles. It was observed in Audit that the MMS, Ernakulam held vehicles in excess of the standards prescribed by the department as detailed below :

1985-86 and 8.74 in 1986-87. It was further observed that no target was fixed by MMS Kanpur, Bombay, Ahmedabad (1984-85 and 1985-86 only) and Delhi to compare the average KMPL given by each vehicle. A comparison of average KMPL given with the targets fixed revealed that the average KMPL given by MMS, Chandigarh in 1985-86 and 1986-87, Bangalore in 1984-85 and 1985-86 and Udaipur in 1984-85 and 1986-87 was more than the targets fixed and in the remaining units viz. Ahmedabad (1986-87), Bangalore, Ernakulam, Hyderabad, Jaipur, Madras and Nagpur, the average KMPL was less than the target fixed resulting in shortfall in KMPL. This in turn had resulted in an extra expenditure of Rs.11.96 lakhs. The Manager, MMS Hyderabad attributed the shortfall in KMPL to frequent stoppages at signal points on account of heavy traffic in the

cities while MMS, Chandigarh attributed this to normal wear and tear.

4.6 Maintenance expenditure

Table at Appendix IV indicates the expenditure incurred on Petrol Oil Lubricants (POL), spares, tyres and tubes and batteries per kilometre during the three years ending 1986-87.

It was observed that the expenditure incurred on POL per Km was the lowest in MMS, Ahmedabad viz. Re.0.45 in 1984-85 and Re. 0.49 in 1986-87 and in MMS, Kanpur Re. 0.44 in 1985-86 whereas it was the highest in MMS, Nagpur in 1984-85 Re.0.74 and in 1986-87 Re. 0.67 and in MMS Bombay during 1985-86,

Re. 0.68. Similarly, the expenditure incurred on spares was the lowest at Re.0.07 in all the three years in MMS, Jaipur, it was the highest in MMS, Bombay in 1984-85 viz. Re.0.61, and in 1985-86 Re.0.78 and in MMS, Delhi in 1986-87 Re.0.66.

4.7 Spare parts and accessories

As per departmental rules, the Senior Manager/Manager may keep a stock of spare parts and accessories upto a limit of Rs.5000 per vehicle. However, it was noticed that the spare parts were held far in excess of the authorised limit in MMS, Madras in all the three years and in MMS, Hyderabad during 1986-87 as detailed below :

Year	Unit	Fleet strength	Value of authorised stock	Stock authorised for No.of vehicles	Stock actual-ly held	Excess over authorised limit	Percentage of excess stores over authorised limit
(Rupees in lakhs)							
			Rs.				
1984-85	MMS Madras	99	5000	4.95	8.03	3.08	62
1985-86	"	98	5000	4.90	6.41	1.51	31
1986-87	"	95	5000	4.75	6.20	1.45	31
- do -	Hyderabad	33	5000	1.65	2.02	0.37	22

Departmental rules further provide that purchase of spares should invariably be made through the Director General, Supplies and Disposals or against running rate contracts. Where neither of the above method is possible, purchase

should invariably be effected by calling for competitive tenders as and when required. It was noticed in Audit that the spares and accessories were purchased without calling for tenders from local dealers as indicated below :

Name of MMS Unit	Value of spares purchased (Rs. in lakhs)		
	1984-85	1985-86	1986-87
Ahmedabad	2.01	1.82	3.42
Chandigarh	0.53	0.43	0.36
Hyderabad	--	--	1.99
Nagpur	1.73	1.34	1.29

The Manager MMS, Ahmedabad, Chandigarh, stated that the spares were purchased from authorised dealers while the Manager MMS Hyderabad stated that 93 per cent of spares were purchased from manufacturers for which tenders were not required. This is, however, not borne out by facts as out of total purchase amounting to Rs.2.52 lakhs during 1986-87, stores worth Rs.0.53 lakh only were purchased from manufacturers. The Manager MMS, Chandigarh further stated that spares were purchased on different occasions by making personal enquiries by the Controlling Officer. It was further stated that the most of the spares were related to Premier Road Master Vehicles, the spares of which were

not available in the open market as there were few vehicles of that make in Chandigarh and only a limited number of stockists had these spares.

The annual limit for local purchase of spares by Manager MMS is Rs. 2000 multiplied by the number of vehicles in the unit (excluding condemned vehicles) and by the head of the circle is Rs.5000 per vehicles. It may be observed from the following table that the local purchases made by Managers Ahmedabad, Chandigarh, Hyderabad and Nagpur were even beyond the powers of head of the circle except in Chandigarh unit for 1985-86 and 1986-87.

Name of unit	No. of vehicles held			Spares purchased per vehicle		
	1984-85	1985-86	1986-87	1984-85 Rs.	1985-86 Rs.	1986-87 Rs.
Ahmedabad	36	36	35	5572	5054	9777
Chandigarh	6	9	9	8760	4727	3956
Hyderabad	--	--	33	--	--	6027
Nagpur	24	24	24	7220	5580	5357

4.8 Body building

It was observed in Audit that in MMS, Bombay, Jaipur and Kanpur

there were inordinate delays, ranging from 6 to 26 months, in awarding work for fabrication of body as detailed below :

Name of unit	No. of chassis purchased	Date of receipt of chassis	Date of award of work	No. of months delayed in awarding work after receipt of chassis
Bombay	2	January 1985	June 1985 and August 1985	6
	1	April 1985	November 1985	7
Jaipur	3	May 1985	October 1986	17
Kanpur	2	October 1984	January 1987	26
	3	May 1986	January 1987	8

It would be seen from the above table that the vehicles purchased remained unutilised for at least 6 to 26 months. This period could have been minimised by proper coordination and speedier placement of time-bound orders after receipt of chassis.

number of break-downs per vehicle in MMS, Bombay (where the number of fleet strength was 168) with those of MMS, Jaipur (where the number of fleet strength was 12) revealed that the number of break-downs and the average time taken in rectifying the same in MMS, Jaipur were 200 to 330 per cent higher than in MMS, Bombay as given below :

4.9 Break-down

A comparison of the average

Year	Fleet strength	M M S BOMBAY			Fleet strength	M M S JAIPUR		
		No. of faults	No. of faults per vehicle	Average time taken		No. of faults	No. of faults per vehicle	Average time taken
1984-85	168	1661	9.88	2.17	12	448	37.33	7.20
1985-86	168	1463	8.70	2.05	12	414	34.50	7.32
1986-87	168	1377	8.20	2.13	12	400	33.33	7.30

4.10 Manpower utilisation

Table given as Appendix V indicates the utilisation of manpower. The number of drivers employed per vehicle was 1.27 in 1984-85 in Bombay and 1.43 in 1985-86 and 1.38 in 1986-87 in Ernakulam unit which were the highest. Similarly, the workshop staff employed per vehicle was 0.82 in all the three years in MMS, Bombay and the administrative staff employed per vehicle was 1.24 in 1984-85, 1.00 in 1985-86 and 0.88 in 1986-87 in MMS, Ernakulam and was the highest among other units.

4.11 Obsolete stores

Obsolete stores including those stores which have become unserviceable while lying in stock or which have become surplus to requirements should be brought into the register of unserviceable stores and should be disposed of at least once in six months. It was noticed that obsolete stores worth Rs.1.14 lakhs were in stock from 1966 to 1980 in 8 MMS units. It was observed in MMS, Hyderabad that rims of Standard 20 vehicles were supplied from time to time by the manufacturer along with the vehicles. No action to dispose of these obsolete stores was taken by any unit.

4.12 Proforma Accounts

Departmental rules prescribe that a proforma account should be prepared and submitted to the head of the circle by 10th of the following month. However, it was noticed in Audit that these accounts were either not at all prepared or prepared but not

submitted to the head of the circle by Ahmedabad, Bombay, Nagpur and Kanpur Units nor did the head of the circle insist on their submission and in its absence, no effective control could be exercised over running cost per kilometre.

4.13 Policy shift

The Department of Posts decided in November 1985 and asked the PMG, Tamil Nadu circle to explore the possibility of hiring of vehicles of suitable capacities from private operators/fleet owners instead of replacing the condemned vehicles with new ones as the cost of running of departmental vehicles was showing an upward trend and the cost benefit analysis did not favourably compare with the contractual services in a number of cases. It was also suggested that such hiring could be on yearly basis in bigger cities and called for information as to whether the vehicles could be hired with or without drivers. In case of hiring of vehicles without drivers, the possibility of utilising the services of surplus drivers was to be explored. It was noticed in Audit that this move was given up by the department within a period of two months.

However, it was observed in Audit that carrying of mails in Lucknow was being done by private operators as no MMS unit existed there. A comparison of cost of operation per Km for carrying mails by MMS, Kanpur, a comparable city in proximity of Lucknow, revealed that cost of operation by MMS, Kanpur was 157 and 151 per cent higher in 1984-85 and 1985-86 respectively, as given below :

Year	Cost per Km of MMS Kanpur Rs.	Average cost paid to private contractors in Lucknow Rs.	Difference in rate Rs.	Percentage difference	Total Kms covered by MMS Kanpur	Loss
1984-85	5.76	2.24	3.52	157	243909	8,58,560
1985-86	5.84	2.33	3.51	151	233519	8,19,652
						<u>16,78,212</u>

Thus due to uneconomical operations of MMS unit at Kanpur, the department incurred an extra expenditure of Rs.16.78 lakhs in 1984-85 and 1985-86.

The matter was reported to the department in July 1987 but no reply has been received (November 1987)

5. Postal Stores, Forms and Seals at Aligarh

5.1 Introductory

Postal Stores, Forms and Seals, Aligarh (PSFS) was established in 1841 as Postal Workshop for manufacturing metal seals and stamps required primarily for the use of Postal Department and by other Ministries and State Governments. From 1953 onwards, the seals and stamps are got manufactured by the department through a cooperative society known as Postal Seals Industrial Cooperative Society, Aligarh as per the agreement with the society entered into every three years.

PSFS also arranges for printing and supply of various forms

required by the department. The printing of forms is done at the Government of India Press (GIP) Aligarh.

5.2 Scope of Audit

A review of the PSFS was conducted by Audit in June 1987.

5.3 Highlights

The review revealed :-

- non-maintenance of proper record/details resulting in non-recovery of Rs.1.84 lakhs.
- non-recovery of gunny bags leading to purchase of new gunny bags costing Rs.9.23 lakhs.
- that an Addressograph machine purchased in October 1983 remained idle for more than 2 1/2 years.
- that a chassis purchased in September 1985 was not put on road resulting in payment of Rs.0.37 lakh as transportation charges.

5.4 Non-recovery of cost of seals and stamps

At the end of 1986-87, Rs.1.84

lakhs were outstanding for recovery towards the cost of seals and stamps supplied to other Government departments. The outstanding included Rs.1.22 lakhs relating to the period 1952-53 to 1980-81 for which necessary records were not available.

The department stated in October 1987 that there was no possibility of recovering the amount relating to the period upto 1982-83 and action to write off this amount would be taken up separately.

5.5 Non-recovery of gunny bags

Forms despatched to indenting units are packed in gunny bags which are returnable. Till March 1987, 2,02,947 gunny bags due for return from various units were not returned. As a result of non-return of bags, the PSFS had to procure 1,76,000 new bags costing Rs.9.23 lakhs during 1982-83 to 1985-86. Bulk of this expenditure could have been avoided had the PSFS taken appropriate steps to ensure return of these bags.

The department stated that the matter was being pursued with the Heads of Circles for the prompt return of the bags or for their utilisation/disposal at the receiving end.

5.6 Disposal of W.T. series of forms

Due to abolition of licence fee on radio and television sets, 9.97 lakh books of W.T. series forms were rendered surplus. The

Director General, Posts and Telegraphs issued instructions (June/July 1985) that surplus forms should be destroyed and the cost of these forms debited to the Ministry of Information and Broadcasting. The PSFS has not worked out the cost of surplus forms. The department stated that the relevant records were not available and efforts were being made to ascertain the cost of the forms for raising debit against the Ministry of Information and Broadcasting.

5.7 Non-utilisation of equipment

A Bradma Addressograph machine was purchased at a cost of Rs. 0.57 lakh in October 1983. The machine had not been put to use till June 1986 for want of trained staff.

The department stated that the machine was being utilised from June 1986.

5.8 Non-utilisation of Mini-truck

A chassis for a mini truck was purchased in September 1985 at a cost of Rs.0.97 lakh but the super structure had not been fabricated so far (October 1987). In the absence of the vehicle, bags were being transported by bullock carts and from April 1985 to May 1987, Rs.0.37 lakh were paid as transportation charges.

The department stated in October 1987 that Postmaster General, Uttar Pradesh Circle had been instructed to get the body built urgently and bring the vehicle in use within 3 months.

CHAPTER V

OTHER TOPICS

6. Avoidable expenditure of Rs.25.77 lakhs paid due to late revision of rent.

Posts and Telegraphs Department acquired in April 1965 through the collector Bombay, a private building named 'Nafees Chambers' under Requisitioning and Acquisition of Immovable Property Act 1952 (RAIP Act). Since then the department of Foreign Mails, Bombay is located in this building occupying 30036 sq.ft. area.

The RAIP Act as amended in 1975, provided for revision of the rate of compensation at the expiry of 5 years. The owners of the building requested the Collector in November 1980 for revision of the rate of compensation from the existing rate of Rs.1.80 per sq.ft. to the prevailing rate of Rs.4/- per sq. ft per month with effect from 1st July 1980. The request received through Collector in December 1980 was turned down by the department in August 1982 stating that any further increase was uncalled for and unnecessary since the owners had not taken any interest in the proper upkeep and maintenance of the building. The owners again requested the department in July 1984 for the revision of the rate of compensation to Rs.6/- per sq. ft.

Fair Rent committee (FRC), which considered the matter in May 1985, recommended the rate of compensation of Rs.6.25 per sq. ft. per month including all taxes payable from 1st July 1980. The

Ministry of Law, Department of Legal Affairs, Bombay which also considered the matter taking into consideration the reasons for rejecting the owner's earlier request of November 1980 and also the recommendations made by the FRC opined that the owner's earlier offer of November 1980 seeking increase in compensation rate of Rs.4/- per sq. ft. is no longer available for consideration and as such the department is well advised to consider the proposal of July 1984 requesting increase of compensation to Rs.6/- per sq. ft. per month.

The department finally negotiated the matter in October/November 1985 with the owners and agreed to the payment of compensation at the rate of Rs.5.75 inclusive of all taxes per sq. ft. per month for the period from 1st July 1980 to 30th June 1985 without any interest. The payment was made in January 1986. If the department had agreed to pay at Rs.4 per sq. ft. per month as requested for by the owners in November 1980, the department would have avoided extra payment of Rs.25.77 lakhs for the period from 1st July 1980 to 30th June 1985.

The department stated in October 1987 that the request for increase in the compensation received from the landlords through the Collector in February 1982 was turned down by the department because the landlords had failed to discharge their responsibilities of proper maintenance of the building

and the building required extensive repairs.

It may be mentioned that the department ignored the statutory backing of the RAIP Act, 1975 under which revision of compensation after 5 years was obligatory. Turning down the request of the owners for increase in compensation on the ground of poor maintenance and non-carrying out of repairs was unjustified as the Act empowers the department to give notice to the landlord for carrying out the repairs and in the absence, carry out the repairs departmentally or through CPWD and recover the cost from the compensation payable. The department could have safely negotiated the offer of November 1980 and paid the compensation only after the repairs were carried out to avoid extra payment of Rs.25.77 lakhs.

7 Infructuous expenditure on installation of bag washing plant at Aligarh.

The Director General Posts & Telegraphs (DGPT) decided in September 1981 to instal a Bag Washing Plant(BWP) in Uttar Pradesh Circle at Aligarh or Kanpur by March 1982. The site for installation of BWP was selected in the premises of Postal Seals, Forms and Stores (PSFS) depot at Aligarh by the Postmaster General(PMG) Uttar Pradesh Circle in consultation with the Superintending Engineer, Electrical Circle and Executive Engineer, Civil Division, after visiting the spot. The Director of Postal Services(DPS), Kanpur accorded, in December 1981 and August 1982, administrative approval and expenditure sanction for (i) sanitary installation, water system, under-

ground tank and (ii) construction of building respectively at an estimated cost of Rs. 2.43 lakhs. The works were completed by Posts & Telegraphs Civil Division, Kanpur in August 1983 at an expenditure of Rs. 2.38 lakhs and handed over to the Superintendent, PSFS Depot Aligarh (August 1984). The DPS Kanpur attributed the delay in taking over of the building to the non-provision of electrical fittings by Civil Division Kanpur. The fact, however, remained that the building was finally taken over without electrical fittings.;

After the building works were completed in the premises of PSFS depot, the DGPT stated in February 1984 that the location of BWP in the PSFS depot premises at Aligarh would not be advisable and desired the PMG to acquire another plot of land at Aligarh for installation of BWP.

On being pointed out (April 1984) by the PMG, Lucknow to the DGPT that "non-installation of BWP in the accommodation specially designed for BWP, the expenditure of Rs. 1.71 lakhs incurred on civil works (building) would go waste and the accommodation so constructed would become redundant", the DGPT stated (May 1984) that (i) PSFS depot Aligarh should not be crowded by installing BWP,(ii) Aligarh was such a place that it would not get large number of bags in the normal course to feed BWP,(iii) the sections that pass through Aligarh also did not have sufficient capacity to carry the empty bags and (iv) the Superintendent, PSFS depot Aligarh was finding it difficult to despatch forms and stores to various units through RMS section due to lack of capacity.

The department stated in October 1987 that the plant premises were being utilised for the storage of forms by PSFS depot., Aligarh.

Defective planning and wrong selection of site by the department resulted in a specially designed utility, costing Rs. 2.38 lakhs (which included an amount of Rs. 0.70 lakh on sanitary and water supply fittings), being made use for storage.

8. Excessive procurement of pugree cloth by Postal Store Depot, Bhopal

The Director General, Posts & Telegraphs (DGPT) abolished the use of pugree, one of the items of uniform, by the employees with effect from 1984-85 and instructions to this effect were issued to discontinue the procurement of pugree cloth. In December 1983, the DGPT ordered for the diversion of surplus pugree cloth in stock of some of the depots to the offices where it needed for issue for the year 1983-84.

In Postal Store Depot (PSD) Bhopal, surplus cloth at the end of 1982-83 was 0.32 lakh metres out of which 0.28 lakh metres were proposed for diversion. But no diversion of excess cloth was actually made. Only 0.03 lakh metres of this cloth was utilised for other purposes during the period from 1983-84 to 1986-87. Thus, due to non-diversion and non-utilisation, 0.29 lakh metres of pugree cloth worth Rs. 1.19 lakhs was remained stocked in the PSD, Bhopal.

A scrutiny by Audit in January 1987, revealed the following

reasons for excessive stock of pugree cloth in PSD, Bhopal:

(i) Although the PSD, Bhopal had sufficient quantity of mill made cloth in stock, the DGPT instead of cancelling the indent for 10,000 metres of Khadi cloth placed in April 1979 by the PSD, Bhopal, converted it into mill-made cloth. This resulted in increase of mill-made cloth's stock by 0.05 lakh metres.

(ii) Further receipt of 0.11 lakh metres of mill-made pugree cloth in 1980-81 against the indent of June 1979, which was placed in excess of requirement and was not cancelled by the DGSD though approached by the DGPT in November 1980, also resulted in excess stocking.

Thus due to (i) non-cancellation of indents for Khadi pugree cloth (ii) placement of indent in excess of requirement 0.29 lakh metres of pugree cloth worth Rs. 1.19 lakhs was remained stocked (April 1987) in PSD, Bhopal.

The department stated in October 1987 that "6000 metres had since been used leaving a balance of 0.23 lakh metre which was proposed to be utilised in place of Mazri cloth as lining for woollen clothes in 4 years at the rate of 6,000 metres per year. The PSD, Bhopal failed to divert 0.25 lakh metre to GMT, Calcutta and 2970 metres to DMT, Indore for which responsibility was being fixed."

9. Non-utilisation of two wheeled platform hand trolleys

On the basis of indents received during 1974-75 to 1983-84 from Director General, Posts and

Telegraphs (DGPT), the Director General Supplies and Disposals (DGSD) placed orders on six firms during the years 1974-75 to 1983-84 for supply of two wheeled platform trolleys to the various Postal Stock Depots of different Circles against rate contracts. The trolleys were to be used for carriage of mail bags on railway platforms.

Postal Store Depot(PSD) at Calcutta had a stock of two such trolleys prior to April 1973. PSDs at Calcutta and Siliguri (West Bengal Circle) received 145 and 20 trolleys respectively direct from the supplying firms during the years 1974-75 to 1984-85. Sixty trolleys were distributed to various RMS/Post Offices in West Bengal Circle during 1975-76 to 1984-85 and 15 trolleys were transferred to other PSDs during 1986-87. Balance 92 trolleys were still lying in stock in April 1987. As there was no demand for such trolleys and the RMS units of West Bengal Circle were not willing to accept the same, these trolleys could not be distributed and are lying in stock. PSD Calcutta requested other PSDs to accept the trolleys but they also declined.

Superintendent PSD, Calcutta intimated the DGPT in August 1985 that for want of sufficient space inside the godown the trolleys were kept in the open which resulted in damage to the trolleys. PSD tried to dispose of 92 trolleys lying in stock by calling tenders from the open market but the highest rate offered for each trolley was Rs. 92 against its original price of Rs. 1209 and hence these were not sold.

Thus, because of incorrect

assessment of requirement of trolleys, capital amounting to Rs. 0.93 lakh had been blocked.

The department stated in October 1987 that action was being taken to fix responsibility for incorrect assessment of requirement of trolleys and efforts were being made to divert the same to other needy PSDs. The department further stated that damage to the trolleys would be avoided by storing them properly and that further indenting of the item had been stopped.

10. Avoidable payment of Sales Tax in purchase of cement.

Under the Central Sales Tax Act when goods are sold to a Central Government department in a State other than where it is located, the department need to pay only Central Sales Tax at four per cent. The Posts and Telegraphs Civil Division, Trivandrum was purchasing cement from a firm of Madras against DGS&D rate contract, the rate of which was free on rail(FOR) destination rail head; but was paying state Sales Tax at 10 per cent prior to October 1982 and 12 per cent thereafter treating the sales as intra-state instead of inter-state. On the matter being taken up by the P&T Department, the firm held the view (December 1982) that since the transportation was done by the agent of the department by road after delivery was taken at the factory, the sale transaction was completed as soon as the devlivery was given in Tamil Nadu and hence it was an intra-state sale and Sales Tax at State Government rules was to be levied. However, the verification of purchase bills showed that Sales Tax at the rate of 4 per cent was being paid

to the firm after March 1985.

Thus, erroneously, the department had made extra payment of Sales Tax of Rs.1.19 lakhs during the period from September 1981 to March 1985. The department stated (December 1986) that the Superintending Engineer (Civil), Trivandrum was advised to take up the matter with the State Government for getting the refund of excess payment of Sales Tax. The matter was reported to have been taken up for refund with the Joint Commercial Tax Officer, Madras in May 1987.

11. Loss due to non-recovery of wharfage charges from the contractor

Director of Postal Services, Bihar Circle, entered into an agreement with a contractor in March 1981 for conveyance of postal stores between parcel/goods offices of different railway stations and the Postal Stores Depot (PSD), Patna. The contract was effective from April 1981 for three years unless terminated earlier. The agreement with the contractor provided that:

i) the contractor was to receive Railway Receipts (RR) in respect of all consignments booked from different places in favour of the Superintendent PSD, Patna and to take prompt delivery from the Railway authorities;

ii) the contractor was liable to pay any demurrage or wharfage charges on account of delay in taking delivery of such consignments after receipt of RR.

The contractor showed negli-

gence in executing the contract from the very beginning by not taking prompt delivery of postal stores from the Railway authorities. Having full knowledge of the fact that the contractor was not clearing the articles, the Superintendent PSD, Patna, instead of taking action at his level for taking immediate delivery of articles lying in railway godowns by deputing departmental officials, reported in November 1981 to the Circle Office about the negligence of contractor.

It was noticed in Audit in October 1986 that the department paid Rs. 1.76 lakhs as wharfage charges to the railways for delay in taking delivery of stores received between April 1981 and August 1982.

As per agreement, the contractor was to furnish a security deposit of Rs. 2000/. The Superintendent, PSD, Patna stated in March 1987 that neither any security deposit in the form of Savings Bank Pass Book nor any National Savings Certificate deposited by the contractor as security was available in his Office.

Thus, due to negligence on the part of the contractor and also inaction of the department in not taking prompt delivery of goods from the Railway godowns, the department made an avoidable payment of Rs. 1.76 lakhs towards wharfage charges.

The department stated in October 1987 that the amount of Rs. 0.65 lakh due to the contractor would be formally adjusted if and when the contractor submits the bill. The remaining amount of Rs.

1.11 lakhs was also likely to be recovered as a result of legal action being taken against the contractor. Suitable action was also being taken against the Superintendent PSD, Patna for his failure to take immediate remedial action in not taking steps to collect the goods from the Railways and to obtain security from the contractor.

12. Irregular payment of interest amounting to Rs. 2.48 lakhs

Post Office Savings Bank Rules, 1965 provide for "opening of accounts under 'Other Accounts' category, renamed as 'Official capacity account' by (i) a Gazetted Government Officer, or an officer of a Government Company, or Corporation or the Reserve Bank of India or a local authority in his official capacity on behalf of persons whose moneys are held as deposit or otherwise with such officer(ii) a receiver appointed by a Court of Law in respect of moneys received by him as such receiver". The rules do not permit the opening of accounts by such authorities under any category, in respect of the moneys belonging to Government.

It was noticed in December 1986 that in Sirohi Head Post Office in Rajasthan Circle, two Savings Bank accounts were opened

under 'Other Accounts' category and Government funds were wrongly being deposited in these accounts. Account No. 2471045 was opened and operated by the Project Officer, Sirohi since March 1980 and the other Account No. 2473331 was opened and operated by the Collector, Sirohi since March 1984. The amounts of deposits on these two accounts as on 19th December 1986 were Rs. 4.22 lakhs and Rs. 1.24 lakhs respectively. A sum of Rs. 2.48 lakhs was allowed as interest in these two accounts since the opening of the accounts.

As the accounts were irregularly opened, the interest of Rs. 2.48 lakhs allowed was to be recovered.

The Department stated in July 1987 that the balance in the Account No. 2471045 had been reduced to Rs. 1.81 lakhs after adjusting Rs. 2.41 lakhs being the amount of interest irregularly paid and in the other Account No. 2473331, the interest amounting to Rs. 0.07 lakh, credited upto 1985-86, had since been disallowed and the balance reduced to Rs. 1.17 lakhs. Both the depositors were addressed by the Postmaster, Sirohi to close the accounts. A general circular to all Circles reiterating the rule position was being circulated so as to avoid such irregular transactions in future.

DEPARTMENT OF TELECOMMUNICATIONS

CHAPTER VI

GENERAL

13. Organisational set up

The Department of Telecommunications functions through "Telecommunications Board" headed by a Chairman, who is also the Secretary to the Government of India, Department of Telecommunications.

The department attends to services like telephone, telegraph, telex wireless, etc.

The demand for these facilities has been increasing year after year. In order to provide these facilities to the intending subscribers, the Government of India provides funds for the expansion activities of the department through allocations to the department in the successive Five Year Plans and Annual Plans of Government. Accordingly, against the Plan outlay of Rs. 2,722 crores of the Sixth Five Year Plan, the Planning Commission has approved an overall investment (total plan) of

Rs. 6,000 crores for telecommunication services in the Seventh Five Year Plan (1985-90) including Rs. 1,990 crores to be raised from other sources)..

With effect from 1st March 1986, an independent public sector undertaking known as Mahanagar Telephone Nigam Limited (MTNL) has been established. This undertaking is responsible for providing telecommunication facilities in the metropolitan cities of Bombay and Delhi.

The value of fixed assets transferred to MTNL at the beginning of the year 1986-87 excluding staff quarters and certain administrative buildings was assessed at Rs. 900 crores. At the end of 1986-87 the MTNL had fixed assets worth Rs. 979 crores.

