

OVERVIEW

This Report contains significant audit findings which arose from the Compliance Audit of the Ministry of Communications (MoC) and Ministry of Electronics & Information Technology (MeitY) and the Departments/Public Sector Undertakings under these Ministries. It contains four chapters. Chapter I gives audited entity profile, analysis of expenditure, financial performance of the Ministry/departments and Follow up on Audit Reports. Chapters II, III and IV respectively relate to the audit findings/observations arising from audit of Department of Posts under MoC, MeitY and Public Sector Undertakings under these Ministries.

Some of the important findings in the Report are given below:

Chapter- II Ministry of Communications -Department of Posts (DoP)

Functioning of Mail Motor Service in DoP – Follow up Audit

Para 3.1 of Report No. 2 of 2003 on the Functioning of Mail Motor Service (MMS) pointed out that prescribed norms of daily coverage and deployment, non-disposal of condemned vehicles, etc. were not being adhered to. Ministry in their Action Taken Note (ATN) had stated that suitable instructions had been issued to strictly follow the guidelines. Despite the assurances given in the ATN, the irregularities were still persisting which goes to show that remedial and corrective measures had not been fully implemented. There were repetitive instances of non-adherence of the prescribed norms of daily coverage and deployment, absence of norms to control fuel consumption, continued deployment of condemned vehicles for want of timely replacement, omissions and deficiencies in maintenance of proforma accounts, etc. Further, out of the 795 Global Positioning System (GPS) procured for installation in the MMS vehicles, 457 devices were not functioning.

(Paragraph 2.1)

Irregular parking of funds and consequential loss of interest

Director of Accounts (Postal), Cuttack did not claim interest of ₹ 64.07 crore from State Bank of India for delay in remittance of Government money. Besides, ₹ 485.61 crore was allowed to be irregularly retained in a current account opened in violation of RBI guidelines.

(Paragraph 2.2)

Loss of Revenue on Non-Registered Newspapers

Newspapers not registered with Registrar of Newspapers in India were irregularly allowed to avail of concessional tariff which resulted in loss of revenue of ₹ 2.45 crore in four Postal Circles viz. Karnataka, Maharashtra, Tamil Nadu and Gujarat even after assurances given by DoP in April 2013.

(Paragraph 2.3)

Chapter- III Ministry of Electronics and Information Technology (MeitY)

Locking up of funds and unfruitful forex outgo

Non-compliance with provisions of General Financial Rules while releasing Grant-in-Aid of ₹ 53.91crore to Kerala Medical Services Corporation Limited and Geo Spatial Delhi Limited coupled with inadequate monitoring of the projects resulted in delay in completion of the projects, blocking of funds and unfruitful foreign exchange outgo towards interest and commitment fee to the tune of ₹ 2.62 crore.

(Paragraph 3.1)

Chapter-IV Public Sector Undertakings under the Ministries

Ministry of Communications

Performance Audit on Wireline Broadband Services in Bharat Sanchar Nigam Limited

The Company, despite having 50 *per cent* of its wireline broadband capacity lying unutilized, went into unwarranted augmentation of capacity. In procurement, there were instances of non-ensuring of supplies in a timely manner, extending undue favour to vendors, etc. As regards compliance with Telecom Regulatory Authority of India (TRAI) parameters on Quality of Services (QoS), there was scope for further improvement on part of the Company. Issues relating to maintenance of the broadband equipment such as delay in entering into Annual Maintenance Contract (AMC), non-levy of penalty on defaulting vendors, etc. hampering quality of broadband services were also noticed. In spite of the fact that Broadband being a prominent segment, the Company did not specifically focus on promotion and marketing of broadband services. Despite identifying the reasons for heavy disconnections through a survey, the company failed to address the causes and prevent further disconnections. There were indications to show that the tariff planning was not aligned to consumer behaviour and extant guidelines of the Company which may lead not only to non-retention of existing consumers but also non-expansion of existing consumer base. The social objective of providing broadband connections in rural areas and colleges under various Government schemes were also not met.

(Paragraph 4.1)

Ministry of Electronics and Information Technology

Unfruitful expenditure of ₹ 15.54 crore on hiring of building and interior fit-outs

Due to awarding the work without following the due procedures and its subsequent cancellation, delay in submission of layout plans to Delhi Metro Rail Corporation (DMRC) and delay in approval of plans by DMRC, the building hired by National Informatics Centre Services Inc. could not be put to gainful use. As a result, the expenditure of ₹ 15.54 crore on payment of rent till December 2016 was rendered unfruitful.

(Paragraph 4.4)

