

PUBLIC ACCOUNTS COMMITTEE (1975-76)

(FIFTH LOK SABHA)

TWO HUNDRED AND FOURTH REPORT

EXPANSION OF SRINAGAR TELEPHONE EXCHANGE

**MINISTRY OF COMMUNICATION
(P & T BOARD)**

[Paragraph 10 of the Report of the Comptroller & Auditor General of India for the year 1973-74, Union Government (Posts & Telegraphs)]



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 1976/Phalgun, 1897 (S)

Price : Rs. 1.45

**LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA
SECRETARIAT PUBLICATIONS**

Sl. No.	Name of Agent	Sl. No.	Name of Agent
ANDHRA PRADESH			MAHARASHTRA
1.	Andhra University General Co-operative Stores Ltd., Waltair (Visakhapatnam).	10.	M/s. Sunderdas Gianchand, 601, Girgaum Road, New Princess Street, Bombay-2.
2.	G.R. Lakshmi paty Chetty and Sons, General Merchants and News Agents, Newpet, Chandragiri, Chittoor District.	11.	The International Book House, (Private) Limited, 6, Ash Lane, Mahatma Gandhi Road, Bombay-1.
ASSAM			12. The International Book Service, Deccan Gymkhana, Poona-4.
3.	Western Book Depot, Pan Bazar, Gauhati.	13.	Charles Lambert & Company, 10, Mahatma Gandhi Road, Opposite Clock Tower, Fort, Bombay.
BIHAR			14. The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-I.
4.	Amar Kitab Ghar, Post Box 78. Diagonal Road, Jamshedpur.	15.	Deccan Book Stall, Fergusson College Road, Poona-4.
5.	M/s. Crown Book Depot, Upper Bazar, Ranchi.	16.	M. & J. Services, Publishers, Representatives, Accounts & Law Book Sellers Bahri Road, Bombay-15.
GUJARAT			17. People Book House, Opp. Jaganmohan Palace, Mysore
6.	Vijay Stores, Station Road, Anand.	18.	Information Centre, Government of Rajasthan, Tripoli, Jaipur City.
7.	The New Order Book Company. Ellis Bridge, Ahmedabad-6.	19.	M/s. Usha Book Depot, 583 A, Chitra Bazar, Tripolia, Jaipur.
HARYANA			RAJASTHAN
8.	M/s. Prabhu Book Service, Nai Subzi Mandi, Gurgaon.	20.	Law Book Company, Sardar Patel Marg, Allahabad-I.
MADHYA PRADESH			UTTAR PRADESH
9.	Modern Book House, Shiv Vilas Palace, Indore City.		

**CORRIGENDA TO 204TH REPORT OF THE PUBLIC
COUNCIL COMMITTEE (FIFTH LOK SABHA).**

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
5	1.14	6	Explaining	Explaining
20	1.46	12	Telephone	Telephone
35	1.74	12	Delete the word	
			"we at the end of the line	
45	1.89	9	person	persons
"	"	last	bofer	before
58	-	-	In the heading for	
			"Page" read	"Para"
62	1.91	17	a fresh	afresh
66	1.97	1	ment	meant
66	1.97	4	rationalbe	rationale

CONTENTS

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (1975-76)	(iii)
INTRODUCTION	(v)
REPORT	I

APPENDICES

I. Copy of D. O. No. 135/30-58-P & A dated 26-3-59 issued from the office of the Director General of P & T, New Delhi.	51
II. Copy of Circular letter No. 2-5/71-P & A dated 17-7-71 issued by the P&T Board, Ministry of Communications, Government of India, New Delhi.	55
III. Summary of main Conclusions/ Recommendations of the Committee	58

PART II*

Minutes of the sittings of the P. A. C. held on

12-8-75

28-2-76

*Not printed. (One cyclostyled copy laid on the Table of the House and five copies placed in the Parliament Library).

**PUBLIC ACCOUNTS COMMITTEE
(1975-76)**

CHAIRMAN

Shri H. N. Mukherjee

Members

2. Shri T. Balakrishniah
3. Shri Chandulal Chandrakar
4. Shri Chandrika Prasad
5. Shri Darbara Singh
6. Shri C. C. Gohain
7. Shri Pampan Gowda
8. Shri Raja Kulkarni
9. Shri Shyam Sunder Mohapatra
10. Shri Priya Ranjan Das Munshi
11. Shri Narendra Singh
12. Shri Noorul Huda
13. Shri Shibban Lal Saksena
14. Shri N. K. Sanghi
15. Shri Somchand Solanki
16. Shri Mohammed Usman Arif
17. Shrimati Pratibha Singh
18. Shri V. B. Raju
19. Shri Gulab Rao Patil
20. Shri T. K. Srinivasan
21. Dr. K. Mathew Kurian
22. Shri Rabi Ray

SECRETARIAT

Shri H. G. Paranjape—*Chief Financial Committee Officer.*
Shri N. Sunder Rajan—*Senior Financial Committee Officer.*

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Two Hundred and Fourth Report of the Public Accounts Committee on paragraph 10 of the Report of the Comptroller and Auditor General of India for the year 1973-74, Union Government (P&T) relating to Expansion of Srinagar Telephone Exchange.

2. The Report of the Comptroller and Auditor General of India for the year 1973-74, Union Government (P&T) was laid on the Table of the House on 28th April, 1975. The Committee examined this Audit Paragraph at their sitting held on the 12th August, 1975. The Committee considered and finalised this Report at their sitting held on 28th February, 1976. Minutes of the sittings form Part II* of the Report.

3. A statement showing the conclusions/recommendations of the Committee is appended to the Report (Appendix-III). For facility of reference these have been printed in thick type in the body of the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the examination of the Audit Report by the Comptroller and Auditor General of India.

5. The Committee would like to express their thanks to the officers of the Ministry of Communications (P&T) Board for the co-operation extended by them in giving information to the Committee.

NEW DELHI;

March 9, 1976

Phalguna, 19 1897 (Saka).

H. N. MUKERJEE,
Chairman,
Public Accounts Committee.

*Not printed. One cyclostyled copy laid on the Table of the House and five copies placed in the Parliament Library).

REPORT

EXPANSION OF SRINAGAR TELEPHONE EXCHANGE

Audit paragraph

1.1. A project for the expansion of the Srinagar telephone exchange from 3300 lines to 4500 lines was sanctioned in October, 1965 at a cost of Rs. 15.04 lakhs (Rs. 5.41 lakhs for equipment and Rs. 9.63 lakhs for cables). The project included 200 lines for opening public telephone booths, with coin collecting boxes, and another 200 lines for giving junction lines to private branch exchanges.

1.2. Indents for the equipment were placed on the Indian Telephone Industries in March, 1966 and the delivery of the equipment started from July, 1966. Installation of the equipment was commenced in November, 1966 and completed in March, 1968.

1.3. The detailed estimate for laying the primary and secondary cables was sanctioned in February, 1966 and most of the cables were laid by December, 1967. The detailed estimate for laying the distribution cables was, however, sanctioned only in February, 1967, sixteen months after the sanction of the project. The delay was due to the changes in the cable plan approved in November, 1964 and the settlement of the other points arising out of these changes. Besides, though the indents for 38.82 kilometres of distribution cables was placed between February and May 1967, only 11.40 kilometres of cables were received in 1967, 20.78 kilometres were received subsequently in 1968 and 2.02 kilometres in 1969. By March 1968, only 50 per cent of the distribution cables had been laid; the laying of cables and installation of distribution points needed to connect the cables to the overhead wires were almost completed by the end of 1971.

1.4. Further expansion of the exchange from 4500 lines to 4800 lines was sanctioned in November, 1972 at an estimated cost of Rs. 6.00 lakhs. Before, however, the sanction was issued, the work had been started (April, 1972) and the expansion had been completed in August, 1972.

1.5. From September, 1968 to June, 1973 the utilisation of the installed capacity of the exchange was as under:

Month	Installed Capacity excluding for coin 200 lines collecting boxes	Number of Working connections excluding connections to coin collecting boxes, etc.	Percentage of utilisation	Number of applicants waiting for new connections
September, 1968	4100	2944	71.8	381
March, 1969	4100	3289	80.2	458
September, 1969	4100	3548	86.5	353
March, 1970	4300	3635	84.5	290
September, 1970	4300	3738	86.9	448
March, 1970	4300	3751	87.2	583
September, 1971	4300	3784	88.0	753
March, 1972	4300	3804	88.5	720
September, 1972	4600	4020	87.4	966
March, 1973	4600	4141	90.0	1157
June, 1973	4600	4248	92.3	1047

1.6. Thus due to under-utilisation of the capacity when there were applicants on the waiting list the department lost estimated revenue of about Rs. 17.16 lakhs upto September, 1973.

1.7. The department stated (January, 1975) that the telephone connections could not be provided in time due to the following reasons:

- (i) Out of four motor generators required, one was commissioned in June 1968, i.e. 3 months after installation of equipment had been completed for expansion upto 4500 lines.
- (ii) One motor generator remained out of order for about 3 years upto May, 1971.
- (iii) Certain essential parts were not available for about 250 faulty switches.

[Paragraph 10 of the Report of the Comptroller and Auditor General of India for the year 1973-74, Union Government (Posts & Telegraphs)]

Delay in the completion of expansion project

1.8. According to the Audit paragraph, the project for the expansion of the Srinagar Telephone Exchange from 3300 to 4500 lines consisted of the following components:

- (i) Installation of exchange equipment;
- (ii) Laying of primary and secondary cables; and
- (iii) Laying of distribution cables and installation of distribution points.

While the installation of the equipment which commenced in November, 1966 was completed by March, 1968 and most of the primary and secondary cables had also been laid by December 1967, the work of laying of the distribution cables and installation of distribution points for connecting the cables to the overhead wires had almost been completed only by the end of 1971, six years after the sanctioning of the project in October, 1965.

1.9. The Committee learnt from Audit that the Divisional Engineer, Telegraphs, Srinagar had stated that the work of laying distribution cable was started even after the receipt of the first consignment of stores but was abandoned due to:

- (i) non-receipt of essential items like cables upto January 1969, even though the indents were released in March 1967;
- (ii) non-receipt of permission for digging trenches despite continuous persuasion; and
- (iii) the working season in Srinagar was only 5 or 6 months a year and the lengths of the various sizes of cables provided in the cable plan proved different from those provided in the detailed estimate based on actual measurements.

1.10. As regards the commissioning of the exchange equipment, the Committee were informed by Audit that the department had stated in January, 1975 as follows:

“Only the exchange equipment was commissioned in March, 1968. The power plant required to provide increased power to the exchange equipment could not be commissioned by this date. Test Desk position was received in April, 1969 and was commissioned in July, 1969.”

1.11. Explaining, at the instance of the Committee, the reasons for the delay in laying of the distribution cables, the Ministry of Communications (P&T Board) stated in a note furnished to the Committee:

"The detailed estimate for distribution cable originally prepared by the Circle differed from the cable scheme drawn up in 1964 and after obtaining clarifications and incorporating necessary modifications, was sanctioned in February, 1967. Intends for these cables were released in March, 1967. 11.4 kms. of cables were received in 1967, 20.78 kms. in 1968 and 2.02 kms. in 1969. The cables were laid soon after they were received. The delay and the spread over in the supply of cables is due to the fact that at that time there was an acute shortage in supplies of distribution cables and the requirements of Srinagar was considered along with other exchanges in the country and met with progressively from available stores."

1.12. Clarifying the position in this regard during evidence, the Secretary, Ministry of Communications (P&T Board) stated:

"As far as the cable portion is concerned, we had a reasonable anticipation of supply of cables by the Hindustan Cables Limited within the stipulated period, but certain sizes of cables, particularly 50 pairs 6½ lbs. cables and 20 pairs 6½ lbs. cables which are distribution cables which take the cables near the subscribers' premises, were in very short supply and their supply was delayed. As a matter of fact, some of these cables were received between September and December, 1968 and in early 1969 and they were installed thereafter."

1.13. The witness stated further:

"The cables consist of two types: (1) Primary and Secondary (2) Distribution cables.

Primary and secondary cables are all those which are of a large capacity—over 200 pairs. They are used outside the exchange upto fixed points in a town. Distribution cables are those which are of small size—150 pairs to 20 pairs. They are used in streets. Distribution cables are much large in number than the primary and secondary cables.

If we think of 1000 line exchange—primary and secondary cables may be 1200 pairs whereas the distribution cables can go to 1500 pairs or more. Generally we use smaller units of 20 pairs each. We have to take 20 pairs cables even if there are five or six connections. In any town or in any cable project the picture goes on changing. Distribution cables are used at a later stage, i.e. near about the stage when the exchange is about to be commissioned.

Even in March, 1967 we could anticipate that the cables will be ready by the time the station/exchange was commissioned. It is our normal expectation that it takes 12 months to procure and lay cables. But the Hindustan Cables could not supply the same. That is why difficulty came up."

1.14. The Committee enquired whether at the time of preparing the project estimates for expansion, the requirements of cables were correctly estimated and whether the indents had been placed on Hindustan Cables Limited for the total quantity of cables needed or in instalments. The witnesss replied that the indent had been placed for the total quantity. Explainig the procedure in this regard, a representative of the Ministry of Communications stated:

"The procedure is that the Department obtains these cables on a total overall forecast from the Hindustan Cables. It stores them in the various depots it has got. The indents are placed by the consuming units on the depots from time to time. So, in this case, what happened was that the Srinagar unit placed an indent on the stores depot for the cables. In the estimate that was sanctioned the quantity of cable included was about 34 and odd kms. They placed the indent soon after the sanction was issued in March, 1967. The order on the Hindustan Cables is not exactly related to individual requirement but based on the total overall requirement of the country. It is distributed according to the requirements from time to time amongst the various units from the departmental stores depots."

