CHAPTER IV : MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY

Department of Posts

4.1 Organisational set-up and Financial Management

4.1.1 Functions of the Department

The basic functions of the Department of Posts (DoP) include collection, processing, transmission and delivery of mail, sale of stamps and postal stationery, booking of registered, insured, and value payable articles, money orders, parcels etc.

DoP also discharges certain agency functions on behalf of other ministries and departments, namely Postal Savings Bank, other small savings schemes, Postal Life Insurance, Public Provident Fund Scheme, National Savings Certificate, collection of customs duty on articles sent by post from abroad, booking, transmission and delivery of telegrams, disbursement of pension to military and railway pensioners, disbursement of family pension to families of coal mine employees and industries covered by the Employees Provident Fund Scheme.

4.1.2 Organisational set-up

The management of the Department vests with the Postal Services Board. The Board, headed by a Chairperson, has three Members holding the portfolios of Operations, Infrastructure and Financial Services and Personnel. The Chairperson is also the Secretary to the Government of India in DoP. The Board directs and supervises the management of postal services throughout the country with the assistance of Deputy Directors General in the Directorate General of Posts. The Business Development Directorate (BDD) was set up in 1996 to ensure focused management of value added services viz., Speed Post, Speed Post Passport Service, Business Post, Express Parcel Post, Media Post, Meghdoot Post card, Greeting Post, Data Post, E-Bill Post and E-Post.

The department has 22 Postal Circles which are divided into 34 Regional offices, controlling 441 Postal Divisions and 70 Railway Mail Service Divisions. There is also a Base circle to cater to the postal communication needs of the Armed Forces. The staff strength of the department as on 31 March 2004 was 5.49 lakh with 2.51 lakh departmental employees and 2.98 lakh extra departmental employees.

4.1.3 Postal Traffic

The projected traffic for unregistered mail was calculated by the Department on the basis of assessed traffic for the last two years. The assessed traffic was always based on revenue earned. According to information furnished by the Department, the volume of traffic projected and assessed during the years 2001-2004 in respect of classical services such as sale of post cards, letter cards (inland), money orders, insurance, etc. was as shown in the table below:

Postal Traffic

(A) Unregistered mail *(Rupees in lakh)*

Sl. No	Item	2001-02		2002-03		2003-04	
		Projected	Assessed*	Projected	Assessed*	Projected	Assessed*
1.	Post cards	2878.5	1933	1933.02	2290.06	2551.11	2706.81
2.	Printed Post cards	1420.5	1005	1005.10	420.55	468.49	816.08
3.	Letter cards (Inland)	4569.0	3295	3294.79	2939.60	3274.69	2809.93
4.	Newspapers						
	Single	1071.5	731	730.91	531.87	592.50	811.83
	Bundle	198.0	181	180.60	322.41	359.16	82.84
5.	Parcels	695.5	643	642.94	479.45	534.10	409.92
6.	Letters	9352.5	5403	5403.42	4370.98	4869.23	3720.97
7.	Book packets	988.0	699	699.22	600.70	669.17	747.50
8.	Printed books	193.5	259	258.99	227.87	253.85	175.76
9.	Other periodicals	152.0	187	186.74	233.76	260.41	199.95
10.	Acknowledgement	399.5	324	324.44	279.61	311.48	637.45

* Based on revenue collection

(B) Registered mail and others *(Rupees in lakh)*

Sl. No	Item	2001-02		2002-03		2003-04	
		Projected	Actual	Projected	Actual	Projected	Actual
11.	Money Orders (MOs)	1230.5	1099	1067.31	1095.82	1165.01	1136.55
12.	Insurance	93	88	88.26	87.18	97.12	95.59
13.	Value payable letters and parcels	91.5	93	92.86	170.44	189.87	100.43
14.	Registered letters and parcels	2375.5	1961	1960.85	2004.50	2233.00	1923.61

4.1.4 Earnings from Postal Services and their costs

The Department's net overall loss of Rs. 1162.21 crore on postal services, including speed post, during 2003-2004 was lower by Rs. 11.32 crore (one *per cent*) as compared to the net loss suffered during 2002-2003. Out of 20* revenue earning services, only five services viz., Letters, Other periodicals, Insurance, Competition Post cards and Foreign mail showed a gain in the year 2003-04 whereas the remaining 15 services continued to sustain loss.