13.1 Seventh Plan performance

The important facilities available at the beginning of the Seventh five Year Plan were as follows:

Local Telephone System

Switching Capacity (lakh lines)	33.08
Direct Exchange Lines (lakh lines)	28.98
Underground Cables (Lakh Kms)	338.00
Subscriber Telephone Stations (lakh lines)	37.74

Long Distance System

Trunk Auto Exchange (Nos)	29
Trunk Automatic Exchange Capacity (lines)	85770
Microwave System(route Kms)	22514
Coaxial Cable (Route Kms.)	22235
UHF System (Route Kms)	6322
Subscriber Trunk Dialling Routes (Nos)	213
Manual Trunk Board(Nos)	8098
Open Wire kChannels (Nos)	24116
Telegraph Offices(Nos)	35251
Telex Exchanges(Nos)	187
Telex Capacity	
(a) Local (Nos)	39094
(b) Transit (Nos)	10700
Telex Connection (Nos)	26287
Long Distance Public Telephone (nos)	21717
Variable Frequency Transmission Channels	23685

13.2 The data on physical and financial targets for the Seventh Five Year Plan and the actuals for the years 1985-86 and 1986-87 are given below:-

Activities	Annual Plan 1985-86				Annual Plan 1986-87		
	Targets for VII Plan	Targets	Achievements	Percentage of targets achieved	Targets	Achievements	Percentage of targets achieved
Capital Outlay (in crores of rupees)	6000	855	891	104.3	835	837	100

Local Telephone Systems

1. Switching Capacity (lakh lines)	21.00	3	3.6	120	3	3.23	107.7
Underground Cable (lakhs pair Kms)	324.3	29.5	15.04	50	50.7	18.42	36.3
Direct Exchange Lines (lakh lines)	16.0	2.20	2.68	121.8	2.60	3.21	123.5
Subscriber Telephone Stations (lakh numbers)	20.8	2.86	--	--	3.38	--	--
Telephone Exchanges (number)		644	774	120	557	810	145.4

Long Distance Systems

Trunk Automatic Exchanges (TAX) (number)	25	1	1	100	4	3	75.0
Trunk Automatic Exchange capacity (lines)	1,21,400	5600	5600	100	7500	5650	75.3
Subscriber Trunk Dialling Routes, Point to point (numbers)	34	8	16	200	8	31	387.5
Manual Trunk Boards (numbers)	1100	400	215	58.7	350	145	41.3

Long Distance Transmission Systems

Coaxial Cables (Route Kms)	13,427	1532	1507	89.3	1087	1032	94.9
Microwave (Route Kms)	16,895	2257	86	3.9	1947	1704	87.4

U.H.F. Scheme

(a) 30 Channel and above	12,947	1735	1098	83.3	1995	1605	80.00
(b) Small capacity (Route Kms)	150	--	--	--	--	--	--
Open Wire Channels (numbers)	5000	1000	1191	119.1	1000	1215	121.5

Fibre (Route kms)	20,501	--	--	--	--	--	--
<u>Telex</u>							
Telegraph Offices (numbers)	--	2000	1270	63.5	1120	887	79.8
Long Distance Public Telephone Offices (numbers)	15000	2000	899	44.5	2500	934	37.3
Telex Exchanges (numbers)	100	28	22	81.4	17	11	84.7
<u>Telex Capacity (lines)</u>							
Local	32,200	1,580	1,500	94.9	3,000	2,460	82.0
Transit	4,800	--	--	--	1,900	1,250	65.8
Telex Connections (numbers)	29,170	1,431	4,262	297.8	2,717	3,594	132.3
VFT Channels	8,000	1,600	1,694	105.9	1,600	1,852	115.8
<u>Satellite Systems</u>							
(a) Fixed Earth Stations	74	1	1	100	4	1	25
(b) Transportable Earth Stations	20	--	--	--	10	--	--
(c) Data Stations	30	--	--	--	--	--	--
(d) Satellite Telegraph Stations	50	--	--	--	--	--	--
<u>Long Distance</u>							
<u>Telegraph Service</u>							
(i) SFWS 129	5	--	--	--	2	--	--
(ii) SFWS-84	9	--	--	--	2	--	--
(iii) SFP-141	31	6	--	--	12	--	--
(iv) SFG	39	1	--	--	10	--	--

13.3 During the year 1986-87, although the expenditure exceeded the Plan outlay by Rs.2.01 crores, physical targets had not been achieved in respect of some of the activities of the department. Major shortfalls were as under :

Earth Stations	75.0%
Long Distance Public Telephone	62.7%
Underground cable	63.7%
Telex Exchanges	35.3%
Telex Capacity Transit	34.2%
Trunk Auto Exchanges	25.9%
Trunk Capacity	24.7%

13.4 Mention was made of certain factors contributing to delay in providing telecommunication facilities

in Chapters IV and V of Reports of Comptroller and Auditor General of India, Union Government (P&T) 1982-83, and 1983-84, Chapter IVB of 1984-85 and Section D of 1985-86. some of the important factors which contributed to delay as identified in the test check are

- Delay on account of non-receipt of the full complement of stores and equipment.,
 - Faulty planning
 - Delay in completion of civil works
- Some instances are discussed in detail in Chapter IX of this report.

13.5 The overall utilisation of equipped capacity of telephone exchanges is given below :

Year	Equipped capacity of the telephone exchanges at the end of the year (*)	Number of working connections at the end of the year	Percentage of equipped capacity	Date of equipped capacity and working connections in Metropolitan cities							
				Bombay		Calcutta		Delhi		Madras	
				capacity (*)	working connections	capacity (*)	working connections	capacity (*)	working connections	capacity (*)	working connections
				(*) (No. in lakhs)							
1982-83	28.29	24.66	87.17	3.84	3.24	2.11	1.84	2.48	2.23	0.92	0.86
1983-84	30.55	26.68	87.33	4.24	3.66	2.25	1.88	2.79	2.48	1.04	0.93
1984-85	33.07	28.98	87.63	4.71	4.11	2.33	1.96	3.11	2.73	1.12	1.02
1985-86	36.65	31.65	86.69	5.42	4.54	2.40	2.05	3.53	3.07	1.33	1.12
1986-87	39.89	34.88	87.4	5.77	5.01	2.43	2.11	3.97	3.44	1.37	1.25

13.6 The total equipped capacity in 1986-87 (13.54 lakh lines) in 4 Metropolitan cities was 33.9 per cent of the total equipped capacity available in the country. The number of working connections (11.81 lakhs) of the metropo-

litan cities worked out to 34 per cent of the total working connections in the country.

The total number of applicants in the waiting list increased year after year as detailed below:

Year	Number of persons in the Waiting List					
	Bombay	Calcutta	Madras	Delhi	Other Stations	Total
	(figures in lakhs)					
1982-83	1.57	0.28	0.27	1.06	3.38	6.58
1983-84	1.64	0.30	0.33	1.12	3.99	7.38
1984-85	1.66	0.26	0.33	1.32	4.72	8.29
1985-86	1.85	0.28	0.31	1.55	5.87	9.86
1986-87	2.02	0.33	0.40	1.71	6.79	11.25

13.7 The data on estimated and actual revenue working expenses

and surplus from 1982-83 to 1986-87 are given below:

Year	Revenue			Net Working Expenses			Surplus		
	Estimates	Actuals (Per- centage increase over previous year) (*)	Percentage of variation	Estimates (*)	Actuals (Per - centage increase over previous year) (*)	Percentage of variation	Estimates	Actuals (Per- centage increase over previous year) (*)	Percentage of variation
	(*figures in crores of rupees)								
1982-83	922.59	912.25	(-11.1)	556.42	588.62	(+5.8)	366.17	323.63	11.6
1983-84	1140.79	1028.12 (12.70)	(-19.8)	708.49	681.38 (15.76)	(-3.8)	432.30	346.74 (7.14)	19.8
1984-85	1255.00	1191.32 (15.87)	(-5.1)	815.00	810.89 (19.0)	(-0.5)	440.00	380.43 (9.72)	13.5

1985-86	1360.00	1309.31 (9.90)	(-)3.7	897.00	942.22 (16.20)	(+)5.04	463.00	367.09 (-3.5)	20.7
1986-87	1370.00	1229.69	(-)10.2	904.50	1005.32 (6.8)	(+)11.14	465.50	224.37 (-38.9)	51.8

It would be seen from the above statistics that there was a steep fall in the revenue surplus of the department during the year 1986-87.

13.8 The growth of receipts under main heads of receipts during five years ending March 1987 is shown below :

Sl. No.	Main heads of revenue receipts	1982-83	1983-84	1984-85	1985-86	1986-87
(Rs. in crores)						
1.	Telegrams	74.99	85.12 (13.51)	93.84 (10.24)	94.21 (0.4)	93.27 (-)(0.99)
2.	Telex	82.09	84.06 (2.40)	100.82 (19.70)	114.70 (13.99)	59.66 (-)(47.98)
3.	Rent of wires, circuits and instruments leased to Railways, Canals etc. *	22.89	35.49 (55.04)	94.03 (164.85)	43.57 (-)(53.65)	47.70 (9.45)
4.	Telephone revenue on account of rentals and trunk call fees etc.	803.68	860.00 (7.00)	943.04 (9.65)	1106.20 (17.19)	920.80 (-)(16.6)
5.	Net results of other receipts and refunds	(-)71.40	(-)36.85 (48.81)	(-)40.21 (10.01)	(-)48.37 (20.29)	108.26
		912.25	1028.12 (12.70)	1191.32 (15.87)	1309.32 (9.90)	1229.69 (-)(6.08)

During the year 1986-87, a sum of Rs.59.66 crores only was realised in respect of Telex against Rs.114.70 crores during 1985-86.

13.9 Shortfall in setting up telephone facilities with reference to plan targets and utilisation of equipped capacity as mentioned in

para 13.5, is reflected in short realisation of telephone revenue compared to the budgetary expectations. While during the year 1985-86, the revenue fell short of target by 2.63 per cent. in 1986-87 percentage of shortfall increased to 8.1 per cent despite the increase in tariff effective from

Year	Budget Estimates	Actual	Shortfall	Percentage of shortfall
(Rupees in crores)				
1982-83	792.60	782.78	9.82	1.24
1983-84	980.00	860.00	120.00	12.24
1984-85	1070.00	943.04	126.96	11.87
1985-86	1135.00	1105.20	29.80	2.63
1986-87	1155.00	920.80	119.20	11.46

13.10 The average annual revenue per Direct Exchange Line (DEL) had been increasing over the years as shown below partly on account of upward revision of rentals and local call charges from 1st March 1982 and 1983, rentals and trunk call charges from 1st June 1984 and rentals and installation free from 1st December 1986.

Year	Number of DELs at the start of the year (lakh lines)	Total revenue (Rs. in crores)	Average annual revenue per DEL(Rs)
1982-83	22.96	782.78	3409
1983-84	24.65	860.00	3488
1984-85	26.68	943.04	3535
1985-86	28.98	1105.20	3814
1986-87	24.04	1056.16	4397

CHAPTER VII

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

14 The summarised position of actual expenditure during 1986-87 against Grants and Appropriation relating to Telecommunications is as below:

	Original Grant/ Appropriation	Actual expenditure	Variation Saving - Excess +
	(Rupees in crores)		
Revenue			
Voted	1472.50	1311.77	-160.73
Charged	0.50	0.43	-0.07
Capital			
Voted	916.99	911.31	-5.68
Charged	0.01	--	-0.01
	2390.00	2223.51	(-)166.49

There was a token supplementary grant of Rs. 4,000 under capital (voted).

The broad results of Appropriation Audit are as follows:

(1) The overall savings of Rs. 166.49 crores (Net) represented 6.75 per cent of the total provision of voted grant and charged appropriation.

(2) Against the budget provision of Rs. 999.50 crores under the head 356-Working expenses, the actual expenditure was Rs. 1082.03 crores. The excess expenditure of Rs. 82.53 crores was met by the department by re-appropriating funds from the head "358-Appropriation to P&T Capital Reserve Fund" under which

the department appropriated a sum of Rs. 11.62 crores only against the budgetted provision of Rs. 273.50 crores.

(3) The Department of Posts and Department of Telecommunications were separated with effect from 31.12.1984, but the Departments have not evolved the procedure for adjustment of inter departmental transactions, even after a period of three years. The department stated that a high level committee had been set up to review the issue but the final decision was yet to be taken (October 1987).

There were significant savings of more than 10 per cent under the following heads of accounts.

Revenue Section

Head of Account	Provision	Expenditure	Savings with percentages in brackets	Main reason for savings
(Rupees in lakhs)				
1. B-5 Operational training				
B-5(1)Operational training	83.00	53.57	29.43 (35.45)	Shortfall in anticipated expenditure on Dearness Allowance, Rents, rates and taxes
2. C Stores and factories				
C(4) Miscellaneous expenditure	161.02	(-)63.62	224.64 (139.51)	Rate revision adjustments being more than anticipated
3. E-4 Maintenance				
E-4(1) Buildings	1030.00	810.25	219.75 (21.33)	Mainly due to expenditure on maintenance turning out to be less than anticipated.
4. E-5 Petty works	400.00	258.20	141.80 (35.45)	Less number of petty works undertaken than anticipated
E-5(3)Trunk Exchange				
5. E-5(4)Transmission system	300.00	212.24	87.76 (29.25)	Less number of petty works undertaken than anticipated.
6. E-5(6) Telecom Training Centre	764.00	236.71	527.29 (69.01)	-do-
7. E-5(10)Other Telecom Buildings	200.00	109.00	91.00 (45.5)	-do-
8. E-6 Training (Engineering)	1543.80	954.15	589.65 (38.19)	Procurement of equipment on a lower scale than anticipated
9. G Amenities to staff	179.03	47.67	131.36 (73.37)	Post budget decision to transfer the control of P&T dispensaries to Department of Posts
G-1(3)Dispensaries				
10. H Pension	20.00	10.17	9.83 (49.15)	payment of pension in a less number of cases than anticipated
11. H-7 Contribution to employees Provident Fund	10.00	0.72	9.28 (92.80)	Government contribution turning out to be less than anticipated

12.	I Stationary and Printing	900.00	666.13	233.87 (25.98)	Less expenditure than anticipated.
13.	I(1) Depreciation on Historical costs	19134.28	16000.00	3134.28 (16.38)	Transfer of assets to Mahanagar Telephone Nigam Ltd.
14.	L-I Appropriation to P&T Capital Reserve Fund	27350.00	1162.00	26188.00 (95.75)	Shortfall in the surplus in the working of the Telecom Service, shortfall in revenue receipts and larger dividend liability to General Revenues and increase in working expenses.
15.	L-2 Appropriation to Revenue Reserve Fund	30.00	10.03	19.97 (66.6)	-do-
16.	M-I Grant-in-aid	800.00	580.00	220.00 (27.5)	Shortfall in requirement of funds for centre for development of Telematics
17.	J-I Depreciation deduct proceeds of assets abandoned/dismantled/sold etc.	(-)7.50	(-)58.38	50.58 (674.40)	More cases of sale of assets than anticipated
18.	J-I(6) Deduct value of stores recovered and returned to stock	(-)140.00	(-)276.38	136.38 (97.4)	Value of stores recovered from works turning out to be more than anticipated

Capital Section

1.	AA I Telegraph systems				
	AA(1) Telegraph systems	1638.90	477.38	1161.52 (70.87)	Slow progress in land acquisition.
2.	AA1(2) Telex systems	2204.10	1954.30	249.80 (11.33)	Shortfall in the receipt of material
3.	AA-3 Long Distance Switching Systems				
	AA(3)(1) Trunk Automatic Exchange	2148.60	1736.55	412.05 (19.17)	-do-

4.	AA3(2) STD and other trunk dialling system	356.90	236.80	120.10 (33.65)	Slow progress in construction of building and shortfall in receipt of Apparatus and Plant and Lines and Wires material.
5.	AA3(3)Manual Trunk exchanges	904.50	812.71	91.79 (10.14)	-do-
6.	AA 4 Transmission system UHF and VHF relay system	2481.30	1482.74	998.56 (40.24)	-do-
7.	AA4(6)HF Radio systems	201.50 0.01	1.99	199.52 (99.01)	Shortfall in the receipt of A&P material.
8.	AA4(7) Voice frequency Telegraphy	151.00	126.46	24.54 (16.25)	-do-
9.	AA 4(8)Satellite schemes	4000.00	1617.07	2382.93 (59.57)	-do-
10.	AA-5 Ancilliary systems				
	AA 5(i) Telecom Research Centre	125.00	(-)9.04	134.04 (107.23)	-do-
11.	AA5(2) Training Centres	1200.00	360.73	839.27 (69.93)	-do-
12.	AA5(3) Technical and Development Circles	300.00	84.04	215.96 (71.98)	-do-
13.	AA5(4)Store depots	200.00	109.99	90.01 (45.00)	-do-
14.	AA.5(5)Telecom factories	1239.01 (0.01)	503.30	735.71 (59.37)	-do-
15.	AA-6 Other land and buildings				
	AA-6(1)Administrative offices	700.00	505.07	194.93 (27.84)	Slow progress in the construction of administrative buildings.
16.	AA.7 General				
	AA.7(2)Civil Engg. Stores suspense account	325.00	176.63	148.37 (45.65)	Shortfall in purchase of stores
17.	AA-7(3)Manufacture Suspense Account	1999.80	272.69	1727.11 (86.36)	Issue of stores turning out to be larger than anticipated

The savings under the above heads were partly offset by excesses under other heads.

15. Persistent savings exceeding 10 per cent of provision were noticed in the following.

Head of Account	Percentage savings		
	1984-85	1985-86	1986-87
Revenue Section 356-C-4			
C Stores and Factories	32.50	88.70	139.51
C(4) Miscellaneous expenditure			
Capital section 556-AAI			
<hr/>			
AA1. Telegraph systems			
AA1(1) Telegraph systems	36.70	51.50	70.87

CHAPTER VIII

REVENUE

16. Arrears of Telephone Revenue

(i)(a) Out of the telephone bills issued up to 31st March 1987, Rs.55.87 crores were yet to be collected as on 1st July 1987. Of this, Rs.33.29 crores had been billed for between April 1986 and March 1987 and the remaining Rs.22.58 crores before 31st March 1986. The year-wise analysis of the overdues is given below:

<u>Year</u>	<u>Amount</u> (Rs. in crores)
Upto 1977-78	1.15
1978-79	0.57
1979-80	0.67
1980-81	0.87
1981-82	1.20
1982-83	1.85
1983-84	3.16
1984-85	5.04
1985-86	8.07
1986-87	33.29
Total :	55.87

1987, claims of Rs.5,000 and more amounted to Rs.3.95 crores in 34 circles, the break-up of which according to categories of consumers is as under :

<u>Category of subscribers</u>	<u>Amount</u> (Rs.in crores)
1. Central Government subscribers	0.23
2. State Government subscribers	0.49
3. Central Public Sector undertakings	0.01
4. State Public Sector undertakings	0.09
5. Local bodies	0.01
6. Other subscribers	3.12
Total :	3.95

(b) Out of total arrears pertaining to 48 circles as on 1st April

(ii)(a) The position of arrears, demand raised and amount collected during the last 4 years ending March 1987 is given below :

Year	Arrears at the start of the year (1st July)	Demand raised during the year	Total demand	Amount collected during the year	Arrears at the close of the year (1st July)	Percentage of arrears to total demand (Col.6 to Col.4)
1	2	3	4	5	6	7
(Rs. in crores)						
1983-84	26.06	898.23	924.29	888.72	32.61	3.53

1984-85	32.61	1005.44	1038.05	993.15	32.73	3.15
1985-86	32.73	1126.53	1159.26	1107.88	39.93	3.44
1986-87	39.93	1363.84	1403.77	1320.79	55.87	4.23

There was an abnormal increase in the percentage of outstanding telephone revenue at the close of 1986-87 as compared to the previous years.

(b) The comparative position of amounts outstanding as on 1st July,

out of demands raised upto 31st March during the 5 years ending 1986-87, in respect of 4 Metropolitan cities Delhi, Calcutta, Madras and Bombay is indicated below :

Name of Metropolitan Telephone District	Year	Arrears at the start of the year	Demand raised during the year	Total demand	Amount collected during the year	Arrears at the close of the year (on 1st July)	Percentage of arrears to the total amount (Col.7 to Col.4)
1	2	3	4	5	6	7	8
(Rupees in rupees)							
Delhi	1982-83	9.21	96.14	105.35	98.76	9.32	9.7
	1983-84	9.32	104.46	113.78	104.62	9.62	9.2
	1984-85	9.62	122.98	132.58	122.81	7.90	6.4
	1985-86	7.90	141.90	149.80	142.32	7.26	5.1
	1986-87	7.26	173.30	180.56	169.07	8.19	4.7
Calcutta	1982-83	3.30	55.68	58.98	53.96	4.49	8.0
	1983-84	4.49	58.71	63.20	58.03	4.82	8.2
	1984-85	4.82	84.17	68.99	61.52	6.78	10.5
	1985-86	6.78	68.60	75.38	65.77	8.46	12.3
	1986-87	8.46	78.11	86.57	68.27	12.89	16.5
Bombay	1982-83	1.56	139.49	141.05	139.10	2.30	1.6
	1983-84	2.30	158.67	160.97	154.44	4.17	2.6
	1984-85	4.17	176.36	180.53	175.56	4.15	2.3
	1985-86	4.15	196.47	200.62	192.68	5.88	3.0
	1986-87	5.88	249.79	255.67	234.91	12.26	4.9
Madras	1982-83	0.62	42.57	43.19	43.35	0.57	1.3
	1983-84	0.57	50.03	50.60	49.84	0.76	1.5
	1984-85	0.76	54.96	55.72	54.45	0.84	1.5
	1985-86	0.84	62.97	63.81	62.36	1.06	1.7
	1986-87	1.06	77.22	78.28	76.56	1.35	1.7

(iii) In 35 circles, recovery of Rs.184.59 lakhs was under liti-

gation on 1st July 1987. The progressive position was as below :-

	No.	Amount involved (Rs. in lakhs)
(a) - Cases under litigation as on July 1986	2016	155.92
(b) Cases in which litigation proceedings were commenced during July 1986 to June 1987	625	54.26
(c) Cases decided during July 1986 to June 1987	323	25.59
(d) Cases decided out of (c) in favour of P&T Department	231	20.39
(e) Cases under litigation as on 1st July 1987	2318	184.59

(iv) Rs.30.30 lakhs were written off during the year 1986-87 in 37 circles. Out of this Rs.7.71 lakhs pertained to Delhi Telephone District alone, of which Rs.2.80 lakhs pertained to periods upto 1979-80.

The break up of the amount of Rs.30.30 lakhs pertaining to 37 circles was as below :

The year-wise analysis of the amount was as under :

Year to which pertains	Amount written off (lakhs of rupees)
Upto 1979-80	13.61
1980-81	1.36
1981-82	3.66
1982-83	4.28
1983-84	2.20
1984-85	2.22
1985-86	1.67
1986-87	1.30

Total : 30.30

	(Rs. in lakhs)
1. Whereabouts of the subscribers not known	15.39
2. Solvency of the subscribers not established	1.89
3. Closure of subscriber's firms, concerns, etc.	1.80
4. Death of subscribers	1.64
5. Relevant departmental files not available	0.77
6. Other reasons	4.88
7. Break-up not available	3.93
Total:	30.30

(v) The number of complaints received regarding over billing during the year 1986-87 came to 1,18,132.

Information required to be furnished by the Heads of Circles and Telephone Districts to the Branch Audit Offices by 31st August 1987 as per departmental rules/instructions has not been furnished so far by (a) 14 Circles-/Districts i.e. Calcutta, Rajkot, Bombay, Lucknow, Kanpur, Indore, Bhopal Telephone Districts and West Bengal, North East, Uttar Pradesh, North West Bihar, Madhya Pradesh and Karnataka Telecommunication Circles in respect of (i)(b) and (iii) above and (b) 11 circles/-Telephone Districts i.e. West Bengal, North East, Uttar Pradesh, North West Bihar and Madhya Pradesh circles and West Bengal, Rajkot, Bombay, Indore and Bhopal telephone Districts in respect of (iv) above.

17. Non-billing/short billing of Telecom bills detected in test check during 1986-87

Besides the cases mentioned in paragraphs 20 to 28 of the Audit Report, a test-check in Audit of Telecom Revenue Accounts of 38 telecommunication Circles/Districts (out of a total of 48 circles/dis-

tricts) conducted during 1986-87 revealed non-billing in 2333 cases involving Rs.0.42 crore. Further, even after the lapse being pointed out in Audit, bills relating to 531 cases involving Rs.0.24 crores were not issued as at the end of June 1987.

In addition 3856 cases involving Rs.0.68 crore on account of short-billing were also noticed by Audit in test check. Bills were issued for Rs.0.51 crore out of which Rs.0.31 crore (covering 452 cases) are yet to be realised. Bills for the balance amount of Rs.0.17 crore have not been issued till June 1987, though pointed out in Audit earlier.

18. Arrears of rent of Telegraph Telephone and Teleprinter circuits and Telex/Intelex charges

The arrears on account of rent of Telegraph, Telephone and Teleprinter circuits and Telex/Intelex charges as on 31.3.1987 was Rs. 1425 lakhs. The comparative position of arrears of collections on the above accounts as at the end of March 1985, March 1986 and March 1987 in respect of bills issued upto preceding 31st December is shown as under:

	Year	Arrears out- standing on 31st March in respect of bills issued upto 31st December preceding (Rs. in lakhs)	Actual collection during the year (Rs. in lakhs)
Rent of Telegraph/ Telephone and Teleprinter circuits	1984-85 1985-86 1986-87	747 950 1192	9404 6069 6791
Telex/Intelex charges	1984-85 1985-86 1986-87	112 167 233	9703 11051 12610

It has been observed that the arrears of rent of telegraph/telephones and teleprinter circuits which are showing increasing trend were higher than 1985-86 substantially.

Year-wise analysis of the due as on 1st April 1987 for bills issued upto December 1986 is given below:

Year	Rent of telegraph telephone and teleprinter circuits	Telex and intelex charges	Total
	(Rs. in lakhs)		
Upto 1981-82	74.85	24.18	99.03
1982-83	52.06	10.19	62.25
1983-84	71.85	21.15	93.00
1984-85	117.50	23.77	141.27
1985-86	346.88	72.49	419.37
1986-87	529.04	81.05	610.09
Total:	1192.18	232.83	1425.01

The classification of dues on 1st April 1987 according to the subscribers in respect of claims exceeding Rs. 10,000 each for Bombay and Delhi Telephone Districts and claims exceeding

Rs.5,000 in respect of 38 Telecommunication circles/Telephone districts (out of 48) was as given below. The total amount of such dues was Rs. 653.43 lakhs.

	Rent of telegraph telephone and teleprinter circuits	Telex/ intelex charges	Total	Percentage of total dues
(Amount in lakhs of Rupees)				
Central Government	431.74	1.70	433.44	66
State Governments	15.07	7.33	22.40	4
Autonomous bodies	7.66	4.05	11.71	2
Press/News papers	59.17	1.95	61.12	9
Others	59.96	64.80	124.76	19
Total:	573.60	79.83	653.43	100

Information in respect of 8 circles/districts could not be included due to its non-receipt from the Heads of Circles/Districts.

19. Arrears of Telephone Revenue and Radio Telegraph charges

(1) Inland Press Telegrams

Registered newspapers and news agencies are allowed the facility of sending inland press telegrams without prepayment. Bills for the first fortnight of the month are required to be issued by 25th of the same month and for the second fortnight by 10th of the following month. The bills are to be paid within a week.

A test check of the bills issued by Chief Accounts Officer, Telegraph Check Office, Calcutta (CAO, TCO) for the period April 1986 to March 1987 revealed that there was a time lag ranging from 1

to 4 months in issuing the bills. Bills pertaining to the period April 1987 to June 1987 were issued during July 1987 and bills pertaining to the period July 1987 onwards were yet to be issued (September 1987).

The Department stated in December 1987 that there was some delay in despatching the bills due to administrative problems.

In respect of bills pertaining to the period upto 31st March 1987, arrears in collection amounted to Rs. 19.29 lakhs as on 31st August 1987. It was observed that of the total arrears, Rs. 5.34 lakhs (27 per cent) and Rs. 13.33 lakhs (69 per cent) related to the period 1980-86 and 1986-87 respectively.