1.15. In reply to another question whether, at the time of placing orders for cables on the Hindustan Cables, any priority had been indicated for the Srinagar Exchange, the representative of the Ministry of Communications stated:

"The order on Hindustan Cables was not placed specifically

for Srinagar; it was placed as an annual total requirement. So, it is entirely upto the departmental store depots to issue them according to the priority, Hindustan Cables supply in bulk."

1.16. The Committee, therefore, desired to know whether the priority of the Srinagar Exchange was not communicated to the Departmental Stores Depots. The Secretary, Ministry of Communications stated in evidence:

"If I may answer this question, what the Hindustan Cables manufactured on the total yearly basis was a sum total of cables of different sizes and capacities. It always happens in these manufacturing units that cables of certain sizes and capacities are slightly short of the total requirement and some are more, because when we start manufacturing in a cable factory, we take a particular type and run it through a certain period. These particular cables which they were manufacturing were short of the total requirement in India during the next year. Thereafter, as I could see from each of the exchanges which required these cables, they got not the total quantity but smaller quantity than what they had actually indicated. As far as Srinagar Exchange is concerned, it got all the cables but not the full quantity."

1.17. In this context, another representative of the Ministry of Communications stated:

"In 1967-68, the J&K Circle (it included Srinagar and other exchanges) asked for 78 kms. of cables of various sizes and we could allocate only 38.6 kms. in that year, because we had a shortage. While taking the overall picture into account, we could give only roughly half of it to Srinagar circle. In 1968, they did not ask for it in time. We allotted to them another 55 kms. In 1969-70, the J&K Circle asked for 206 kms.—this is not only for Srinagar Exchange but for various other exchanges in the J&K Circle—we allotted 50 kms. because of the shortage of various cables."

He added:

"As far as Srinagar Exchange is concerned, according to the priority along with the others, only this much could be given."

1.18. Since it had been stated by the Ministry of Communications that the detailed estimate for the distribution cable originally prepared by the Circle differed from the cable scheme drawn up in 1964 and in view of the fact that the detailed estimate for laying the distribution cables had been sanctioned only sixteen months after the sanction of the expansion project, the Committee desired to know when the laying of the distribution cables and the installation of distribution points were started and completed. In a note furnished to the Committee in this regard, the Ministry of Communications stated:

"Work of laying of distribution cables was commenced in July 1967 and physically completed in November, 1970. From available records it has not been possible to ascertain separately the progress of installing of Distribution Points. However, normally distribution points are opened along with the laying of distribution cables to enable their termination. It could, therefore, be presumed that all the distribution points were erected by November 1970 as mentioned above."

1.19. Drawing attention to the statement made to Audit by the Divisional Engineer, Telegraphs, Srinagar, that the lengths of the various cables provided in the cable plan proved different from those provided in the detailed estimates based on actual measurements, the Committee desired to know the reasons for this variation. A representative of the Ministry of Communications stated during evidence:

"Firstly, the project estimate is got sanctioned. It works out the total utilisation of the exchange, exchange capacity and the number of subscribers to be connected. This is a broader outline.

For cables required for any local telephone exchange further detailed survey is made. We have to study the exact location of the D.Ps. (Distribution Points) because they will

have to be put on the right site. The length and size changes as per demand in the locality. So, a detailed estimate is prepared after the project estimate is sanctioned. The detailed estimate is prepared after a detailed survey and inspection. Detailed estimate is sanctioned not necessarily at one stage but may be two or three stages or detailed estimates—one for the equipment in the exchange and another for power plants, installation plant, primary cables, distribution cables. Details are worked out by the expert authorities and they are got sanctioned within the total sanction of the project estimate."

1.20. In reply to a question regarding the agency responsible for making the actual measurements and making sure that the cables of the right sizes were indented for, the witness stated:

"It is the local executing authority under the Director, Posts & Telegraphs—Divisional Engineer and its officials."

1.21. Asked whether the variations between the sizes of cables indicated in the original cable plan and those actually found on measurement could be attributed to errors in calculations, the witness stated:

"I do not think there is any default.... This is an error in forecasting but not in calculation."

1.22. In this connection, the Committee were informed by Audit that in a letter dated 20 December 1973, the department had stated as follows:

"At the time of the preparation of the Distribution cable plan, the length of the variable sizes of cables provided were only approximate, without taking into account actual location of the DPs with respect to feeding of subscribers on the waiting list. The lengths provided at the time of preparation of detailed estimates were as per actual requirements. The net variations in length in respect of 20X6½ cables compared with those provided as per the approved cable scheme are minus 1409 metres and minus 820 metres respectively."

1.23. Since this was at variance with what had been stated during evidence in this regard, the Committee enquired into the correct factual position. The representative of the Ministry of Communications stated:

"As far as the cables are concerned, there was an integrated cable plan prepared in 1964 which provided for about 1,200 lines for the earlier expansion and 1,300 lines for the subsequent expansion. This constituted a total integrated system. The plan that was referred to here as having been prepared earlier was the one prepared in 1964 actually. Therefore, we had to make a detailed estimate in regard to this project by which utilisation of about 1,500 lines capacity will be added. The later portion that is mentioned as being different or slightly different from the previous plan speaks about variations between the forecasting and the detailed working out. I would call this as variation rather than deficiency of requirements in the earlier plan."

He added:

"In any plan we make over a long period like this, we are bound to come across variations that would come into the actual laying of cables."

1.24. Drawing attention to the time-lag of sixteen months between the sanctioning of the expansion and of the detailed estimate for the distribution cables (February 1967), the Committee asked whether, once a decision to expand a particular project had been taken, all the aspects of the project could not be considered together and sanctioned simultaneously to obviate delays. The Secretary, Ministry of Communications stated:

"Normally the distribution cables are ordered later, because they are used at a later stage. If we order it earlier and store it, we will be incurring expenditure without any utilisation. They are installed almost at the time of commissioning of the exchange. They are the last one to be installed and that is why as a general practice, in every project we go on reviewing the scheme of the distribution cables and we do have a fresh look at it even after the primary and secondary cables scheme has been finalised."

He added:

"In regard to distribution cables, the position is this. Detailed engineering is required to be done about exact locations where waiting lists arise, where telephone service is to be provided. It was scheduled to be completed in March 1968. If we had done it earlier than 12 months that would have resulted in cables being received without their utilisation. We do not reasonably operate earlier than 12 months."

The witness stated further:

"Had the Hindustan Cables supplied all the cables, all the quantities, all of them would have been laid in March 1968."

To another question whether Hindustan Cables Ltd. had assured timely supplies of the requirements of the P&T Department, the witness replied:

"Actually, the programme was to work on a coordinated basis. There are shortfalls and there have been shortfalls in the actual programme that they make and the supplies that are made."

1.25. The Committee were informed in this connection by the Secretary, Ministry of Communications that Hindustan Cables Ltd. was under the administrative control of the Ministry of Industrial Development.

1.26. The Estimates Committee (1972-73) had been informed [vide paragraph 2.48 of their 41st Report (Fifth Lok Sabha)] that the Ministry of Communications were consuming about 90 per cent of the total production of Hindustan Cables Ltd. When questioned by the Committee about the desirability of placing the Hindustan Cables Ltd. under the administrative control of Ministry of Communications, the then Secretary, Ministry of Communications had stated:

"As far as management of the factory is concerned, I do not think there is any difference whether it is the Ministry of Industry or Ministry of Communications because both are Government Departments. But my personal feeling is that if it is within the management of Ministry of Communications, lot of time in dialogue would have been saved. The Administrative Reforms Commission has also

recommended that the control of the Hindustan Cables should vest with the Ministry of Communications."

The Estimates Committee had also been informed that a proposal for the transfer of Hindustan Cables Ltd. to the Ministry of Communications was under consideration of the Committee of Secretaries.

1.27. The Committee desired to know whether the delay in the case of the Srinagar Telephone Exchange could be attributed to an error in incorrectly computing the requirements of distribution cables. A representative of the Ministry of Communications (P&T Board) stated:

"Delay was not due to this. It may be due to formalities of sanction, etc."

1.28. When asked whether, in retrospect, it could be said that there was no undue delay on the part of the administration, the Secretary, Ministry of Communications replied:

"Not in sanction of estimates for distribution cables."

1.29. As stated earlier in paragraph 1.9, another reason for the delay in the completion of the expansion project was the 'non-receipt of permission for digging trenches despite continuous persuasion'. The Committee, therefore, desired to know the steps taken to ensure that the project was not held up on account of a simple hurdle like this which could have been overcome by proper planning and initiating action adequately in advance. The Secretary, Ministry of Communications, stated:

"We find difficulty in laying cables not only in Srinagar. It is so in regard to many other cities and towns. Even in Calcutta, for laying cables, this requires coordination with a number of authorities and it takes lot of time."

1.30. When the Committee pointed out that the problems encountered in major cities like Calcutta could not possibly be compared with Srinagar where the local Administration presumably must have been keen to extend all help for a popular project, the Secretary, Ministry of Communications replied:

"There are two aspects. Right from 1966 when planning started, State PWD and Defence authorities were approached in early 1966. In Srinagar there is the

defence angle too. Permission of defence is required in certain areas. That is one aspect. There might have been one or two roads which we might not have been allowed to dig."

Delay in the release of telephone connections and consequential under-utilisation of capacity

1.31. According to the Audit paragraph, telephone connections from the Srinagar exchange could not be provided in time due to the following reasons:

- (i) Out of four motor generators required, one was commissioned in June 1968, i.e., 3 months after installation of equipment had been completed for expansion upto 4,500 lines.
- (ii) One motor generator remained out of order for about 3 years upto May 1971.
- (iii) Certain essential parts were not available for about 250 faulty switches.

1.32. In regard to the delay caused on account of the lower availability of power, the Secretary, Ministry of Communications stated during evidence:

"As far as the power portion is concerned, we had three motor generators (MG sets). We take power from the power house and convert it into 50 volts required for our exchange. These MG sets had a capacity of 250 ampere hours which was just marginally sufficient for the expanded exchange and we had planned to increase the capacity of these by getting one more MG set. As you might have seen in the paragraph there was some delay in the procurement of the MG set, but the power available from the existing MG sets was also not upto the expected capacity because the power supply in J & K in those years was very unsatisfactory. On a 400 volt three phase supply we were getting 280 volts and when the frequency of the supply was 50, we were getting 38. This was causing difficulty. We took steps to get the additional MG set so that we are able to meet the load of exchange."

1.33. The Committee desired to know the reasons for a motor

generator remaining out of order for about 3 years. In this connection, the Secretary, Ministry of Communications stated:

"It is really unfortunate that it took so long. This MG set was shifted from Agra. We had a policy in the late sixties to change all our MG sets in exchanges by static power plants which were manufactured in India. These MG sets were all imported from England and other countries. In a particular exchange we would instal a static plant and remove the MG sets and send them to other exchanges where we continued to have these sets. This was one such set sent from Agra to Srinagar. It got damaged in transit. It was not possible to repair it in Srinagar. They were trying to get it repaired, but certain portions of the control panel had got damaged. And then a strange thing happened. One of the existing three MG sets in Srinagar suddenly failed in June 1968 and a crisis developed. The Engineer cannibalised two sets, the one from Agra and the one which had gone out of order, and they were able to make one set in working order. The set which remained defective was a combination of these two sets, and it was not repaired for three years. They tried to do it in Srinagar. Ultimately some experts were sent from Delhi. Then it was got repaired. I may mention that the set which went from Agra was of 1936 manufacture a very old set."

1.34. To a question whether the damaged set could be repaired, the witness replied in affirmative. He said:

"It has two units. One is motor and the other generator. One set had a faulty generator and the other had a faulty motor. So, by cannibalising we were able to get one set in working order in June 1968. One set had both the units defective as also the control panel. I agree that if very special efforts had been made perhaps it could have been repaired earlier."

1.35. On being asked as to how far the delay of 3 years, from 1968 to 1971, in getting the damaged generator repaired affected the operational efficiency of the Exchange, the Secretary, Ministry of Communications replied:

"It did not affect operational efficiency because what we found was that gradually the power supply position was

improving. Actually the load of the Srinagar system could be taken on 3 generators with 250 amps capacity. From a low voltage of 280, we would not get the right current. Gradually the power supply system improved and there was no difficulty because of that in loading the exchange. It did not have a material effect."

1.36. Referring to the 250 faulty switches, the Committee enquired whether these faulty switches could have held up the giving of 250 new connections, the Secretary, Ministry of Communications replied:

"These 250 switches consisted of some of the types which were directly required for the connections. In addition some switches which are utilised commonly by a number of subscribers were faulty. They are called group selectors and final selectors. These were also faulty. These in fact are the contributory factors for not making use of the available capacity. As you rightly said, they would not materially affect the loading of the exchange to the desired degree."

1.37. Asked about the steps taken for obtaining the essential parts to repair the faulty switches and when they were repaired, the Ministry of Communications, in a note, stated:

"There was an acute shortage of maintenance spares during these years. M/s. ITI Bangalore, who are the only source of supply, were not able to cope up with our demand for spares. This was an all-India problem. To tide over this problem partially some relay coils, which went faulty, were locally rewound at Srinagar, but they did not last long and became faulty again after a few months. In addition to writing to ITI pressing for supply of stores, the Director of P&T, Srinagar went to Bangalore to personally expedite the supply and despatch of the maintenance spares. Spare parts were thereafter received from ITI and all the faulty switches were repaired by April 1971."