* Post cards, Letters, Registration, Letter cards (Inland), Money orders, Newspapers (single), Newspapers (bundle), Indian Postal Orders (IPOs), Printed Postcards, Value payable Post, Other periodicals, Acknowledgements, Book Pattern and Sample Packets, Telegraphic MOs, Printed books, Insurance, Parcels, Competition Post cards, Speed post and Foreign mail

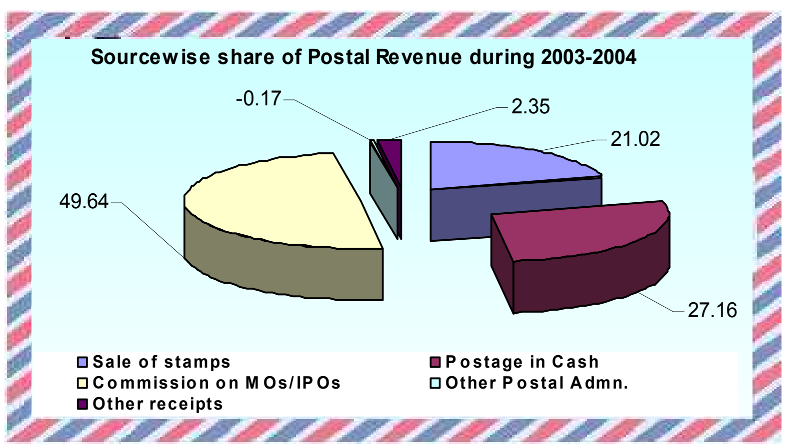
The comparative position of the net losses incurred by the Department on various postal services, including Speed Post, during the period 1999-2004 was as under:

The net loss on postal services increased by 17 *per cent* as compared to 1999-2000 but decreased by only one *per cent* compared to the previous year.

Revenue realisation and Revenue Expenditure

4.1.5 Revenue

The four major revenue earning groups of services viz., sale of stamps, commission on MOs/IPOs, postage in cash and other receipts generated a revenue of Rs. 4,257 crore during the year 2003-04. Sourcewise share of postal revenue is shown in the chart below:



4.1.6 Revenue Expenditure

The revenue expenditure on pay and allowances, conveyance of mail, printing of stamps, post cards and stationery, etc., during 2003-04 was as shown in the table below:

Revenue expenditure

(Rupees in crore)

Category	2003-04	Percentage of total expenditure
(a) Pay and allowances, contingencies, interim relief, etc.	4192.89	73.09
(b) Pensionary charges	1107.02	19.30
(c) Stamps, post cards etc.	33.60	0.59
(d) Stationery and Forms printing etc.	35.54	0.62
(e) Conveyance of mails (Payments to railways and air mail carriers)	189.35	3.30
(f) Other expenditure	177.66	3.10
Total	**5736.06**	

The net revenue budgetary support, which was worked out by deducting receipts of Rs. 4,256.93 crore and recoveries of Rs. 103.91 crore from the gross revenue expenditure of Rs. 5,736.06 crore, was Rs. 1,375.22 crore in 2003-04.

4.2 Non-realisation of service tax

Failure to levy service tax on telegraph receipts in terms of the provisions in the Finance Act 2001, resulted in non-recovery of service tax and interest thereon amounting to Rs. 66.94 lakh in 20 postal circles.

The Finance Act, 2001, imposed service tax of five *per cent* with effect from July 2001 on services provided by telegraph authorities in relation to leased circuits, telegraph, telex and facsimile communications. Further, interest @ 24 *per cent per annum* was also chargeable for delayed payment of service tax. The tax was raised to eight *per cent* with effect from May 2003 under the Finance Act 2003.

Audit scrutiny relating to telegraph receipts revealed that service tax was not levied on telegraph services in 20 postal circles during the period July 2001 to March 2004, resulting in non-realisation of revenue, aggregating to Rs. 49.61 lakh as below:

Name of the circle	Amount of Service Tax not realised (Yearwise & Circle wise)			
	2001-02	2002-03	2003-04	Total
KERALA	69451	76144	60466	206061
CHATTISGARH	15874	19820	20945	56639
TAMIL NADU	359389	341324	314150	1014863