Details of the amounts due to be recovered and balances outstanding in July/August each year during 1984-85 to 1986-87 were as under:

Year	Amount of the bills pertaining to previous years outstanding in July or August	Bills issued during the year	Total	Position of arrears in July or August next		Total
				Pertaining to previous year	Pertaining to current year	
(Rs. in lakhs)						
1984-85	17.06	23.69	40.75	3.26	10.51	13.77
1985-86	13.77	21.73	35.50	4.21	6.75	10.96
1986-87	10.96	23.78	34.74	5.96	13.33	19.29

(II) Mobilisation Telegrams

Mobilisation telegrams in connection with military business are similarly accepted without prepayment. Bills are required to be preferred by the last day of the second month following the month of account by the CAO, TCO, Calcutta monthly against the Defence authorities who are required to make payment within three weeks of their receipt.

CAO, TCO, Calcutta issued 2203 bills pertaining to the period from April 1986 to March 1987 for Rs. 395.28 lakhs. A test check of these bills in Audit revealed a delay of upto one month in issuing the bills. In one case delay was over one month.

Bills for the period from April 1987 to June 1987 were issued during July 1987 to September 1987.

In respect of bills for the period upto 1986-87, arrears in collection amounted to Rs.73.15 lakhs as on 31st August 1987 (bills

for March 1987 issued only on 13th July 1987 have been taken into account for the purpose of computing arrears). Out of this, Rs.0.66 lakh related to the year 1984-85, Rs.0.84 lakh to 1985-86 and Rs.71.65 lakhs to 1986-87.

(III) Radio Telegraph charges

The CAO, TCO, Calcutta prepares monthly bills in respect of radio telegrams exchanged between the Radio station owned by the Telecommunications Department and ships at sea. the bills are required to be sent to the shipping companies/administration concerned on the 15th of the third month following the month of traffic.

A test check of the bills issued by CAO, TCO, Calcutta for the period from April 1986 to March 1987 revealed that there was a time lag upto one month in issuing 169 bills valuing Rs.8.16 lakhs.

In respect of bills pertaining to the period upto 31st March 1987, arrears in collection amounted to

Rs.58.27 lakhs as on 31st August 1987. Out of this, Rs.21.63 lakhs pertained to 1986-87 and Rs.36.64 lakhs to the period 1965-66 to 1985-86.

The department accepted the above facts and figures in December 1987.

20. Specific major cases of under-assessment of revenue

Though the receipts of the department are required to be checked by Internal Check Organisation of the department, test check in Audit revealed a number of cases of

short/non-recovery as discussed below :

(A) Non/short billing due to non-receipt of Advice Notes

As per the departmental rules, completed Advice Notes, in respect of Telecom facilities provided shifted etc., are to be sent to the Telephone Revenue Accounts (TRA) branch, within a week of the event effecting the connections in order to enable the TRA branch to issue bills to the subscribers. There was short/non-recovery of Rs.43.34 lakhs in respect of the following cases due to non-receipt of completed Advice Notes :

Sl. No.	Particulars of lines/cables/PABXs etc.	Pointed out by Audit in	Period of non/short recovery	Amount of non/short recovery	Recovery	Department's reply
				(Rupees in lakhs)		
<u>Trivandrum Telephone District</u>						
1.	4 Teleprinter circuits provided to Govt. of Kerala	January 1987	April 1985 to February 1988	2.57	1.60 (April 1987) 0.97 (October 1987)	Accepted the facts and figures (September 1987)
<u>Delhi Telephone District</u>						
2.	Provision of seven external extensions to Indian Air Force in June 1970 and February 1974	December 1985	June 1971 to April 1978	2.30	2.14	Balance amount was under dispute (October 1987)
<u>Uttar Pradesh Telecom Circle</u>						
3.	Provision of teleprinter circuit/machines					
	(i) Kanpur-Banda	August 1986	May 1980 to May 1987	1.04		The Bills for Rs.1.04 lakhs had been issued in January 1987) (August 1987)
	(ii) Kanpur-Orai to a party					

4.	Provision of forty eight non-exchange lines and private wires to various parties	January 1986	1980 to 1985	1.92	0.59	A sum of Rs.0.59 lakh had since been settled in 19 cases and for recovery of the balance amount the cases were being pursued. (August 1987)
5.	A 100 lines PABX Board provided to State Bank of India Lucknow.	March 1987	February 1985 to February 1987	1.86	1.86 (June 1987)	Accepted the facts and figures (September 1987)
<u>West Bengal Circle</u>						
6.	4 Administrative Trunk Circuits provided to North East Frontier, Railways	April 1986	1971-72 to 1985-86	18.99	--	The recovery of the bills was being pursued. (October 1987)
7.	Provision of 100 lines SAX at Janata Bhawan, Assam Secretariat, Dispur with 16 internal and 70 external extensions in 1976	June 1985	July 1976 to June 1985	6.21	6.21	Accepted the facts and figures, (June 1987)
<u>Karnataka Telecom Circle</u>						
8.	A speech circuit provided to a firm 'A' between Bangalore and Mysore	November 1983	March 1982 to March 1985	0.99	1.37 (Rent upto January 1986 recovered in July and August 1986)	Accepted the facts and figures. (November 1987)
<u>North West Circle</u>						
9.	Two tie lines provided to IAF authorities on 1st July 1986	January 1987	July 1986 to October 1987	1.59	1.59 (June 1987)	Warning had been issued to the delinquent officials by the concerned Telecom. District. (October 1987)
<u>J&K Telecom. Circle</u>						
10.	Speech Circuit provided to IAF authorities	November 1985	January 1982 to February 1987	3.85	3.85	Accepted the facts and figures (September 1987)

Chandigarh Telecom District

11. Speech circuit provided to Ministry of Home Affairs	January 1987	June 1984 to June 1987	2.02	2.02	- do - (February 1987)
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(B) Short/non-recovery due to non-transfer of records

Whenever a new engineering division is formed, on bifurcation of an existing division, the existing division should transfer all

relevant records relating to billing of the Telecom. facilities to the newly formed division. Due to non-transfer of records, Rs.8.77 lakhs could not be recovered in the following cases :

Sl. No.	Particulars of lines/cables/PABXs etc.	Pointed out by Audit in	Period of non/short recovery	Amount of non/short recovery	Recovery	Department's reply
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(Rs. in lakhs)

Bihar Telecom Circle

1.	Speech circuits between Bokaro Steel City and Adra (Radial Distance 50 Kms) provided to South Eastern Railway in March 1971	April-May 1985	March 1971 to January 1987	4.20	-	Accepted the facts and figures and the payment of the bills was awaited (July 1987)
2.	Teleprinter circuit provided to BSF	December 1982 and June 1985	September 1982 to March 1986	3.51	3.51	Accepted the facts and figures. Instructions had been issued to the concerned staff by the General Manager to avoid recurrence of such instances. (June 1986)

3. A 20 line Private Branch Exchange (PBX) with seven extensions (all within one kilometre) provided to Canal department of Punjab State at Harike	October 1978 and July 1982	January 1965 to March 1987	1.06	--	On physical verification of the services provided, it was noticed that besides the exchange, 3 extensions were actually working and accordingly bills for Rs. 0.80 lakh for the period from 1st January 1965 to 31st March 1987 had been issued and that the payment was awaited. (June 1987)
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(C) Non-implementation of revised rates

66.16 lakhs were short/non-billed due to non-implementation of revised rates of rental charges from the effective date in the following cases:

The rental charges payable by the subscribers were revised. Rs.

Sl. No.	Particulars of lines/ cables/PABXs etc.	Pointed out by Audit	Period of non/short recovery	Amount of non/short recovery	Recovery	Department's reply

(Rs. in lakhs)						
<u>Uttar Pradesh Telecom Circle</u>						
1.	5 Telex connections provided by District Manager Telephones Lucknow	March 1987	March 1983 to August 1987	1.98	0.16	Bills issued for Rs. 1.17 lakhs and recovery of Rs.0.16 lakh was effected. (October 1987)
2.	Radio Telephone Circuits between Kanpur and Dadri and between Kanpur and Gotan provided to Firm 'A'	August 1986	March 1983 to July 1987	4.58	--	Bills had been issued but the party had gone to the court of law. (July 1987)
<u>Bihar Telecom Circle</u>						
3.	Speech/Teleprinter circuits provided to Central Coal Fields Ltd, Mecon India	September 1986	March 1983 to June 1987	23.12	0.49	Rs. 0.49 lakh had been recovered and recovery of balance amount was being pursued. (November

Ltd. and All India
Radio Patna and
Ranchi

1987)

Delhi Telephones

- | | | | | | | |
|----|----------------------------------------------------------------------------------------------------|--------------|-----------------------|------|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. | 3 Non exchange lines to Army authorities, between station 'A' and 'B', 'C' and 'D' and 'E' and 'F' | January 1987 | June 1983 to May 1987 | 6.77 | 10.09 | The amount has been realised (October 1987). But there was an excess billing amounting to Rs.3.32 lakhs by adopting the revised tariff rates during the period of guarantee. |
|----|----------------------------------------------------------------------------------------------------|--------------|-----------------------|------|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Bangalore Telephone District

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|---|----------------------------------------------------------------------------------------------------------------|---------------|--------------------------|-------|----------------------------------|---------------------------------------------------------|
| 5 | Fascimile circuit on Madaras-Bangalore system provided to a newspaper w.e.f. 23rd March 1970 for part time use | November 1983 | March 1983 to March 1987 | 13.68 | 14.24 (June 1987 to August 1987) | Full amount of arrears stands recovered. (October 1987) |
|---|----------------------------------------------------------------------------------------------------------------|---------------|--------------------------|-------|----------------------------------|---------------------------------------------------------|

Madras Telephone District

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|----|-------------------------------------------------------------------------|-------------------------------|------------------------------|-------|-------|-------------------------------------------------------------------|
| 6. | Fascimile circuit provided to a Newspaper between Madras and Coimbatore | August 1986 and December 1986 | March 1983 to September 1986 | 16.03 | 16.03 | All arrears had since been recovered from the party (August 1987) |
|----|-------------------------------------------------------------------------|-------------------------------|------------------------------|-------|-------|-------------------------------------------------------------------|

(D) Non-implementation of revised charges for facilities leased to Railways

The tariff rates of facilities leased to the Railways are fixed for a block of 5 years. The last

fixation of tariff rates for the periods 1971-72 to 1975-76 and 1976-77 to 1980-81 was done in May 1984, Due to non-implementation of these revised tariff rates, short/non-recovery of Rs. 44.05 lakhs was noticed in the following cases:

Sl.	Particulars of lines/ cables/PABXs. etc.	Pointed out by Audit in	Period of non/short recovery	Amount of non/short recovery	Recovery	Department's reply
----- (Rs. in lakhs) -----						
<u>Orissa Telecom Circle</u>						
1.	6 Administrative circuits provided to South Eastern Railways by Divisional Engineer Telephones, Berhampur.	June 1986	1971-72 to 1984-85	3.33	3.33 (April 1987)	The mistake occurred due to misunderstanding which had been clarified by issue of instructions. (October 1987)
<u>Bihar Telecom Circle</u>						
2.	9 Telephone circuits Non-exchange lines provided to North Eastern Railways by Divisional Engineer, Patna.	August 1985	1971-72 to 1984-85	31.88	--	The bills had been issued (October 1987)
3.	One Administrative circuit provided to South Eastern Railway between Nagpur and Bilaspur	August 1986	April 1966 to March 1971	1.17	1.17 (April 1987)	Accepted the facts and figures. (October 1987)
4.	Provision of speech circuit between Tinsukhia and Mariam for General Manager, North Eastern Railway on 4th November 1981 for a period of 6 years @ Rs. 23900 per annum	February 1986	November 1981 to November 1986	4.30	4.30 (August 1986)	Accepted the facts and figures.
5.	Provision of one VFT circuit between Maligaon Test Room and Tinsukhia test room for General Manager, North East Frontier Railway on 23rd January 1980 at rental of Rs. 16436 per annum	February 1986	January 1980 to January 1986	3.37	3.37	Accepted the facts and figures. (August 1987)

(E) Non-maintenance of records

Due to non-maintenance of records like Subscribers' Record Card (SRC) prescribed by the department

and non-observance of the prescribed procedure, rental charges amounting to Rs.4.29 lakhs could not be realised in the following cases :

Sl. No.	Particulars of lines/cables/PABXs etc.	Pointed out-by Audit in	Period of non/short recovery	Amount of non/short recovery	Recovery	Department's reply
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(Rs. in lakhs)

Lucknow Telecom. District

1.	Nine Teleprinte circuits provid to UP Police(Radio Lucknow between December 1984 to January 1986	January 1986	December 1984 to January 1986	3.02	0.63	All out efforts were being made to reconcile the dispute relating to distance as well as date of commissioning and to recover the balance amounting to Rs.2.39 lakhs and that District Manager Telecom had been advised to take suitable remedial steps to prevent recurrence of such lapses in future (July 1987)
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Bihar Telecom. Circle

2.	A speech circuit between station 'A' and station 'B' with intercom facilities and non-exchange line between Madhepura sub-station and Pipra Power sub-station provided to IAF and Bihar State Electricity Board.	December 1986/ January 1987	March 1985 to March 1987 and August 1985 to August 1987	1.27	-	Bills for Rs.1.55 lakhs had been issued and payment was awaited (October 1987)
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(F) Incomplete data for computer

As the data supplied to the computer was incomplete, rental

charges amounting to Rs.7.80 lakhs were omitted to be billed in the following cases :

Sl. No.	Particulars of lines/cables/PABXs etc.	Pointed out by Audit in	Period of non/short billing	Amount of non/short recovery	Recovery	Department's reply

(Rs. in lakhs)						
<u>Madras Telephone District</u>						
1.	200 lines PABX provided to Air India at Madras	November 1985	May 1985 to May 1986	1.10	1.10 (November 1985)	Strict instructions had been issued to the concerned staff to prevent recurrence in future (August 1987)
<u>Delhi Mahanagar Telephone Nigam Ltd.</u>						
2.	80+800 lines electronic PABX Board provided to International Airport Authority of India, New Delhi	January 1986	June 1985 to May 1986	6.70	6.70 March 1986	Suitable remedial steps had been taken to avoid such lapses in future, (June 1987)

(G) Non-recovery of royalty

Under the Indian Telegraph Act, Department of Telecommunications has to establish/maintain the telephone lines and grant licences

to private parties or organisations for erection and operation of telephone system under prescribed conditions. There was short/non-billing of royalty amounting to Rs.16.57 lakhs in the following cases :

Sl. No.	Particulars of lines/cables/PABXs etc.	Pointed out by Audit in	Period of non/short recovery	Amount of non/short recovery	Recovery	Department's reply

(Rs. in lakhs)						
1.	Licences granted to six private firms in Orissa Circle	May 1985	May 1974 to December 1986	0.99	0.57	Accepted the facts and figures

2.	40 Private Auto Branch Exchanges installed by Bharat Coking Coal Corp. Ltd., Bihar Circle	May 1985	1982-83 to 1985-86	15.58	15.58 (February/ June 1986)	- do -
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(H) Short billing in respect of circuits interconnected to Telecommunication net work leased to Defence authorities

centrally by Delhi Telephones and from 1st April 1983 by the respective billing units.

In accordance with the departmental instructions issued in February 1983, Defence will pay 33-1/3 per cent of the additional rental for all trunk circuits on which inter-connection facility between Defence circuits and Posts and Telegraphs net-work had been provided. Arrears of additional rental from 4th June 1977 to 31st March 1983 were required to be collected

A test check of the records maintained in various Telecom. Circles revealed that the additional rental amounting to Rs.13.73 lakhs in 4 cases mentioned below was not billed for as neither the requisite information for the period earlier than March 1983 had been furnished to the Directorate nor were the bills for the period from 1.4.1983 onwards issued.

Sl. No.	Particulars of lines/cables/PABXs etc.	Pointed out by Audit in	Period of non/short recovery	Amount of non/short recovery	Recovery	Department's reply
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(Rs. in lakhs)

North East Circle

1.	Provision of 3 circuits to Indian Air Force and 5 circuits to Army by DET Dibrugarh	February 1986	June 1977 to March 1983	4.41	2.20	Accepted the facts and figures (October/November 1987)
2.	Provision of 7 speech circuits to Army and 2 speech circuits to IAF by DET Tejpur	July 1986	April 1985 to March 1987	2.70	2.70	-do-

Punjab Circle
(Circuits)

3(i)	Barnala-Ambala	February 1986	June 1977 to June 1979	3.05	3.05 (February and March 1987)	-do-
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- (ii) Barnala-Halwara
 (iii) Barnala-Sarswa

4. 11 circuits leased April April 1983 3.57 3.39 -do-
 to Defence 1985 to June 1985

(I) Short/non-recovery of rental charges amounting to Rs.20.77 lakhs in 6 cases due to various omissions-/commissions

Sl. No.	Particulars of line/cable/PABX etc.	Audit observations	Pointed out by Audit in	Period of non/short recovery	Amount of non/short recovery	Recovery	Department's reply
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(Rs. in lakhs)

West Bengal Telecom Circle

- | | | | | | | | |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------------------------------------------------------|------|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Provision of cable to Indian Air Force | Due to wrong fixation of guarantee period as 4 years instead of 10 years for the underground cable there was short recovery amounting to Rs.1.42 lakhs | July 1986 | September 1978 to September 1984 and May 1982 to May 1986 | 1.42 | 1.39 | Recovery of Rs.1.39 lakhs out of Rs.1.42 lakhs effected (July 1987) |
| 2. | Provision of one speech circuit between Asansol and Durgapur with one 2+6 line PBX Board at Asansol having 4 external extensions to Superintendent of Police, Burdwan in June 1983 | Though the completed Advice Note was sent to the Telephone Revenue Accounting Branch in June 1985, bills were not issued till pointed out by Audit. | March 1986 | June 1983 to March 1987 | 1.38 | 1.38 | There was discrepancy regarding provision of external extensions as per original requisition and actual installation. The reply of the Department is not tenable in view of the fact that SDO Phones Asansol had informed in June 1983 itself the DET Asansol and the GMT West Bengal about the actual number of the external extensions installed. |

Chandigarh Telecom District

- | | | | | | | | |
|----|----------------------------------------------------------------------------------------------------|----------------------------------------------------|--------------|-----------------------------|------|------|--------------------------------------------|
| 3. | Provision of a speech circuit to a private party between Chandigarh and Bhatinda in September 1984 | The bills were not issued to the party for payment | January 1987 | December 1984 to March 1987 | 1.47 | 1.47 | Accepted the facts and figures (July 1987) |
|----|----------------------------------------------------------------------------------------------------|----------------------------------------------------|--------------|-----------------------------|------|------|--------------------------------------------|

Bombay Telephone District

4. Provision of radio telephone circuit on U.H.F. on rent and guarantee basis between Bombay and Butcher Port Trust on 12th December 1974
- The circuit was not billed for since its inception due to non-issue of Advice Note and non-inclusion in the Half-Yearly Statement of guaranteed wireless circuits by Divisional Engineer (Wireless), Pune
- June/ December 1985
- December 1974 to March 1986
- 2.44
- 2.44 (March 1986)
- The existence of the circuit was known to General Manager Bombay in February 1984. The bills could not be issued because the details of the bills were being collected from various sources (July 1987)

Uttar Pradesh Telecom Circle

5. Provision of 8 channel carrier system with eight number of telephone connections to Narora Atomic Power Project
- Instead of charging the long distance connections, these were charged as telephone circuits
- August 1981 and March 1987
- February 1981 to April 1987
- 2.02
-
- Accepted the facts and figures

Shillong Telecom. Circle

6. Provision of wireless telephone circuit to Oil and Natural Gas Commission from Nazira to Silchar on rent and guarantee basis
- (i) Rental was not billed for. 1986
(ii) Rent of P&T premises and shifting charges not claimed
- January 1986
- July 1977 to July 1986 and July 1977 to February 1986
- 12.04
- 11.38
- Accepted the facts and figures

(J) Short-billing of rental charges in respect of 14 pairs tie line provided to Army authorities

The Divisional Engineer Phones, Ranchi provided in October 1974 a 14 pairs tie line from Ranchi exchange to Namkum exchange on rent and guarantee terms to the Army authorities with guarantee period of 10 years. The provisional annual

rental was calculated at 15 per cent of the capital cost instead of 18 per cent applicable for cables. On this being pointed out by Audit in May 1982 the rent was revised and a supplementary bill for the difference for the period October 1974 to June 1982 was issued to Army authorities in July 1982. A test check in Audit of the Subscribers Record Card (September 1986)

further revealed that (1) no bill was issued for realisation of rental charges for the period October 1975 to October 1976 and (2) the rental was not charged at flat rate after expiry of the guarantee period of 10 years and rental charges based on capital cost was being recovered as before even after the guarantee period upto September 1984.

Thus, due to non-billing and short billing by the department there was short realisation of rental charges to the tune of Rs.1.45 lakhs for the period upto June 1987.

The Ministry of Communications, Department of Telecommunications stated in July 1987 that the short charges in rental for the period from October 1974 to June 1987 had been recovered in March 1987. It was further stated that the matter relating to fixing of responsibility was under investigation.

(K) Non-billing of rentals in respect of telephone connections

Consequent upon the abolition of the existing dual control of telephone exchanges and telephone/telegraph alignments in Bihar Telecom. Circle and transfer of the charges of the assets with effect from May 1985, the billing of the telecommunication facilities provided to the subscribers was to be done by the authority under whose jurisdiction the facilities were provided. The control of three telephone exchanges at Pusa, Patori and Waini was transferred from Chapra Telecom Division to Darbhanga Telecom Division in October 1985. A test check of the Subscriber Record Cards (SRC) conducted

during audit of Darbhanga division in November-December 1986 revealed that no bills for realisation of annual rental charges and trunk call charges were issued to the subscribers of the exchanges for various period since July 1984. Due to non-issue of bills, rentals and trunk call charges amounting to Rs.1.65 lakhs remained unrealised.

The Ministry of Communications, Department of Telecommunications accepted the facts and figures of the para in July 1987 and stated that bills for Rs.1.65 lakhs had been issued upto 31st March 1987 and an amount of Rs.0.60 lakh recovered. Action was being taken by the department to realise the balance amount. Department did not intimate any action taken to fix the responsibility for this lapse.

21. Delay of twelve years in installation of a PABX

A firm demand for replacement of 50 lines PBX by 100 lines PABX was placed by Indian Air Force authorities on 14th July 1971 on priority basis. The work of replacement was completed and handed over to the party on 8th December 1983 viz. after more than 12 years.

A scrutiny of the records in Audit revealed that there was inordinate delay in execution of the work almost at every stage as shown in the succeeding paragraphs.

The detailed estimate for the work which was submitted by SDO phones Saharanpur in September 1971 was sanctioned by Post Master General Lucknow in August 1972. The work was expected to be completed in about one month without any technical difficulty. The indents

for stores were released in October 1972 and the indent for 100 lines PABX and another equipment called "Attendant position" was placed on Indian Telephone Industries (ITI) Bangalore in January 1973. The 100 lines PABX Board was received in March 1976 after protracted correspondence but it could not be installed as (i) certain items of stores were found missing (ii) certain other stores were not received and (iii) lay out and technical plans of the PABX board were not available.

The Assistant Engineer Stores, Lucknow intimated in June 1977 that the indents released in October 1972 were not available and were perhaps weeded out due to being old and desired fresh copy of the indent for taking up the matter with the concerned authority. The copy of the balance indent was, however, supplied in October 1980.

In July 1975, Divisional Engineer Telegraphs Saharanpur reported to General manager Telephones (GMT) U.P. circle Lucknow that work of laying of underground cable relating to installation of PABX had nearly been completed. The first approach to the IAF authorities for providing accommodation was, however, made by the department in October 1978 only i.e. after six years from the date of sanction of the estimate. The building was made over to the department sometime after November 1979. After a lapse of another 10 months i.e. in September 1980, the department requested the IAF authorities for some modifications in the building. The installation work which started in October 1980 could be completed and handed over to the IAF authorities only in December 1983 due to

non availability of technician and drawings.

The inordinate delay in installing the PABX had, besides, not meeting the priority requirement of defence forces for 12 years also put the department to a loss @ Rs.14,000 per annum on account of rental charges from October 1972 and @ Rs.22,500 per annum from September 1980 amounting to Rs.1.84 lakhs.

The Department stated (October 1987) that suitable instructions had been issued to General Manager Telecommunications U.P. circle to avoid such delays in future.

22. Non-realisation of revenue - Bhagalpur Division

It was noticed in Audit in May 1987 that disconnection lists sent by Bhagalpur Division to its subdivisions/exchanges were not acted upon for years together. The defaulting subscribers continued to enjoy telephone facilities year after year without making any payment towards rentals and call charges. Cases were noticed where telephones were not disconnected in spite of 2 to 40 telephone bills pertaining to the period January 1976 to February 1987, being outstanding against a particular subscriber.

A test check conducted by Audit of six exchanges under the Divisional Engineer Telegraphs Bhagalpur Division revealed that accumulated dues of 756 working connections worked out to Rs.8.30 lakhs for the period from January 1976 to February 1987.

The department, while accepting

the facts and figures, stated in November 1987 that out of Rs.8.30 lakhs, only Rs.1.51 lakhs were now outstanding. The department further stated that suitable steps had been taken to avoid recurrence of such lapses in future.

23. Delay of 15 years in laying of 18 kms of cables for Air Force

In April 1972, Air Force authorities placed a firm demand on the Posts & Telegraphs (P&T) Department for laying 18 kms of 14 pairs/40 lbs underground cable on "operational immediate priority". Rent and guarantee terms were quoted in January 1973 and accepted by the Air Force authorities in March 1973. The P&T Board sanctioned a project estimate of Rs.7.03 lakhs in February 1976. The delay of three years in sanctioning the estimate was attributed by General Manager Telecommunications Circle, West Bengal, to scrutiny thereof.

The General Manager sanctioned a detailed estimate for Rs.6.08 lakhs for laying cable in May 1976. The work was expected to be completed within three months. Indents for stores including 18 kms of cable, were placed in July 1976 on Assistant Engineer (Stores procurement) West Bengal Circle, Siliguri for arranging immediate supply of stores. Out of 18 kms of cable, only 14.15 kms of cable was received in the Division in March 1979. The work of laying of cable commenced in August 1979 and 13 kms of cable was laid by September 1980 at a cost of Rs.6.52 lakhs. Remaining quantity of cable was received in February 1985 and on completion of work it was handed over to the Air Force authorities in April 1987.

Thus, an "operational priority" work entrusted to the department by the Air Force authorities in 1972, was completed after a lapse of 15 years though the Air Force authorities were continuously pressing for its early completion. The delay occurred mainly due to (i) delay in sanctioning the project (ii) delay in supply of cable (iii) incomplete supply of cable and (iv) long time spent in acceptance testing. It was also noticed, in Audit in April 1986, that the rate of rental charges had been incorrectly worked out at Rs.1.89 lakhs instead of Rs.2.14 lakhs per annum.

Had the department completed this operational priority work in 1973, the department would have earned revenue of Rs.21.40 lakhs at the rate of Rs.2.14 lakhs per annum for the guarantee period of 10 years starting from 1973.

The department stated, in November 1987 that the delay in receipt of cables was beyond the control of the department.

24. Delay/non-provision of broadcast quality circuits to All India Radio

All India Radio authorities placed a firm demand in June 1976 for providing two broadcasting circuits between Trivandrum and Alleppey. The installation of one circuit was completed in December 1978 at a cost of Rs. 1.61 lakhs. On acceptance testing, certain defects/faults were noticed which were rectified by the department and the circuit was handed over to All India Radio in May 1983, 52 months after its installation. The department took an unduly long time in

rectifying the defects. The second circuit was not commissioned even by October 1987.

The department stated (October 1987) that non - commissioning of the second circuit was due to circumstances beyond their control as M/s Indian Telephone Industries had stopped production of the equipment and replacement was not possible. It was further stated that efforts were being made to allot a new system. It would be seen that the department has not been able to provide a much needed facility required by the All India Radio in order to enable it to provide a good quality broadcast programme to the public even after a period of 11 years.

25. Outstanding rentals of Rs.64.41 lakhs from Canal authorities, Government of Bihar.

During 1958-59 to 1969-70, Divisional Engineers Telegraph (DET) Patna, Gaya, Muzaffarpur provided several lines, wires and instruments to Canal Divisions of the Irrigation Department, Government of Bihar.