1.38. The Audit paragraph points out that between September 1968 to June 1973 there was under-utilisation of the capacity of the exchange when there were applications on the waiting list and as

a result the Department lost an estimated revenue of about Rs. 17.16 lakhs upto September 1973. During evidence the Committee enquired into the reasons for the non-utilisation of the available capacity. The Secretary, Ministry of Communications explained:

"This question of utilisation of capacity, I would like to deal with in some details, because there are certain procedures which are laid down regarding the extent to which special attempts have to be made to utilise the capacity and various other aspects like sanctions by the Telephone Advisory Committee and so on.

Right from 1965, when we went into a large scale growth and development of the local exchange systems special instructions were issued from the P&T Directorate that everything possible should be done by the units to utilise the spare capacity to the extent possible. No specific directive was given at that time as to what should be the percentage loading of the exchange, that is, to what extent, the capacity should be utilised. It was only in September 1970 that a specific directive was issued to all the units that within six months of the commissioning of a new exchange or an expansion of the existing exchange, the loading should go upto 90 per cent and that before further expansion of the same system is undertaken, the loading should go upto 94 per cent. It is on the basis of this directive that monitoring is being done thereafter to see that the exchange capacity is loaded. I would request that this loading of Srinagar Exchange be considered with the background of this information. The second aspect which I would like to mention is that when this equipment was commissioned in March 1968, it had an element of, what we call, CCB lines from which we cannot give any ordinary subscriber telephones. We also had, what we call, 4/200 PBX lines which are used for private branch exchanges, which had a large number of junctions to the exchange. Out of this capacity i.e. the existing capacity and the expansion that was projected, 500 lines were, at that time, used for these two purposes—400 for CCB and 100 for 4/200 PBX. This large allocation for CCB had been made because in 1967, an order had been issued from the Directorate that since there was a very large demand for opening local public call offices in local exchanges systems, they should reserve 5 per cent going upto 10 per

cent of the capacity for public call offices. It is on this basis that the actual allottable capacity may be calculated; if the capacity available is taken as 4,000, 90 per cent of that would be 3,600. I have attempted to make a new statement by taking this particular available capacity and the number of connections provided.

Another point I wanted to mention was about the Telephone Advisory Committees. We have Telephone Advisory Committees in big towns and cities; we have 91 of them, at present. In most places we had a Telephone Advisory Committee, the sanction for telephones was being released after the meeting of the Telephone Advisory Committee. In Srinagar also, after the capacity had been installed, on various occasions meetings of the Telephone Advisory Committee were held to release telephone connections. For example, 400 connections were released on 20th September 1968, 300 connection were releasd on 25th April, 1969, 200 connections were released on 30th September 1969, 100 connections were released on 16th March 1970 and so on. Why I am mentioning this specifically on this occasion is because we have found that this is not a proper practice. The Telephone Advisory Committee has got the authority to sanction out-of-turn telephone connections upto a certain percentage of the total capacity which is available, and the remaining connections should be given to in-turn applicants without any out-of-turn authority from the Telephone Advisory Committee.

Instead of leaving only ten per cent capacity for allotment on out-of-turn basis by the Telephone Advisory Committee, the procedure adopted was that they waited for the whole list to be released by the Telephone Advisory Committee. It actually meant that, though the capacity was available, the telephones were not being released. We have now issued special instructions that, under no circumstances, should in any telephone system any capacity be kept spare because the Telephone Advisory Committee has to meet; only that number of telephones should be kept unallotted which fall within their percentage quota of out-of-turn allotment."

1.39. The revised statement furnished during evidence by the

Department, showing utilisation of the installed capacity of Srinagar exchange is reproduced below:

Months	Installed capacity excluding (1) 400 lines for coin collecting Box (CCB) groups	Number of working connections excluding connection to CCB group & PBX group.	Percentage of utilisation	Percentage of connections given in Audit para
September, 1968	4000	2842	71.05	71.8
March, 1969	4000	3289	82.2	80.2
September, 1969	4000	3548	88.7	86.5
March, 1970	4000	3631	90.8	84.5
September, 1970	4000	3696	92.4	86.9
March, 1971*	4200	3730	88.8	87.2
September, 1971	4200	3764	89.6	87.0
March, 1972	4200	3784	90.1	88.5
September, 1972**	4500	4000	95.2**	87.4
March, 1973	4500	4113	91.4	90.0
June, 1973	4500	4220	93.8	92.3

NOTE : *The CCB Group was reduced from 400 to 200 in January, 1971.

** The expansion of 300 lines was commissioned in August 1972 only. Hence percentage calculated in initial capacity of 4,200.

1.40. Drawing attention to the revised statement, the Secretary, Ministry of Communications stated during evidence:

“According to this, you will find that 90 per cent capacity was reached in September 1969. Then it fell down slightly but again it picked up to more than 90.

In this connection, I would like to place another very important aspect before you. In September 1969, the Director, Posts and Telegraphs at Srinagar had a series of discussions with the Chief Secretary and the local Army commander. He was told by them that the situation in Srinagar was such that ‘you should not load the capacity and you should

kep 500, if not 1,000 lines spare for emergency reasons. He issued directive that giving telephone connection should be restricted. As a matter of fact after September 1969, the pace of giving telephone connections was considerably slowed down. Only after the 300 line capacity was added were more connections given. But as you will see, the shortfall is very very marginal."

1.41. Asked whether the Telephone Advisory Committee was responsible for the non-utilisation of the available capacity, the witness stated:

"The local administration there was not following the procedure correctly. It was perhaps felt that, since there was a Telephone Advisory Committee, they should release all the telephone connections after the meeting of the Telephone Advisory Committee. That is why, we have now issued instructions that only to the extent to which out-of-turn allotment is to be made by the Telephone Advisory Committee, the capacity should be kept unallotted; the rest should be allotted immediately."

1.42. On being pointed out that it was for the Department to convene meetings of the Telephone Advisory Committees for expediting the allotment of telephones and the Advisory Committees could not possibly stand in the way, the witness clarified:

"I did not say that the Committee was standing in the way. What I wanted to say was this. Our administration, instead of putting only out-of-turn cases for the consideration of the Committee, put the total waiting list, and the Committee had no option but to deal with the waiting list. It is not the fault of the Telephone Advisory Committee at all. Instead of putting only the out-of-turn list to them for sanction, the whole list was held up and released on different dates whereas they could have continued releasing connections without waiting for the meeting of the Telephone Advisory Committee. It was not the fault of the Telephone Advisory Committee at all."

1.43. To another question as to why the administration did not continue giving connections to persons on the General list on a first-come-first-served basis without waiting till the Telephone

Advisory Committee met, the Secretary, Ministry of Communications replied:

"This practice somehow got developed. Wherever the Committee were created, the practice got developed that the entire list was placed before the Committee and even the in-turn connections which are given on first-come-first-served basis were released after the meeting of the Committee. We have now issued instructions correcting this practice which had developed."

1.44. When asked whether such a practice was in vogue only in the J&K Circle or in other circles also, the witness replied:

"In other places also. That is why we have issued instructions."

1.45. Since it had been stated that a certain percentage of new telephone connections were released by the local Telephone Advisory Committees, the Committee called for a statement indicating the number of connections which these Committees were authorised to release in different cities and the percentage of new connections released by the Advisory Committees during the last three years. The Committee were informed in this connection by the Ministry that there were 91 stations in the country where Telephone Advisory Committees were functioning. The Ministry further stated:

"Out of these 91 stations, 17 are with telephone systems of 10,000 lines and above. These are:

Hyderabad, Poona, Ahmedabad, Bangalore, Ernakulam, Indore, Bombay, Nagpur, Patna, Jaipur, Coimbatore, Madras, Kanpur, Lucknow, Calcutta, Delhi, Amritsar.

In these 17 stations, 7½ per cent of the exchange capacity available for allotment is given on the advice of the T.A.C. The remaining 74 TAC stations with capacities of 1,000 lines and above but below 10,000 lines are given below:

Guntur, Vijaywada, Visakapatnam, Gauhati, Dibrugarh, Jamshedpur, Jharia, Muzaffarpur, Ranchi, Baroda, Bhavnagar, Jamnagar, Nadiad, Rajkot, Simla, Surat, Jammu, Srinagar, Belgaum, Hubli, Mangalore, Mysore, Alleppey, Kottayam, Kozhikode, Quilon, Trichur, Trivandrum, Bhopal, Gwalior, Jabalpur, Raipur, Akola,

Amracti, Aurangabad, Kolhapur, Nasik, Sholapur, Shillong, Bhubaneshwar, Cuttack, Rourkela, Ambala, Jullundur, Ludhiana, Patiala, Ajmer, Jodhpur, Kota, Udaipur, Erode, Madurai, Salem, Tiruchirapalli, Tirunelveli, Vellore, Agartala, Agra, Aligarh, Allahabad, Bareilly, Dehradun, Gorakhpur, Meerut, Moradabad, Muzaffarnagar, Saharanpur, Varanasi, Asansol, Durgapur, Siliguri, Chandigarh, Goa, Pondicherry.

In these stations 10 per cent of the capacity available for allotment is allowed on the advice of the TAC.

The number of connections given by the TACs in above 91 cities is not available in the Directorate. The information will be collected from the Circles and supplied to the PAC on its receipt."

1.46. Explaining further the role of the Telephone Advisory Committees, the Ministry, in a note, stated:

"There are three categories namely (1) OYT, (2) Special; and (3) General—under which applicants for new telephone connections are registered and connections are given as and when exchange capacity becomes available. Connections under General category are given strictly in order of date of registration in the waiting list and no out-of-turn connections are permitted. 50 per cent of the quota under special category is released in order of the date of application and the remaining 50 per cent is given on the advice of the Telephone Advisory Committee. OYT connections are generally given on the basis of the date of application. The Heads of Telephone Districts and Directors of Telegraphs are authorised to sanction at their discretion out-of-turn OYT connections on the recommendations of the Central or State Governments or of the Telephone Advisory Committees. Telephone demands under the OYT scheme from the Government, public sector corporations, local authorities and public utility services are met on priority. The rules for allotment were issued in 1959. The principles enunciated in paras 1, 2, 3, 4, 5 of these orders (A copy of the orders furnished by the Ministry is reproduced in Appendix I) still hold good. In July 1971, the percentages

for allotment of telephone in the three different categories were revised. For exchange telephone systems of 10,000 lines and above, 15 per cent of the existing capacity available for allotment is earmarked for demands under Special category and in telephone systems of 1,000 lines and above but below 10,000 lines, the percentage for allotment under special category is 20 per cent. (A copy of these orders is reproduced in Appendix II)."

1.47. The Committee drew attention to the fact that in November 1972 when the capacity of Srinagar Exchange was expanded from 4500 lines to 4800 lines there was already a waiting list of 966. The Committee, therefore, desired to know the reasons for increasing the capacity of the exchange by only 300 lines when the waiting list was already longer than the additional lines proposed. The Secretary, Ministry of Communications stated:

"When we plan, we take into account the time that will be required in putting the equipment in position and also some period to fill up the capacity and on that basis this expansion of 300 lines is totally inadequate. But I will give you the history. We had an exchange in a place known as Itwari in Nagpur. An expansion scheme of 1500 lines was undertaken in July 1971 and it was found that on the basis of the new applications that we were getting, it will be a very long time before this capacity is filled up to 90 per cent. It was examined, whether it would be feasible to transfer some connections from Nagpur exchange to Itwari Exchange. Even after taking that into account, i.e., taking into account the whole development of Nagpur and Itwari complexes, it was felt that there was a small capacity which was surplus, which will remain unutilised for 2 years. 300 lines of the equipment which had been installed in Itwari, therefore, was dismantled and was transferred to Srinagar where there was shortage."

1.48. Pointing out in this connection that the decision taken in 1972 to expand the Srinagar Exchange capacity by 300 lines only apparently, therefore, had practically no rationale, the Committee desired to know the basis on which the Department planned future

expansions of telephone exchanges. The Secretary, Ministry of Communications stated in evidence:

"Taking into account the requirements at Srinagar, a project for expansion from 4800 lines to 6000 lines has already been sanctioned.

Regarding the main question, as to how we plan on an overall basis, I might mention that we take the total possible expansion on the basis of the resources available. Suppose, we want to have 100,000 lines in the whole country, we have to pick out various exchanges in which these capacities can be built up. In that examination, the factors that are taken into account are, availability of space—because without building this cannot be done—the demand factor—we take into account the existing demand as also the future demand etc."

1.49. The Committee enquired whether besides Itwari Exchange, there were some other exchanges which had installations larger than the demand necessitating the transfer of such equipment to other places where the demand was greater than the available capacity. A representative of the Ministry of Communications replied:

"In a large Department like ours, there are bound to be other places, where equipment was provided on a forecast basis and our forecasts were on the higher side or on the lower side. To my recollection, I think there are a few cases where excess equipment had been installed....

In this case, the Itwari exchange was provided on a forecast basis, but the anticipations did not prove correct. We, therefore, diverted the equipment from Nagpur to Srinagar."

He added:

"I would venture to say that the instances are not many. In most of the cases, the demands for telephone connections had exceeded what we could forecast and provide. The difficulty is more about the availability of equipment. Even though in most cases, we have provided a large number of additional connections, we could not meet the demands. That is the general case. As I mentioned, there are a few cases in which anticipations did not come true.