Name of the circle	**Amount of Service Tax not realised (Yearwise & Circle wise)**			
	2001-02	**2002-03**	**2003-04**	**Total**
HIMACHAL PRADESH.	48946	56363	56653	161962
MADHYA PRADESH	18995	19199	21466	59660
UTTRANCHAL	8232	10393	8469	27094
GUJARAT	46278	142465	134792	323535
UTTAR PRADESH	0	8292	9845	18137
KARNATAKA	146816	133987	173524	454327
DELHI	4252	5840	14233	24325
ORISSA	12611	38993	35414	87018
ANDHRA PRADESH	33673	77327	57045	168045
ASSAM	10695	10999	11682	33376
BIHAR	39633	61296	0	100929
JAMMU &KASHMIR	15228	17953	8352	41533
PUNJAB	71996	82193	31998	186187
HARYANA	22422	27064	44218	93704
RAJASTHAN	70337	68255	69982	208574
WEST BENGAL	76109	81610	62463	220182
MAHARASHTRA	374993	500429	599691	1475113
TOTAL	**1445930**	**1779946**	**1735388**	**4961264**

Further, interest of Rs. 17.33 lakh on service tax non-realised was also not recovered.

After this was pointed out by Audit, Department of Posts (DoP) stated in August 2004 that

- the levy of service tax on telegraph receipts was not communicated by BSNL/MTNL who were the service providers for this service, to the Headquarters of DoP nor to any of the postal circles. Therefore, the post offices doing the work could not collect the service tax.

- However, DoP of its own took a decision to advise the circles to collect service tax at the rate of eight *per cent* with effect from April 2004.

The Postal Directorate, while accepting the facts, expressed their inability to confirm the figures, pending verification and confirmation from the circles.

The reply of the Department of Posts reflects on the absence of internal control and the lack of seriousness on the part of the apex body of the Government in addressing the issue, especially where it involved loss of revenue to the Government exchequer with no prospects of recovery from the public in general at this stage.

The matter was referred to the Ministry in October 2004; its reply was awaited as of December 2004.

4.3 Irregular opening of time deposit accounts

Three Head Post Offices in Delhi Postal circle opened time deposit accounts in favour of institutions/associations in contravention of rules and allowed irregular payment of interest of Rs. 41.24 lakh.

Post Office Time Deposit rules provide that institutions are not allowed to open post office time deposit accounts effective from 1 April 1995. Orders state that in case of any irregularity in this regard, action should be taken against erring officials.

During test check of records (April and May 2004) in respect of three Head Post Offices (HPOs) in Delhi Postal Circle, audit noticed that colleges and associations had been allowed to open time deposit accounts during the period 1999-2000 to 2003-2004, contrary to the provisions. These accounts were also allowed interest of Rs. 41.24 lakh which was irregular as detailed below:

(Rupees in lakh)

Sl. no.	Name of HPO	Total no. of accounts	Amount of investment	Amount of interest paid
1	Krishna Nagar	13	43.36	0.70
2	Indraprastha	2	13.00	2.31
3	Lodhi Road	43	939.00	38.23
	Total		**995.36**	**41.24**

On this being pointed out, Indraprastha HPO stated that notices had been issued to the concerned associations to deposit the interest and the matter was also being taken up with higher authorities for regularisation. Lodhi Road HPO confirmed the facts and the reply from Krishna Nagar HPO was awaited.

The matter was referred to the Ministry in August 2004; its reply was awaited as of December 2004.

4.4 Irregular payments against recurring deposit accounts

Head Postmasters of two Head Post Offices in Rajasthan Circle and one Head Post Office in Chattisgarh Circle allowed irregular payment of Rs. 32.43 lakh during 2002-03 in contravention of Post Office Savings Bank General Rules.

Post Office Savings Bank General Rules, 1981 and Rule 6(4) thereof provided that a withdrawal from a recurring deposit account opened on behalf of a minor or a person of unsound mind should be permitted to the guardian only on production of a necessary certificate to this effect.

Audit, however, noticed that the Head Postmasters of the Barmer and Jodhpur Head Post Offices under the Rajasthan Circle and the Head Postmaster, Durg Head Post Office under the Chattisgarh Circle, allowed payment of Rs. 32.43 lakh in 197 cases during 2002-03 to persons other than guardians. No certificate was produced. This led to irregular payment to that effect.

In reply to an audit observation, the Postmaster, Jodhpur stated that action would be taken as per rules and instructions had been issued to the Sub Postmaster not to make payments without obtaining the requisite certificates. Postmaster, Barmer stated that payments on this account had been stopped with immediate effect and action was being taken to bring it to the notice of the higher authorities. Post Master, Durg stated that the cases would be taken up with higher authorities for recovery.

The matter was referred to the Ministry in August 2004; its reply was awaited as of December 2004.

4.5 Non-recovery of cost of stores issued to the Telecom Department

Non-observance of codal provisions in charging for materials supplied to BSNL resulted in non-realisation of dues to the tune of Rs. 30.89 lakh.