Departmental rules provide that half yearly returns showing details of such facilities leased to Canal authorities are to be submitted by the respective DET to the concerned Circle Telecom. Accountant, who is responsible for issuing bills to the Canal authorities. The half yearly returns should, inter-alia, show every increase or decrease in the existing mileage or in the number of instruments, new lines and wires provided alongwith the accepted copies of opening/closing advice notes during the preceding half year to enable the billing

authority to issue rental bills correctly.

It was noticed during Audit in December 1986/January 1987 and March 1987 that the Telecom. Divisions were either not submitting the half yearly returns to the Chief Accounts Officer (CAO) or returns were submitted which did not reflect the correct position of the wire mileage, additions, alterations etc. that took place during the half year in question. Rental bills were issued by the CAO Telecom. on the basis of these incorrect returns. The Canal authorities had complained that the lines were not functioning properly and the complaints lodged by them in respect of faults/non-functioning of lines and wires were not being attended to in time. During Audit of the accounts of General Manager Telecom. Bihar Circle, it was noticed that rentals amounting to Rs.70.97 lakhs based on the available information were recoverable from the Canal authorities upto December 1986. The Canal authorities, however, paid Rs.6.56 lakhs during March 1986 to March 1987. The balance amount of Rs.64.41 lakhs was yet to be realised by the Department. The canal authorities had disputed the amount of the bills as these were prepared on the basis of incorrect mileage.

The Department of Telecommunications while accepting the above facts stated in October 1987 :

(i) Instructions had been issued to the concerned departmental officers regarding timely submission of half yearly returns of lines and wires leased to Canal authorities and revised bills to the Canal authorities, if necessary, be issued

up-to-date information on the lines and wires presently leased to the Canal authorities became available.

(ii) The Divisional Engineers had been instructed to attend to the service complaints received from Canal authorities and settle disputes regarding mileage of wires etc. timely, so that the arrears be realised expeditiously.

26. Delayed/non-utilisation of speech circuits in the absence of time schedule for completion of formalities

According to departmental instructions, circuit allocation is made by the General Manager (Maintenance) as soon as sanction is issued by the controlling authority (responsible for billing etc.) after considering feasibility at both ends (Bombay and Pune). Out of 70 speech circuits channels available for allocation in Pune-Bombay route (28 since July 1981 and 42 since December 1983) only 52 channels had been allocated till November 1985. Of the 18 channels not allocated, 9 channels have been kept in reserve for Police Wireless (7 channels) and inter active telephone net work (2 channels) and the balance 9 channels were to have been utilised for departmental purposes.

Out of 52 channels allocated upto November 1985, 26 circuits were commissioned between August 1982 and November 1985 and 5 circuits were not commissioned till November 1985, while in the remaining 21 cases the parties backed out for one reason or the other. However, the channels so freed had not been reallocated till November 1985 even though there were 65 persons in the waiting list. Channels are revenue earning assets, annual earning rate per channel being Rs.18,875 per annum upto February 1983 and Rs.37,750 per annum thereafter. Because of delay (beyond 4 months after issue of advice notes) in commissioning of 16 circuits out of the 26 circuits there was potential loss of revenue amounting to Rs. 2.03 lakhs and the department suffered a recurring potential loss at the rate of Rs.9.81 lakhs per annum due to non-utilisation of 26 channels.

Time schedules have not been laid down for completing the several formalities for speech/telegraph circuits involved by the various agencies. Review of 3 cases selected at random showed that time taken at every stage was rather long as detailed below :

Firm 'A'

Demand for circuit	3.10.1978
	(renewed on 13.3.1981)
Feasibility report received	29.7.1982
Circuit allocated from Chinchwad	
Coaxial allocation made on 28.9.1979	
from Pune Coaxial cancelled	10.8.1982
Advice Note issued on	8.3.1983
Circuit commissioned	2.12.1983

Firm 'B'

Demand for circuit	20.8.1979
Feasibility reports called for	15.10.1979
Feasibility report at Bombay	31.12.1979
Feasibility report at Pune received	22.4.1980
Speech circuit sanctioned	11.11.1982
Channel allocated by GMM Bombay	1.12.1982
Advice Note (work order) issued	8.12.1982
Circuit commissioned in	21.2.1984

Firm 'C'

Demand for circuit (to DGPT)	11.8.1977
Feasibility report called for	31.10.1977
Feasibility report sent to DGPT)	20.12.1977
Speech circuit sanctioned channel allocated	23.3.1981
Channel allocation revised to Chinchwad (Pune)	10.8.1982
Circuit commissioned on	13.7.1983

For circuits released in favour of All India Radio (AIR) feasibility at Pune end was reported to Bombay Telephones in October 1982 and again in February 1983, while at Bombay the earlier feasibility report of March 1978 was updated and fresh report obtained from the concerned local authorities in March 1984. Imported BCQ terminal equipment, received in March 1983, was installed by Project Organisation by June 1984. Demand note issued in June 1984 was paid by AIR in March 1985 after revalidation. The circuit, however, has not been commissioned so far (October 1987) although the advice note was issued in April 1985.

Unlike telephones where application for new connections are registered from the date of Payment of initial advance deposit, no initial deposit is prescribed for registration of demands for speech circuits.

The department stated in November 1987 that the delay in

providing the circuits was due to (a) involvement of a number of units posing co-ordination problems (b) administrative delays (c) pressure of other works of new construction and maintenance. The department further stated that some steps had already been taken to cut down the delays and the points raised by Audit and prescribing a time schedule are under examination and instructions would be issued after finalisation.

The department further clarified that proper application form as well as advance deposit of Rs.1,000/- was being prescribed which would be implemented as soon as the gazette notification in this regard were issued.

27. Loss of revenue of Rs.1.29 lakhs due to delay in provision of Cuttack-Sambalpur speech circuit to All India Radio

The Director General, Posts & Telegraphs (DGPT) made channel allocation (March 1980) for provision

of a full time speech circuit between Cuttack and Sambalpur. A demand note for Rs.9864 issued to the AIR by the Divisional Engineer, Phones (DEP) Cuttack in November 1980 was paid in September 1982 and the facility was demanded early in view of the requirements for the Asiad.

The local lead and relay set were made ready by April 1983 at Cuttack end but the same could be made ready only in February 1985 at Sambalpur end and the circuit was put through in March 1985.

The commissioning of the circuit was delayed due to shortage of private wire relay set at Sambalpur end costing only Rs. 1330.

Thus, due to inaction of the department for placing indent and procuring the relay set, the department lost a potential revenue of Rs. 1.29 lakhs for the period from May 1983 to January 1985 and it affected the functioning of the AIR station. All India Radio authorities had been pressing for early commissioning of the circuit.

The Department of Telecom while accepting the delay, stated (August 1987) that the delay had occurred because of (a) non intimation of the location for termination of circuit at Sambalpur end by All India Radio authorities till February 1984 and (b) non availability of relay plates upto January 1985.

The reply of the department on (a) above has to be viewed in the context of rent and guarantee being worked out to a distance of 3.2 kms with reference to a location.

28. Delay in laying of cables

Against a firm demand placed by the Naval authorities in June 1975 for laying underground cables between station 'A' and station 'B' in June 1975 for immediate provision, the General Manager, Telecommunications, Bombay sanctioned in July 1976 an estimate for Rs. 2.16 lakhs. According to the estimate the length of the cable was worked out as 7.2 Kilometres(Kms). The work commenced in November 1976. While laying the cables it was found (November 1977) that against actual requirement of 7.6 kms of cable provision of only 7.2 kms had been made in the estimate. Because of this discrepancy the work was stopped. The estimate was revised in September 1978 for Rs. 2.09 lakhs to provide for 7.6 Kms. of cable, the revised estimate was lower than the original estimated since it was based on the actual cost of cable. Indent for the remaining 0.4 Km. of cable was placed in April 1979.

The requirement of additional 0.4 of cable was met by diverting the requisite cable from Sangli in February/March 1980 and the cable laying work was completed in October 1980. The cable jointing work could not, however, be taken up for want of trained cable jointers till April 1981. The work was completed in March 1982. In the meantime 0.5 km. cable was damaged during the intervening monsoon and road widening works by the Public Works Department. This portion of the cable had to be replaced. The replacement of this cable and jointing work was completed in December 1982 and the system was handed over to the Naval authorities in January 1983.

The case reveals that a relatively minor work for meeting an immediate Defence requirement took over 7 years for completion. The delay was caused due to wrong estimation and lack of coordination.

The department while accepting

the facts in August 1987 has explained the delay that had occurred at various stages. However, the fact remains that it took more than 26 months to procure the additional 0.4 Km of cable which was needed to meet an immediate Defence requirement.

CHAPTER IX

SCHEMATIC REVIEWS

29. Modernisation of Galvanisation Plants

29.1 Introduction

The department decided in September 1978 to replace the outmoded galvanising plants in the Telecom. Factories at Calcutta and Jabalpur by modern plants.

The installation of the new plants had the following main objectives:

- a) reduction in consumption of zinc;
- b) minimising dross formation,
- c) reduction in the operative cost by Rs. 2.74 lakhs per annum in Calcutta and by Rs. 12.33 lakhs in Jabalpur.

A global tender was floated in September 1978. On the recommendation of the Tender Evaluation Committee, the offer of a foreign firm, out of 4 offers received, was accepted since this met with the technical specification and was supposed to give the maximum saving in the zinc consumption. At the time of evaluation of tender it was estimated that the existing plants at Calcutta and Jabalpur were consuming zinc worth Rs. 3 crores at the rate of 1.3 Kg. per square metre whereas the zinc consumption, in the new plant offered by the foreign firm, was expected to be about 0.4 Kg per square metre as against the consumption of zinc varying from 0.5 to 0.6 Kg per

square metre as offered by competitors.

The estimates for the new plants were sanctioned by Government in March 1980 for Rs. 186.3 lakhs for Calcutta plant and Rs. 535.95 lakhs for the Jabalpur plant. Orders were placed on the firm in April 1980 to design, supply, instal and commission the plants. The order also provided for the training of the staff and providing technical knowhow.

29.2 Scope of Audit

An Audit review of the work of installation of the galvanising plants at Calcutta and Jabalpur was conducted in April-May 1987.

29.3 Highlights

The new galvanisation plants at Calcutta and Jabalpur were targeted for completion in September 1983 and March 1985 respectively but were yet to be commissioned (September 1987)

- The plant at Calcutta was installed in June 1985 (after a delay of one year and nine months) but could not be commissioned for want of clearance from Pollution Control Board.

- The non-commissioning of the new plants had resulted in continued high consumption of zinc. The excess consumption at Calcutta plant, during October 1983 to March 1987, was 295.40 tonnes valued at Rs. 79.76 lakhs and in

respect of Jabalpur plant, it was 1682.43 tonnes valued at Rs. 454.25 lakhs, for the period April 1985 to March 1987.

- The objectives, of achieving economy by reduction in gross formation and operating cost amounting

to Rs. 20.72 lakhs and Rs. 15.07 lakhs per annum respectively, were not attained.

29.4 Comparative details of the schemes of installation of Galvanising plants at Calcutta and Jabalpur.

	Calcutta -----	Jabalpur -----
Estimated cost (Revised in April 1981)	Rs. 186.22 lakhs	Rs. 505.42 lakhs
Actual Expenditure	Rs. 197.45 lakhs (upto April 1987)	Rs. 487.42 lakhs (upto March 1987)
Receipt of equipment	January 1983	March 1984
Target date for completion of work as per A/T	September 1983	March 1985
Actual date of completion of work	June 1985	not completed till September 1987.
Actual date of commissioning of the plant.	not commissioned till September 1987	not commissioned till September 1987

The plant at Calcutta was yet to be commissioned (September 1987) and that at Jabalpur the work was still to be completed.

29.5 The delay in the installation of the plant at Calcutta was due to delayed completion of civil works and delay in the receipt of indigenous equipment. The non-commissioning of the plant at Calcutta was attributed to the non-receipt of clearance from the West Bengal Pollution Control Board. Permission to operate factory is required under the provisions of the Water and Air (Prevention and Control of Pollution) Act of 1974 and 1981 respectively. The General Manager,

Telecom Factory, Calcutta stated in May 1987 that they were not aware of these provisions. The West Bengal Pollution Control Board had raised an objection, in June 1985, and the department, made a formal approach to the Government of West Bengal in August 1985.

The non-installation of the Jabalpur plant was due to delay in the completion of civil works. The civil works were to be completed by the P&T Civil Wing by December 1985 but all the stages of the civil works were behind schedule. Though the project was sanctioned in March 1980 and land was acquired in July 1981, sanction for the construction

work of the building was awarded during the third quarter of 1984. The civil works which were targeted to be completed by September/December 1985 were not completed by May 1987.

29.6 There is a provision of US\$ 1,00,000 in the agreement for transfer of technical knowhow for operation and maintenance of the plants out of which US\$ 60,000 has already been paid. As the plants had not been commissioned, the transfer of technical knowhow had not been effected so far.

In terms of clause 19.1 of the agreement, the warranty was to expire 12 months after the take over of the plant or 24 months from the date of shipment of the last consignment whichever was earlier. As 24 months were already over in respect of both the plants, the department had lost the benefit of any free replacement/rectification of defects under the warranty clause.

As a consequence of the non-commissioning of the new plants, the old plants are continued to be operated which in turn has resulted in excess consumption of 295.40 tonnes of zinc, valued at Rs. 79.76 lakhs in respect of Calcutta plant during the period from October 1983 to March 1987 and 1682.43 tonnes of zinc valued at Rs. 454.25 lakhs in respect of Jabalpur plant for the period from April 1985 to March 1987.

One of the objectives of modernisation of the galvanisation plants was to achieve savings in zinc due to reduction in dross formation. Due to delays, savings amounting to Rs. 20.72 lakhs per

annum could not be achieved.

The other objective of reduction in operating cost amounting to Rs. 15.07 lakhs per annum could not also be attained.

The department stated in October 1987 that for commissioning of the plant at Calcutta, the final clearance from Government of West Bengal was still awaited^{Ornel}. Jabalpur plant was expected to be commissioned in 1987-88.

30. Mobile Radio Telephone Service

30.1 Introductory

With a view to provide an experimental Mobile Radio Telephone System to facilitate telephonic conversation from and to moving cars and vehicles to operate it during the then forthcoming meeting of the Commonwealth Heads of Governments (CHOGM) in November 1983 and to conduct experiments for future development, the department sanctioned a Project Estimate in June 1983 for Rs. 88.80 lakhs.

The equipment used for the service was procured by Telecommunication Research Centre (TRC) from an American firm. It comprised of a Control Terminal and a Radio Base Station. In Delhi the Control Terminal was installed in Jor Bagh Exchange building and Radio Base Station at the top of Palika Kendra. All the facilities including STD, trunk and international calls could be availed of as in the case of telephones installed at subscribers premises.

The system which was intended to operated in November 1983 was declared operational in December

1985. The total expenditure incurred on the project was Rs. 125.44

lakhs as against the sanctioned estimate of Rs. 88.80 lakhs.

30.2 Scope of Audit

A review of the project was conducted by Audit in April 1986.

30.3 Highlights

- Due to faulty initial planning, the department was deprived of the benefit of the competitive offers.

- Though the capacity of the equipment imported and installed was 480 lines, only 100 radio telephone sets were imported, out of which only 79 connections were provided. 20 sets costing Rs. 8 lakhs were lying faulty.

- There had been a loss of potential revenue of Rs. 36 lakhs to the Department due to the costly equipments remaining idle for a long period.

30.4 Lack of proper initial planning

TRC had included the project for mobile radio telephone service as an experimental project under Science and Technology(S&T) programme planned for 1980-85 and a provision of Rs. 150.00 lakhs was made in the P&T Plan outlay for 1980-85. In February 1983, in a meeting for reviewing the telecommunications arrangements for the Non-aligned meeting, the Secretary, Ministry of Communications stressed that TRC should take up a study of mobile radio telephone system for future use of the P&T Department. The department decided to offer the mobile radio telephone system for CHOGM in November 1983 and started processing the Project Estimate

without consulting the Ministry of External Affairs as to the necessity for such a system during CHOGM.

Keeping in view the urgency and the short time left for CHOGM, the department issued enquiries on a limited tender basis in June 1983 and on the recommendation of the Tender Evaluation Committee the only offer of an American firm was accepted.

The Ministry of Finance withheld the case for releasing the foreign exchange and insisted upon the clearance from CHOGM Committee, Ministry of External Affairs and only then in September 1983 the department approached the Ministry of External Affairs, CHOGM Cell, for including this project in CHOGM programme. The Chief Protocol, CHOGM Cell, however, intimated the department that no such project for mobile telephone system was made by the CHOGM Committee and therefore it was not required. Had the department, at the very outset, enquired from the Ministry of External Affairs as to whether the mobile telephone system would be required during CHOGM, rushing through all the above formalities could have been avoided and the global tender could have provided the department more competitive offers.

30.5 Deviation from initial objective

On rejection of the offer for the mobile radio telephone system by the Ministry of External Affairs, clearance of foreign exchange was sought from the Ministry of Finance by treating the project as TRC's requirements. It may, how-

ever, be stated that the Department of Electronics had given clearance for import of equipment for the mobile radio system only because it was required for CHOGM.

In reply to a justification sought by the Ministry of Finance before releasing foreign exchange, in regard to restricting to limited tenders, the department had stated that the offer of the firm was less than the budgetary price quoted by them earlier and that in case fresh tenders were called they might not have the price advantage. However, the fact remains that due to very short ^{time} given, many reputed foreign firms had declined to submit their offer.

30.6 Implementation of the scheme

The order for the supply of the equipments was placed on the foreign firm in October 1983 at a total cost of US \$ 9.41 lakhs with the stipulation of delivery of main equipment within 7 weeks and ancillary items within 24 weeks of receipt of letter of credit. The capacity of the equipment imported was 480 lines. However, only 100 Radio Telephone sets were imported, being the requirement for CHOGM.

The main equipment, instruments and accessories were received during November 1983 and January 1984. The 'End of Project handing over the equipment to Delhi Telephone District' was to be reached on 1st July 1984. The system, however, was actually declared operational on 31st December 1985 only.

Though, in reply to a query by the Ministry of Finance in regard to commercial evaluation of having such a system, the department

stated in September 1983 that, being a R&D project, profit and loss aspects were not considered, but the fact remains that on completion of the experiments, the department had intended to hand over the system to Delhi Telephones as a viable commercial project. Considering, therefore, the high revenue potentialities it was observed in Audit that the department by allowing the costly equipments to remain idle for too long a period had to incur a loss of revenue at least to the extent of Rs. 36.00 lakhs (100x2000x18) during the period from July 1984 to December 1985.

The Director, TRC stated in November 1986 that experimental projects can only be taken for commercial purposes when satisfactory and positive results are achieved. This is to be viewed in the context of the department's own admittance, in reply to an Audit query, that they were having the requisite expertise to implement the scheme soon after receipt of equipment.

As at the end of July 1987, more than 1 1/2 years of its being becoming operational, only 79 connections, out of the 100 sets available, had been provided and the number of intending subscribers in the waiting list on that date was 213. It was stated that as many as 20 imported telephone sets costing Rs. 8 lakhs were lying faulty.

While the capacity of the equipment installed for the system is 480 subscriber lines, the actual number of mobile telephone sets imported was 100. In reply to an Audit query, the Additional General Manager, Delhi Telephones stated in

October 1987 that the existing system would continue and acquiring another one hundred sets is under the process of clearance in the Ministry of Communications.

31. Telecom Project in Textile Market Building, Surat

31.1 Introduction

Surat is fast developing industrial city of Gujarat, a proposal for the construction of a major Telecommunication(Telecom)complex in the Textile Market Area was approved by the department in April 1979 to cater for all telecom. services. In July 1978 a schedule of accommodation was approved by the Directorate for providing accommodation to all services like Trunk, TAX, Telex, STD exchanges, carrier, Multi Line Operator Dialling (MLOD) centres etc. in the same complex. While the civil work including electrical installation was carried out by the Civil Wing of the department, the airconditioning work was carried out by the Electrical Wing. The building was to have, besides basement and ground floor, 3 technical floors and 4 administrative floors linked by lobby. The building with AC plant was to be ready by February 1982.

31.2 Scope of Audit

A review of the project was conducted by Audit in September 1986 and July 1987

31.3 Highlights

-There was an extra expenditure of Rs. 4.32 lakhs due to provision of floor height in excess of requirement in two technical

floors.

- Avoidable expenditure of Rs. 2 lakhs on 20 air-conditioners(window type) was incurred as the central air-conditioning plant did not come up in time. Further, 14 out of the 20 air-conditioners were not working.

-Building not being ready, the department had to incur an additional extra expenditure of Rs. 7.70 lakhs for storing imported equipment in a rented godown.

31.4 Civil Works

The Administrative Approval and Expenditure Sanction (AA&ES) for the construction of Telecom building at Surat at a cost of Rs. 101.30 lakhs was conveyed by the Directorate in November 1979.

As per the estimate, raft foundation for the building was proposed by the department on the basis of the available soil investigation report of 1976. However, subsequently the department had to go in for two consecutive soil investigations, one in June 1980 and the other in January 1981, as the report of 1976 was basically the one for determination of the nature of foundation of a microwave tower and was not suitable for buildings. The soil investigation of June 1980 gave the soil data upto a depth of 15 to 20 metres, whereas the data for the pile foundation work was required upto a depth of 35 metres below the ground level. The expenditure on two soil investigations was Rs. 0.50 lakh.

Tenders for the foundation and substructure were invited in February 1981. Out of the two

tenders received, the tender of a Bombay firm was accepted for Rs. 36.59 lakhs after negotiation, with the stipulated date for completion as August 1982. The work was completed in October 1982. Tenders for construction of superstructure were invited in August 1982 and the work was awarded to a Bombay firm in January 1983 at a negotiated cost of Rs. 92.36 lakhs which was 106.63 per cent above the estimated cost of Rs. 44.70 lakhs. The stipulated date for completion of work was April 1984. While the work was in progress, the District Manager, Telephones(DMT), Surat asked the Civil Engineering Wing for the construction of a fourth floor in the technical block to accommodate one more exchange in the building. Again in August 1983, a request for vertical extension of administrative block by two more floors was made. For the additional floors three separate estimates for a total amount of Rs. 29.25 lakhs were sanctioned by DMT, Surat in December 1983. Although the original sanction for the building work was accorded by the Directorate, the new work of additional floors was not got approved by the Directorate.

Expenditure incurred on the civil works of the building alone at the end of March 1987 was Rs. 200.83 lakhs against the total sanctioned amount of Rs. 130.55 lakhs(including the cost of vertical extension).

The building was completed and handed over in phases to Telecom. authorities between May 1984 and June 1985.

Thus, the building which was to be ready by February 1982 was

completed after 2 to 3 years delay which in turn delayed installation of Telephone Exchange.

The department had accepted in the case of Baroda Exchange, commented upon in Audit Report 1981-82, that trunk exchange could be installed in technical floor with normal height of 12 ft and height of 16 ft was not necessary. In respect of the third floor, drawings were prepared to suit installation of crossbar TAX which was to be accommodated there originally and accordingly switch room was designed with a clear height of 16 ft and to take a load of 200 lbs per sq. ft. However, in place of cross-bar TAX, Digital TAX was under consideration and Superintending Surveyor of Works was advised by the DMT, Surat, in accordance with DGP&T U.O. letter dated 13th May 1980, that 100 lbs loading and 12 ft height would be sufficient for (Digital TAX) electronic switch room. But this change in floor height was not acted upon on the plea that the preparation of detailed estimate was in advance stage and, if plans were to be changed, it would require overall revision of drawings besides revised municipal approval. It may be mentioned that the contract of the building work was awarded in January 1983 only and there was, therefore, ample time for revision of drawings and revised municipal approval which would have cost very little.

Keeping the above in view, it would be seen that of the four technical floors, the department could have two floors with a reduced height of 12 ft. However, all the technical floors have been constructed with a uniform height

of 16 ft 4 inches although trunk exchange in first floor and Digital TAX on third floor could have been installed in technical floors with floor height of 12 ft. The provision of extra height in these two floors involved additional expenditure of Rs. 4.32 lakhs.

The department stated that the letter of DMT, Surat to reduce the height to 12 ft was not based on any firm decision or proposal and that it was doubtful whether the Digital TAX equipment was at all produced commercially anywhere in the world in 1980. The department further stated that the decision on introduction of Digital equipment both for local and TAX was taken only in 1983.

The above reply of the department is to be viewed in the context of the following:

(i) The Public Accounts Committee, in its 87th report (8th Lok Sabha) in para 51, in the case of New Delhi-Ambala Coaxial expansion scheme had observed that the Digital system was already established in many countries when the project estimate was sanctioned by the department in March 1978.

(ii) The request of DMT, Surat for reduction of floor height from 16 ft to 12 ft was based on DGP&T's letter dated 13th May 1980.

(iii) In April 1981, when details of equipment to be installed in different floors were sent to Superintending Engineer, it indicated installation of Digital TAX equipment in the third floor.

(iv) The department had already signed an agreement with a foreign

firm in July 1982 regarding the supply of the Digital TAX equipment.

31.5 Air-conditioning

The Administrative Approval and Expenditure Sanction for air-conditioning work was accorded by the Directorate for Rs.18.83 lakhs in November 1980. The work was awarded in March 1983, to a private firm of Ahmedabad for Rs. 38.97 lakhs with the scheduled date of completion by April 1984. The first unit was commissioned in March 1985. The remaining three units were commissioned in September 1985.

Due to delay in commissioning of air-conditioning work, 20 window type airconditioners were purchased at a total cost of Rs. 1.66 lakhs from a private firm which were installed by November 1984 at a total cost of Rs. 2 lakhs including Rs. 0.34 lakh on wiring etc. Out of 20 air-conditioners, 14 were found to have developed certain defects by November 1985 and were not functioning.

31.6 Installation of 10,000 lines imported cross bar exchange

To meet the growing demand for new telephone connections, a project estimate for installation of a 10,000 lines cross bar exchange with imported equipment at an estimated cost of Rs. 876.69 lakhs was sanctioned by the Government of India in August 1981. The demand at the end of March 1984 was expected to be a little over 28,000 lines (90% loading) requiring an equipped capacity of 31,000 lines against available capacity of 21,000 lines. According to departmental project-

ions included in the note submitted to the Expenditure Finance Committee while seeking clearance of the project, the exchange was to be commissioned in the second half of 1983-84 and connections provided by April 1984. The exchange was, however, commissioned in January 1986.

Expenditure incurred on the project as at the end of May 1987 was Rs. 1135.40 lakhs against the sanctioned estimate of Rs. 876.69 lakhs.

The excess over the sanctioned cost was attributed by the department mainly to escalation in cost of both imported and indigenous exchange equipment, cables, subscribers equipment etc. and less provision for custom duty payable on imported equipment (provision was made at 75% of landed cost of equipment against payment at over 105% of landed cost).

Delay in the commissioning of the exchange by more than 2 years was mainly due to late completion of Civil works (second floor of telecom. building was made available in May 1984 only) and belated procurement of indigenous equipment. Critical delay was in the procurement of exchange equipment from ITI, Bangalore.

Switching equipment was included in the import programme for 1981-82 but was subsequently deleted from the programme of 1981-82 and included in the import programme of 1982-83. Work order was issued in November 1981 and equipments were received in Surat in February 1983. Cost of imported equipment including customs duty, insurance, freight, wharfage etc. was Rs. 599.44 lakhs.

Installation of the imported switching equipment, received in February 1983, was taken up in May 1984 only when the second floor of the telecom building was made available by the civil wing. Till then the imported equipments had to be stored in the ground floor of Narayan Chambers (where office of the DMT is located) and a rented godown, incurring an extra expenditure of Rs. 7.70 lakhs by way of rent, insurance for the extended period from March 1983 to May 1984 and local transportation charges.

The department stated in October 1987 that the building not being ready when the imported equipment was received, there was no alternative but to store the equipment in a rented building to avoid any damage to it.

Equipment necessary for connecting the cross bar exchange to other exchanges at Surat and STD exchange (for providing point to point STD) was to be procured from ITI in 1982-83 and the work order was issued in May 1982 without assigning any priority, although the department was very much aware that the imported equipments had been included in the import programme of 1982-83. No equipment was received during 1982-83 and 1983-84. In January 1984 the ITI informed the DMT, Surat, their inability to give priority.