One case was Nagpur, another case is Gwalior. The forecasts were made at a particular time. After the formation of the States and shifting of the capital to Bhopal, demands at Gwalior came down, so the equipment became surplus there. I would not say that there are no cases but there are a few cases."

1.50. In a note furnished subsequently in this regard, the Ministry of Communications have stated:

"No shifting of equipment already installed in an exchange has been done or ordered to be done during the last 5 years or so except Itwari, Nagpur where out of 600 lines dismantled, 300 lines were diverted to Srinagar for expansion from 4500 to 4800 lines and 300 lines were diverted to Hyderabad Telephone District."

1.51. The Ministry of Communications also furnished, at the instance of the Committee, the following details in regard to telephone exchanges of over 1,000 lines, where the capacity was more than the demand as on 31st March 1975 alongwith the reasons for the existence of unutilised capacity and for the demand not picking up:

Num. of the Exchange	Capacity and type	Working connection	Waiting List	Remarks
1. Jharia	2500 X bar	1504	9	Demand anticipated when project prepared has not materialised due to decrease in commercial activities.
2. Asansol	2400 STR	1786	68	Efforts are being made to provide telephone connection quickly. The demand in these exchanges did not materialise presumably due to recession in the industrial activities in West Bengal. Demand is now picking up and on 30-6-75 total demand (working connections plus waiting list) was 1869 at Asansol and 1353 at Durgapur Steel Plant.
3. Durgapur Industries	1500 STR	820	27	
4. Durgapur Steel Plant	1500 STR	1283	42	

Name of the Exchange	Capacity and type	Working connection	Waiting List	Remarks
5. Gwalior	4000 X bar	2940	180	Efforts are being made to quickly provide telephone connection to the waiting list. When the project was prepared, the demand was increasing at 1.135 time than of the previous Year. Demand later fell down but is again picking up. Total demand on 30-6-75 was 3,221 which corresponds to 85% of the capacity.
6. Tuticorin	2000 X bar	1622	124	Efforts are being made to provide new connections quickly. When project was drawn, large scale industrialisation of Tuticorin and its development as a major port were envisaged. These did not fully materialise. However, demand is picking up and was 1,767 on 30-6-75 amounting to 88.3% of the capacity.
7. Coimbatore	12000 STR	10350	Nil	Due to various factors industrial activities fell and it is understood that some mills and factories were closed. Due to these reasons, demand did not come upto our expectation, it is now rising and was 10,517 on 30-6-75 amounting to 87.6%. In three months demand was up by 167.
8. Cochin (Ernakulam)	3500 STR	3114	45	Efforts are being made to provide new connections quickly. Demand grew at slow rate than anticipated as some business and commercial activities shifted from Cochin to the mainland at Ernakulam. On 30th June 1975 demand was 3,133 amounting to 80.5% of the capacity.

Name of the Exchange	Capacity and type	Working connection	Waiting List	Remarks
9. Secretariat, New Delhi.	6000 STR	4381	Nil	This exchange feeds only demand for Government of India. Capacity has become idle due to the Government Departments surrendering telephones as an economy measure. The exchange is installed in the South Block Sectt. and cannot be further expanded for want of accommodation and as such some capacity is kept reserved for urgent demand. Some residential area was recently transferred from Jorbagh to this exchange and working connection on 30-6-75 went upto 4,869 amounting to 81.1% of the capacity.
10. Adyer, Madras.	3000	2467	Nil	The capacity in the exchanges was planned expecting large industrial and commercial growth which did not fully materialise. Moreover, in the exchanges upto 1000 lines, the P&T Board decided to provide capacity to meet 3 Years demand from the commissioning date Adyer Exchange was commissioned in August, 1973. Demand is slowly rising and on 30-6-75 was 2,545 at Adyer and 605 at Avadi amounting to 84.8% and 60.5% of the capacity.
11. Avadi, Madras.	1000 X bar	597	Nil	

1.52. The Committee were informed by the Secretary, Ministry of Communications, during evidence that the number of applicants waiting for new connections in Srinagar as on 31st March 1975 were 1,722 as against 1,047 in June 1973 and that the Department had programmed to expand the exchange capacity by another 1,200 lines.

The Committee desired to know the anticipations of the Department in regard to the provision of telephone connections to those on the waiting list in Srinagar. The witness stated:

"The waiting list has been steadily lengthening."

The Committee, therefore, asked how the Department proposed to meet the total requirements of the city for new telephone connections, especially in the context of the Department's limited resources and the security considerations in Srinagar. The witness replied:

"It will be difficult for us to meet the total waiting list on the basis of the resources we have. This plan of 1200 we have made is perhaps the maximum we can allot to Srinagar at this juncture."

1.53. The project for the expansion of the Srinagar telephone exchange from 3300 lines to 4,500 lines, sanctioned in October, 1965 included provision for 200 lines for opening public telephone booths with coin collecting boxes and another 200 lines for giving junction lines to private branch exchanges. During evidence the Committee enquired into the utilisation of these lines from year to year. The Secretary, Ministry of Communications informed the Committee:

"The coin box line utilisation was 63 in March 1969, it went up to 125 in March 1971 and in March 1974, it went up to 174. There has been a gradual increase of these 200 lines. In the 4/200 PBX, the number stands between 20 and 30 only right up till now. It was 21 in 1970 and 1971 and it was 28 in 1973. This is the utilisation. But we cannot put any other ordinary subscriber in this 4/200 PBX Group."

The witness further explained:

"An order was issued by the P&T Directorate in 1967 that upto 10 per cent of the capacity should be used for CCB. But later on, in 1971, this was modified. It was said that this was a large capacity and that we did not have much demand for coin boxes. So, we brought it to 5 per cent."

1.54. The Committee pointed out in this connection that the general experience of people with the performance of the coin boxes did not appear to be satisfactory, especially in view of the fact that the telephones in these booths could be operated only by three ten paise

coins of the same type and desired to know whether the Department had made any assessment in this regard with a view to effecting improvements. The Secretary, Ministry of Communications stated during evidence:

“As you have rightly mentioned, it is a very difficult mechanical design, where you have to place three ten paise coins in quick succession and then the party answers. This is really a difficult problem. Now, 25 paise is a coin which does not render itself to the mechanism in the coin box operation. Therefore, we have no other option but to use the three ten paise coins. But, the other option is to use the 50 paise coin. But this can be done when the tariff increases. We have been going into the question of improving the design. This design is really causing difficulty. We have now developed an improved design in which you will be able to place the coins first and after the party answers, you press a button and the coins will drop in at one time. Field trials have been conducted of this design and we are now going to manufacture this in larger quantities.”

1.55. Asked whether the Department got reports about the unsatisfactory working of these boxes, the witness stated:

“We have had many reports of this type. We are almost continuously, daily, inspecting these coin boxes. Some of the coin, boxes which we have installed in the boys' and girls' hostels in Delhi and elsewhere, are tampered with. They put pieces of thread in them. In such cases, if a coin is dropped it does not go down and somebody can pull it out. They place paper, hair pins and so on. These difficulties are there.”

1.56. In reply to another question whether these boxes went wrong only when tampered with and not on account of any mechanical defect, the witness added:

“There will be the normal wear and tear. They do go wrong that way also. But, we have a daily check of these coin boxes. Every morning, each one of these coin boxes are checked by our linemen. He makes a call. We give him special coins. He makes a call to a test point and then he is rung back. In this manner it is checked to find out whether it is functioning all right. But, during the cour-

se of the day, it may go out of order. We do get complaints of the coin boxes going out of order."

1.57. The Committee desired to know whether any steps had been taken or were proposed to be taken to improve the working of these boxes. The Secretary, Ministry of Communications, informed the Committee during evidence:

"... we have been taking steps in regard to maintenance of coin boxes and we have also designed a new type of coin box where the difficulties will be much less."

1.58. Asked whether in this new design, the users would be required to put in a lesser number of coins thereby reducing the inconvenience, the witness stated:

"At present, we have to use these three ten paise coins. We have no other alternative."

1.59. When the Committee pointed out in this context that if the number of coins to be used were reduced, more people were likely to use these telephones thereby resulting in larger revenues for the Department, the Secretary, Ministry of Communications stated:

"We are examining the other alternative of using the 50 paise coin and I am sure the Public Accounts Committee would support us in this direction..... The 25 paise coin does not render itself to the coin mechanism."

1.60. When asked whether a more sensitive mechanism could not be developed, the witness added:

"In all the countries of the world, coin box charges are higher than the local charges. In the case of the other telephones, we also collect annual rental. We collect Rs. 500 a year from everybody. Secondly, if the coin box charges are less, people who have telephones will start making use of this. That is why coin box charges are higher than local charges. Local charge is 25 paise and coin box charge is 30 paise."

He added:

"If I am not revealing a secret, I may say that we are losing in this. We have what you call meters attached with these coin boxes in our exchanges. Our overall income

compared to the meter reading is of the order of about 40 per cent only. We are losing 60 per cent. We do not make more money."

Explaining further the circumstances in which the exchange metre reading could differ from the amount actually collected in the boxes, the witness stated:

"We are losing in the sense that if the metre reading in the exchange shows 100 calls, we collect money only for 40 because what happens is that people come and dial, they hear the other party and they do not put the money. But, a call has been made. Sometimes, people speak from the receiver instead of from the transmitter. They talk loudly from the receiver. We do lose money in this way.

It is like this. For making the coin box really useful to the user, we have provided a technical device that you will be able to hear the called party answering saying such and such person speaking, then you put your three coins. This helps to identify the caller that you have called the right person. But by this technical facility which puts some current in the receiver, you are also able to make conversation without putting in the money.....In the modified design we are taking care of that."

Some broader issues.

1.61. As corollary to the issues arising out of the Audit paragraph, the Committee also decided to examine, in general, terms, certain broader questions relating to the installation and utilisation of telephones in the country and these are discussed in the succeeding paragraphs.

1.62. Since reference had been made earlier during evidence (*vide* paragraph 1.38) to a specific directive issued in September 1970 that within six months of the commissioning of a new exchange or the expansion of an existing exchange, the loading of the exchange should go upto 90 per cent, the Committee drew attention to the fact that during 1972-73 and 1973-74, the average utilisation of exchange capacity available in India was only 83.8 per cent and 84.56 per cent respectively and desired to know the reasons for the utilisation being less than the prescribed maximum. The Secretary, Ministry of Communications, stated:

"This 90 per cent is for individual exchanges, but there are a large number of exchanges where there is no waiting

list. For example, a certain expansion is undertaken, installation is done and the waiting list is not available to fill up 90 per cent. When you take up the average picture, you have this picture of 84 per cent or so."

1.63. The Committee desired to know the total capacity of the telephone exchanges in the country and the utilisation of the available exchange capacity. The Secretary, Ministry of Communications, stated:

"The total capacity is 15.67 lakhs; utilisation should be nearly 84-85 per cent; this is a fairly satisfactory percentage."

1.64. To a question as to what was the normal average waiting period for obtaining telephone connections, a representative of the Ministry of Communications replied:

"Average could be very misleading. From our charts we get an average of three years; it does not mean that every one waits for only 3 years."

1.65. Asked how long people in big cities like Calcutta, Bombay, Delhi and Madras had to wait for telephones, the Secretary, Ministry of Communications stated in evidence:

"Even in the large towns, for different areas, the waiting period is different. There are three categories of applications, OYT, special category and a general waiting list. In the general waiting list the period extends anywhere between 10 to 15 or more years. In the special category, if the telephone advisory committee gives them priority, they could get within a few months; otherwise the waiting is about 2 to 6 years. Under the OYT scheme the waiting period varies from 2 to 8 years."

1.66. The Committee called for details of the telephone connections sanctioned under the OYT plan in the country so far and enquired whether this scheme could not be further expanded possibly by increasing the initial fee of Rs. 5,000 with a view to meeting the requirements of a larger section of the population who could afford to pay for their telephone connections. In a note, the Ministry of Communications have stated:

"Out of 13,29,237 working connections as on 31st March 1975,
3,14,385 connections have been sanctioned under OYT

category from the time of inception of the OYT scheme. The amount of OYT deposit is fixed on the basis of an assessment of capital cost involved in the provision of OYT connection. The deposit amount is subject to revision if the capital cost of provision of the line undergoes an increase on account of a rise in the cost of materials. In order to meet the finances required by the Department for development when proposals were considered for enhancing the OYT deposit, the Law Ministry was consulted and they had advised that such an increase, if not related to the cost of provision of telephone, would be deemed as arbitrary and would not be tenable."

1.67. The following table, extracted from the Performance Budget of the P&T Department for the year 1975-76, indicates the targets and likely achievements in the provision of exchange capacity lines and direct exchange lines.

	Target for 1974-75	Likely achievements for 1974-75	Targets for 1975-76
Exchange capacity (Lines)	1,40,000	1,10,000	1,57,000
Direct Exchange (Lines)	1,20,000	1,00,000	1,30,000

1.68. Drawing attention to these figures, the Committee desired to know the reasons for the likely shortfalls in the achievement of the targets and the steps taken in this regard. A representative of the Ministry of Communications stated in evidence:

"The main reason is that the allocation of resources was considerably lower than what was anticipated when we made the plans. Rs. 1,030 crores plan envisaged an investment of Rs. 189 crores in the first year, against which we got an allocation of Rs. 130 crores and in the second year, as against the envisaged allocation of Rs. 199 crores we got Rs. 160 crores. Then, the plan was made earlier without taking into account the inflation and price rise that has taken place. So, the physical targets are likely to be lower than what was envisaged at that time. So, we had to cut down deliberately our payments to the ITI and Hindustan Cables, which constitute a very large proportion of our investments."