Rules provide that charges for services rendered or articles supplied by a Public Works Division to any other Department should be paid for by cheques or bank drafts by the concerned Department. These rules apply to Postal Civil Wing.

Audit scrutiny in January 2004 in the Postal Civil Division, Kerala Postal Circle revealed that 234 MT of cement and 161 MT of steel worth Rs. 30.89 lakh had been issued on loan basis to various BSNL units, during the period 1991-92 to 2001-02. No settlement/payment had been received by the Postal Civil Division for these supplies as of October 2004.

On this being pointed out, the Chief Postmaster General, Kerala Circle stated (October 2004) that the case had been taken up with the Chief General Manager Telecom, Kerala Circle, Thiruvananthapuram.

Thus the failure to follow the codal provisions resulted in non-recovery of Rs. 30.89 lakh, being the cost of materials issued to DoT/BSNL during 1991-92 to 2001-02.

The matter was referred to the Ministry in December 2004; its reply was awaited as of December 2004.

4.6 Non deduction of service charges on silent accounts

Failure of the Department to levy service charges on accounts treated as silent accounts prior to March 2002 resulted in non-credit of service charges to the tune of Rs. 24.43 lakh.

Post Office Savings Account Rules, 1981 stipulate that an account, in which a deposit or withdrawal has not taken place for three complete years, shall be treated as a silent account. Rules further provide that in respect of a silent account having a balance below the stipulated amount of Rs. 50, a service charge of Rs. 20 shall be deducted on the last working day of each financial year with effect from 31 March 2003. After deduction of the service charge, if the balance becomes nil, the account would stand automatically closed. The service charge so deducted, will be credited into departmental accounts as Unclassified Receipt on the last working day of every financial year. Further, it was clarified by the Department of Posts in December 2003 that for the purpose of levying the service charge, an account which was declared as silent prior to 31 March 2003, would require to be technically revived.

Audit scrutiny of records in eight Head Post Offices (HPO)/General Post Offices in the Maharashtra and Tamil Nadu Postal Circles revealed that service charges aggregating Rs. 24.43 lakh in respect of 62493 silent accounts declared as such prior to 31 March 2002 were not deducted for the periods ending 31 March 2003 and 31 March 2004.

After this was pointed out by Audit, the Chief Post Master General, Tamil Nadu Circle replied in April 2004 that instructions had been issued to levy the service charges on accounts treated as silent prior to 31 March 2003. The Post Master of Paratwada HPO, under the Maharashtra Circle stated in November 2004 that in respect of 9023 accounts, service charges of Rs. 2.89 lakh had been recovered. In respect of Chalisgaon HPO, also under the Maharashtra Circle, the Post Master stated in July 2004 that necessary service charges would be deducted and intimated to Audit.

Thus the failure of the Department to levy service charges on accounts treated as silent accounts prior to March 2002 had resulted in loss of revenue to the tune of Rs. 24.43 lakh.

The matter was referred to the Ministry in October 2004; its reply was awaited as of December 2004.

4.7 Irregular payment of interest on Public Provident Fund

Failure of five Head Post Offices (HPOs) in observance of the Public Provident Fund (PPF) rules resulted in irregular payment of interest of Rs 19.08 lakh on the PPF Account.

The Public Provident Fund (PPF) Scheme, 1968 provides that an individual may make a maximum subscription of Rs 70000 (Rs 60000 prior to 15 November 2002) in a year. Contribution in excess of the limit will be treated as irregular subscription and will be refunded to the subscriber without any interest. Further, the subscriber has to apply for opening an account under the PPF scheme in prescribed format giving the details of other PPF accounts opened by him with a declaration to the effect that in the event of the deposits made in excess of the prescribed limit no interest shall be payable.

The rules also stipulate that PPF accounts can be closed on maturity i.e. after the expiry of 15 years from the date of close of the financial year in which the initial subscription was made. The subscriber can continue to subscribe to the scheme for one or more further blocks of five years. For this, he has to exercise his option within one year from the date of maturity. In case he fails to exercise his option and continues to make deposits, they will be treated as irregular deposits and will not carry interest.

Scrutiny of the records of two Head Post Offices (HPOs) in Delhi Circle and three HPOs in Uttar Pradesh Circle during April-July 2004 revealed that :

- The HPOs had allowed opening of 36 PPF accounts without obtaining declaration to the effect that they would not be eligible for payment of interest on amount deposited beyond the permissible limit and paid interest of Rs 12.31 lakh irregularly on the amount deposited in excess.
- Two of these HPOs had entertained deposits beyond the maturity date without receipt of the option and allowed irregular payment of interest of Rs.6.77 lakh on 18 PPF accounts.