Supplies from the ITI commenced from December 1984 only. In the meantime, equipment received for other works were got transferred to this project and installed so as to facilitate commissioning of the exchange by January 1986.

The imported equipments were

received in February 1983. Had the department assigned the requisite priority for the supply of equipment by the ITI while placing the order in May 1982, the exchanges could have been commissioned much earlier than January 1986.

31.7 Potential loss of revenue

The department had expected to commission the exchange in September 1983 but it was actually commissioned in January 1986 i.e. after a delay of 2 years and 3 months. The delayed commissioning has resulted in a loss of potential revenue to the tune of Rs.332.98 lakhs at the rate of Rs.147.99 lakhs per annum as projected in the estimate.

The department stated in October 1987 that loss of potential revenue can at best be calculated after the exchange gets ready for release of telephone connections. However, the factor remains that had the exchange been commissioned on the targeted date, it could have started earning revenue from that date itself.

32. Trunk Automatic Exchanges at Calcutta

32.1 Introductory

In order to bring the eastern region of the country on the national automatic trunk network, the Department proposed in 1965 to establish a Trunk Automatic Exchange (TAX) of 4000 lines at Calcutta. A 2000 lines Penta Conta TAX was commissioned in the first phase in June 1974 and another 2000 lines expansion was later commissioned in two phases in March 1979 and March 1980 bringing the total capacity to 4000 lines. Calcutta being one of

the important commercial centres, it was anticipated by the department ~~that~~ that traffic for 1983 would require capacity of 6246 lines for the TAX. A 3000 lines Stored Programme Controlled TAX (SPC TAX) was commissioned in August 1983 and further expanded to 4000 lines in March 1984. the total capacity of the TAXs at Calcutta was 8000 lines by March 1984

32.2 Scope of Audit

A review was conducted by Audit of the schemes/projects relating to these Trunk Automatic Exchanges in January 1986.

32.3 Highlights

-PC TAX had been underutilised to a great extent during the 7 years ending March 1987.

-The working of PC TAX had resulted in a loss of Rs.288.74 lakhs during the 6 years ending 1986-87.

-Due to policy decision of the department to phase out PC TAX, book value of Rs.257.08 lakhs as at the end of March 1987 is proposed to be written off.

-The average percentage failure of S T D calls in SPC TAX was very heavy, being 86.23 during 1984-85, 87.73 during 1985-86 and 86.53 during 1986-87.

-Inter TAX STD traffic actually handled in 1984 and 1985 being far less than the anticipations/projections of the department, there was a shortfall in revenue of Rs.43.57 crores and 31.63 crores in 1984 and 1985 respectively.

32.4 Penta Conta TAX 4000 lines

The project estimate for installation of a 4000 lines Penta Conta (PC) TAX was sanctioned in December 1966 for Rs.103.14 lakhs and it was envisaged that the installation would be completed in about 15 months subject to receipt of stores in time and that the scheme would fetch a profit of Rs.47.68 lakhs per annum working out to a return of 46 per cent on capital invested.

The order for the supply of TAX equipment was placed on Indian Telephone Industries (ITI) in January 1967 and the supply commenced in 1967-68. The first phase of the TAX with 2000 lines was commissioned in June 1974 and the second phase with 2000 lines in March 1980. thus it took more than 13 years for the department to commission the TAX completely.

Against the sanctioned estimate of Rs.103.14 lakhs, the actual expenditure on this project was Rs.449.46 lakhs. The cost overrun was attributed to the exorbitant rise in cost of ITI equipments and cost of an engine alternator not included in the original estimate.

32.5 Under utilisation of TAX

203 circuits were put into service on the date of commissioning of the first phase of the PC TAX (June 1974) representing 10.15 per cent of utilisation of the installed capacity of 2000 lines. During the 7 years ending March 1987 there had been gross underutilisation of the installed capacity of 4000 lines of PC TAX. The percentage utilisation ranging between 34.60 and 60.95.

The department stated in September 1987 that the utilisation of a TAX depends on the automisation of dependent stations, the availability of transmission media and the availability of connecting equipments. It was, however, agreed to by the department that they should have ensured simultaneous development of all these related factors.

32.6 Financial results - Uneconomic working of PCTAX.

According to the revised project estimate prepared (not yet sanctioned), revenue collections attributable to Calcutta PCTAX and annual revenue expenditure were Rs.102.58 lakhs and Rs.87.68 lakhs respectively, yielding a net surplus of Rs.14.90 lakhs which worked out to 3.2 per cent on the capital outlay as against 46 per cent anticipated in the original sanctioned project estimate.

According to the standards laid down by the P&T Directorate, share of revenue attributable to TAX should be taken as 1/12th of the total STD revenue. Applying this standard, it is observed that working of PCTAX at Calcutta had resulted in a loss of Rs.288.74 lakhs, during the 6 years ending 1986-87.

The department stated in September 1987 that the PC TAX could not be loaded to the full extent in view of the policy decisions of the Department to phase out the P C TAX at Metro Centres and as such the uneconomic working of the TAX could not be avoided. However, the fact remained that even before the decision to phase out PC TAX was taken, the percentage utilisation of the

TAX ranged between 56.77 and 60.95 only during March 1981 to March 1983.

32.7 Phasing out of PC TAX.

Because of the poor performance of the PC TAX at the Metro Centres, the P&T Board approved in November 1984 a proposal for phasing out of PC TAX and their replacement by expansion of SPC TAXs recently installed in Madras, Bombay, Calcutta and Delhi to achieve improved STD traffic flow, increase in STD revenue and savings in annual maintenance expenditure. After phasing out PC TAXs, the equipment in good and serviceable conditions was proposed to be used as maintenance spare for other working PC TAXs to the best advantage of the department. The book value of the assets to be written off as at the end of March 1987 was stated to be Rs.257.08 lakhs in respect of PC TAX at Calcutta. Thus the exchange equipment, whose effective life is 25 years, was proposed to be phased out even during its life time.

32.8 Installation of 3000 lines Electronic TAX and its expansion by 1000 lines (from 3000 to 4000 lines) at Calcutta.

The traffic forecast for Calcutta for the year 1983 indicated a circuit requirement of 6246 TAX lines, justifying an additional capacity of 2246 lines. Accordingly, the installation of a 3000 lines SPC Electronic TAX was proposed to meet the requirements upto 1983-84. Project estimate was sanctioned in March 1981 for Rs.530.37 lakhs. The traffic forecast for 1985 indicated circuit requirement of 7827 lines justifying expansion of SPC TAX by 1000 lines. Project estimate for this expansion was sanctioned by General Manager Telephones, Calcutta in July 1983 for Rs.89.83 lakhs. While the SPC TAX with an initial capacity of 3000 lines was commissioned in August 1983, the 1000 lines was commissioned in March 1984.

32.9 Utilisation of the capacity of SPC TAX was as follows

Date	Installed capacity (No. of lines)	Capacity utilised (No. of lines)	Percentage utilisation
31.8.1983	3000	792	26.4
31.3.1984	4000	1836	45.9
31.3.1985	4000	2942	73.55
31.3.1986	4000	3455	86.38
31.3.1987	4000	3677	91.9

The utilisation of SPC TAX upto 91.9 per cent as on March 1987 was possible because as many as 1213 Junctions had been shifted from PC TAX to SPC TAX from time to time. Had these junctions not been shifted, the percentage utilisation would have been 61.60 only.

calls to total calls ranged between 11.30 and 15.80 during 1984-85, 11.02 and 13.58 during 1985-86 and 11.80 and 15.60 during 1986-87. The table below shows the average percentage of effective calls to total calls, the percentage of actual call failure and percentage of permissible failure in STD calls fixed during the last 3 years.

32.10 Efficiency

The percentage of effective

Year	Percentage of effective calls to total calls	Percentage of actual call failure	Percentage of permissible failure in STD calls
1984-85	13.77	86.23	40.00
1985-86	12.27	87.73	could not be furnished by local authorities
1986-87	13.47	86.53	-do-

While the percentage of permissible failures in STD calls for 1984-85 was fixed at 40, the percentage of actual call failure ranged between 86.23 and 87.73 during the 3 years 1984-87 which was very much on the higher side.

3000 lines SPC TAX, the total revenue to be realised on Inter TAX traffic to be handled by the Trunk Automatic Exchanges at Calcutta had been anticipated at Rs.121.47 crores per annum. The actual traffic flowing in 1984 and 1985 in the undermentioned 12 important routes was very much less than the anticipations of the department as detailed below :-

32.11 Non-achievement of anticipations regarding traffic/revenue.

In the project estimate for

Sl. Route	Traffic anticipated for 1983 (in erlongs)	Actual Traffic (in erlongs)	
		1984	1985
1. Calcutta - Bombay	200.2	91.90	117.7
2. Calcutta - Delhi	264.7	113.24	161.44
3. Calcutta - Madras	135.7	51.05	71.35
4. Calcutta-Ahmedabad	46.7	16.1	21.7
5. Calcutta-Hyderabad	27.5	10.15	16.9
6. Calcutta-Bangalore	27.1	13.27	20.1
7. Calcutta-Kanpur	78.8	11.13	8.6
8. Calcutta-Nagpur	31.7	N.A.	8.6
9. Calcutta-Patna	155.9	35.43	27.7
10. Calcutta-Shillong	129.3	21.08	28.6
11. Calcutta-Siliguri	108.3	31.58	20.6
12. Calcutta-Asansol	133.0	36.25	28.1

It was observed that as against the revenue of Rs.82.42 crores per annum based on anticipated traffic in the above 12 routes, the actual revenue accruing to the department in 1984 and 1985 was Rs.38.85 crores and Rs.50.79 crores respectively. Thus the shortfall in revenue in 1984 and 1985 was Rs.43.57 crores and Rs.31.63 crores respectively.

33. Aurangabad-Nanded 2.6 MHz coaxial cable scheme

33.1 Introductory

In August 1978 the Posts and Telecommunications Department approved a proposal for inter-linking the stations Aurangabad-Jalna-Parbhani-Nanded by a coaxial cable system as a part of implementing the Sixth Five Year Plan objectives of connecting one primary centre with another (Aurangabad and Hyderabad in this case) by at least one stable medium. The objective of the scheme

was also to provide Nanded, Jalna and Parbhani a modern transmission medium. The scheme envisaged laying of a 4 core 174 type small tube coaxial cable on the route and providing 2.6 MHz line equipment.

The project estimate was sanctioned for Rs.342.70 lakhs in March 1980, more than one and a half years after the approval of the scheme. The scheme was drawn up to meet the traffic requirement of 1981 but no specific target was fixed for the completion of the scheme. It was expected to be complete within 2 years from acquisition of land, receipt of equipment etc. and earn a net profit of Rs.132.69 lakhs per annum as per the Memorandum submitted to Expenditure Finance Committee(EFC Memo). The total expenditure incurred on the project till February 1987 was Rs. 593.51 lakhs.

33.2 Scope of Audit

A review of the project was

conducted by Audit in April-May 1987.

33.3 Highlights

-The scheme was drawn up as part of implementation of the Sixth Five Year Plan objectives to be completed in 1980-81 but it was yet to be commissioned in full.

-None of the coaxial buildings had so far been completed, though being executed departmentally.

-Due to non-availability of building at Jintur, the equipment was installed temporarily in a portable cabin incurring an additional expenditure of Rs. 1.65 lakhs.

-A claim of Rs. 3.94 lakhs for refund of excess Customs duty paid was pending settlement.

-Due to non-commissioning of the entire route, there had been a loss of potential revenue amounting to Rs. 1007.34 lakhs during the period April 1981 to March 1987.

33.4 Land and Building

As per the project estimate, land was to be acquired at Jintur and Parbhani and coaxial buildings constructed at Jalna, Jintur, Parbhani and Nanded. Civil construction was to be carried out by the civil wing of the department. None of the buildings had been completed by April 1987. The position of acquisition of land/construction of buildings in April 1987 was as under:

(i) Nanded: Land was available with the department. Preliminary drawings were finalised in January

1982. Administrative Approval and Expenditure Sanction (AA&ES) was accorded in February 1984; work was awarded in September 1985. Buildings was expected to be completed by December 1987.

(ii) Jalna: Land was available with the department. Preliminary drawings were finalised in October 1983. Sanction was accorded in September 1984. Tenders were finalised in November 1986 and the work was awarded in the same month which was in progress (July 1987).

(iii) Parbhani: Construction work was not started as the land has not been transferred finally by the Government of Maharashtra.

(iv) Jintur: Land was acquired in June 1980 and sanction for construction of building was issued in October 1983. The work was awarded in 1986 and was still in progress.

The above details would indicate that in acquisition of land and construction of buildings there had been substantial delays, with the result that not a single building could be completed so far (April 1987).

The department stated in October 1987 that the delay in the acquisition of land at Parbhani and Jintur was due to procedural delays on the part of the State Government. Regarding delay in the construction of buildings, the department has not offered any comments.

The buildings not being ready, the department decided in 1985-86 to instal the equipments at Jalna and Parbhani in the existing

exchange buildings temporarily. While at Jalna the equipments had been installed and Aurangabad-Jalna Section commissioned in March 1986, at Parbhani the installation had not been completed. At Jintur, the department decided in April 1986 to instal the equipments in a temporary cabin for the present. The cost of the aluminium Bunk House purchased for this purpose in February 1987, was Rs. 1.65 lakhs. The equipments are yet to be installed. The department stated in October 1987 that after construction of the building at Jintur the portable hut can be used at any place where non-availability of building is the only cause of hold up. However, the fact remains that had the building at Jintur been ready in time, the extra expenditure of Rs. 1.65 lakhs on this project could have been avoided.

33.5 Cables and cable laying

In the project estimate it was envisaged that for the entire route length of 288 Kms. coaxial cables would be procured from M/S Hindustan Cables Limited (HCL). However, as the induced voltage in respect of the lead sheathed cable supplied by the HCL exceeded the permissible limit in Jalna-Jintur section, it was decided to import aluminium sheathed cable for this section.

Accordingly, an order for the purchase of 97.838 Kms. (subsequently amended as 98.534 Kms in June 1983) of aluminium sheathed 4 core small tube cable for Jalna-Jintur section was placed on a French firm in September 1981 and the supplies were to be completed within 12 months from the date of opening of the letter of credit. The letter of

credit was opened only in October 1983.

For the other three sections, an order for supply of 196.604 Kms (subsequently revised as 195.179 kms in January 1982) of 4 core 174 type small tube lead sheathed coaxial cable with jointing/terminal materials and tool kits was placed on HCL in March 1981 and the dates extended from time to time, the last one being upto June 1987.

The imported cables were received in September 1984, and the supplies from HCL were received by March 1984. All the cables received, both imported and indigenous, had been laid by December 1986.

33.6 Equipment

As per project estimate, the recovered line equipment of 2.6 MHz. from Secunderabad-Bangalore route was to be utilised on Aurangabad-Jalna-Parbhani-Nanded route when that route is converted into 12 MHz system. However, in June 1980, it was decided to utilise the equipment of some other routes. Accordingly, an order for the purchase of 2.6 MHz line equipment for this route was placed on Indian Telephone Industries (ITI) in December 1980. 97 per cent of the equipment had been supplied by ITI by April 1986, But buildings, not being ready, only 40 per cent of the equipment received could be installed in the existing building by March 1987. The department stated that the balance equipment is under installation and it would be commissioned in 1987-88.

33.7 Other topics

Seventy seven drums of coaxial cable supplied by a foreign firm in July 1984 were cleared on payment of Rs. 27.65 lakhs as Customs duty. A claim for refund of excess customs duty amounting to Rs. 4.09 lakhs was preferred by the department in October 1984. The Customs authorities admitted the claim for Rs. 0.15 lakh only. The claim for the balance amount of Rs. 3.94 lakhs was rejected on the ground that certain catalogues and literatures supplied by the department did not satisfy the requirement of the customs authorities. An appeal had been filed by the department in March 1987.

33.8 Financial status

As per EFC Memo, the scheme was expected to be commissioned in 1980-81 and earn revenue of Rs. 175.19 lakhs per annum. The expenditure incurred on the scheme upto February 1987 amounted to Rs. 593.57 lakhs but only one out of four sections has been commissioned so far. Thus the objectives of the scheme has not been fully achieved, thereby resulting in a loss of potential revenue to the department amounting Rs. 1007.34 lakhs during April 1981 to March 1987.

34. Kozhikode-Trichur and
Kozhikode-Palghat Coaxial Cable
Schemes

34.1 Introduction

In order to provide trunk telephone services between (i) Kozhikode and Trichur and (2) Kozhikode and Palghat (with stations in between), the Department of Telecommunications proposed two coaxial cable schemes.

34.2 Scope of Audit

A review of the schemes was conducted by Audit in April-May 1987.

34.3 Highlights

The two schemes, due to be completed in August 1985 and 1983-84 are still to be commissioned even though the expenditure upto June 1987 was Rs. 461 lakhs and Rs. 774 lakhs against the sanctioned estimate of Rs. 287 lakhs and Rs. 504.57 lakhs respectively.

-Due to uneconomical use of coaxial cable, the department incurred an avoidable expenditure of Rs. 9.85 lakhs.

-Time-frame for completion of buildings was not observed and the department lost potential revenue amounting to Rs. 897.90 lakhs upto March 1987.

34.4 The details of the schemes are as under:

Name of scheme	Date of sanction	Estimated cost	Estimated revenue per annum	Targeted date of completion
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(Rs. in lakhs)

(1) Kozhikode-Tirur-Ponnani-Kunnamkulam-Trichur-2.6 MHz coaxial cable scheme	July 1983	287	167.4	August 1985
(2) Kozhikode-Manjeri-Mallapuram-Perintalmanna-Palghat 12 MHz coaxial cable with two spur routes	May 1982	504.57	211.02	1983-84
(a) Manjeri-Nilambur 2.6 MHz				
(b) Perintalmanna-Mannarghat 2.6 MHz (changed to Palghat-Mannarghat in Project Estimte)				

Though the schemes were to completed in August 1985 and 1983-84 respectively, they are still to be commissioned. In the meantime, the expenditure has already exceeded the estimated cost. The expenditure upto June 1987 under

these two schemes was Rs. 461 lakhs and Rs. 774 lakhs respectively.

34.5 There had been substantial cost overrun in both the schemes particularly on cables and apparatus and plants as can be seen from the table given below:

	Cable Estimated	Actual	Apparatus & Plants	
			Estimated	Actual
(Rs. in lakhs)				
Kozhikode Trichur Scheme	119	192	111	220
Kozhikode Palghat Scheme	178	330	247	411

34.6 To cover Ponnani under Kozhikode-Trichur Scheme, the main route was taken through Edappal. The distance between Edappal and Ponnani was covered by 4 core coaxial cable of two lengths instead of one 4 core coaxial cable length, two cores for one direction and two cores for the other. The double length of coaxial cable laying resulted in extra expenditure of Rs. 9.85 lakhs.

The department stated in September 1987 that use of two lengths of cable was unavoidable keeping in view the future expansion. The Department's reply has to be viewed in the context of the fact that nowhere else in the entire scheme double cable has been provided; the total cable required for the Edappal-Ponnani sections was also estimated to be 9.85 Kms on one cable length basis.

34.7 The purchase order for supply of equipment (Kozhikode-Trichur Scheme) was placed on the Indian Telephone Industries (ITI) in May 1983. But the dropping bays were omitted in the said purchase order and an amendment for inclusion of these bays was issued in July 1983. In September 1983, ITI expressed their inability to include additional items as the production programme for the year 1984-85 had already been finalised. They wanted a fresh order for dropping bays within October 1983 for supply during 1985-86. However, fresh order for supply of dropping bays along with additional MUX equipments, which were also not included

in the original order, was placed on ITI in September 1986.

The ITI in October 1986, drew attention of the department to the incompatibility of the additional MUX equipments ordered in September 1986. Amendment to the supply order was issued in December 1986. ITI scheduled this equipment for production in the year 1988-89.

For Kozhikode-Palghat route, the supply order was placed on ITI in March 1983 but some equipments were omitted. The dropping equipment for only one station was included instead of five. ITI asked the department in February 1987 for a separate order for additional equipment. The department stated in September 1987 that the dropping equipment was not ordered because use of imported NEC equipment was planned, as a lot of delay in the supply of dropping bays from ITI was expected. But, subsequently, order for dropping stations was placed on ITI. However, the department has not stated as to why the plan to import the NEC equipment was given up and order placed on ITI.

The above details apparently indicate lack of a planned approach. For timely execution of the schemes, it was necessary to place complete order for equipment in time.

34.8 The position of construction of buildings vis-a-vis its targeted dates was as under:

Scheme & building	Targeted date of completion of buildings	Date of taking over the buildings
1. Kozhikode-Trichur	1982-83	
at Calicut		3.8.1985
at Tirur		22.1.1985
at Ponnani		21.11.1986
at Kunnamkulam		7.2.1986
at Trichur		28.8.1986
2. Kozhikode-Palghat	1981-82	
at Calicut		3.8.1985
at Manjeri		10.1.1986
at Mallapuram		14.1.1986
at Perintalmanna		December 1986
at Shoranpur		Not complete
at Ottapalam		6.2.1986
at Nilambur		3.1.1987
at Mannarghat		January 1987 (complete)

It would be seen that the construction of the buildings had been completed 3 to 4 years after the targeted date.

The department attributed the delays to unrealistic targets for completion of the buildings. However, the fact remained that these targets were fixed by the department itself.

Thus, the non-completion of the schemes on the targeted dates due to delay in procurement/supply of equipment and completion of Civil works resulted in loss of potential revenue of Rs.897.90 lakhs from 1984-85 to 1986-87 and deprived the subscribers of easy accessibility to the various telephone exchanges during these years.

35 SPC electronic exchange at Salt Lake, Calcutta.

35.1 Introductory

The Director General, Posts and Telegraphs sanctioned, in August 1980, installation of a 4000 lines exchange at Salt Lake, Calcutta. Initially, it was intended to import a cross bar exchange equipment, but later, in December 1981, the department placed a purchase order for import of a 5000 lines stored programme control (SPC) Electronic exchange equipment. The project cost, sanctioned in 1980 for Rs. 429.69 lakhs, was revised consequent on the change in the equipment for the exchange to Rs. 715.70 lakhs in May 1983. The exchange equipment was imported from Japan under a bulk purchase order. The shipment was completed in October 1983, and reached the exchange site in January 1984.

35.2 Scope of Audit

A review of the project was conducted by Audit in March/April 1986 and May 1987.

35.3 Highlights

-The percentage utilisation of equipped capacity of the SPC Electronic exchange at Salt Lake, Calcutta should have been 94 per cent in April 1985 to 93.94 per cent in February 1987.

-Failure to load the exchange upto the connectable capacity had resulted in a loss of potential revenue of Rs. 39.87 lakhs upto February 1987.

-There had been an excess payment of Customs Duty of Rs. 2.64 lakhs.

35.4 The SPC Electronic exchange, which was commissioned in March 1985, could have been loaded upto 94 per cent of the equipped capacity immediately and could have earned a revenue at the rate of Rs. 199 per subscriber per month as was anticipated in the Project Estimate. This percentage could not, however, be achieved within 23 months of the commissioning of the exchange despite a large number of intending subscribers being in the waiting list. The percentage utilisation of the equipped capacity varied from 12.20 in April 1985 to 93.94 in February 1987. Failure on the part of the department to load the exchange upto the connectable capacity had resulted in loss of potential revenue to the tune of Rs. 39.87 lakhs upto February 1987.

35.5 The Customs Duty on the imported equipment was assessed by

the custom authorities taking inter alia Rs. 1.95 lakhs as Marine Insurance premium at the standard rate of 1 1/8 per cent as against the actual insurance premium of Rs. 1.21 lakhs, which was paid on this account. The average rate of customs duty being 105 per cent, the excess amount paid was Rs. 0.78 lakh. Further, some of the items in the Bills of Entry related to exchange equipment for assembly of a composite telephone exchange imported in a dismantled condition. Customs Duty was leviable on such items at the lower rate of 105 per cent instead of 145 per cent as levied by the custom authorities which resulted in excess payment of Rs. 1.86 lakhs. The matter was referred to the custom authorities in March 1984 but was not pursued thereafter. On being pointed out by Audit in January 1986, a reminder was issued by the department. The excess payment had not been recovered till September 1987.

The Department stated in October 1987 that the delay in the provision of new connections was due to the non-completion of cable work in time due to the unprecedented rains. The claim for refund of the excess paid Custom Duty was yet to be settled.

36 Pune Telephones

36.1 Introduction

Pune Telephone District was formed on 14.5.1968 as a minor district and was upgraded as a major telephone district on 5.7.1978. It is headed by a General Manager, Telephones (GMT) who controls the operation and maintenance of the Telephone District. The GMT is also responsible for

formulation, execution and monitoring of planned programmes.

36.2 Scope of Audit

A review of the working of Pune Telephone District was conducted by Audit in April 1987.

36.3 Highlights

-The expansion of Pune Telephone system did not keep pace with the demand.

-The installed capacity was not fully utilised with the result the department lost potential revenue of Rs. 106.75 lakhs in respect of telephones during the years 1980-81 to 1986-87 and Rs. 52.05 lakhs in respect of telex services during the years 1983-84 to 1986-87.

-Potential revenue of Rs.48.39 lakhs did not accrue to the department during the years 1983-84 to 1984-85 due to percentage of ineffective trunk calls exceeding the

norms.

-There was a shortfall of Rs. 578.18 lakhs in telephone earnings compared to prescribed targets, during the years from 1983-84 to 1985-86.

-The gross operating expenses per weighted telephone exceeded the targets in all the years from 1982-83 to 1985-86. The percentage excess per weighted telephone per month increased from 53 in 1983-84 to 87 in 1985-86.

36.4 Volume and growth- local telephones - non-achievement of targets

As on 1st April 1980, the equipped capacity of local telephone exchanges was 33,090 lines with 30,708 DELs working. The projected equipped capacity for new telephone lines as per annual plan targets during the years 1980-81 to 1986-87 and achievements of the district are shown below:

Year	Target	Achievement	Shortfall(-)/ excess(+)	Waiting list
1980-81	3550	1950	(-)1600	4630
1981-82	2060	2060	--	7070
1982-83	3100	3100	--	10545
1983-84	10200	700	(-)9500	13143
1984-85	2700	8240	(+)5540	16747
1985-86	4660	3020	(-)1640	19711
1986-87	14500	3840	(-)10660	21858

It would be seen from the keep pace with the increasing demand as reflected by the waiting list.

The department stated in October 1987 that due to paucity of

*above that the achievements did not

funds, area transfers, availability, unpredictable demand the targets and waiting list could not be controlled.

36.5 Operating performance

The department has prescribed

*of cable pairs etc., and also due to

certain norms in regard to (i) utilisation of equipped capacity;(ii)percentage satisfaction of service demands;(iii) percentage of ineffective calls etc. to assess the performance of the system. A review of the performance revealed the following:-

36.5.1 Under-utilisation of equipped capacity

According to departmental instructions exchange capacity should be utilised to the extent of 90 per cent soon after expansion/installation and in any case not later than 6 months of such expansion/installation and to the extent of 94 per cent about 6 months before the date of commissioning of the next expansion subject to over all utilisation of 92 per cent of total capacity after expansion. However, this was not achieved, resulting in potential loss of revenue of Rs. 106.75 lakhs during 1980-81 to 1986-87.

Under-utilisation of exchange capacity was mainly due to non-completion of cable works simultaneously with the commissioning of Mahadaji Shinde (Pune) Exchange, e.g.two major cable works sanctioned in August 1982 and November 1982 were completed by July 1986 only while Mahadaji Shinde (Pune)exchange (8000 lines) were commissioned in May 1984.

Another factor contributing to under-utilisation was non-execution of work orders for giving new telephone connections within the prescribed norm of 15 days and 25 days of new PABX/PBX and shifting of telephones respectively. A test check by Audit of 1105 work orders for new telephone connections revealed that in 564 cases there was delay ranging from one to nine months.

The department stated that, "Due to mush-rooming of a number of housing societies and new flats, cable pair and distribution cable has become a great problem, especially in the periphery of new exchange. Utilisation of capacity is also linked to laying of cables which takes more time since, activities are quite scattered in the areas." Apparently the department had not taken effective action for laying the underground cable to enable them to provide telephone connections to the new housing societies/flats.