1.69. When asked whether the provision of more telephone connections would not contribute larger revenues to the Department, the Secretary, Ministry of Communications replied:

"The revenue matter is a total matter for all India. For example, all India, we have at present 6.35 lakhs on the waiting list and the number of telephones we have planned is about one lakh this year. So, in spite of the fact that there is such a big potential for revenue, we can tap only to the extent of resources available."

1.70. When the Committee pointed out in this context that it would, perhaps, be better for the P&T Department to concentrate on providing more connections in the more lucrative areas like Delhi, Calcutta, Bombay and Madras where the demand was heavy and from where more revenue could be collected, the Secretary, Ministry of Communications, replied:

"That is what we are trying to do. We are trying to provide more telephones where there are large waiting lists. But a certain number of telephones have to be installed on the basis of rural development also."

1.71. The Committee were informed that though during the five year period of the Fifth Plan provision had been made for giving 7.79 lakh connections, the waiting lists would still continue.

1.72. In reply to Unstarred Question No. 314 answered in Lok Sabha on 8th January 1976, it has been stated that the number of pending applications of various categories in Calcutta in April 1975 was as follows:

OYT category	13,833
Special	4,777
General	55,001
TOTAL	73,611

It was further stated that 12,400 lines of equipment were programmed to be commissioned during 1975-76, out of which 3,700 lines had been commissioned so far and that the remaining 8,700 lines were likely to be commissioned by the end of March, 1976.

1.73. In a note, furnished at the instance of the Committee, on the pattern of demand and supply of telephone connections during

the Fourth Plan period and the projections for the Fifth Plan, the Ministry of Communications have stated:

"At the commencement of the Fourth Plan there were a total of 8.12 lakhs working telephone lines in India and waiting list of 4.27 lakhs. During the Plan period 4.32 lakhs new telephone connections were provided. However, the demand grew at a faster rate and by the end of the Plan period the number of working connections and the waiting list were 12.44 lakhs and 5.32 lakhs respectively.

It was anticipated by us when the 5th Plan was drawn up that at the end of the Plan period the total demand for telephone connections (working connections + waiting list) would be 23.5 lakhs requiring provision of about 11 lakhs new lines. However, with material as well as financial resources likely to be available to the Department a provision for giving only 7.79 lakhs of telephone connections has been made during the 5th Plan period

On 31st March, 1975, there were 13.29 lakhs working telephone lines and 6.37 lakhs on the waiting list. A break-up, unit-wise of the working connections and waiting lists at the end of 1968-69, 1973-74 and 1974-75 is given below:

Circle/District wise DELs and Waiting List

	As on 31-3-69 (Beginning of Fourth Plan)		As on 31-3-74 (End of Fourth Plan)		As on 31-3-75	
	DELS	Waiting list	DELS	Waiting list	DELS	Waiting list
Circles:						
Andhra	31915	5131	49712	5069	54469	6506
Assam/N.H.	15859	3192	24156	1507	25400	2847
Bihar	26316	9307	32631	3532	33809	4658
Gujarat	35951	19263	63324	36380	72930	45191
J&K	6308	1180	8834	3264	9067	3669
Kerala	32194	15262	52601	13559	48477	13622
M.P.	28021	10579	45650	6877	37515	7373
Tamil Nadu	47789	13242	67548	8626	72282	13496

	As on 31-3-69 (Beginning of Fourth Plan)		As on 31-3-74 (End of Fourth Plan)		As on 31-3-75	
	DELs	Waiting list	DELs	Waiting list	DELs	Waiting list
Maharashtra	41144	15798	56948	16209	62021	21616
Karnataka	25490	3101	40091	4691	44001	5571
Orissa	11050	2244	17354	1038	18426	987
Punjab/N.W.	42659	18829	69859	29835	77030	33680
Rajasthan	23167	2941	28518	2968	31575	4114
U.P.	59135	30448	68173	13995	72626	15440
West Bengal	17846	4207	24286	2209	25162	2547
<i>Districts</i>						
Ahmedabad	11736	14351	27369	19508	30893	23746
Bangalore	14351	9961	22486	16560	24527	20591
Bombay	99907	62751	155678	152373	166896	178032
Calcutta	99795	104007	116815	58871	118837	74786
Delhi	67651	57741	103893	90015	105195	103562
Hyderabad	21494	2842	28605	5065	29234	7644
Madras	42085	14834	57555	11637	62764	12914
Poona	9846	6006	14977	11756	16477	14014
Coimbatore	10047	77	10985	130
Jaipur	11458	3555	11495	5092
Kanpur	12404	8998	14679	6613
Lucknow	10386	3063	10832	3533
Nagpur	10599	Nil	10631	1179
Patna	10212	1031	10098	1578
Ernakulam	9493	2335
Indore	10411	22
	811709	427630	1244169	532268	1329237	637088

It will be seen from the above that in certain important districts such as Bombay, Delhi, Bangalore and Poona the waiting lists exceeded or were near about the total direct exchange lines working in these centres at present. This implied that in order to meet

fully the demand for telephones the existing capacities will have to be almost doubled in these important centres.

Steps towards indigenisation

1.74. During evidence, the Committee enquired about the steps taken to reduce dependence on imports. The Secretary, Ministry of Communications stated:

"That is our continuous effort. In a telephone system, we have the telephone exchange equipments, the cables and the instrument which is at the subscriber's premises. These are the 3 main items of equipment in a telephone exchange. For long distance equipment, we have co-axial cables or microwave systems installed, which use very sophisticated technology and equipment. I am very happy to tell you that in all these directions, the efforts made during the last 10 or 15 years are bearing fruit; and we are now manufacturing all the varieties of equipment within the country itself. We have a research centre in Delhi called the TRC, set up in 1956; it has been able to design almost all types of transmission and long distance equipment, including microwave equipment. The ITI are manufacturing two types of switching equipment which we have, *viz.* the cross-bar and strowger as also the telephone instrument; and the Hindustan Cables are manufacturing cables. Now, in the Naini factory of ITI we are manufacturing various types of long distance equipment."

1.75. The Committee desired to know the improvements actually effected in telecommunication services on account of the research conducted in the country. In this connection the Secretary, Ministry of Communications stated :

"The attempt in the research centre was to develop indigenous capability to manufacture what we were importing earlier. That was the first major thrust in the earlier stages. We were earlier importing things; but now, after we have stabilised, the major thrust is towards Indianising the components and parts which we were importing otherwise. Even when we manufacture equipments for particular system, we go on importing certain components and parts from other countries; and the TRC has

been able to devise these components parts by using indigenously available material. As regards improvement in quality, TRC has a branch which is continuously monitoring Indian conditions, particularly the habits of subscribers while using telephone instruments as also the defects in the instrument; and studying how the instruments can be built in a manner that they become more sturdy. Similarly, in exchanges, there is greater load on the equipment. When we have a large number of telephones in a town, the average number of calls made from one telephone is less; but if the number of telephones is less as is the position in our country—and there is a big demand waiting to be fulfilled, the telephone is used more often. We have a utilisation pattern of 2 to 2½ times in Bombay, as compared to Tokyo, London, Paris etc. This puts special, extra load on the exchange equipment. The TRC is looking into this."

1.76. A note subsequently furnished to the Committee, in regard to the working of the Telecommunication Research Centre and the impact it had made on the telecommunication schemes, is reproduced below :

"The Telecommunication Research Centre was established in 1956. At that time rapid strides were being registered abroad in electronics and telecommunication technology. In our country there was practically no proper base for taking advantage of this technology progress in terms of indigenous design, development and manufacture of modern telecommunication equipment or for its introduction in the National Telecommunication network which was getting set at a fast rate of expansion. The TRC was mainly intended to serve as a nucleating force for P&T to derive optimum benefits of advancing technology.

The main objective of TRC is to keep abreast of the advances in telecommunication technology in order that it will :

- (a) provide the necessary expertise for the formulation and implementation of policies for introduction of technological advances relevant to the telecommunication services in India;
- (b) carry out necessary design and development projects;

- (c) conduct specific technical investigations into problems of the telecommunication services of the P & T; and
- (d) tender technical advice to the executive branches.

Over the years the TRC has designed, developed and followed up for manufacture and use a wide spectrum of communication equipments. These have enabled better utilisation of existing assets, introduction of a number of new services and facilities in keeping with modern trends and the production in India of a variety of transmission and switching equipment to indigenous designs.

Some notable design achievements of TRC during the two decades of its existence have been :

- (a) Retransposition schemes for open wire routes to permit operation of multichannel carrier systems, with manifold increase in circuit capacities.
- (b) Single and multi-link operator dialling for faster and more efficient usage of trunk circuits.
- (c) Subscriber Trunk Dialing (STD) Service.
- (d) Telex Services.
- (e) Long distance transmission equipments for open wire lines, underground cables, VHF/UHF and microwave radio.
- (f) Computer controlled Stored Programme Electronic Exchanges.
- (g) Upgradation of the Pentaconta Crossbar Equipment for improved performance.
- (h) Power plant for telephone and telegraph exchanges as also power supply units for various types of transmission equipment.

A large range of equipment of TRC designs has been in production primarily in the Indian Telephone Industries (ITI) for the past several years. Some equipment mainly power plant items have been in manufacture by a few private sector units. In recent years, TRC has embarked on joint development projects also with other public sector units, such as, Messrs Hindustan Teleprinters Ltd., and

Bharat Electronics Ltd. Presently, the annual production to TRC designs is about Rs. 10 crores with a saving in foreign exchange of about Rs. 7.5 crores per annum. Total production to TRC designs so far is estimated at about Rs. 90 crores by the ITI and some private companies. This has meant indigenisation of equipment to that extent and consequently a foreign exchange saving of nearly Rs. 70 crores. Personnel from TRC on deputation to ITI have also provided essential nucleating elements for the large R & D activity which now exists within ITI.

The Telecommunication Research Centre is located in Delhi and functions as a part of the P & T Board. The activities of TRC are managed by the Director (TRC) and 4 additional Directors, the former being also responsible for general administration and coordination. There is an R & D Committee with the Chairman, P & T Board as its Chairman which lays down policy guidelines for the work in TRC, expedite administrative and financial decisions relating thereto and also reviews the progress made from time to time on important projects. The total strength of TRC is about 260 technical officers, about 40 supporting technical staff and about 20 officials for secretarial assistance. The technical and officer orientation of the centre is obvious.

The annual expenditure, both under Revenue and Capital heads of the TRC is met from the resources of the P & T Department. The annual revenue expenditure of TRC includes the expenditure on R & D, supporting staff, purchase of consumable items, contingencies, etc. The Capital expenditure is in respect of instruments, apparatus, building, etc.

The total expenditure on TRC under Capital and Revenue heads for the past five years is as follows:

Year 1969-70 (Actuals)	Rs. 28.1 lakhs
Year 1970-71 (Actuals)	Rs. 35.5 lakhs
Year 1971-72 (Actuals)	Rs. 33.7 lakhs
Year 1972-73 (Actuals)	Rs. 92.5 lakhs
Year 1973-74 (Actuals)	Rs. 60.7 lakhs
Year 1974-75 (Actuals)	Rs. 135.7 lakhs
Year 1975-76 (B.E.)	Rs. 325.0 lakhs

The P & T Department has decided to allot upto 1 per cent of telecom. revenue and upto 2.5 per cent of the 5th Plan Capital expenditure on R & D.

In addition to the aforementioned specific product design and development tasks, TRC has been actively engaged in an advisory role to P & T. The introduction of new services like 'Telex' and 'STD' were in no way a small measure due to the expertise provided by TRC. Similarly, the technical expertise for introduction of new equipment and systems, e.g., Microwave Radio Relay links, 12 MHz Coaxial systems, PCM systems, Plastic insulated and sheathed underground cables, etc. was provided by TRC; the studies, exploratory design and development work on stored programme controlled electronic switching systems has now culminated in P & T Department's decision to introduce such exchanges in coming years and also for their indigenous manufacture. In all these, TRC works in close consultation with the planning and operation branches of the P & T Board and assists them in benefit evaluation, planning and procurement (by way of technical specifications) and in technical assessment of equipment offered against tenders. The TRC is currently engaged on a wide range of activities to keep abreast of new technology thrusts such as Digital Switching and Transmission, Electronic Telex and TAX, domestic applications of satellite systems, DATA transmission services, local area mobile systems, and so on.

TRC also helps the Department in technical investigations on a variety of problems reported by the field units suggests remedial measures, and also undertakes specific design and development work for implementing the same. Improvements in Pentaconta Crossbar working, problems on imported systems, e.g., Coaxial equipment, Microwave equipment, studies on unsatisfactory working of STD etc., are typical examples of such work. The services of TRC are also often requested by other Government agencies like Defence Department, power transmission grids, Railways, etc. for advice in respect of problems connected with their own telecommunication systems.

In retrospect, TRC has played a very significant role in the growth and modernisation of P & T's telecommunication services. It has also been largely instrumental in stimulating in the creation, nurturing and growth of a self-reli-

ant technology base in the country in this important field. It continues to strive for inducting the ever-improving concepts, techniques and associated technologies into P & T's telecommunication services, for optimum benefits from investments thereon."