The lapses resulted in total irregular payment of Rs 19.08 lakh towards interest.

The HPOs accepted the audit findings and stated that action would be taken to effect recovery, and to obtain necessary declaration about non-payment of interest on the amount exceeding the permissible limit. In cases, where interest was paid beyond the maturity date, HPOs stated that action would be taken to debit the interest amount to their ledger balance and refund the balance to the concerned depositor.

The recovery particulars were awaited.

The matter was referred to the Ministry in August 2004; its reply was awaited as of December 2004.

4.8 Irregular payment of interest on accounts opened in contravention of rules

Failure of Postmaster Hoshangabad in Madhya Pradesh Circle to adhere to the rules relating to opening of "Official capacity accounts" resulted in irregular payment of interest of Rs. 18.41 lakh.

The Post Office Savings Accounts Rules 1981 provide for the opening of an official capacity account by a gazetted government officer or an officer of a Government company/corporation, Reserve Bank of India, local authority or a receiver appointed by a court. They are required to furnish a certificate to the effect that the money is the property of the persons or bodies on whose behalf the account is to be opened. The rules do not permit opening of such accounts for keeping government money. Any such account opened in contravention of rules should be closed without payment of interest. The Director General of Posts reiterated the instructions in July 1987.

Audit scrutiny of records of the Postmaster, Hoshangabad in Madhya Pradesh Circle, during August 2002 revealed that the Postmaster permitted the opening and operation of two Official Capacity Accounts by the Collector/District Planning Officer in respect of the Vidhayak Nidhi/Sansad Nidhi during the period 1995-96 to 1996-97 in contravention of rules. This resulted in irregular payment of interest amounting to Rs. 18.41 lakh.

After this was pointed out by Audit, the Ministry replied in January 2005 that the interest allowed on the accounts had since been recovered and no further deposits were being allowed in these accounts.

Department of Telecommunications

4.9 Background

In 1948, India had only 0.1 million telephone connections with a telephone density of about 0.02 per hundred population. Since then, the number of telephone connections has risen to 76.5 million with a telephone density of 7.02 telephones per hundred populations by 31 March 2004.

4.9.1 Administration and Control

The Telecom Commission, set up in July 1989 has the administrative and financial powers of the Government of India to deal with the various aspects of telecommunications. The Telecom Commission and the Department of Telecommunications (DoT) are responsible for policy formulation and administration of Public Sector Undertakings (PSUs) engaged in telecommunication services and international relations.

DoT was manned by 1817 officers/officials (Group A- 132, Group B- 705, Group C -755 and Group D -225) as on 31 March 2004.

4.9.2 Development in the telecom sector

The process of entry of private operators in providing telecommunication services in India commenced in 1992. Apart from privatising basic telephone services, Government also decided to introduce a number of value added services through private operators, such as cellular mobile telephones, radio paging, e-mail, internet, closed user groups (CUG), etc., which added to the value of the existing basic telephone services. The share of the private sector in the total number of telephones increased from 21 *per cent* as on March 2003 to 39 *per cent* as on March 2004.

Entry of private service providers brought with it the inevitable need for independent regulation. The Telecom Regulatory Authority of India (TRAI), was, therefore, established with effect from 20 February 1997 by an Act of Parliament called the TRAI Act, 1997, to regulate the telecom services. The TRAI Act was amended by an ordinance effective from 24 January 2000, separating the adjudicatory and dispute functions from TRAI by establishing a Telecommunications Dispute Settlement and Appellate Tribunal (TDSAT). TDSAT adjudicates any dispute between a licenser and a licensee, between two or more service providers and between a service provider and a group of consumers. It also hears and disposes of appeals against any direction, decision or order of TRAI.

4.10 Loss of interest on belated realisation of licence fee and royalty charges and non realisation of licence fee for VSAT systems and dedicated radio links

Failure of the Controller of Communication Accounts, Mumbai and the Chief General Manager, Kerala Telecom Circle to collect licence fees and royalty for privately owned VSAT systems and dedicated radio links led to non-realisation of an amount of Rs. 9.11 crore and loss of interest of Rs. 1.44 crore.