36.5.2 Ineffective Trunk calls

Targets for the percentage of effective trunk calls are fixed every year after making allowances for the working conditions, including the existing constraints on the maintenance and operation of the system. The data for the last six years is given below:

	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
1. No. of calls booked (in lakhs)	21.14	21.60	22.40	23.01	23.62	26.15
2(a) Effective calls (in lakhs)	16.56	16.55	17.09	16.92	16.67	19.70
(b) Percentage of effective calls	78.3	76.6	76.3	73.6	70.6	75.3
(c) Percentage standard fixed for effective calls	75	75	75	75	77.9	72
(d) Percentage shortfall in effective calls	--	--	--	1.4	7.3	--
(e) Total trunk call revenue (Rs. in lakhs)	254.51	304.82	352.20	371.08	399.74	422.50
(f) Loss due to less percentage of effective calls (Rs. in lakhs)	--	--	--	7.06	41.33	-
3(a) Ineffective calls (in lakhs)	4.58	5.05	5.31	6.09	6.95	6.45
(b) Percentage of ineffective calls	21.7	23.4	23.7	26.4	29.4	24.7
(c) Calls cancelled due to departmental failures (in lakhs)	N.A.	3.08	3.53	4.42	5.13	4.7
(d) Percentage of calls cancelled due to departmental failure	N.A.	14.3	15.7	19.2	21.7	17.9

The above table shows non-achievement of targets of effective calls by 1.4 per cent in 1983-84 and 7.3 per cent in 1984-85, resulting in loss of revenue amounting to Rs. 48.39 lakhs during these two years. Further there was a constant increase in percentage of calls cancelled due to departmental failure from 1982-83 to 1984-85.

The department stated in October 1987 that the targets fixed were not achieved due to:

(i) congestion in local/distant net work

(ii) interruptions on the trunk circuits; and

(iii) network conditions were different at different places.

36.5.3 High percentage failure of STD calls

The percentage failure of STD calls per month on Level '0' and Level '9' (sample) during 1982-83 to 1986-87 was as under:

	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>
1. Group target*					
(a) Level '0'	42.5	40	34.8	52.2	51.3
(b) Level '9'	48	20	20	20	20
2. Control limit*					
(a) Level '0'	47	44	38.3	57.4	56.4
(b) Level '9'	53	22	22	22	22
3. Actual					
(a) Level '0'	67.7	65.9	77.0	78.7	83.5
(b) Level '9'	46.8	23.1	30.7	36.7	39.8
4. Excess percentage failure over control limit					
(a) Level '0'	20.7	21.9	38.7	21.3	27.1
(b) Level '9'	--	1.1	8.7	14.7	17.8

*Group target indicates target fixed for a group of exchanges where as the Group Control means the achievement should not fall below the prescribed control limit.

The above table shows that the percentage failure of STD calls on Level '0' is more than the group target as well as the control limits during all the years from 1982-83 to 1986-87. Similarly failure of STD calls on Level '9' exceeded the permissible target and control limit during the years from 1983-84 to 1986-87.

The department stated that the prominent factor affecting the calls was the limited efficiency of Pune exchanges due to ageing. Action to replace them was being taken.

36.6 Telex

36.6.1 As against the targetted addition of 300 telex lines during

the period 1981-82 to 1986-87, 230 lines only were added on account of non-supply of 70 lines equipment by Indian Telephone Industries.

36.6.2 As in the case of telephones, the telex capacity also was not utilised to the overall extent of 92 per cent of equipped capacity resulting in loss of potential revenue of Rs.52.05 lakhs, during 1983-84 to 1986-87.

The department stated that, "The telex capacity could not be fully utilised since the outdoor plant for telex net work is in common with the telecom. network. There is always a delay due to many bottlenecks, due to supply of cables and other connecting materials".

36.7 Financial Performance

36.7.1 Average revenue per Direct Exchange Line (DEL)

DEL per month against the targets fixed by the department is detailed below :

The actual revenue earned per

Year	Prescribed target per month per DEL	Actual earning per month per DEL	Shortfall per DEL per month	Percentage shortfall	Average number of DELs	Annual Shortfall in revenue (Rs. in lakhs)
1980-81	275	288.25	--	--	30485	--
1981-82	275	328.33	--	--	32492	--
1982-83	342	381.33	--	--	34242	--
1983-84	400	399.83	0.17	0.04	36482	0.74
1984-85	430	369.83	60.17	14	42803	309.05
1985-86	460	408.75	51.25	11.14	43641	268.39
					Total	578.18

The financial performance of the District deteriorated from 1983-84 onwards, resulting in shortfall of revenue of Rs.578.18 lakhs during the 3 years ending March 1986.

The department stated that, "The actual achievements of the target were not in the hands of the department. it varies with the needs of the subscribers and other socio-economic conditions of the place." In this connection it may

be pointed out that the targets were fixed by the department itself and were fully achieved during the period ending March 1983 while the achievements fall short of the target by 14 per cent in 1984-85 and 11.14 per cent in 1985-86.

36.7.2 Gross operating expenses per weighted telephone

Expenses per weighted telephone per month vis-a-vis group target fixed therefor were as under

	<u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</u>
Group target	45	45	61.9	72	72	72
Actuals (Rs.)	63.50	73.50	123.40	110.00	123.70	134.50
Excess per weighted telephone (Rs.)	18.50	28.50	61.50	38.00	51.70	62.50
Percentage excess	41	63	99	53	72	87

The above table shows that the operating expenses per weighted telephone per month were in excess of the prescribed norms during all the years from 1980-81 to 1985-886. Besides there was an increasing trend from 1983-84 onwards.

The department stated that all possible efforts were being made to reduce the expenditure.

37. Kanpur Telephones

37.1 Introductory

Kanpur Telephone System is the largest in Uttar Pradesh comprising Kanpur and Unnao city and serving a population of 20 lakhs. As on 31st March 1986, the equipped capacity was 34,600 telephone lines of which the number of working lines was 27,858. The General Manager (GM), Kanpur controls the operations and maintenance and is also responsible for formulation, execution and monitoring of planned programmes in the system.

37.2 Scope of Audit

A review of the working of Kanpur Telephones was conducted by Audit in April 1987.

37.3 Highlights

-As compared to 1980, the total demand increased by 41 per cent in 1986 but demand was fulfilled to the extent of 27 per cent only.

-Slippages ranging 10 to 59 months were noticed in the execution of the work.

-Operating efficiency was generally below the target set for major districts.

-Due to high percentage of ineffective trunk calls the department lost potential revenue to the extent of Rs.152.76 lakhs.

-The average actual revenue per Direct Exchange Line (DEL) earned per month was less than the target fixed, resulting in shortfall of revenue amounting to Rs.559.62 lakhs during 1981-86.

-The percentage of local operating expenses to local operating revenue was higher than the group target.

-The number of employees per 100 telephones was high in Kanpur Telephones.

37.4 Rate of growth and demand

The total demand for telephone services consisting of the 'satisfied demand' (i.e. existing subscribers) and the 'unsatisfied demand' (i.e. registered waiting list) in the Kanpur Telephone District has been steadily rising at an average annual rate of 6 per cent.

Upto March 1986, the total demand had increased by 41 per cent over 1980, against which corresponding satisfaction of demand was 27 per cent, thus leaving a gap of 14 per cent between demand and satisfaction. The department stated in October 1987 that most of the targets were not achieved during the plan period as there was a large gap between the registration of demand and supply of equipment.

37.5 Project execution

Based on the anticipated demand for new telephone connec-

tions and for development of national trunk dialling, five major projects were sanctioned at an estimated cost of Rs.1,744 lakhs.

Excepting one project, none of the other projects was commissioned on schedule; the slippages ranged from 10 to 59 months as detailed below :

	Name of the project -----	Targeted date -----	Actual date -----	Delay in months -----
i.	Expansion of Benajhabar from 7000-9000 lines	1981	May 1981	-
ii.	Expansion of TAX 1800-3800 lines	October 1982	Not yet commissioned (upto August 1987)	59
iii.	Installation of 3000 lines MAX I at Krishnanagar	March 1986	April 1987	13
iv.	Expansion of Lajpatnagar 2000-4000 lines	December 1983	April 1987	39
v.	Installation of 10000 lines digital electronic exchange at Lajpat Nagar	September 1984	July 1985	10

NOTE: Revised target date had not been fixed in respect of the project at Sl.(ii) above.

The reasons for delay in commissioning were attributed to non-completion of civil works; non laying of cables; diversion of part of equipment from Lajpatnagar exchange to electronic exchange and delay in installation of the air-conditioning plant. The department stated that tentative target dates were laid down but there were delays in actual completion due to circumstances beyond their control.

37.6 Percentage satisfaction of service demand.

The percentage of satisfaction of service demands relating to new connections, shifts, accessories, and PABXs in Kanpur Telephones went down from 74.4 in 1981-82 to 27.4 in 1985-86. Further, the performance in 1985-86 was not only the lowest amongst major telephone districts but also the lowest in the district during the last five years.

Telephone District	Year	1981-82	1982-83	1983-84	1984-85	1985-86
	*Group Target	90	78.5	83	83	72.6
	*Group Control	80	70.5	75	74.7	85.3
<hr/>						
Kanpur		74.4	61.4	37.8	47.7	27.4
Ahmedabad		N.A.	70.8	38.7	39.8	55.8
Bangalore		57.1	53.1	47.3	48.0	47.3
Hyderabad		53.4	50.7	56.3	66.1	81.8
Pune		87.2	93.1	85.3	82.3	77.9

37.7 Fault Repair Service and Complaints

*Group target indicates target fixed for a group of exchanges whereas the Group control means the achievement should not fall below the prescribed control limit.

The department stated in October 1987 that new colonies had come up in Kanpur generating new demands/requirements necessitating laying more and more underground cables and hence the percentage satisfaction of service demand had somewhat reduced. The reply of the department had to be viewed in the context of extremely low percentage (27.4) of demand satisfaction against the group control target of 65.3. Apparently the department had not taken effective action for laying the underground cables to enable them to provide telephone connection to the new colonies.

The number of complaints/faults per 100 stations showed a declining trend since 1981-82. However, 16,512 telephones were having complaints and 11,776 telephones remained faulty on an average per month during 1985-86.

37.8 High percentage of ineffective Trunk calls

Targets are fixed each year for the percentage of effective trunk calls after making due allowance for the existing constraints on maintenance and operations of the system.

The total number of trunk calls booked, calls matured, percentage of effective and ineffective calls in respect of Kanpur Telephones were as under:

Particulars	1981-82	1982-83	1983-84	1984-85	1985-86
	(Figures in lakhs)				
Number of calls booked(in lakhs)	15.39	14.56	14.35	14.26	14.66
Number of effective calls	8.16	8.24	8.09	8.42	9.40
Number of ineffective calls	7.22	6.32	6.26	5.84	5.26
Percentage of effective calls	53.05	56.59	56.38	59.05	64.1
Percentage of calls cancelled due to departmental reasons	41.55	19.62	42.33	58.39	55.70
Percentage of ineffective calls	46.95	43.41	43.62	40.95	35.80
Target fixed for effective calls	70	67.5	67.5	70.1	67.2
Shortfall in percentage of effective calls	16.95	10.91	11.12	11.05	3.1
Total revenue in lakhs of rupees	147.63	142.63	171.91	182.99	206.59
Loss of revenue in lakhs of rupees on account of ineffective calls	47.17	27.50	33.90	34.20	9.99

It was observed in Audit that the targets fixed were not achieved even though the traffic handling capacity of trunk circuits was adequate to achieve the same. Thus due to higher percentage of ineffective trunk calls, the department lost potential revenue to the

extent of Rs. 152.76 lakhs for the period from 1981-82 to 1985-86. The Department stated in October 1987 that the shortfall in achievement of targets was due to (i) congestion in the local/distant local networks, (ii) interruptions on the long distance trunk circuits and (iii) absenteeism of operative staff.

37.9 Financial performance

The actual revenue earned per Direct Exchange Line (DEL) per

month during 1981-86 in Kanpur Telephones was far below the target fixed as detailed below:

Year	Group target	Actual earnings	Short fall per DEL	Average No. of DELs	Shortfall (Rupees in lakhs)
	Rs.	Rs.	Rs.		
1981-82	275	243	32	22636	86.92
1982-83	342	283	59	23856	168.90
1983-84	215	265	--	--	--
1984-85	305	243	62	24704	183.00
1985-86	305	267	38	26315	120.00
				Total	559.62

A comparison of actual revenue earned per DEL per month with other

major districts is as detailed below:

Telephone District	1981-82		1982-83		1983-84		1984-85		1985-86	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Kanpur	275	243	342	283	215	265	305	243	305	267
Ahmedabad	275	258	342	303	310	347	345	360	375	346
Bangalore	275	365	342	399	400	398	430	433	460	400
Hyderabad	275	361	342	427	400	435	480	488	460	469
Pune	275	307	342	362	400	377	430	356	460	405

It was observed that though the targets fixed for Kanpur Telephones were the lowest among the major districts, the actuals were less than the targets, except during 1983-84, resulting in shortfall in revenue to the tune of Rs. 559.62 lakhs. The actual revenue earned per DEL per month

also declined from Rs. 283 in 1982-83 to Rs. 265 in 1983-84, Rs. 243 in 1984-85 and Rs. 267 in 1985-86.

The department stated in October 1987 that the actual achievement of target was not entirely within the hands of the department

because it varied with needs/calling pattern of subscribers.

37.10 Operating expenses.

Gross operating expenses per

	1981-82	1982-83	1983-84	1984-85	1985-86
	(figures in rupees)				
Group Target	45	61.9	72	72	93.7
Group Control	50	--	--	79	103.1
Actual	71.2	84.5	86.9	112.1	127.7

The percentage ratio of local operating expenses over local operating revenue was 49.2 in 1985-86 against the target of 28.

The department stated that every possible control was being exercised to keep the ratio as low as possible and further efforts

weighted telephone in a month in Kanpur Telephones were not only higher than the targets/control limits but also showed an increasing trend year after year as detailed in the table.

were being made to reduce the expenses.

37.11 Number of employees per 100 telephones

The number of employees per 100 telephones was the highest in Kanpur Telephones during 1981-86 as given in the table below :

Telephone District	1981-82	1982-83	1983-84	1984-85	1985-86
Kanpur	6.2	5.9	5.7	5.8	5.2
Ahmedabad	5.2	4.7	5.0	4.4	4.0
Bangalore	4.8	4.2	4.2	3.9	3.9
Hyderabad	6.0	4.9	4.7	4.6	4.3
Pune	5.7	N.A.	3.6	3.7	3.5

It was observed that while Pune Telephones managed with just 3.5 employees per 100 telephones during 1985-86, Kanpur Telephones had 5.2 employees for the same work. The department stated that "comparison with another Telephone District was possible provided the equipment was of the same type and almost the same life. The staff at Kanpur had not been sanctioned outside the norms."

38 Allahabad Telephones

38.1 Introduction

Allahabad Telephone District is a minor telephone district headed by a District Manager, Telephones (DMT) who controls the operation and maintenance of the telephone district. The DMT is also responsible for formulation, execution and monitoring of planned programmes.

38.2 Scope of Audit

A review of the working of Allahabad Telephone District was conducted by Audit in April 1987.

38.3 Highlights

-The installed capacity was not fully utilised with the result that the department lost potential revenue amounting to Rs.8.76 lakhs.

-The percentage of fulfilment of new telephone connections/shiftings was less than the standards fixed during all the four years.

-The department suffered a loss of Rs. 73.90 lakhs due to high

percentage of ineffective trunk calls.

38.4 Growth in demand and satisfaction

38.4.1 The Allahabad telephone system had an equipped capacity of 9250 lines in 1983-84 which was increased to 10975 lines by 1986-87. The system consists of

- (i) Cross-bar exchanges 7000 lines
- (ii) Strowger exchanges 2700 lines and
- (iii) Other exchanges 1275 lines.

38.4.2 The waiting list had also gone up from 1199 in 1983-84 to 2013 in 1986-87 as shown below:

Year	Equipped capacity	Connectable capacity	Working connections	Waiting list
1983-84	9250	8695	8170	1199
1984-85	9250	8695	8494	1398
1985-86	10975	10316	9119	1315
1986-87	10975	10316	9485	2013

The department stated in October 1987 that the expansion did not keep pace with the increasing demand due to financial constraints and it was expected that the waiting list as on 1st April 1987 could be met by March 1990. However, it

would be seen from the above table that though there was spare capacity, the department did not provide telephone connections which resulted in loss of potential revenue amounting to Rs.8.76 lakhs.

38.5 Percentage satisfaction of service demand

	1983-84	1984-85	1985-86	1986-87
Group target *	91	75	75	75
Group control*	82	60	60	60
Percentage Fulfilment	27.39	29.58	39.83	35.97

Installation of new telephone connections/shiftings should be carried out within the stipulated period. From the above table it would be seen that the achievements were far below the group target/group control prescribed by the department.

*Group target indicates target fixed for a group of exchanges whereas the Group control means the

achievement should not fall below the prescribed control limit.

38.6 High percentage of ineffective trunk calls

Targets for the percentage of effective trunk calls are fixed every year after making allowances for the working conditions, including the existing constraints on the maintenance and operation of the system. The data for the last four years are given below :

	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>
1. No. of calls booked	404628	462954	470529	431232
2(a) Effective calls	241041	237407	246585	218300
(b) Percentage of effective calls	59.57	51.28	52.40	50.62
(c) Percentage standards fixed for effective calls	72	70	70	70
(d) Percentage shortfall in effective calls	12.43	18.72	17.60	19.38
(e) Total trunk calls revenue (Rs. in thousands)	5069	5631	6173	5753
(f) Loss due to less percentage of effective calls (Rs. in thousands)	1058	2056	2073	2203
				(Upto February 1987)
3(a) No. of ineffective calls				
1-2(a)	163587	225547	223944	212932
(b) Percentage of ineffective calls	40.43	48.72	47.60	49.38
(c) Percentage of calls cancelled due to departmental failures	30.92	39.30	44.08	45.80

The above table shows that failure to achieve the targets by 12.43 per cent in 1983-84 to 19.38 per cent in 1986-87 resulted in a loss of revenue amounting to Rs.73.90 lakhs in four years.

The department has stated that results achieved vary from place to place as the output of the trunk depends on various factors like congestion in telephone network,

the condition of line, staff absenteeism etc.

38.7 Percentage failure of local exchange calls per month

It was observed that during the years 1983-87 the percentage failure of local exchange calls per month was very high. The group target limits were never achieved

and was 3.03 per cent against 0.8 per cent in 1983-84, 6.37 per cent in 1984-85, 3.64 per cent in 1985-86 and 3.41 per cent in 1986-87 against 2.0 per cent during this period.

The department stated that high percentage of failure of local exchange calls was due to an old strowger exchange which has outlived its life.

CHAPTER X

STORES

39. Loss of Rs.27.31 lakhs in purchase of substandard paper

The Bombay Telephones held 3000 tonnes of paper in stock in December 1983 after receiving paper against the indents issued on various firms by Director General, Posts and Telegraphs (DGPT). As per conditions stipulated in the supply order, in case of any complaint about the quality of paper not conforming to the specifications of the supply order, the consignee was to send samples within 30 days of the receipt of the paper to the Deputy Controller, Government of India, Stationery Office (GISO), Calcutta. However, it was observed that the samples were not sent by the Bombay Telephones to GISO, within the stipulated period. The reason attributed was that since the Bombay Telephones did not have inhouse facilities for testing the paper, there was time lag between sending the paper to the test house of GISO at Calcutta and receipt of the results. The Bombay Telephones was not in a position to know the exact deviation in the specifications of the paper when actually received. The test reports revealed that the average grammage exceeded the specification by 8 to 10 per cent. The proportionate loss of paper in length therefore, was 8 to 10 per cent. The value of the paper received during 1982 and 1983 was Rs.246 lakhs and as such, the loss would work out 14.76 lakhs after allowing 3 per cent variation on an average. The department stated in October 1987 that the

case for recovery of the charges suffered by Bombay Telephones due to more than average grammage of paper supplied by seven firms, had been taken up with DGSD, New Delhi. Recovery of Rs.0.68 lakh in respect of one firm had so far been made from the firm's pending bills.

Four supply orders were placed on firm 'A' during the years 1981 and 1982 for supply of 1340 tonnes of paper against which 1400.635 tonnes were supplied. When the reels were put on machine it was noticed that (i) the reels had many web breaks and the paper had been mostly wrapped at breaks and (ii) the joints of paper in the reels were not passing through the machines. A complaint was lodged with the firm in February 1984 which was turned down as it was time barred. Thereafter the paper was utilised, by rewinding at an extra cost of Rs.4.74 lakhs. Bombay Telephones asked the DGSD, to recover the amount incurred by it on rewinding the reels from the supplier. The department stated that a recovery of Rs.2.37 lakhs had been decided in a meeting by DGSD from the bills of the firm.

Out of 1016.172 tonnes issued for rewinding, 903.010 tonnes were received in good condition and balance of 113.162 tonnes valuing Rs.8.49 lakhs had gone waste. The department stated in October 1987 that Bombay Telephones was being asked to take up the matter with the DGSD to make up the loss to the extent possible.

To sum up

-The department sustained loss of Rs.14.76 lakhs due to supply of paper of higher grammage. Recovery of Rs.0.68 lakh has, however, been made from one firm;

-an extra expenditure of Rs.4.74 lakhs was incurred towards rewinding charges due to supply of defective paper and;

-the department sustained a loss of Rs.8.49 lakhs (approximately) due to wastage of paper in rewinding process.

40 Idle investment on PVC pipes in Bangalore Telephone District

To protect underground cables in multi-exchange systems and also to effect savings on maintenance, the department decided to lay primary and secondary cables in ducts by "embedding PVC pipe configuration/nest in cement concrete". The Bangalore Telephone District proposed to construct cable ducts for 29.70 route Kilometres (rkms) during the Sixth Five Year Plan. Six project estimates for Rs.118.77 lakhs were approved between December 1979 and July 1981 to cover 23.85 rkms on six different routes out of which detailed estimates for four routes to cover 16.8 rkms requiring 324 Kms of PVC pipe were sanctioned. But, only 167 kms of PVC pipe costing Rs.47.60 lakhs were supplied between November 1981 and January 1982 against the allotment of 260 kms which was considered sufficient upto 1984-85. Out of 167 kms of PVC pipe received, 62.904 kms of pipe was utilised in duct work upto March 1987 and 42 Kms of pipe was being utilised in the duct work which was

in progress under cement based ducting method, leaving a balance of 62 kms of pipe valuing Rs.17.67 lakhs.

On finding the progress of ducting work dismal and after considering several alternatives to quicken the pace of duct laying work, the department decided, in November 1985, for laying PVC ducts in sand encasement for not only cutting delays on account of long setting time required for cement concrete layers but also for reducing the high cost of work involved in cement based construction. This method envisaged use of PVC pipes of 3.2 mm thickness in place of existing pipes of 2.5 mm. The existing pipes of 2.5 mm were proposed to be utilised for smaller number of duct ways say upto 4. Since the sanctioned estimates provided duct ways ranging from 8 to 24, the possibility of utilising the balance length of 62 Kms of PVC pipe received between November 1981 and January 1982 valuing Rs.17.67 lakhs for small number of duct ways was remote.

The department stated in October 1987 that :

a) "The slow progress in duct work was due to scarcity of cement and also due to stoppage of road cutting activities on the occasion of SAARC Conference".

b) "in order to expedite the duct work, field units had been permitted to give the duct work to Hindustan Cables Limited and Telecommunication consultants India Ltd.",

c) "the balance quantity of 62 kms of PVC pipes would be utilised by transferring 30 Kms of PVC pipe to

the Madras Telephones 32 Kms would be used in Bangalore Telephone District itself on other routes."

41 Non-accountal/short accountal of equipment/stores retrieved.

Rule 52 of Financial Hand Book volume III (P&T) provides that to avoid over-capitalisation value of dismantled/abandoned/sold assets should be credited to capital. During the course of Audit conducted in 12 out of 19 divisions in

the Maharashtra Telecom. Circle in 1984-85 it was seen that the Engineering Divisions were not accounting for retrieved equipment/stores and the adjustment of their value was in arrears. In 295 such estimates which were checked, it was seen that no credits were afforded to the works in the case of 228 estimates, whereas in the remaining 67 estimates credits were short adjusted as shown in the table given below :

Year of sanction	No. of estimates	Cases of Non-adjustment	No. of estimates	Cases of short adjustment	
				Total credit anticipated (Rs. in Lakhs)	Total credit adjusted
Upto 1970-71	10	1.34	6	102.02	58.91
1971-72 to 1975-76	28	29.78	25	84.53	33.89
1976-77 to 1980-81	124	25.91	32	1.08	18.84
1981-82	24	4.83	2	3.82	2.85
1982-83	37	7.62	2	0.84	0.46
1983-84	5	0.90	-	-	-
Total	228	70.38	67	232.29	114.95

Total non-adjustment/short adjustments Rs.187.72 lakhs.

Of the 295 cases mentioned above, detailed checks were conducted in respect of 44 estimates in 2 divisions with reference to initial records of works and it revealed that against the estimated recovery of Rs.46.08 lakhs, only 14.48 lakhs were accounted for and adjusted as

credit to the respective works. The short adjustments were mainly due to the following :

(i) In 25 cases, the stores recovered from the work were reported to have been utilised in some other works but the credits to the work, from where the materials were retrieved, had not been passed on.

At the same time, the work in which these stores were utilised did not get the debit equal to the value of the retrieved stores.

(ii) In 5 cases, there was no evidence in the store godown register that the retrieved stores were received in the godown.

(iii) In one case, short recovery of copper wire valued Rs.0.16 lakh was attributed to theft of the copper wire but the loss was not written off.

(iv) In 12 cases, the final accounting adjustments had not been made due to non-receipt of valued store vouchers from the Circle Telecom Stores though the stores were acknowledged to have been received.

Such lapses might ultimately lead to defalcation resulting in pilferage and non-disposal of stores leading to loss to the department.

The department stated in September 1987 that the work was voluminous and would take some time to settle cases. The transfer of stores transactions were pending in some cases with the Controller of Telegraph Stores Organisation to whom the cases had been referred to by the concerned divisions and were being pursued. Two, out of 12, divisions had been able to settle the objections and four divisions had partially settled the cases. In case of the remaining six divisions, action was in progress and this was likely to take some more time. The department further indicated that a separate cell in the circle would be set up for settling these cases quickly.

42 Shortage of store worth Rs.1.92 lakhs.

In December 1983, shortage of stores worth Rs.1.92 lakhs was noticed in Barnala Telegraph subdivision under Sangrur Telegraph Engineering Division when the Store Lineman handed over charge. While handing over, he did not make over certain items of stores which were short, on the pretext that certain issue slips were yet to be accounted for. Thereafter, he did not turn up to make over charge of the remaining items.

Para 358 of P&T Manual volume X provides that a continuous or progressive stock taking must be carried out by a Sub-Divisional Officer or a Gazetted Officer of a Telecom. Branch in charge of the Telephone system at least twice a year so as to obtain complete verification of stores and any important irregularity detected must at once be reported to the Divisional Engineer for his orders. It was noticed that these prescribed physical checks had not been carried out during the year 1982-83 and thereafter.

The enquiry officer appointed to conduct a special check in the matter submitted his report to the Divisional Engineer, Telegraphs (DET) Sangrur on 7th November 1984 confirming that the loss occurred due to non-exercise of periodical physical checks. No action has been taken against officers/officials responsible for the loss.

The department stated in October 1987 that the shortage could not be detected during six monthly physical verification in

1982-83 as the items did not find place among the 91 important items checked. After protracted correspondence the case was registered by Police in March 1987. The concerned lineman had been placed under suspension w.e.f. 21st December 1983. The charge sheet was served but enquiry could not be completed as the delinquent official was absconding.

In this connection, it may be stated that para 358 of Posts and Telegraphs Manual, volume X does not restrict stock taking to selected items only.