1.77. The Committee called for details of requirements, indigenous production and import of different equipments used in telecommunications for the last 3 years. The relevant information furnished by the Ministry is tabulated below :

	Requirements			Indigenous supplies			Direct Import		
	72-73	73-74	74-75	72-73	73-74	74-75	72-73	73-74	74-75
1. Switching systems . . .	2412	2509	4427	2607	3173	3996	12	13	193
2. Cables . . .	2471	1976	1862	651	1388	1805	130	2764	542
3. Transmission systems . . .	1470	883	1431	615	642	1574	251	187	529
4. Line materials . . .	1001	902	1015	1390	1298	1359	120	169	..
TOTAL . . .	7354	6270	8735	5263	6501	8734	513	3133	1264

The Ministry also stated in this connection :

"While in terms of value, there has been considerable increase, the actual supplies have not increased in the same proportion. This has been due to steep escalation over and above the nominal annual escalation of 5 per cent over 1972 prices assumed at the time of preparation of the Fifth Five Year Plan."

1.78 The following statement furnished by the Ministry indicates the details of the import content of the indigenous production :

1. Indian Telephone Industries:

Stronger & Switching Equipment	12%
Telephone Instruments	12%
Crossbar Switching Equipment	33.3%
Transmission Equipment	28.0%
Overall average for ITI	25.8%
II. Hindustan Cables Ltd.	55%
III. HTL	9%

1.79. During evidence the Committee pointed out that despite the advances claimed to have been made in the working of the P & T Department, the telephone system in India appeared to compare unfavourably with systems in other countries. In this connection, the Committee cited the instances of the lack of a direct dialling facility between Calcutta and Delhi and the difficulties experienced in obtaining trunk connections from one city to another. The Secretary, Ministry of Communications deposed :

"Actually this is a matter of utilising the technologies better.

The most modern technology which is most reliable for long-distance communication is the microwave technology. There are two reasons why it is more efficient. Firstly, the equipment is installed only at points at a distance of 100 km. or so where there is one tower. The equipment is installed only at one place. Secondly, there is great sophistication introduced in the equipment at higher costs. Greater reliability has been achieved therein. We are going to have microwave system connecting all our major cities by September-October next year when we will have links between Delhi and Calcutta and between Delhi and Bombay, as also between Bombay and Calcutta; i.e. by that time this golden triangle will be covered by microwave routes. Between Bombay-Madras, Madras-Bangalore-Trivandrum, the microwave system will be ready towards the end of 1977-78. After the installation of this microwave system, we will have very efficient long-distance communication; and we will also be able to introduce subscriber trunk dialling on these long routes. At present, we have coaxial systems between these towns. In the early '60s, the coaxial was considered to be very modern and sophisticated and most countries had it. We have coaxial system between Delhi-Bombay and Delhi-Calcutta but these coaxial systems do not function with the same degree of reliability for the reason that there is theft. We have a very large number of cases of theft. People adopt ingenious methods. They dig up holes on the route and attach a piece of cable to a truck and drive the truck away. The second is that the cable is also subject to faults caused by lightning and power failure. So the reliability is not to the extent it should be. The third reason why we have not been able to have direct trunk dialling between Delhi and Calcutta is that apart from the coaxial not being reliable it does not have sufficient circuits."

Another representative of the Ministry of Communications informed the Committee as follows :

"We have been hoping to have a skeleton service between Delhi and Calcutta in the first instance during night when there is less load of traffic. Our microwave system is expected to come into use by the end of 1976. Already it is working between Calcutta and Asansol and being installed between Asansol and Lucknow. It has to be extended upto Delhi. The work is on. But before that, we might introduce the night dialling facility on this route."

1.80. On being asked whether as compared to other countries, the telephone facilities available in India were inadequate, the Secretary, Ministry of Communications stated :

"Compared to the developing countries, our facilities are not inadequate but compared to the developed countries our facilities are inadequate. With the introduction of microwave system we will have two routes. At present, there is only one route and if that route goes out of order, the whole system becomes inoperative. In the case of triangular traffic, we will be able to have alternative route. If the Delhi-Calcutta route goes out of order, calls can be sent through Bombay."

1.81. Asked why there had been delay in the completion of the Lucknow-Asansol-Calcutta lines, the witness stated:

"There is a very special reason for this delay. We had imported this equipment from a company in Canada and there had been undue delay in the supply of equipment. We had our testing team there and the testing team found many defects and they had to completely manufacture many sections of the equipment. The equipment was supposed to come in 1972 but some of the equipment had been received only by the end of 1974. The other reason is that there is delay in completion of the microwave towers which are to be set up at a distance of 80 to 100 Kilometers. These towers are to be constructed by Triveni Structural. But I assure you that it won't go as far as March 1978. Our plan is to commission it by September/October next year."

1.82. Referring to the use of satellites for communications, the Secretary, Ministry of Communications informed the Committee during evidence :

"That is the next technology and certain countries have already gone in for domestic satellite. Indonesia is planning for a domestic satellite for communication between various islands. A domestic satellite has many facilities and advantages and it will be useful for a country like India because there are many inaccessible areas in our country. Even at the time of floods and emergency a satellite system could prove very useful."

He added:

"I might tell you that the study is already going on in our country as to whether we should have a satellite and if is there, what will be its cost and other factors."

1.83. The Committee were informed by the Secretary, Ministry of Communications that the microwave equipment was being manufactured by the Indian Telephone Industries. He further added :

"The first two systems which are most modern in microwave have already been installed. As it happens in this modern sophisticated technology there are certain teething troubles in the initial stages. Those are being attended to and all the defects have been removed. The microwave system that is now made by the ITI will be as good as the international system."

1.84. In reply to a question whether all the components were being manufactured in the country, the witness stated:

"Certain components have to be imported, particularly travelling wave tubes. The setting up of manufacturing requirement of these tubes would be very costly, because our requirement of these tubes is very small. We are also importing antenna parts. The Government is going to set up a factory for manufacture of antenna."

He added :

"Except for a few components, like travelling waves tubes, which are required only in a few numbers, and the manufacture of which is very sophisticated and costly, we will be able to manufacture all the rest of it. In every industrial product that is manufactured there are always a few items

which are required in very small quantities, the manufacture of which is very difficult to set up and is very costly."

1.85. Referring to complaints in the operation of the cross-bar exchanges, the Committee desired to know whether the problems had been identified and necessary measures taken to improve their efficiency. The Secretary, Ministry of Communications stated :

"Five or six specific problems have been identified. Broadly, these are problems of contact protection, corrosion, component failures, mechanical adjustment, instability of mechanical adjustments and circuit problems. All these problems have been looked into by a special task force in the TRC and remedial measures have been taken. And the new cross-bar equipment manufactured in the ITI will not give rise to these problems. In the case even of the exchanges installed earlier, which were imported from outside, these aspects have been dealt with and they have been upgraded to deal with these shortcomings."

1.86. The Committee regret that it should have taken the Posts & Telegraphs Department as long as six years to complete the project for expanding the capacity of the Srinagar Telephone Exchange from 3300 to 4500 lines, sanctioned as long ago as in October 1965. Whereas the work relating to the installation of the exchange equipment, taken up for execution in November 1966, was completed by March 1968, and that relating to the laying of the primary and secondary cables was also completed by December 1967, both more or less according to schedule, the work of laying the distribution cables, which connect the subscribers' premises with the exchange net-work, lingered on for more than three years from July 1967 to November 1970, thus blocking the release of fresh telephone connections. The Committee are of the view that many of the problems pleaded in extenuation of the delay should have been foreseen and timely steps taken to ensure that the project was executed on schedule.

1.87. The non-receipt of permission for digging trenches 'despite continuous persuasion' has been cited as one of the reasons for the delay in laying the distribution cables. This, in the Committee's view, can hardly be considered a valid excuse for delaying a project in which the local population of Srinagar, backed by the local administration as well as the Defence authorities for whom the

telephone connections were of strategic importance, must have presumably evinced enthusiasm. By proper advance planning and coordination, it should not have been difficult for the Department to enlist the cooperation and active support of the local authorities. It is a pity that this work, started even after the first consignment of stores had been received, just came to be abandoned.

1.88. The climatic conditions in Srinagar, on account of which the working season in a year was reduced to 5 or 6 months, were also not unknown to the Department. Presumably, this factor was taken into account while finalising the time schedules for the various components of the work. It is not clear to the Committee why this was not anticipated and necessary steps taken to see that any delay on this account was minimised, if not altogether eliminated.

1.89. Yet another reason advanced for the delay in the completion of the expansion project is the non-receipt of essential cables required for the project from the Hindustan Cables Ltd. The Committee, however, find from a letter dated 20 December, 1973 from the Department to Audit that at the time of preparation of the distribution Cable plan the length of various sizes of cables provided were only approximate and had not taken into account the actual location of the distribution points with reference to the release of connections to person on the waiting list. Consequently, the provisions made in the cable plan proved different from those made in the detailed estimate based on actual measurements. Admittedly, there was an error in forecasting the cable requirements and by the time the detailed estimate was sanctioned in February 1967, sixteen months after the sanction of the project, and necessary indents for the cables were released in March 1967, much valuable time had been lost. This is indicative of defective planning which was by no means unavoidable. Our telephone system can do a lot better, as was seen when a project, sanctioned in November 1972, for the further expansion of the Srinagar Exchange from 4500 to 4800 lines, was started earlier (April 1972) and completed (August 1972), even before the sanction was issued.

1.90. The Committee heard the Secretary of the Ministry of Communications arguing that if the estimate relating to the distribution cables had been sanctioned earlier and orders therefor placed before March 1967, it might have resulted in the cables being received earlier than required and left without any utilisation. While this argument may be valid in a certain situation, the Committee feel that this was not a very tenable assumption to make in the context of the general shortage of cables in the country at the time the pro-

ject was taken up for execution. The problems likely to be encountered in the procurement of cables were also not unknown to the Department. The Public Accounts Committee (1968-69) put it on record, in paragraph 2.35 of their 40th Report (Fourth Lok Sabha), that as much as 13 per cent of the connectable capacity of telephone exchanges in the country with 1000 lines or above had remained unutilised, primarily on account of a shortage of cables. The Committee had further noted that the shortage of cables had assumed such proportions that the Department had anticipated that as much as two-thirds of their cable requirements would remain unsatisfied at the end of 1968-69. In view of this position, it was only appropriate for the Department to have worked out the cable requirements of the Srinagar project in a more realistic manner and initiated action, with foresight and care, for the procurement and delivery of cables required for the project, in consultation with the Hindustan Cables Ltd. That this was not done would suggest that the basic planning of the expansion project was defective. The Committee would like to stress that once a project is taken up for execution, there should be a proper synchronisation of the different components of the project from the very beginning and a genuine coordination between the different agencies involved, so that the shortage or non-supply of certain essential items do not hold up the completion of the project.

1.91. Incidentally, the Committee find that about 90 per cent of the total production of Hindustan Cables Ltd. is being consumed by the Ministry of Communications and that the Administrative Reforms Commission had recommended that the control of Hindustan Cables should vest with this Ministry instead of the Ministry of Industrial Development. The then Secretary, Ministry of Communications, while tendering evidence before the Estimates Committee in 1972-73, had also pointed out that if the administrative control of the company vested with this Ministry, a 'lot of time in dialogue would have been saved'. The Estimates Committee had then been informed that a proposal for the transfer of the company to the Ministry of Communications was under consideration of the Committee of Secretaries. The Committee have, however, been informed that the Company still continues to be under the administrative control of the Ministry of Industrial Development. While the reasons for continuing with this arrangement are not known to the Committee, they feel that it would be a more satisfactory arrangement if Hindustan Cables Ltd. is placed under the administrative control of the Ministry of Communications, and accordingly desire that this should be examined afresh.

1.92. Considering the acute shortage of cables in the country and the ever-widening gap between supply and demand, the Committee would like Government to give serious thought to this problem and take measures to bridge the gap by stepping up the indigenous production of cables, so as to ensure a fuller utilisation of the capacity of the telephone exchanges and to meet the long-pending demands from subscribers for fresh telephone connections.

1.93. The Committee are concerned that as a result of the delay in the laying of the distribution cables, the installed capacity of the Srinagar Exchange could not be fully utilised even when there were applicants for fresh connections on the waiting list. The potential loss of revenue on this account has been estimated by Audit at Rs. 17.16 lakhs upto September 1973. This loss computed by Audit, has however, not been accepted by the Ministry of Communications who have furnished a revised statement showing the utilisation of the installed capacity of the exchange. Even according to the Ministry's own figures, the Committee find that 90 per cent capacity utilisation of the exchange had been achieved only in March 1970, two years after the exchange equipment was commissioned. Therefore, whatever may be the exact financial connections, the fact remains that there has occurred an under-utilisation of the capacity of the exchange.

1.94. The Committee find that the release of telephone connections from the exchange suffered a further set-back on account of (i) a motor generator remaining out of order for as long a period as three years and (ii) the non-availability of certain essential parts for about 250 faulty switches. The Committee consider the delay that had occurred in repairing the defective generator entirely unwarranted. As the Secretary of the Ministry himself admitted during evidence, the generator could have been repaired earlier if 'special efforts' had been made. The Committee would, therefore, like to know why such 'special efforts' were lacking in this case especially when it was known that the generator was of 1936 vintage.

1.95. Similarly, the faulty switches could not be repaired in time on account of the inability of the Indian Telephone Industries, Bangalore, to cope with the demand for the requisite maintenance spares. This is not the first occasion when the Committee have come across such instances of delay on the part of the Indian Telephone Industries in meeting the requirements of the Posts & Telegraphs Department. The Committee would urge Government to devise ways and means of ensuring that schedules for the delivery of equipment and spares required by the latter are scrupulously adhered to by the former. The Ministry of Communications should

also evolve a suitable mechanism by which the requirements and supplies of essential spares can be coordinated on an all-India basis, so that the temporary shortages occurring in one centre could be appropriately met from another centre where such spares may be available.

