

Contents

Para No.	Title	Page No.
	Preface	iii
	Overview	v
Chapter I: Introduction		1-18
1.1	About this Report	1
1.2	Types of Audit conducted by CAG	1
1.3	Authority for Audit	2
1.4	Planning and Conduct of Audit	2
1.5	Grant and expenditure of Ministries/ Departments under audit jurisdiction	2
1.6	Ministry of Communications	3
1.7	Ministry of Electronics and Information Technology (MeitY)	12
1.8	Response of the Ministries/Departments to audit paragraphs	16
1.9	Recoveries at the instance of Audit	16
1.10	Follow up on Audit Reports-Civil	17
1.11	Follow up on Audit Reports-Commercial	17
Section A: Ministries/ Departments		
Chapter II: Department of Telecommunications		19-51
2.1	Implementation of USOF project (Phase I) to provide mobile services in areas affected by Left Wing Extremism	19
2.2	Non-establishment of Laboratories by Telecommunication Engineering Centre	34
2.3	Irregular payment of ad-hoc bonus by C-DOT to its employees	50
Chapter III: Department of Posts		52-64
3.1	Irregular hiring of Casual Labourers without Contract/ Agreement	52
3.2	Loss of ₹ 12.22 crore and liability of ₹ 15.33 crore due to non-execution of MoU	53
3.3	Non-recovery of Building and Other Construction Workers Welfare Cess	56
3.4	Irregular retention of pension contribution under New Pension Scheme (NPS) by Department of Posts	58
3.5	Infructuous expenditure on procurement of Remotely Managed Franking Machines	60
3.6	Excess expenditure on Energy Charges due to application of incorrect tariff categorization	63

Chapter IV: Ministry of Electronics & Information Technology		65-75
4.1	Unfruitful expenditure on project for providing broadband connectivity in North East Region and other Inaccessible Regions	65
4.2	Injudicious Cancellation of Tender	68
4.3	Non-recovery of web hosting charges by the NIC	71
4.4	Avoidable payment of Agency Commission	72
4.5	Irregular payment of ad-hoc bonus by C-DAC to its employees	74
Section B: Public Sector Undertakings under the Ministries		
Chapter V: Public Sector Undertakings under the Ministry of Communications		77-92
5.1	Management of Land and Estate at Bengaluru by ITI Limited	77
5.2	BSNL's failure to invoke terms of Interconnect Agreements in time exposed it to risk of loss of revenue	88
5.3	Failure to comply with agreement conditions leading to short-billing of annual escalation charges by BSNL	91
Chapter VI: Public Sector Undertakings under the Ministry of Electronics and Information Technology		93-95
6.1	Procurement of hardware/ software items to the tune of ₹ 890.34 crore through Strategic Alliance	93
Appendices & Annexures		97-105
Appendix I		97
Appendix II		98
Annexure 3.1.1		100
Annexure 3.3.1		101
Annexure 3.5.1		102
Annexure 3.5.2		103
Annexure 5.3.1		104
Annexure 6.1.1		105
Glossary		106