43. Loss of copper wire in Madhya Pradesh Circle

As a result of introduction of microwave system between Jabalpur and Nagpur during 1978-79, copper wire lines existing on this route were rendered spare with effect from August 1980. The General Manager Telecom. (GMT), Madhya Pradesh Circle, Bhopal issued approval in November 1980 for dismantling spare copper wire lines on Jabalpur-Seoni-Nagpur route. The work was to be executed urgently with a view to avoiding theft of copper wires on the route even without waiting for actual sanction of estimate for this work. But the estimate for Jabalpur-Seoni section was prepared during 1983-84 and for Nagpur-Seoni section during 1984-85. The dismantlement work of these sections was completed in August 1984 and November 1986 respectively. As against the estimated recovery of 72.11 tonnes of copper wire only 51.67 tonnes was actually recovered. Thus delay in dismantlement of the spare lines resulted in loss of Rs.7.46 lakhs on account of theft of 20.44 tonnes

of copper wire.

The department stated in October 1987 that "the delay occurred due to lack of effective decision and coordination between officers at various level in the circle. General Manager, Telecom, Bhopal has, as such, decided to issue instructions to all the concerned officers in the circle, so that similar lapses are avoided in future and he was also initiating action against the concerned SDO(T) for the serious lapses on his part."

44. Non recovery of teleprinter machines worth Rs.5.42 lakhs even after disconnection.

According to departmental rules, the telex services provided to subscribers are to be disconnected for default in payment of rent or charges for the calls made through telex machine. As per para 277(1) of P&T Manual Vol XII on termination of the telex services the subscribers have to surrender to the telecom authorities, the apparatus with all its fixtures and accessories in good condition. Prior to 1st April 1983 the telex service was provided to the subscribers without any security deposit but a scheme of security deposit was introduced from that date. Under the scheme, all intending applicants for the telex services are required to deposit Rs.10,000 as security deposit with the department. While implementing the scheme the existing subscribers were given option to pay this amount in one lumpsum or in three monthly instalments of Rs.4,000, 3,000 and 3,000 beginning from 1st April 1983. The telex connections were liable to be withdrawn if the

full payment of the security deposit was not made by the existing subscribers within the prescribed period but not later than 1st July 1983.

Sixty three telex connections which were disconnected between 1978-79 and 1985-86 in Bombay Telephones due to non-payment of dues amounting to Rs.1.56 lakhs were noticed by Audit in August 1985. It was observed that though the telex connections were disconnected the teleprinter machines valuing Rs.5.42 lakhs were not recovered from the defaulting subscribers due to the following reasons :

Party wants reconnection	6
Party refused to hand over	5
Party not responding	16
Party left the place/not available/not traceable/premises closed	19
Reasons not readily available	11
Machine damaged/worn out condition/under correspondence	5
Other reasons	1
Total	63

The department failed to recover Rs. 1.56 lakhs, the outstanding dues, from the subscribers whose telex services were disconnected due to non-payment of dues. At the same time the department could not recover the teleprinter machines leaving these machines worth Rs.5.42 lakhs with the subscribers.

The department stated in October 1987 that out of 63 cases pointed out by Audit, recovery of 20 teleprinter machines has been made and efforts were being initiated with the help of police for recovery of the remaining teleprinter machines held up with the various subscribers. The department further stated that efforts were continuing by the District concerned to recover the outstanding amount or write off the irrecoverable dues.

CHAPTER XI

LAND AND BUILDING

45. Infructuous expenditure of Rs.150.27 lakhs due to underutilisation of Land.

The Post Master General, Bombay placed a requisition in September 1957 on the Government of Maharashtra for a piece of land for the expansion of the wireless transmitting station at Santacruz. As per the decision of the Government of Maharashtra, the department took possession of 163229 sq. yards land at Danda II in January 1968. The terms and conditions of the leased land were prescribed by the State Government in May 1979, with a stipulated ground rent of Rs.9.55 lakhs per annum allowing a rent free period for the first two years and with a rebate of 50 per cent for the next two years. The period of the lease was fixed for 30 years renewable on the same terms and conditions except for the ground rent as may be determined by the Government of Maharashtra.

Possession of the land was taken in January 1968 but no action was taken to utilise the land for wireless communication. The department approached the State Government in October 1980 and obtained permission for utilising the land for telecommunication purposes. The permission was granted in January 1981 and the department developed an area of 8035 sq. yards by incurring an expenditure of Rs.65.18 lakhs but used only 729 sq. yards leaving 7306 sq. yards of developed land unutilised.

Thus, due to lack of proper planning the department paid Rs.150.27 lakhs upto September 1986 towards ground rent to the Government of Maharashtra for the land taken on lease without any utilisation and the department had also spent Rs.59.27 lakhs on the development of land which remained unutilised.

The department stated in October 1987 that it took possession of the land in January 1968 for expansion of wireless communication and the land could not be utilised for any other purpose. They further added that the utilisation of the land was also held up due to unauthorised encroachment.

It was, however, noticed that the department sought the approval of the Government of Maharashtra only in October 1980 for using the land for telecommunication purposes which was obtained in January 1981. Thus the land acquired in 1968 remained largely unutilised even after 19 years, though the department had spent a sizeable amount towards rental and developmental charges.

46. Avoidable expenditure in hiring of office accommodation

On receipt of administrative approval and expenditure sanction for the construction of residential accommodation from the Director General Posts and Telegraphs in August/September 1981 respectively,

the General Manager, Telecom. Projects (GMP) was asked by General Manager, Telephones, Calcutta, in November 1981, to vacate the departmental building at 4, New Road Alipur for demolition and construction of residential accommodation. Accordingly, the GMP shifted his office in December 1982 in a hired building, taken at a monthly rent of Rs.0.25 lakh. The departmental building was, however, not demolished till December 1986.

The department stated in September 1987 that :

a) In November 1982 notice inviting tender for pile foundation was approved but further action in finalisation of the tenders, which were received in February 1983, could not be taken in view of the revision in working drawings due to change in Municipal bye-laws,

b) the revised drawings were submitted to local Municipal authorities in July 1983. Since the height of the building was more than 36 metres, clearance of the project had to be taken from the Calcutta Improvement Trust, the Directorate of West Bengal Fire Services and the Calcutta Metropolitan Development Corporation before obtaining formal approval by Calcutta Municipal corporation,

c) "delay in dismantlement of the buildings could be expedited once other formalities were completed".

The reply of the department has to be viewed in the following context :

a) The new regulations had come into vogue with effect from 1980.

b) There was lack of appreciation of the time involved in obtaining clearance of the various authorities in the construction of the new building.

c) The proposal for the demolition of the building was sent to DGPT in June 1985 but the building was got vacated in December 1982 itself.

In the circumstances, the vacation of the old building, prematurely, lead to an avoidable expenditure of Rs.10.25 lakhs towards rent from December 1982 to April 1986.

47. Non-utilisation of land at Mohali

In response to the demand of the Department of Telecommunications for purchase of a piece of land at Mohali for construction of Regional Telecom. Training Centre (RTTC), the Punjab State Electronics Development and Production corporation Ltd. (PSEC), Chandigarh offered a plot of land measuring 24.97 acres at Mohali Phase VIII in September 1980. Full advance payment for the cost of land amounting to Rs.27.88 lakhs was made by the department in June and September 1981. The plot was not handed over to the department and the allotment was cancelled in November 1982 for the reason that the plot was in industrial area. Another plot at Phase VIII S.A.S. Nagar (Mohali), measuring 12.5 acres costing Rs.13.92 lakhs was made over to the department in July 1984. The balance amount Rs.13.96 lakhs was refunded by the PSEC by January 1986.

In September 1986, the department decided to drop the proposal

for construction of RTTC at Mohali and stated that the land at Mohali purchased from PSEC, Chandigarh was no longer required by Telecom. Circle. The General Manager, Telecommunications, Ambala asked Principal RTTC, Rajpura in September 1986 for transfer of this land to the District Manager Telephones, Chandigarh for planning District Telecom. Training Centre, but the plot was not handed over to him. Thus, lack of proper planning by the department resulted in non-utilisation of land and blockage of the capital amounting to Rs.13.92 lakhs for over 3 years.

The department stated in October 1987 that "as the land provided to the department was inadequate, the proposal for setting up Regional Training Centre was dropped and it was decided to utilise the land to set up Circle Stores Depot on this plot." In this connection it may be stated that inadequacy of land was known to the department in November 1983, long before it was taken over in July 1984.

48. Infructuous expenditure on rent of land, kept unutilised.

The departmental land meant for telephone exchange building and staff quarters at Ballygunge Place, Calcutta was being utilised as cable dump by the General Manager (GM), Calcutta Telephones. In order to shift the cable dump from the departmental land after sanction of an estimate by the Posts & Telegraphs Directorate in January 1982 for the construction of staff quarters, advertisements regarding hiring of private plot of land were issued in the newspapers in June 1982. After selecting suitable plot

of land from 11 offers received, a Fair Rent Committee was constituted in February 1984 which recommended the rent at the rate of 60 paise per sq. ft. per month for the selected plot of land. However, the rent recommended by the Fair Rent Committee was not acceptable to the landlord and after negotiations, the General manager hired land measuring 54814 sq. ft. with effect from 4th June 1984 on lease, initially for 5 years at a monthly rent of Rs.36725.38 i.e. 67 paise per sq. ft. The proposal for the construction of staff quarters and the telephone exchange building on the departmental land, however, did not materialise owing to delayed approval by Calcutta Metropolitan Development Authority and Municipal corporation. The cable dump located on the land was not shifted to the newly hired site till March 1986.

The department stated in October 1987 that the delay in shifting occurred because the materials to be stored there were expensive and prone to theft and, therefore, it was necessary to arrange for adequate security. In view of the ban on creation of posts of Chowkidars and the need for putting up a compound wall and street lighting in the rented accommodation, it took some time to get necessary approval and arrange them. It was further stated that instructions have been issued to ensure that the time gap between hiring of accommodation and its occupation is kept to the minimum by proper coordination.

The limitation of non-availability of Chowkidars and non-provision of street lighting in the new site should have been known when the proposal for renting the new

land was being considered. Thus, the entire expenditure of Rs.8.04 lakhs incurred upto March 1986 as rent for the land kept without any use had become infructuous.

The hired land was being utilised as cable dump from April 1986, on being pointed out by Audit on 2nd of April 1986, along with the departmental land, as the hired land could not accommodate all the cable drums. The construction of the proposed quarters on the departmental land was in progress in June 1987.

49. Vacant staff quarters at Kanpur and Agra.

(A) At Kanpur

For providing residential facilities to the staff of Telecom.

Type of Quarters	Total Number constructed	Occupied	Vacant
Type I	56	47	9
Type II	140	74	66
Type III	28	13	15
Total	224	134	90

GMT Kanpur stated in July 1987 that all the quarters were allotted to the staff but 90 quarters were not occupied by them. As per Government orders, House Rent Allowance (HRA) shall not be admissible to those Government servants to whom accommodation was offered by Government but who had refused to occupy the same. The HRA was, however, being paid to such staff in violation of the Government Orders.

Department, construction of 224 staff quarters at an estimated cost of Rs.125.38 lakhs (excluding Rs.9.85 lakhs for electric installation) were sanctioned by the Director General, Posts and Telegraphs, in August 1982. The construction of these quarters was completed in March 1986 at a cost of Rs.144.68 lakhs. The quarters were handed over to the General Manager Telecom. (GMT), Kanpur in April 1986.

Between May 1986 and June 1987 only 134 out of 224 quarters were occupied by the staff members and 90 quarters were lying vacant as shown below :

The GMT Kanpur attributed the following reasons for non-occupation of quarters :-

(i) Facility of road transportation by connecting this place to central part of Kanpur city, through roads and city bus service was not provided by the State Government.

(ii) After the decision of 4th Pay Commission regarding HRA slab, the attraction of residential accommodation had reduced.

Due to non-occupation of quarters allotted to the staff, 40 per cent (Rs. 57.87 lakhs) of the capital invested on construction of quarters remained idle. Besides, the Department was irregularly paying HRA amounting to Rs.24,600/- p.m. to staff who refused to occupy the quarter.

(B) At Agra

Sanction for the construction of staff quarters, 35 each at CTO compound at Foundry Nagar, was accorded by District Manager Telephones (DMT), Agra between October 1982 and September 1983 at an estimated cost of Rs.64.10 lakhs.

The construction of these quarters was completed between May 1985 and September 1985 at a cost of Rs.52.15 lakhs. The possession of quarters was, however, taken over by DMT Agra in August and September 1986. Advance action was required to be taken for providing water and electricity connections, so that the quarters could be available for occupation immediately after construction. But water and electricity connections in quarters at Foundry Nagar were provided in May 1986 and in CTO compound these facilities were not provided till January 1987. The position of occupation of quarters as on 30th

June 1987 revealed that 21 quarters were still vacant at CTO compound.

To augment water supply in CTO Compound, the DMT, Agra accorded approval for sinking of a tube well at an estimated cost of Rs.1.20 lakhs. In August 1984, the Director Remote Sensing Application Centre (RSAC) was requested to survey the feasibility of tube-well. As per report of RSAC (February 1985), the discharge of water at the site selected could not be expected much, but it could be utilised to augment the existing supply to some extent. The place suggested by RSAC was marked in the master plan for paly ground and it was not considered feasible to construct tube-well and pump house in the play ground. The site for the tube well was changed without obtaining any technical advice from RSAC as to the quantity and quality of water. The tube well was sunk at a cost of Rs.0.91 lakh in September 1986. The tubewell water was too hard and found to be not fit for drinking purposes. The tube-well and pump-house remained idle resulting in infructuous expenditure of Rs.0.91 lakh.

The matter was reported to the department on 27th July 1987 but no reply has been received (December 1987).

CHAPTER XII

OTHER TOPICS

50 Excess payment of Excise Duty and non-recovery of liquidated damages in purchase of testing instruments.

The Director General, Posts and Telegraphs placed an order on firm 'A' in April 1977, for supply of testing instruments costing Rs.11.04 lakhs for supply by September 1977. On the request of the supplier, the department extended four times the date of supply and the last such extension was granted upto March 1980. The department reserved the right to recover the liquidated damages and the extensions were conditional that no increase in price will be allowed on account of any statutory increase in or fresh imposition of Customs Duty, Excise Duty, Sales Tax etc. being admissible on such of the stores which were delivered after the stipulated date. Excise Duty was increased from 2 per cent to 5 per cent from March 1978 and further increased to 8 per cent from March 1979. The requests of Firm 'A' for payment of the enhanced Excise Duty was not accepted by the department and the General Manager, Technical and Development Circle (GMTD) Jabalpur was also asked to keep the position in view while releasing payments. The firm, preferred the bills charging the enhanced Excise Duty and the GMTD allowed the same ignoring the instructions of the department which resulted in excess payment of Excise Duty amounting to Rs.0.63 lakh to the firm.

As per terms and conditions of the purchase order, liquidated damages were leviable at one per cent of the value of stores ordered for each month of delay or part thereof subject to maximum of 5 per cent. The actual liquidated damages recoverable worked out to Rs.0.55 lakh. But the department decided in August 1982 to recover a token amount of Rs.0.06 lakh, on the ground that the department did not suffer any loss on account of belated supply of equipment and instructed the GMTD to recover the amount from pending bills of the firm. All bills had, however, been paid in August 1981 i.e. even much before the decision was taken to recover the liquidated damages. The firm refused to pay the liquidated damages and requested for waiver which was turned down by the department. The bank guarantee was also allowed to expire by not taking timely action to get the same extended.

Thus, failure of the department, resulted in an over-payment of Rs.0.69 lakh.

The matter was reported to the department in June 1987, but no reply has been received (September 1987).

51. Excess payment of Customs Duty and avoidable extra expenditure on wharfage and insurance charges.

A project for setting up of a mechanised modern foundry at

Kharagpur in replacement of existing old outmoded foundry in Telecom factory, Alipore was sanctioned in November 1981 by the Director General, Posts and Telegraphs (DGPT). The equipment was to be imported and cleared through Calcutta port.

I.(a) Excess payment of customs Duty: According to Customs Tariff Act 1975, stores imported for Central Government Department etc., were exempted from Customs Duty in excess of 40 per cent advalorem subject to the condition that the stores should be imported on the Trade Import Control Licence cleared by the Director General, Technical Development and registered with the Customs authority of the port through which the items would be disembarked as 'Project imports in terms of "Project Imports (Registration of Contracts) Regulation, 1965".

It was observed in Audit in December 1985 that the department paid Customs Duty in excess of 40 per cent for major part of the imported items without availing of the concession during 1982-83 and 1983-84 resulting in excess payment of Customs Duty amounting to Rs.23.55 lakhs. The matter for enfacing the licence as "Project import" was taken up with the Directorate only in May 1983. the licence was received back in September 1983 duly revalidated and embossed for Project Import and was registered with the Customs authorities as project import in February 1984.

Thus the department by delaying the registration of the contract as "Project contract" with the Customs authorities, had to incur Rs.23.55

lakhs towards excess payment of Customs Duty in respect of earlier consignments under this contract.

The department stated in October 1987 that "after registration under "Project Import", claims were preferred before Custom authorities for reassessment of 14 earlier consignments at concessional duty. The claims are pending before the Appellate Tribunal".

(b) Avoidable extra expenditure on wharfage and insurance charges.

According to the rules of the port authorities, the stores should be cleared within three days of arrival of the same at the port, failing which wharfage charges were leviable. However, the stores from the dock area were cleared in batches commencing from August 1984 and completed by September 1984. As a result of delay in shifting the stores, the department paid wharfage charges of Rs.5.04 lakhs to the port authorities. Further, due to delay in shifting the consignments, the insurance coverage was extended till such time they were transported to the new factory at Kharagpur and thereby, the department incurred an avoidable expenditure of Rs.4.16 lakhs towards insurance premium also.

The department stated in October 1987 that procedure for clearing the imported consignments was very lengthy and as such wharfage could not be avoided. The department further stated that due to labour problem at Kharagpur, the construction of the building was delayed which resulted in delay in shifting the equipment to factory and necessary insurance coverage had to be extended.

II. Loss of stores

The department was issued Import Trade Licence in May 1982 for import of equipment required for replacement of the existing old outmoded foundry at Kharagpur. The equipment reached Calcutta port between November 1982 and January 1984. It was observed in Audit in December 1985 that some stores packing, valuing Rs.20.25 lakhs were lost in transit before they were shifted to foundry site at Kharagpur. The claims were, however, lodged with the Insurance company without certificates of short landing and open delivery from the contractor, which were necessary to substantiate the claims. As a result, the claims amounting to Rs.20.25 lakhs have not been settled so far (October 1987).

The department stated in October 1987 that the short landing certificate for missing packing cases had been obtained from the Calcutta Port Trust authorities and handed over to the Recovery Agent engaged by the Insurance company.

52. Incorrect payment of service charges to local bodies.

The Ministry of Finance decided in 1954 to compensate local bodies for specific services, such as water drainage, scavenging and lighting but excluding educational, medical and public health services, rendered by them to the Central Government properties. The fair share of compensation payable by the Central Government Departments for the services rendered by local bodies was fixed (i) in 1954, in respect of each service where separate and distinct tax for

different services was provided and (ii) in 1967, for services where consolidated tax was levied by local bodies. The payment for these services rendered was held not as payment of taxes but as payment of compensation payable in quasi-contract.

It was noticed in Audit in February 1986 that in respect of Telecommunication building and quarters at Vizianagaram, the local body levied tax, termed as general tax, at 75 per cent of the property tax for the years from 1976-77 to 1981-82 and at 50 per cent thereafter instead of at 50 per cent for the entire period as the department was utilising the services provided by the local body partially. Apart from this, the department also paid educational tax and library cess which should not have been paid. The excess payment on these counts worked out to Rs.1.19 lakhs for the period from 1976-77 to 1985-86.

Similarly, in respect of three departmental buildings at Secunderabad, the department made excess payment of Rs.0.60 lakh towards service charges for the period from 1967-68 to 1982-83 due to wrong computation of service charges payable.

Thus, the department made excess payment of Rs.1.79 lakhs towards service charges to two municipalities.

The Department of Telecommunications stated in October 1987 that "after the excess payment was pointed out by Audit, the matter was taken up with the concerned Municipalities for refund/adjustment of the excess amount paid and

was still under correspondence with the local authorities (October 1987)".

53. Blocking of capital amounting to Rs.21.06 lakhs.

In April 1983, a project estimate for a 300 lines telex exchange in replacement of the existing 280 lines was sanctioned by the General Manager Telephones (GMT), Kanpur at a cost of Rs.53.69 lakhs.

The purchase order for the exchange equipment was placed on M/s Indian Telephone Industries Ltd., Bangalore by the Director General Posts & Telegraphs (DGPT), New Delhi in August 1983 and the equipment was received in March/April 1984 at a cost of Rs.21.06 lakhs as booked in the accounts.

The new exchange was to be installed in the ground floor of Trunk Automatic Exchange (TAX) building at Kanpur. But the equipment could not be installed at the TAX building as the accommodation earmarked for telex exchange was occupied by the Carrier and Voice Frequency Telegraphy (VFT) station which, in turn, was proposed to be shifted to an existing trunk exchange which too was to be shifted to TAX building. The shifting of trunk exchange could not be done for want of lifts which were to be provided by the civil wing in the extension portion of the building, which was under construction. The DGPT issued instructions in November 1985 for the diversion of 200 lines equipment to Hyderabad and 100 lines equipment to Pune. The equipment was diverted in January 1986 and April 1986

respectively. While 70 lines out of 100 lines equipment diverted to Pune was targeted for commissioning in September 1987, 200 lines equipment at Hyderabad was commissioned in March 1986.

Thus, due to lack of proper planning, not only was the capital amounting to Rs.21.06 lakhs blocked for about two years but Kanpur Telex was also deprived of the facility of a new system. In addition, avoidable extra expenditure was incurred on the diversion of equipment to Hyderabad and Pune.

The department stated in September 1987 that "the trunk exchange could not be shifted as per schedule and hence none of the other works in the chain could take place".

54. Avoidable expenditure on electricity charges to the Andhra Pradesh State Electricity Board

The maximum contracted demand for high tension electricity supply from the Andhra Pradesh State Electricity Board (APSEB) to the telephone exchange at Vizianagaram was 180 KVA till August 1978. Taking into account the various load factors including the commissioning of the air-conditioning plant and taking precautionary measures from imposing of penalty for consumption of electricity over and above the contracted demand and possible future cuts as a result of shortage of power the maximum contracted demand was got raised to 300 KVA for September/October 1978 and to 350 KVA thereafter. The power supply to the exchange was billed each month by the APSEB at 80 per cent of the contracted demand or the maximum demand recorded during

the month, whichever was higher.

It was noticed in Audit in February 1986 that during 6 year period from January 1980 to December 1985 for which information was available the recorded maximum demand was not more than 250 KVA per month. According to clause 26.8 of the terms and conditions of the agreement for supply of electricity by the APSEB, one year notice was required for the reduction of contracted maximum demand at any time after expiry of 4 years from the date of commencement of high tension agreement executed for a period of 5 years. The department failed to review the position in the light of the recorded demand which was not more than 250 KVA during the period from January 1980 to December 1985 to get the maximum contracted demand reduced even after completion of initial 5 year period as per terms and conditions of the agreement. On this being pointed out in February 1986 by Audit, the department took up the matter with the APSEB in March 1986 for reduction of maximum contracted demand to 250 KVA which was agreed to by the APSEB with effect from 10th March 1987. Department's failure in getting the contracted demand reduced to 250 KVA even after November 1983, i.e. after completion of initial 5 years period, resulted in avoidable expenditure of Rs.0.96 lakh for the period from November 1983 to February 1987 at the rate of Rs.2,400 per month.

While accepting the facts the Department of Telecommunications stated in July 1987 that if a periodical review of the maximum demand had been made, the contracted load could have been reduced in

1983. No system of such periodical review exists now. Necessary comprehensive instructions for carrying out an annual review of the maximum demand as also for the assessment of load factor will be prepared and issued.

It was further seen by Audit in August 1987 that even after reduction of maximum contracted demand to 250 KVA from March 1987, the maximum recorded demand was not exceeding 125 KVA per month.

55. Underutilisation of connectable capacity of Moradabad Telephone Exchange

The Director General, Posts & Telegraphs (DGPT), sanctioned in September 1979 a project estimate for the expansion of the Moradabad telephone exchange from 3900 to 4800 lines at an estimated cost of Rs.39.25 lakhs. The indent for supply of exchange equipment was placed on Indian Telephone Industries Limited, Bangalore in November 1979 for supply during 1979-80. The work was scheduled to begin in November 1979 and completed in February 1981, but installation of the equipment was commenced in June 1982 and completed in April 1983. Though the project was sanctioned by the DGPT in September 1979, the cable scheme was finalised only in September 1980 and the underground cables were indented in December 1982. The primary and secondary cables were received fully by October 1983 and the distribution cables were received in March 1984. The cable laying work which should have been started in June 1982 alongwith the installation of exchange equipment was actually started in February 1983 and completed in March 1984.

The indents for telephone instruments were released only in November 1982 and the same were received between September 1983 and March 1984.

By not taking action for procurement of cables and telephone instruments immediately after the project estimate was sanctioned by the DGPT in September 1979, the department could not release the new telephone connections to the subscribers on the waiting lists after the installation of exchange equipment in April 1983. This had not only resulted in potential loss of revenue to the extent of Rs.5.36 lakhs from October 1983 i.e. after 6 months from the commissioning of the exchange to February 1984, due to underutilisation of the connectable capacity of the exchange, but also deprived of the benefit of services to various applicants on the waiting list.

Accepting the facts and figures stated in the paragraph, the Department of Telecommunications stated in July 1987 that the six months period from March 1983 for achieving the prescribed norms should be considered after excluding the rainy season which lasts about four months in Uttar Pradesh. The contention of the department is not tenable in as much as the rainy season factor would have been duly taken into account by the department while allowing 6 months for achieving the optimum utilisation of the expanded capacity.

56. Underutilisation of expanded capacity of Jammu MAX-I unit-II

In order to cope with the growing demand for the new telephone connections at Jammu, the Director

General Posts and Telegraphs (DGPT) sanctioned in September 1980 a project estimate for expansion of one unit of Jammu MAX I from 3600 to 4800 lines at an estimated cost of Rs.60.06 lakhs. The proposed expansion was carried out in three phases and the indoor plants were commissioned as under :

3600 to 4000 lines on 23.3.1982
4000 to 4200 lines on 14.8.1982
4200 to 4800 lines on 27.4.1983

A scrutiny of records in Audit revealed the following :

(i) The project was sanctioned without fixing any target date of commissioning and

(ii) While the indoor plant was installed and commissioned in three phases as mentioned above, the detailed estimate for outdoor plants were not prepared simultaneously. Detailed estimates for cable component were sanctioned in June 1982 and indents for cable were released in July 1982. The cable laying work was started only in February 1983 when the first and second phases of expansion had already been commissioned in March and August 1982 respectively.

The department stated in October 1986 that abnormal delay in execution of the cable laying work was due to the following reasons :-

(i) Delay in granting permission for cutting of roads by the Public Works Department

(ii) Delay in procurement of bricks at controlled rates

(iii) Changes in certain specifications of underground cable

(iv) Defective execution of cable laying for want of tools during execution of the work.

As the department applied for road cutting permission only in October 1982, delay by the Public Works Department in granting road cutting permission cannot be accepted since by that time half of the expansion work had already been commissioned. No reason has been given as to why the department did not approach the Public Works Department for the permission for the road cutting earlier than October 1982. Similarly, the department approached the State Food and Supplies Department for the supply of bricks only in August 1982 and no reason was adduced for this delay.

Delay in execution of cable laying work had not only resulted in non-release of new connections to the intending subscribers on the waiting list but also led to loss of potential revenue of Rs.22.85 lakhs for the period from April 1982 to February 1985. The delay in execution also deprived the subscribers of the facilities of services created out of public money.

While accepting the delay in laying of underground cables, the department stated in October 1986 that the concerned General manager, Telecommunications had been instructed to be more careful in future.

57. Expansion of Jadavpur -Telephone exchange and loss of potential revenue

To meet the growing demands of telephone connections at Jadavpur (Caclutta), the Posts and Tele-

graphs Board sanctioned in March 1983 a project estimate for expansion of the existing telephone exchange from 5,000 to 6,000 lines at an estimated cost of Rs.116.41 lakhs. The expanded capacity of exchange was commissioned in April 1985.

A scrutiny of the records revealed that the exchange was not loaded as per the prescribed norms resulting in not only loss of potential revenue amounting to Rs.33.69 lakhs during 1985-86 and 1986-87 but also depriving telephone facility to nearly a thousand subscribers on the waiting list.