1.96. What is even more distressing to the Committee is the incorrect procedure followed by the Srinagar Exchange, as well as other exchanges in the country in releasing telephone connections to the applicants on the waiting list. According to the instructions in force for the release of telephone connections, while connections under the General category are to be given strictly in the order of the date of registration in the waiting list, 7 1/2 per cent of the exchange capacity available for allotment in telephone systems of 19,000 lines and above and 10 per cent of the capacity in systems of 1,000 lines and above but below 10,000 lines are to be allotted on the advice of the Telephone Advisory Committees. However, instead of placing before the Advisory Committee only those applications for out-of-turn allotment for sanction, a practice somehow appears to have developed of placing the entire waiting list before the Committee for approval. As a result, even the in-turn connections which are to be given on a first-come-first-served basis were released only after the meeting of the Committee with consequential under-utilisation of the available capacity and loss of revenue. The Committee would very much like to know how long this irregular practice has been allowed to continue, despite the unambiguous instructions in this regard, and the reasons therefor. Now that instructions have been issued clarifying the correct position, the Committee trust that there would be no repetition of the mistake and the Department would ensure that such avoidable loss of revenue as has happened in the present case does not recur.

1.97. From the figures of utilisation of lines earmarked in the Srinagar area for opening public telephone booths with coin-collecting boxes and for providing junction lines to private branch exchanges (PBX), the Committee find that their utilisation so far, particularly of the lines meant for private branch exchanges, is far from satisfactory. The Committee find that as against the installed capacity of 200 lines for PBX connections, only 28 lines have been put to use till 1973. The Committee are unable to appreciate the rationale for earmarking as many as 200 lines for this purpose in the absence of adequate demand. They would, therefore, like to be informed whether before creating this additional capacity, which has practically remained idle, the need therefor had been clearly established after a detailed evaluation of the trend of demand for

such connections. Had such an evaluation been done, the unproductive expenditure on the establishment of such a large idle capacity could have been avoided and a larger number of lines provided instead to satisfy the demands of those clamouring for fresh telephone connections. The Committee desire that the Department should explore the possibility of suitably modifying the PBX Group lines in the exchange to meet the requirements of other subscribers in need of direct line connections.

1.98. In this context, the Committee consider that it would be worthwhile also to review the utilisation of PBX connections available in other exchanges in the country, particularly in places other than the metropolitan cities, so as to ensure that the scarce resources made available to the Telecommunications Branch are utilised in the best possible manner. In places where the utilisation is inadequate or poor, the Department would do well to explore the possibility of diverting the additional capacity to places where the needs are greater and more urgent.

1.99. Non-utilisation of PBX connections apart, the Committee also find that in certain telephone exchanges of over 1,000 lines capacity, the installed capacity was more than the demand as on 31st March, 1975. Though such instances are not many, the Committee would nevertheless like the Department to keep a constant watch over the working of these exchanges so that the excess, unutilised capacity might be transferred wherever feasible to other exchanges where the demand far outstrips the supply. The Committee would like to be apprised of the specific steps taken in this behalf.

1.100. Incidentally, the Committee note with concern the progressively widening gap between the demand for and supply of telephones. As on 31st March, 1975, there were 13.29 lakh working telephone lines in the country and as many as 6.37 lakh applicants on the waiting list. From the information furnished in this regard by the Ministry of Communications, the Committee find that in certain important telephone districts the waiting lists for telephone connections exceeded or were near about the total direct exchange lines working in these centres. This means that in order to meet the demands for telephones fully in these centres the existing capacities will almost have to be doubled. In the metropolitan cities, generally, the waiting lists are alarming. For instance, the number of applicants on the waiting list at Bombay Delhi and Calcutta as on 31st March, 1975 were respectively 1.78 lakhs, 1.04 lakhs and 0.75 lakh.

As against this ever-increasing demand, a provision for only 7.70 lakh telephone connections has been made during the Fifth Plan period and if past performance is any indication, even this target may not be realised fully. This, in the Committee's view, is by no means a satisfactory state of affairs.

1.101. The Committee are aware that the development of telephone facilities in the country will have to depend on the overall availability of resources and the demands of other vital sectors of developmental activity. There is, however, an imperative need to ensure that efficient telephone facilities, which play an essential role in the development of the infrastructure of the country, are provided on an efficient and adequate scale. The development of this facility should, therefore, be accorded high priority, especially in view of the fact that the telephone system can more than adequately pay its way. To begin with, the Department could begin to launch, on a crash programme basis, rapid extension of the facility in those centres of commerce and industry where the waiting lists are formidable. This would result not only in the provision of the facility where it is most immediately needed but also in the speedier augmentation of the revenues of the Department which, in turn, can be utilised for augmenting the capacity at other centres. If the everlengthening waiting lists are to be exhausted in none-too-distant a future, the Committee feel that the necessary drastic and determined measures for raising the requisite resources should not be beyond the ingenuity of the Department.

NEW DELHI;

March 9, 1976.

Phalguna 19, 1897 (S).

H. N. MUKHERJEE,
Public Accounts Committee.

APPENDIX I

(vide paragraph 1.46)

[Copy of D.O. No. 135/30/58-PHA. dt. 26-3-59 from
Office of the Director General of
Posts and Telegraphs,
New Delhi.]

My dear,

With a view to expedite giving of telephone connections it has been decided to simplify the rules for allotment of telephone connections. A copy of the revised rules is forwarded herewith. These should be brought into effect immediately.

2. Under the new rules, there will be only one exempted category in OYT area, and one priority category in non-OYT areas as against a multiplicity of such categories at present. The exempted category lists should, therefore, now be-arranged into one group according to date of application. It is essential, however, that there should be no cessation or slowing down of the rate of giving new connections in the process of changing over to the new rules. In case the convening of the Telephone Advisory Committee is necessary and is likely to entail some delay, connections, which can be given according to the date of application under the new rules can be offered and should continue to be given.

3. Any sanctions which have so far been given under the present rules should remain operative and telephone connections against such sanctions should ordinarily be given.

4. —spare copies of the rules are enclosed and should be distributed urgently to the Divisional Engineers and other concerned officers.

5. You will notice that full discretion for allotting telephones has been given to the Heads of Circles in consultation with the Telephone Advisory Committees. I hope that you will ensure removal of all procedural difficulties and bottlenecks and ensure that allotment of new telephone connections is in future, carried out expeditiously and economically. In view of the very wide discretion given there should be hardly any case for reference to the direc-

torate but if such a contingency does arise you are requested to make a demi-official reference to the Director of Phones (E) so that the implementation of these orders is not delayed.

6. I shall be obliged if you will acknowledge receipt of this letter and submit a report to me every quarter in the first fortnight of April, July, October and January regarding the working of the revised scheme.

Your sincerely,
Sd/- P. M. Agarwala.

To

All Heads of Circles and
Telephone Districts. . .

Rules for allotment of telephones.

Heads of Telephone Districts and Circles should take advance action in respect of administrative arrangements and local line work to ensure that telephone connections are provided speedily to the waiting applications soon after the exchange equipment becomes available. In areas where the waiting list is large, action should be taken to keep all other things ready so that the additional connections can be brought into commission soon after the opening of the new exchange or extension. After allowing for capacity for test numbers 'PBX reservation', a small reserve capacity for emergent demands should be retained. The balance will be available for utilisation and shall be treated as the available capacity.

I. OYT Stations.

- (i) The spare capacity will be divided into two groups, namely for the applicants paying an initial deposit and those under the exempted category. 70 per cent of the capacity shall be filled by OYT applicants, as at present.
- (ii) OYT telephones will be given on the basis of the date of application. Heads of telephone Districts and Directors of Telegraphs in Circles will be authorised to sanction, in their discretion, out of turn OYT connections on the recommendations of the Central or State Governments or of the Telephone Advisory Committees. This will include cases from important commercial and industrial organisations.

- (iii) Telephone demands under the OYT schemes from the Govt., Public Sector Corporations, Local Authorities and Public Utility Services will be met on priority.
- (iv) There will be only one exempted category and this will include all existing applications under different categories for telephone connections. Applications under the exempted category (consisting of Press, Doctors, Publicmen, Public Institutions etc. which will be merged into one) shall be registered liberally. If any applicant wants more than one telephone connection his request will be registered. Requests from Small Scale Industries not able to pay to OYT deposits would also be included in the exempted category.
- (v) 30 per cent of the spare capacity will be utilisation for giving connections to the exempted category 50 per cent of these connections will be given ordinarily on the basis of date of application unless in any case, the Head of the office considers that a telephone connection should be withheld. The balance 50 per cent will be sanctioned on the advice of the TAC.
- (vi) Since the different exempted categories will henceforth be amalgamated, Heads of Circles will have the authority so to adjust between different groups as to avoid preponderance or unduly large number of any one group being sanctioned at one time.

II. NON OYT STATIONS OR EXCHANGE AREAS WHERE OYT HAS BEEN RELAXED WHERE TACs ARE FUNCTIONING.

- (i) There shall be only one priority category which will include applications from 'Press' 'Doctors' 'Publicmen' and Public Institutions' Scheduled Banks and local bodies will also be grouped under this category. Applications under this category shall be registered liberally. If any applicant wants more than one telephone connection, his request will be registered. Requests from Small Scale Industries not able to pay the OYT deposit (in relaxed OYT areas) will also be included in the priority category.
- (ii) The remaining applications will be registered in a general waiting list.

- (iii) 70 per cent of the available capacity will be allotted to applicants in the general waiting list and 30 per cent to the applicant in the priority category.
- (iv) From the general waiting list, to which 70 per cent of the available capacity would be allotted, 50 per cent of the connections will be given ordinarily on the basis of dates of applications. The remaining 50 per cent will be given on the advice of the TAC.
- (v) 50 per cent of the quota available for the priority category will be given ordinarily on the basis of dates of application. The balance 50 per cent will be given wholly on the advice of the TAC.
- (vi) The telephone demands from Govt., Public Sector Corporations, Local Authorities, Public Utility Schemes etc. will be met on priority out of the 70 per cent quota reserved for the general list.
- (vii) Since the different priority categories will henceforth be amalgamated, Heads of Circles will have the authority so to adjust between different groups as to avoid preponderance or unduly large number of any one group being sanctioned at one time.

III. Stations without TACs.

Stations where neither 'OYT' is in force nor is there a T.A.C. are relatively less important. The Director of Telegraphs, in whose jurisdiction these stations are, will exercise the powers of the T.A.C. in allotment of the 50 per cent out-of-turn connections.

IV. Temporary telephones.

Heads of Circles may sanction temporary telephones upto one year. Extensions beyond one year may be given by the Head of the Circle subject to ratification by the TAC (where one exists).

The Govt. and the P&T Directorate shall have discretion to allot telephones out of turn with or without OYT deposits, and to allot telephones on monthly rental basis in OYT areas on such priority as they may deem fit. Officers in charge of telephone systems shall also have full discretion to allot additional junction lines to PBXs where such lines are found necessary on traffic considerations. Such lines may be offered on a monthly rental basis on OYT areas at the discretion of the Head of the Circle.

APPENDIX II
 (vide paragraphs 1.46)

(Copy of Posts & Telegraphs Board Ministry of Communications No. 2-5/71-PHA dt. 17-1-71)

To

All Heads of Circles/Telephone Districts.

SUBJECT: Further extension of OYT Scheme.

In continuation of the instructions issued in this office letter No. 2-29/67-PHA dated 19th December, 1967, it has been decided to extend the O.Y.T. Scheme further to all telephone systems in the country with effect from the date of introduction of the revised tariff, which is being communicated separately by the Rates Section of the Directorate.

2. With the introduction of the revised tariff, the initial lump-sum payment for the different OYT stations and the permissible rebates in rental will be as follows:—

	Categories of Telephone Systems			
	10,000 lines and above, but below 10,000 lines	1,000 lines and above, but below 1,000 lines	300 lines and above, but below 300 lines	Below 300 lines.
	1	2	3	4
OYT Scheme :		Rs.	Rs.	Rs.
(a) Initial payment	300	2500	2,000	1,000
(b) Initial period during which a reduction in rental is admissible	20 yrs.	20 yrs.	15 yrs.	10 yrs.
(c) Rebate in rental				
(i) On rentals paid annually	144	120	128	96
(ii) On rentals paid quarterly	36	30	32	24
(iii) On rentals paid monthly	10	8

3. No revision will be made in respect of deposits already made before the date of introduction of revised tariff though the connection may not have been given by that date. In future however, whenever the category of a telephone system (as per columns in para 2 above) changes on an increase of its capacity, the connections therefrom will be provided on the basis of tariff as applicable to the new category from the date of such increase of capacity.

4. The apportionment of exchange capacity available for allotment will be as follows with effect from date of introduction of revised tariff:—

Category	Telephone systems of 10,000 and above.	Telephone systems above but below 10,000 lines	Telephone systems of below 1,000 lines
OYT	70%	50%	OYT demand will be met out of the spare capacity on highest priority.
Special	15%	20%	20% of balance available capacity after providing OYT connections.
General	15%	30%	80% of balance available capacity after providing OYT connections.

[This is in supercession of the instructions given in para (6) of this office letter No. 2-29/67-PHA dated 19-12-1967 and para (2) (ii) of this office letter No. 11-7/67-PHA|Col. II dated 16-2-1968].