The Department of Telecommunications (DoT) is empowered to issue "No Objection Certificates" (NOCs) and licences for operation and maintenance of captive Very Small Aperture Terminals (VSAT) and dedicated Radio/Optical Fibre Cable (OFC) links by private parties. The licence fees are due from the date of commissioning of the system or after 18 months of the date of issue of licences, whichever is earlier. The Department is to recover licence fees in advance for the subsequent periods and the recoveries can be effected in equal quarterly instalments. DoT nominated Heads of Telecom circles as controlling and billing authorities for realisation of licence fees. After corporatisation of telecom services into BSNL, nomination of the controlling and billing authorities continued in the same way till 2002. DoT decided in January 2003 that the Controller of Communication Accounts (CCA) would be the controlling and billing authority for the respective circles instead of Heads of Telecom Circles and would collect all relevant records and data from the Heads of the circles /Chief General Manager (CGM), Mahanagar Telephone Nigam Limited (MTNL).

Audit scrutiny revealed loss of interest on belated realisation of licence fees and royalty charges for the privately owned VSAT systems and dedicated radio links in one case and non realisation of licence fees in another case as detailed below:

Case I

Audit scrutiny of the records of the General Manager (Leased Circuits) under MTNL Mumbai in July 2003 revealed that the CGM MTNL, Mumbai collected licence fees and royalty of Rs. 8.85 crore for the period from December 1999 to March 2004 in respect of the dedicated hub and private VSAT network provided to Reliance Industries Limited (RIL) and the Bombay Stock Exchange (BSE) and booked the collection in MTNL accounts as income from MTNL services, instead of remitting it to DoT. After this was pointed out by Audit in August 2003, the Deputy Controller of Communication Accounts, Maharashtra Circle stated in April 2004 that the amount of Rs. 8.85 crore had been remitted by MTNL in March 2004. This resulted in loss of interest of Rs. 1.44 crore, calculated conservatively at 8 *per cent*, the minimum of the rates applicable for delayed remittances of Government receipts by banks into the Government account, for the period from the dates of realisation of the amounts from RIL and BSE till March 2004 i.e., the dates of remittance to DoT.

Case II

Audit scrutiny of records of Telecom District Manager Kavaratti revealed that the Police Department of Union Territory of Lakshadweep was issued NOC for establishment and operation of UHF system in April 1998. The system with eleven stations in ten islands of Lakshadweep was commissioned in April 1999 and from that date licence fees became payable. As per the NOC, Chief General Manager Telecom Kerala Telecom circle was the billing and controlling authority for the system and was responsible for collection of licence fees as per rate prescribed. However, the circle had neither issued demand notes nor realised the licence fees in respect of the system since 1999. The licence fees had not been realised even after reassignment of the work of controlling and billing in January 2003. Audit also noticed that the NOC was valid for three years only and had not been renewed till September 2004 despite several notices issued by DoT. Also no formal licence had been issued by the department for operation of the system.

Thus, the licence fees of Rs. 26.38 lakh remained un-realised for the period April 1999 to March 2004.

After this was pointed out in audit, CCA Thiruvananthapuram stated (September 2004) that a bill for Rs. 26.38 lakh had been raised against the Police Department for the period April 1999 to March 2004 in November 2003. Recovery particulars were awaited.

The matter was referred to the Ministry in October/December 2004; the reply was awaited as of December 2004.

4.11 Non recovery of interest on delayed payment of leave salary and pension contribution from MTNL Mumbai

Controller of Communication Accounts, DoT cell, Maharashtra circle failed to claim interest of Rs. 78 lakh from Mahanagar Telephone Nigam Limited (MTNL) Mumbai on delayed receipt of leave salary and pension contribution for its employees on deemed deputation.

Supplementary Rule 307(1) stipulates that the contribution for leave salary or pension due in respect of a government servant on deputation to a foreign service, may be paid annually within 15 days from the end of each financial year. If payment is not made within the said period, interest must be paid to Government on the unpaid contribution at the rate of two paisa per day per Rs. 100 from the date of expiry of the period aforesaid up to the date on which the contribution is finally paid.

Audit scrutiny (January 2004) of the records of the Controller of Communication Accounts (CCA), DoT Cell Maharashtra circle revealed that leave salary and pension contribution of the employees of the DoT on deputation to Mahanagar Telephone Nigam Limited (MTNL), Mumbai for the period from October 2000 to March 2003 were received from MTNL after delays of 100 to 491 days. This delayed payment attracted interest of Rs. 78 lakh which the CCA failed to claim.

After Audit pointed this out, CCA, Maharashtra circle raised the claim in February 2004. The details of receipt of payment were awaited.

The matter was referred to the Ministry in August 2004; its reply was awaited as of December 2004.