The main reasons for not releasing the new telephone connections were :

(i) Though the expanded telephone exchange was commissioned in April 1985, the detailed estimates for laying primary and secondary cables were sanctioned only in July and December 1985. The cable laying work was started in November 1985 and completed in February 1986 excepting 500 metres of 300 pair cable due to non-availability of cable. By the end of November 1986, 3.735 Kms of cable out of 3.775 Kms provided in the project had been laid.

While the department should have taken up cable laying work simultaneously with the installation of exchange expansion, the cable laying work was taken up 7 months after the commissioning of the exchange.

(ii) Advance action was required to be taken for the procurement of subscribers instruments but the detailed estimate in this regard

was sanctioned in December 1985 and indent was placed in January 1986 i.e. after 9 months of the commissioning of the expanded capacity.

The department stated in October 1987 that although cable plan was approved in April 1984, it had to be revised due to non-availability of the size of cable provided in cable plan. This resulted in delay in sanctioning of detailed estimate for cable. The department further stated that the utilisation of the Exchange capacity was 90.5 per cent of the equipped capacity in June 1987 and the General Manager, Calcutta Telephones was being addressed to ensure that the exchange capacity was utilised to the full extent without any further loss of time.

58. Delays in supply by Indian Telephone Industries

To meet its requirements of telephone exchange equipments (Strowger and Crossbar) and multiplexing equipments, the Department of Telecommunications places purchase orders on M/s Indian Telephone Industries Limited (ITI) a public sector undertaking. For the past few years, the Telecommunications Department had also been placing orders on ITI for supply of 2.6 Mega Hertz (MHz) Coaxial equipments, 2 Giga Hertz (GHz) and 7 GHz narrow band microwave equipments as well as 6 GHz wide band microwave equipments. ITI is the only manufacturer/supplier and the Department is entirely dependent on it for its requirements.

A test check in Audit of 51 projects/schemes executed by the

Department during the last five years in Andhra Pradesh, Orissa, Bihar, U.P., Rajasthan, Punjab circles and General Manager Projects, New Delhi revealed that there was abnormal delay in supply of exchange equipment ranging from 4 to 76 months in 22 cases as per Appendix VI.

Due mainly to delay in supply of equipment (and consequential delay in commissioning of the projects), the department had not only to pay price escalation but also sustained loss of potential revenue amounting to Rs.17.75 crores. Besides the public could not be provided with the promised facilities for the period the projects were delayed due to non-receipt of equipment.

Department of Telecom., while accepting the delay in supply of equipment by ITI stated in October 1987 that :

"..... ITI faces many problems including frequent power cuts, occasional trade union problems beyond their control frequent acute shortages of selected items and problem of quality in regard to raw materials, components and indigenously procured items Efforts have been made to improve the supplies and reduce the delivery spreads..... the Audit have brought out the various adverse effects of delays in completion of projects due to delays in supply of equipment. These are well taken. The Department continues its efforts to bring a closer coordination and effective monitoring to ensure that problems can be anticipated and action taken to remedy the same."

In this connection, it may be pointed out that ITI is under administrative control of Ministry of Communications itself. Such delays in supply of equipment could be minimised by effective coordination. It may be mentioned that

there was no clause for liquidated damages in the agreement entered into with ITI valid up to March 1986, on the contrary there was a provision for payment of price escalation during extended period of supply.

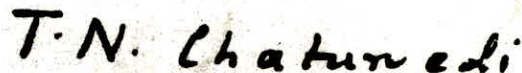


(S.C. SINGHAL)
Director of Audit
Posts and Telegraphs

Delhi

The 29 January 1988

Countersigned



(T.N. CHATURVEDI)
Comptroller and Auditor General
of India

New Delhi

The 2 February 1988

APPENDIX I

Growth of revenue of Postal Services under the various heads during the last five years indicating the increase (+) decrease (-) and the percentage increase over previous years in brackets.

(Referred to in paragraph 1.2 at page 6)

<u>Main Heads of Revenue</u>	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>
(i) Sale of Ordinary stamps	201.85	227.50 (12.7)	229.31 (0.08)	259.22 (13.04)	295.54 (14.01)
(ii) Sale of Service Stamps	29.18	32.88 (12.0)	33.11 (1.3)	30.90 (-)6.67	33.48 (8.28)
(iii) Postage realised in cash	66.78	72.68 (8.8)	77.55 (6.7)	78.42 (1.12)	88.07 (12.31)
(iv) Receipt on account of money orders and Postal Orders including forfeited Money Orders	44.04	49.03 (11.3)	54.77 (11.7)	56.37 (2.92)	65.80 (16.73)
(v) Other Receipts	36.16	52.65 (45.6)	49.67 (-)5.7	51.93 (4.55)	74.61 (43.67)
Total	378.01	434.54 (14.95)	444.41 (2.27)	476.84 (7.29)	557.48 (16.91)

APPENDIX II
STATEMENT SHOWING THE FLEET STRENGTH AND ITS UTILISATION
(Referred to in paragraph 4.4 at page 13)

S.No.	Particulars	Year	Names of Mail motor Service units											
			Ahmedabad	Bangalore	Bombay	Chandigarh	Delhi	Ernakulam	Hyderabad	Jaipur	Kanpur	Madras	Nagpur	Udaipur
1.	Average No. of vehicles held	1984-85	36	29	168	6	108	11.33	32	12	24	99	24	4
		1985-86	36	31	168	9	108	14	33	12	24	98	24	4
		1986-87	35	34	168	9	108	16	33	12	24	95	24	6
2.	Average No. of vehicles on Road	1984-85	31	25	136	5.26	89	8.33	28	7	12	83	22	3
		1985-86	31	27	144	7.4	89	9.59	29	7	10	82	22	3
		1986-87	30	29	147	7.2	95	12.22	30	7	14	79	22	4
3.	Percentage of utilisation	1984-85	86.11	86	80	87.66	82.5	73.52	87.5	58.33	54.54	84	91.67	75
		1985-86	86.11	87	85.71	82.22	82.5	68.50	87.9	58.33	47.62	84	91.67	75
		1986-87	85.71	85	87.50	80.00	85.9	76.38	90.9	58.33	66.67	83	91.67	66
4.	Kilometres covered (in lakhs):- (a) Gross	1984-85	6.86	7.94	28.75	1.72	32.30	2.54	5.75	2.20	2.94	19.16	3.42	0.54
		1985-86	6.93	8.34	29.29	1.88	30.20	2.85	6.07	2.22	2.64	18.79	3.48	0.41
		1986-87	7.20	8.95	NA	1.92	25.40	3.84	6.71	2.27	2.69	16.27	3.50	0.69
	(b) Effective	1984-85	6.84	7.94	28.75	1.72	30.62	2.51	5.54	2.20	2.44	19.16	3.42	0.54
		1985-86	6.93	8.34	29.34	1.88	28.52	2.81	5.86	2.22	2.34	18.79	3.48	0.41
		1986-87	7.20	8.95	NA	1.92	24.50	3.79	6.51	2.27	2.58	16.27	3.50	0.69
	(c) Dead	1984-85	--	--	--	--	1.68	0.03	0.21	--	0.50	--	--	--
		1985-86	--	--	--	--	1.68	0.04	0.21	--	0.30	--	--	--
		1986-87	--	--	--	--	1.40	0.05	0.20	--	0.11	--	--	--
5.	Percentage of dead Kms. to gross	1984-85	--	--	--	--	5.20	1.18	3.65	--	17.01	--	--	
		1985-86	--	--	--	--	5.20	1.40	3.46	--	11.36	--	--	
		1986-87	--	--	--	--	5.50	1.30	3.10	--	4.09	--	--	
6.	Loss on account of Dead kilometres (Rupees in lakhs)	1984-85	--	--	--	--	6.70	0.14	0.93	--	2.39	--	--	
		1985-86	--	--	--	--	7.66	0.19	1.03	--	1.55	--	--	
		1986-87	--	--	--	--	6.50	0.21	1.00	--	N/A	--	--	
7.	Average Kilometres covered per vehicle per day	1984-85	63.36	110	57.03	109.17	126	77.62	56.3	103.7	67.75	53.04	47.56	99
		1985-86	64.20	106	58.10	84.60	117	79.07	57.4	103.96	77.84	52.53	48.30	103.5
		1986-87	68.55	106	N/A	88.80	111	85.11	61.3	106.12	61.51	55.96	48.57	70.5
8.	Average operating expenditure per effective kilometre	1984-85	2.66	0.80	4.07	1.02	4.23	4.46	3.37	1.73	5.76	3.22	4.22	3.10
		1985-86	2.74	0.81	4.41	1.07	4.90	4.45	3.54	1.80	5.84	3.44	4.10	3.80
		1986-87	3.38	0.86	N/A	1.06	4.90	4.23	3.49	2.10	N/A	3.73	4.87	2.96
9.	Cost per gross kilometre operated (in rupees)	1984-85	3.87	3.84	5.68	1.02	4	4.00	4.43	2	4.78	4.82	5.80	3
		1985-86	3.97	3.96	6.23	1.07	5	4.00	4.89	2	5.17	5.09	6.01	4
		1986-87	4.72	3.68	N/A	1.06	5	4.00	5.00	2	N/A	5.48	6.79	3
10.	Cost per effective kilometre operated (in rupees)	1984-85	3.87	3.84	5.68	1.02	4	4.00	4.87	2	6.00	4.82	5.80	3
		1985-86	3.97	3.96	6.23	1.07	5	4.00	5.06	2	6.00	5.09	6.01	4
		1986-87	4.72	3.68	N/A	1.06	5	4.00	5.17	2	N/A	5.48	6.79	3
Total loss on account of dead Kilometres							Delhi	- Rs. 20.86 Lakhs						
							Ernakulam	- Rs. 0.54 Lakhs						
							Hyderabad	- Rs. 2.96 Lakhs						
							Kanpur	- Rs. 3.94 Lakhs						
							Total	Rs. 28.30 Lakhs						

APPENDIX III

STATEMENT SHOWING THE FUEL EFFICIENCY
(Referred to in paragraph 4.5 at page 14)

S.No.	Particulars	Year	Names of Mail Motor Service units											
			Ahmedabad	Bangalore	Bombay	Chandigarh	Delhi	Ernakulam	Hyderabad	Jaipur	Kanpur	Madras upto Feb.1987	Nagpur	Udaipur
1.	Average No. of fleet strength	1984-85	36	29	168	6	108	11.33	32	12	22	99	24	4
		1985-86	36	31	168	9	108	14	33	12	21	98	24	4
		1986-87	35	34	168	9	108	16	33	12	21	95	24	6
2.	Diesel consumed (in lakhs litres)	1984-85	0.80	0.99	5.29	0.27	5.02	0.35	0.75	0.29	0.32	3.18	0.50	0.06
		1985-86	0.77	1.01	5.21	0.28	5.28	0.38	0.79	0.30	0.29	2.87	0.42	0.06
		1986-87	0.82	1.15	5.30	0.27	4.90	0.50	0.78	0.31	0.39	2.70	0.44	0.09
3.	Kilometres covered (in lakhs)	1984-85	6.84	7.94	28.75	1.72	32.30	2.54	5.75	2.20	2.44	19.16	3.42	0.54
		1985-86	6.93	8.34	29.29	1.88	30.20	2.85	6.07	2.22	2.34	18.79	3.48	0.41
		1986-87	7.20	8.95	N/A	1.92	25.40	3.84	6.71	2.27	2.58	17.88	3.50	0.69
4.	Average kilometre per litre (KMPL)	1984-85	8.60	8.03	5.43	6.47	6.04	7.26	7.70	7.50	7.62	6.02	6.76	9.20
		1985-86	8.95	8.21	5.62	6.71	5.70	7.50	7.70	7.40	8.07	6.54	8.38	7.24
		1986-87	8.74	7.81	N/A	6.98	5.20	7.68	8.60	7.23	6.61	6.62	7.91	7.90
5.	Target fixed (average)	1984-85	--	4.5 to 8	No target fixed	6.60	No target fixed	8.77	9.50	7.71	No target fixed	8	13.17	7.71
		1985-86	--	8	-do-	6.34	-do-	9.18	9.50	7.71	-do-	8	13.17	7.71
		1986-87	10.86	9	-do-	6.54	-do-	9.33	9.50	7.71	-do-	8	13.17	7.71
6.	Shortfall in KMPL	1984-85	--	--	--	0.13	--	1.51	1.80	0.21	--	1.98	6.41	--
		1985-86	--	--	--	--	--	1.68	1.80	0.31	--	1.46	4.79	0.47
		1986-87	2.12	1.19	--	--	--	1.65	0.90	0.48	--	1.38	5.26	--
7.	Avoidable expenditure (Rupees in lakhs)		0.59	--	--	--	--	0.87	1.36	--	0.18	6.93	2.03	--

Grand Total : Rs. 11.96 Lakhs

APPENDIX IV
STATEMENT SHOWING THE MAINTENANCE EXPENDITURE
(Referred to in paragraph 4.6 at page 18)

S.No.	Particulars	Year	Names of Mail Motor Service units												
			Ahmedabad	Bangalore	Bombay	Chandigarh	Delhi	Ernakulam	Hyderabad	Jaipur	Kanpur	Madras (upto January 1987)	Nagpur	Udaipur	
1.	Total fleet strength	1984-85	36	29	168	6	108	11.33	32	12	22	99	24	4	
		1985-86	36	31	168	9	108	14	33	12	21	98	24	4	
		1986-87	35	34	168	9	108	16	33	12	21	95	24	6	
2.	Average vehicles on road	1984-85	31	21	133	5.26	89	8.35	28	7	12	83	22	3	
		1985-86	31	26	144	7.40	89	9.59	29	7	10	82	22	3	
		1986-87	30	28	147	7.20	95	12.22	30	7	14	79	22	4	
3.	Gross kilometres operated (in lakhs)	1984-85	6.8	7.94	28.75	1.72	32.30	2.54	5.75	2.20	2.94	19.17	3.42	0.54	
		1985-86	6.93	8.34	29.29	1.88	30.20	2.85	6.07	2.22	2.64	18.79	3.48	0.41	
		1986-87	7.20	8.95	N/A	1.92	25.40	3.84	6.71	2.27	2.69	16.27	3.50	0.70	
4.	Total expenditure on (Rupees in lakhs)	i) Petrol, oil, lubricants	1984-85	3.05	3.94	19.72	1.07	19.49	1.57	2.94	1.08	1.39	9.86	2.54	0.30
			1985-86	3.09	4.38	20.07	1.13	19.72	1.79	3.25	1.18	1.16	10.49	2.01	0.25
			1986-87	3.49	4.64	N/A	1.15	16.83	2.31	3.47	1.26	N/A	9.33	2.34	0.44
	ii) Spares	1984-85	1.76	1.42	17.49	0.37	13.80	0.81	1.05	0.16	1.29	7.54	1.46	0.23	
		1985-86	1.47	1.69	22.90	0.38	18.86	1.18	1.40	0.15	0.40	8.12	1.03	0.10	
		1986-87	2.39	1.84	N/A	0.44	14.22	1.08	1.23	0.17	N/A	7.13	1.33	0.11	
	iii) Tyres and tubes	1984-85	0.32	0.77	3.40	0.19	2.53	0.39	0.27	0.12	0.13	1.15	0.22	-	
		1985-86	0.21	0.22	4.25	0.18	5.23	0.25	0.14	0.10	0.03	1.32	0.07	0.02	
		1986-87	0.25	0.32	N/A	0.18	3.81	0.28	0.37	0.23	N/A	0.82	0.22	NIL	
	iv) Batteries	1984-85	0.11	0.22	0.60	0.04	0.82	0.05	0.14	0.02	0.07	0.39	0.07	0.01	
		1985-86	0.12	0.18	0.58	0.06	0.59	0.07	0.16	0.08	0.07	0.54	0.07	0.03	
		1986-87	0.20	0.16	N/A	0.02	0.61	0.14	0.19	0.04	N/A	0.38	0.14	NIL	
5.	Expenditure per km.	i) Petrol, oil, lubricants	1984-85	0.45	0.50	0.68	0.62	0.60	0.62	0.51	0.49	0.47	0.51	0.74	0.56
			1985-86	0.45	0.52	0.68	0.60	0.65	0.63	0.53	0.53	0.44	0.56	0.58	0.69
			1986-87	0.49	0.51	N/A	0.62	0.66	0.60	0.52	0.56	N/A	0.57	0.67	0.69
	ii) Spares	1984-85	0.26	0.18	0.61	0.22	0.43	0.32	0.18	0.07	0.44	0.39	0.43	0.42	
		1985-86	0.21	0.20	0.78	0.20	0.62	0.41	0.23	0.07	0.15	0.43	0.30	0.25	
		1986-87	0.33	0.20	N/A	0.23	0.66	0.28	0.18	0.07	N/A	0.43	0.38	0.17	
	iii) Tyres and tubes	1984-85	0.05	0.09	0.12	0.11	0.08	0.15	0.05	0.05	0.4	0.04	0.06	0.05	
		1985-86	0.03	0.02	0.15	0.10	0.17	0.08	0.02	0.05	0.07	0.07	0.0	0.05	
		1986-87	0.03	0.03	N/A	0.10	0.15	0.07	0.06	0.01	N/A	0.05	0.0	NIL	
	iv) Batteries	1984-85	0.02	0.02	0.02	0.02	0.03	0.02	0.02	0.01	0.02	0.02	0.02	0.01	
		1985-86	0.02	0.02	0.02	0.03	0.02	0.02	0.03	0.03	0.03	0.03	0.01	0.08	
		1986-87	0.03	0.01	N/A	0.01	0.02	0.03	0.03	0.02	N/A	0.02	0.04	NIL	
6.	Total cost of operation (Rupees in lakhs)	1984-85	18.22	6.35	114.13	1.67	129.41	11.18	26.98	3.80	14.05	92.28	14.48	1.37	
		1985-86	19.06	6.46	126.71	1.75	138.51	12.48	29.70	3.99	13.65	95.67	14.25	0.96	
		1986-87	24.39	6.96	N/A	1.80	118.33	16.00	33.72	4.76	N/A	89.08	17.05	1.43	
7.	Percentage of expenditure (item 4) to total cost of operation:	i) Petrol, oil lubricants	1984-85	16.77	61	17.27	64	15.1	14.05	10.88	28.50	9.89	10.69	17.50	21.72
			1985-86	16.23	67	15.84	64	14.2	14.39	10.94	29.55	8.53	10.97	14.12	26.33
			1986-87	14.31	66	N/A	64	14.2	14.43	10.28	26.44	N/A	10.48	13.73	30.67
		ii) Spares	1984-85	9.68	22	15.32	22	10.7	7.24	3.90	4.12	9.21	8.17	10.08	16.51
			1985-86	7.72	26	18.07	22	13.6	9.45	4.70	3.90	2.89	8.61	7.27	10.91
			1986-87	9.81	26	N/A	24	12.0	6.74	3.66	3.55	N/A	8.00	7.82	8.04
		iii) Tyres and Tubes	1984-85	1.75	13	2.97	11	1.9	3.50	1.02	3.04	0.90	1.25	1.50	1.85
			1985-86	1.11	4	3.35	10	3.8	2.01	0.49	2.46	0.24	1.38	0.98	2.26
			1986-87	1.02	5	N/A	10	3.2	1.77	1.10	4.77	N/A	0.92	1.26	NIL
		iv) Batteries	1984-85	0.62	4	0.53	2	0.6	0.49	0.51	0.45	0.49	0.42	0.49	0.66
			1985-86	0.63	3	0.45	4	0.4	0.54	0.52	1.93	0.53	0.56	0.47	3.55
			1986-87	0.85	3	N/A	2	0.5	0.89	0.58	0.98	N/A	0.43	0.82	NIL

APPENDIX V

Statement showing the manpower Utilisation
(Referred to paragraph 4.10 at page 10)

Sl. No.	Particulars	Year	Names of Mail Motor Service units											
			Ahmedabad	Bombay	Chandigarh	Delhi	Ernakulam	Hyderabad	Jaipur	Kanpur	Madras	Nagpur	Udaipur	
1.	Average No. of vehicles	1984-85	36	168	6	127*	11.33	32	12	22	99	24	4	
		1985-86	36	168	9	127	14	33	12	21	98	24	4	
		1986-87	35	168	9	127	16	33	12	21	95	24	6	
2.	Average vehicles on road per day	1984-85	31	136	5.26	106	8.33	28	7	12	83	22	3	
		1985-86	31	144	7.4	100	9.52	39	7	10	82	22	3	
		1986-87	30	147	7.2	112	12.22	30	7	14	79	22	4	
3.	Gross kilometres operated (in lakhs)	1984-85	6.84	28.75	1.72	32.30	2.54	5.75	2.20	2.94	19.17	3.42	0.54	
		1985-86	6.93	29.29	1.88	30.20	2.85	6.07	2.22	2.64	18.79	3.48	0.41	
		1986-87	7.20	N/A	1.92	25.40	3.84	6.71	2.27	2.69	16.27	3.50	0.69	
4.	No. of staff employed	i) Driver	1984-85	42	215	9	155	14	40	9	23	114	23	3
			1985-86	43	212	9	152	20	40	9	23	111	23	3
			1986-87	42	210	8	147	22	40	8	20	99	23	3
		ii) Workshop staff	1984-85	26	138	3	130	4	36	3	12	79	14	Nil
			1985-86	26	138	3	126	4	36	3	12	79	14	Nil
			1986-87	26	139	3	122	4	36	3	12	76	14	Nil
		iii) Administrative Staff	1984-85	21	56	6	66	14	25	1	7	46	15	1
			1985-86	21	55	6	64	14	25	1	7	45	15	1
			1986-87	20	56	5	65	14	25	1	7	42	15	1
		iv) Other categories	1984-85	7	51	3	41	4	5	Nil	4	24	24	Nil
			1985-86	7	51	2	41	4	5	Nil	4	18	24	Nil
			1986-87	7	50	3	38	4	5	Nil	4	22	24	Nil
5.	Number of staff per vehicle	i) Drivers	1984-85	1.17	1.27	1.5	1.2	1.24	1.25	0.75	1.05	1.15	0.96	0.75
			1985-86	1.19	1.26	1.0	1.2	1.43	1.21	0.75	1.10	1.13	0.96	0.75
			1986-87	1.20	1.25	0.9	1.16	1.38	1.21	0.66	1.05	1.04	0.96	0.50
		ii) Workshop staff	1984-85	0.72	0.82	0.50	1.06	0.35	1.12	0.25	0.55	0.79	0.58	--
			1985-86	0.72	0.82	0.33	1.00	0.29	1.1	0.25	0.57	0.80	0.58	--
			1986-87	0.74	0.82	0.33	0.96	0.25	1.1	0.25	0.57	0.80	0.58	--
		iii) Administrative staff	1984-85	0.58	0.33	1.00	0.5	1.24	0.88	0.08	0.32	0.46	0.62	0.25
			1985-86	0.58	0.33	0.67	0.5	1.00	0.76	0.08	0.39	0.46	0.62	0.25
			1986-87	0.57	0.33	0.55	0.5	0.88	0.76	0.08	0.33	0.44	0.62	0.25

APPENDIX-VI

Statement showing loss of potential revenue in respect of

Projects/schemes completed during the period 1981-82 to 1985-86
(Referred to in paragraph 58 at page 119..)

Sl. No.	Name of the Project/Scheme	Particulars of purchase order with date	Date of delivery	Date of receipt of main portion of consignment	Expected date of completion of project/scheme	Actual date of commissioning	Period of delay in commissioning	Loss of potential revenue (Rs. in lakhs)
1	2	3	4	5	6	7	8	9
<u>Andhra Telecom Circle</u>								
1.	Nacharam 1800 lines (New Tarnaka main)	13-23/78-MMC dated 9.2.1979	1979-80	February 1980 to 1984	March 1982	November 1982	8 months	42.60
2.	Nancharam 1800-2400 lines	13-23/78-MMC dated 27.11.1982	March 1983	July 1983 to March 1985	March 1984	February 1986	23 months	33.85
3.	Erragadda Hyderabad 600 lines expansion (2700-3300)	13-39/77-MMC/11 dated 25.8.1982	March 1983	November 1982 to April 1984	March 1984	March 1985	12 months	33.40
4.	Musheerabad 300 lines (6000-6300) expansion	13-19/81-MMC dated 31.12.1982	March 1983	October 1982 to January 1983	March 1983	September 1983	6 months	5.09
5.	Musheerabad 1800 lines expansion (6300-8100) (a) 6300-6900 cut over March 1985 (b) 6900-8100 February 1986	13-19/81-MMC dated 17.9.1982	March 1983	November 1982 to February 1985	March 1984	March 1985 and February 1986	23 months	100.00
6.	Saifabad II expansion 4000-5000 lines	14-6/80-MMC dated 16.6.1980	1980-81	December 1980 to October 1982	March 1982	June 1986	15 months	57.53
7.	Secunderabad-II 2000-3000 lines	14-24/80-MMC dated 13.1.1981	1980-81	February 1982 to March 1983	March 1982	September 1983	18 months	57.43
8.	Secunderabad -II	14-24/80-MMC	1983-84	November 1983	March 1985	March 1986	12 months	82.85

	3000-4500 lines	dated 6.4.1983		to March 1985				
9.	TAX exchange Hyderabad 2000-3000 lines	19-4-80-MMC dated 24.11.1980	1980-81	December 1980 to March 1983	March 1983	April 1984	13 months	734.47
<u>Orissa Telecom. Circle</u>								
10.	Expansion of Cuttack Cross-bar exchange from 5000 lines to 6000 lines	July 1980	1980-81	June 1982	July 1982	October 1983	15 months	14.80
11.	Installation of 1000 lines unit II cross-bar exchange at Cuttack	March 1983	1983-84	November 1986 to March 1987	November 1986	March 1987	4 months	4.75
12.	Expansion of Auto Telex exchange from 50 lines to 100 lines at Cuttack	February 1980	1980-81	1982-83	1981-82	March 1983	Nearly 24 months	3.18
13.	Installation of 1000 lines Digital TAX at Cuttack	February 1985	1985-86	Not completed by March 1987	June/July 1987	Not commissioned	--	--
14.	Expansion of Bhubaneswar cross-bar exchange from 6000 lines to 7000 lines	July 1983	1983-84	March 1985	March 1985	October 1985	6 months	8.01
15.	Expansion of Auto Telex exchange at Bhubaneswar from 100 lines to 150 lines	July 1982	1982-83	March 1984	January 1984	June 1984	5 months	1.16
General Manager (Projects) <u>New Delhi</u>								
16.	Janpath-Mehru Place Faridabad	MMCT/2113/79- 80/Feb.No.26-	March 1980	November 1984	June 1981	November 1984	53 months	The scheme was commi

-12 MHz

10/79-MMC
dt. 30.8.79

ssioned to
to improve
the quality
of existing
system.Loss
could not
be assessed.

17. Janpath- Ghaziabad 12 MHz	MMTC/2113/79- 80/Feb.No.26- 10/79/MMC dt 30.8.1979	March 1980	November 1984	March 1981	January 1984	34 months	The scheme was commi- ssioned to to improve the quality of existing system.Loss could not be assessed.
18. AgraMathura HathrasETHKSJ Ughani Badausi Bareilly 2.6 MHz	D.O.No. MMCT/ 2085/77 Feb 262/77MMC dt. Dec. 77	March 1978	July 1986	197980 March 1980	November 1985, July 1986	76 months	558.78
19. HPRBRLM 12 MHz	PO. No.MMCT 2085/77 file No.262/77MMC dt.1.12.1977	March 1978	February 1984	197980	June 1984	51 months	The scheme was commi ssioned as as Hot standby.
<u>Bihar Telecom. Circle</u>							
20. Expansion of Muzaffarpur MAX I from 2700 lines to 3300 lines	20367/73TPS (EA) dt.17th Aug. 1978	197980	March 1983	197980	March 1983	36 months	19.57
21. Expansion of Muzaffarpur MAX I from from 3300 lines to 3600 lines	1367/81 MMC dt. 20.1.82	198283	198384 (January 1984)	December 1981	March 1984	27 months	7.10
22. Expansion of Muzaffarpur	1362/81MMC dated 27.11.1982	198283	March 1985	December 1983	March 1985	15 months	10.66
						Total	1775.23