4A. If in any exchange forming part of telephone systems of capacity 1,000 lines and above, the OYT waiting list is current and is likely to remain current for the next six months, the spare capacity should not be allowed to lie idle. Such spare capacity may then be allotted to special and General Categories in the proportions specified above in Columns (2) or (3) of preceding para whichever is applicable.

[This is in supercession of the instructions issued in this office letter No. 2-29/70-PHA dated 11-3-71 and this office letter No. 2-29/68-PHA II dated 5-9-68 as modified].

5. The existing rules will continue to be applicable regarding provision of out of turn connections in various categories. Connections in General Category at all stations having telephone systems of

capacity 1,000 lines and above will continue to be provided strictly according to turn on the waiting list and no out of turn connections in this category will be permissible at such stations.

The receipt of this letter may please be acknowledged.

Sd/-

(N. V. Shenoi)

Sr. Member (Telecom. Operations)

Copy to Rates Section.

APPENDIX III

Summary of main Conclusions/Recommendations

S. No.	Page No. of the Report	Ministry concerned	Conclusions Recommendations
1	2	3	4
1.	1·86	Ministry of Communications (P & T Deptt.)	<p>The Committee regret that it should have taken the Posts and Telegraphs Department as long as six years to complete the project for expanding the capacity of the Srinagar Telephone Exchange from 3300 to 4500 lines, sanctioned as long ago as in October 1965. Whereas the work relating to the installation of the exchange equipment, taken up for execution in November 1966, was completed by March 1968, and that relating to the laying of the primary and secondary cables was also completed by December 1967, both more or less according to schedule, the work of laying the distribution cables, which connect the subscribers' premises with the exchange net-work, lingered on for more than three years from July 1967 to November, 1970, thus blocking the release of fresh telephone connections. The Committee are of the view that many of the problems pleaded in extenuation of the delay should have been foreseen and timely steps taken to ensure that the project was executed on schedule.</p> <p style="text-align: right;">85</p>
2	1·87	—do—	The non-receipt of permission for digging trenches 'despite continuous persuasion' has been cited as one of the reasons for the delay

in laying the distribution cables. This, in the Committee's view, can hardly be considered a valid excuse for delaying a project in which the local population of Srinagar, backed by the local administration, as well as the Defence authorities for whom the telephone connections were of strategic importance, must have presumably evinced enthusiasm. By proper advance planning and coordination, it should not have been difficult for the Department to enlist the cooperation and active support of the local authorities. It is a pity that this work, started even after the first consignment of stores had been received, just came to be abandoned.

3. 1.88 —do—

The climatic conditions in Srinagar, on account of which the working season in a year was reduced to 5 or 6 months, were also not unknown to the Department. Presumably, this factor was taken into account while finalising the time schedules for the various components of the work. It is not clear to the Committee why this was not anticipated and necessary steps taken to see that any delay on this account was minimised, if not altogether eliminated. 65

4. 1.89 —do—

Yet another reason advanced for the delay in the completion of the expansion project is the non-receipt of essential cables required for the project from the Hindustan Cables Ltd. The Committee, however, find from a letter dated 20 July, 1973 from the Department to Audit that at the time of preparation of the cable plan, the length of various sizes of cables provided were only approximate and had not taken into account the actual location of the distribution points

with reference to the release of connections to persons on the waiting list. Consequently, the provisions made in the cable plan proved different from those made in the detailed estimate based on actual measurements. Admittedly, there was an error in forecasting the cable requirements and by the time the detailed estimate was sanctioned in February 1967, sixteen months after the sanction of the project, and necessary indents for the cables were released in March 1967, much valuable time had been lost. This is indicative of defective planning which was by no means unavoidable. Our telephone system can do a lot better, as was seen when a project, sanctioned in November 1972, for the further expansion of the Srinagar Exchange from 4500 to 4800 lines, was started earlier (April 1972) and completed (August 1972), even before the sanction was issued. 69

5.

1.90 Ministry of Communications (P & T Deptt.)

The Committee heard the Secretary of the Ministry of Communications arguing that if the estimate relating to the distribution cables had been sanctioned earlier and orders therefor placed before March 1967, it might have resulted in the cables being received earlier than required and left without any utilisation. While this argument may be valid in a certain situation the Committee feel that this was not a very tenable assumption to make in the context of the general shortage of cables in the country at the time the project was taken up for execution. The problems likely to be encountered in the procurement of cables were also not unknown to the Depart-

ment. The Public Accounts Committee (1968-69) put it on record, in paragraph 2.35 of their 40th Report (Fourth Lok Sabha), that as much as 13 per cent of the connectable capacity of telephone exchanges in the country with 1000 lines or above had remained unutilised, primarily on account of a shortage of cables. The Committee had further noted that the shortage of cables had assumed such proportions that the Department had anticipated that as much as two-thirds of their cable requirements would remain unsatisfied as at the end of 1968-69. In view of this position it was only appropriate for the Department to have worked out the cable requirements of the Srinagar project in a more realistic manner and initiated action, with foresight and care, for the procurement and delivery of cables required for the project in consultation with the Hindustan Cables Ltd. That this was not done would suggest that the basic planning of the expansion project was defective. The Committee would like to stress that once a project is taken up for execution, there should be a proper synchronisation of the different components of the project from the very beginning and a genuine coordination between the different agencies involved, so that the shortage or non-supply of certain essential items do not hold up the completion of the project.

Incidentally, the Committee find that about 90 per cent of the total production of Hindustan Cables Ltd. is being consumed by the Ministry of Communications and that the Adminisrtative Reforms

Commission had recommended that the control of Hindustan Cables should vest with this Ministry instead of the Ministry of Industrial Development. The then Secretary, Ministry of Communications, while tendering evidence before the Estimates Committee in 1972-73, had also pointed out that if the administrative control of the company vested with this Ministry, a 'lot of time in dialogue would have been saved'. The Estimates Committee had then been informed that a proposal for the transfer of the company to the Ministry of Communications was under consideration of the Committee of Secretaries. The Committee have, however, been informed that the Company still continues to be under the administrative control of the Ministry of Industrial Development. While the reasons for continuing with this arrangement are not known to the Committee, they feel that it would be a more satisfactory arrangement if Hindustan Cables Ltd. is placed under the administrative control of the Ministry of Communications, and accordingly desire that this should be examined a fresh.

7

1.92 Communications
(Posts and Telegraph
Dept.)

Considering the acute shortage of cables in the country and the ever-widening gap between supply and demand, the Committee would like Government to give serious thought to this problem and take measures to bridge the gap by stepping up the indigenous production of cables, so as to ensure a fuller utilisation of the capacity

of the telephone exchanges and to meet the long-pending demands from subscribers for fresh telephone connections.

8

1.93

—do—

The Committee are concerned that as a result of the delay in the laying of the distribution cables, the installed capacity of the Srinagar Exchange could not be fully utilised even when there were applicants for fresh connections on the waiting list. The potential loss of revenue on this account has been estimated by Audit at Rs. 17.16 lakhs upto September 1973. This loss computed by Audit has, however, not been accepted by the Ministry of Communications who have furnished a revised statement showing the utilisation of the installed capacity of the exchange. Even according to the Ministry's own figures, the Committee find that 90 per cent capacity utilisation of the exchange had been achieved only in March 1970, two years after the exchange equipment was commissioned. Therefore, whatever may be the exact financial implications of the delay in releasing fresh telephone connections, the fact remains that there has occurred an under-utilisation of the capacity of the exchange. 33

9

1.94

—do—

The Committee find that the release of the telephone connections from the exchange suffered a further set-back on account of (i) a motor generator remaining out of order for as long a period as three years and (ii) the non-availability of certain essential parts for about 250 faulty switches. The Committee consider the delay that had occurred in repairing the defective generator entirely unwarranted. As the Secretary of the Ministry himself admitted during

evidence, the generator could have been repaired earlier if 'special efforts' had been made. The Committee would, therefore, like to know why such 'special efforts' were lacking in this case especially when it was known that the generator was of 1936 vintage.

10

1.95 Communication
(Posts and Telegraph)
Dept.)

Similarly, the faulty switches could not be repaired in time on account of the inability of the Indian Telephone Industries, Bangalore, to cope with the demand for the requisite maintenance spares. This is not the first occasion when the Committee have come across such instances of delay on the part of the Indian Telephone Industries in meeting the requirements of the Posts & Telegraphs Department. The Committee would urge Government to devise ways and means of ensuring that schedules for the delivery of equipment and spares required by the latter are scrupulously adhered to by the former. The Ministry of Communications should also evolve a suitable mechanism by which the requirements and supplies of essential spares can be coordinated on an all-India basis, so that the temporary shortages occurring in one centre could be appropriately met from another centre where such spares may be available.

11

1.96

—10—

What is even more distressing to the Committee is the incorrect procedure followed by the Srinagar Exchange, as well as other exchanges in the country, in releasing telephone connections to the applicants on the waiting list. According to the instructions in force

for the release of telephone connections, while connections under the General category are to be given strictly in the order of the date of registration in the waiting list. 7-1/2 per cent of the exchange capacity available for allotment in telephone systems of 10,000 lines and above and 10 per cent of the capacity in systems of 1,000 lines and above but below 10,000 lines are to be allotted on the advice of the Telephone Advisory Committees. However, instead of placing before the Advisory Committee only those applications for out-of-turn allotment for sanction, a practice somehow appears to have developed of placing the entire waiting list before the Committee for approval. As a result, even the in-turn connections which are to be given on a first-come-first-served basis were released only after the meeting of the Committee with consequential under-utilisation of the available capacity and loss of revenue. The Committee would very much like to know how long this irregular practice has been allowed to continue, despite the unambiguous instructions in this regard, and the reasons therefor. Now that instructions have been issued clarifying the correct position, the Committee trust that there would be no repetition of the mistake and the Department would ensure that such avoidable loss of revenue as has happened in the present case does not recur.

35

From the figures of utilisation of lines earmarked in the Srinagar area for opening public telephone booths with coin-collecting boxes and for providing junction lines to private branch exchanges (PBX), the Committee find that their utilisation so far, particularly of the

lines ment for private branch exchanges, is far from satisfactory. The Committee find that as against the installed capacity of 200 lines for PBX connections, only 28 lines have been put to use till 1973. The Committee are unable to appreciate the rationable for earmarking as many as 200 lines for this purpose in the absence of adequate demand. They would therefore, like to be informed whether before creating this additional capacity, which has practically remained idle, the need therefor had been clearly established after a detailed evaluation of the trend of demand for such connections. Had such an evaluation been done, the unproductive expenditure on the establishment of such a large idle capacity could have been avoided and a larger number of lines provided instead to satisfy the demands of those clamouring for fresh telephone connections. The Committee desire that the Department should explore the possibility of suitably modifying the PBX Group lines in the exchange to meet the requirements of other subscribers in need of direct line connections. 33

13

1.98 Ministry of Communications
— (P&T Deptt.)

In this context, the Committee consider that it would be worthwhile also to review the utilisation of PBX connections available in other exchanges in the country, particularly in places other than the metropolitan cities, so as to ensure that the scarce resources made available to the Telecommunications Branch are utilised in the best possible manner. In places where the utilisation is inadequate or poor, the Department would do well to explore the possibility of

diverting the additional capacity to places where the needs are greater and more urgent.

14

1 '99

Do.

Non-utilisation of PBX connections apart, the Committee also find that in certain telephone exchanges of over 1,000 lines capacity, the installed capacity was more than the demand as on 31 March 1975. Though such instances are not many, the Committee would nevertheless like the Department to keep a constant watch over the working of these exchanges so that the excess, unutilised capacity might be transferred wherever feasible to other exchanges where the demand far outstrips the supply. The Committee would like to be apprised of the specific steps taken in this behalf.

15

1 '100

Do.

Incidentally, the Committee note with concern the progressively widening gap between the demand for and supply of telephones. As on 31st March 1975, there were 13.29 lakh working telephone lines in the country and as many as 6.37 lakh applicants on the waiting list. From the information furnished in this regard by the Ministry of Communications, the Committee find that in certain important telephone districts the waiting lists for telephone connections exceeded or were near about the total direct exchange lines working in these centres. This means that in order to meet the demands for telephones fully in those centres the existing capacities will almost have to be doubled. In the metropolitan cities, generally, the waiting lists are alarming. For instance, the number of applicants on the waiting list at Bombay, Delhi and Calcutta as on 31st March 1975 were

2.

respectively 1.78 lakhs, 1.04 lakhs and 0.75 lakh. As against this ever-increasing demand, a provision for providing only 7.79 lakh telephone connections has been made during the Fifth Plan period and if past performance is any indication, even this target may not be realised fully. This, in the Committee's view, is by no means a satisfactory state of affairs.

16

1.01 Ministry of Communications
(P&T Deptt.)

The Committee are aware that the development of telephone facilities in the country will have to depend on the overall availability of resources and the demands of other vital sectors of developmental activity. There is, however, an imperative need to ensure that efficient telephone facilities, which play an essential role in the development of the infrastructure of the country, are provided on an efficient and adequate scale. The development of this facility should, therefore, be accorded high priority, especially in view of the fact that the telephone system can more than adequately pay its way. To begin with, the Department could begin to launch, on a crash programme basis, rapid extension of the facility in those centres of commerce and industry where the waiting lists are formidable. This would result not only in the provision of the facility where it is most immediately needed but also in the speedier augmentation of the revenues of the Department which, in turn, can be utilised for augmenting the capacity at other centres. If the ever-lengthening

waiting lists are to be exhausted in none-too-distant a future, the Committee feel that the necessary drastic and determined measures for raising the requisite resources should not be beyond the ingenuity of the Department.
