

PUBLIC ACCOUNTS COMMITTEE (1978-79)

(SIXTH LOK SABHA)

ONE HUNDRED AND FIFTH REPORT

TELEPHONE EXCHANGES

MINISTRY OF COMMUNICATIONS

[Action taken by Government on the recommendations of the Public Accounts Committee contained in their 14th Report (Sixth Lok Sabha) on Telephone Exchanges—Ministry of Communications]



Presented in Lok Sabha on 22-12-1978.

Laid in Rajya Sabha on 22-12-1978.

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<u>Page</u>	<u>Paragraph</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
1	1.2	8	Insert '39' between '37' and '41'	
3	-	3	a	of
4	1.7	13	are noted	note
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102		2 from bottom	Insert '2' after 'Sl.No.'	
114		5 from bottom	Recommen- dation	Further action taken
149		1	APPENDIX XVII	APPENDIX
151		12 Under Column 4	<u>Delete</u> 'that' at the end	
153		3 Under Column 2	1.28	1.27
155		14 Under Column 4	result	result

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(1978-79)

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INTRODUCTION

I, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this One Hundred and Fifth Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their Fourteenth Report (Sixth Lok Sabha) on Telephone Exchanges relating to Ministry of Communications.

2. On 31 May 1978, an 'Action Taken Sub-Committee' consisting of the following Members was appointed to scrutinise the replies received from Government in pursuance of the recommendations made by the Committee in their earlier Reports:

- | | |
|---------------------------------------|-----------|
| 1. Shri P. V. Narasimha Rao—Chairman. | |
| 2. Shri Asoke Krishna Dutt—Convener. | |
| 3. Shri Vasant Sathe | } Members |
| 4. Shri M. Satyanarayan Rao | |
| 5. Shri Gauri Shankar Rai | |
| 6. Shri Kanwar Lal Gupta | |

3. The Action Taken Sub-Committee of the Public Accounts Committee (1978-79) considered and adopted the Report at their sitting held on 25 November, 1978. The Report was finally adopted by the Public Accounts Committee (1978-79) on 13 December, 1978.

4. For facility of reference the recommendations or conclusions of the Committee have been printed in thick type in the body of the Report. For the sake of convenience, the recommendations or conclusions of the Committee have also been reproduced in a consolidated form in the Appendix to the Report.

5. The Committee place on record their appreciation of the assistance rendered to them in this matter by the Comptroller and Auditor General of India.

NEW DELHI;
December 13, 1978.

Agrahayana 22, 1900 (S).

P. V. NARASIMHA RAO,
Chairman,
Public Accounts Committee.

REPORT

CHAPTER I

1.1. This Report deals with the action taken by Government on the Committee's recommendations or Observations contained in their 14th Report (Sixth Lok Sabha) on paragraphs 13, 15, 16, 17, 18 and 20 relating to Telephone Exchanges included in the Report of the Comptroller and Auditor General of India for the year 1974-75, Union Government (Posts and Telegraphs).

1.2. The 14th Report was presented to the Lok Sabha on 28 November 1977 and contained 73 recommendations or observations. Replies to all the recommendations have been received from Government and these have been broadly categorised as follows:—

(i) *Recommendations or Observations that have been accepted by Government:*

Sl. Nos. 4, 5, 6, 7, 8, 12, 16, 20, 21, 22; 23; 24.
25, 36, 37, 41, 45, 48 and 68.

(ii) *Recommendations or Observations which the committee do not desire to pursue in the light of the replies received from Government:*

Sl. Nos. 1, 9, 10, 11, 18, 19, 27, 35, 40, 44; 46; 47, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 61; 62; 63; 67 & 69.

(iii) *Recommendations or Observations replies to which have not been accepted by the Committee and which require reiteration:*

Sl. Nos. 2, 3, 13, 14, 15, 28, 29—33, 38, 60, 64—66 & 71—72.

(iv) *Recommendations or Observations in respect of which Government have furnished interim replies:*

Sl. Nos. 17, 26, 34, 42, 43, 70 and 73.

1.3. The Committee require that final replies duly vetted by Audit to those recommendations or observations in respect of which only interim replies have so far been furnished, should be submitted expeditiously.

Fixation of responsibility for delay (Paragraphs 1.72 and 1.73—S. Nos. 2 & 3)

1.4. Dealing with the question of inordinate delay in the execution of the project for the installation of a 6000 lines automatic telephone exchange at Ludhiana and emphasizing that a thorough study should be made of the manner in which the entire project was planned and executed so as to fix responsibility and take action within six months against those who have been derelict in the performance of duties, the Committee had recommended as follows in Paragraphs 1.72 and 1.73 of the 14th Report:—

“1.72. The Committee need hardly point out that Ludhiana for the last two decades has been in the vanguard of industrial development of the country particularly in the small-scale sector. This town has a distinction of executing very large export orders for hosiery goods as also for manufacturing intricate components and tools for the internal and external markets. Since it is Government's avowed policy to provide infrastructure facilities in the interest of accelerating industrial and economic development, the Committee can see hardly any valid reason for the indifference displayed by the P&T authorities in expanding and improving the inadequate tele-communication facilities. This is all the more reprehensible when the Secretary, Communications has candidly admitted during evidence that the period of 12 years taken in the execution of the project was “very very long period and there was no basic defence for such a long period having been taken”, as according to the Ministry's own calculation the project should have been completed in not more than six years. In fact, the Committee feel that even this period of six years is much too excessive as the Tele-communication authorities with all their vast experience in the field should be able to complete the initial works in less than two years and the work of construction and installation should be so phased and synchronised as to be completed at the earliest, say within 2 to 2½ years instead of the margin of four years taken. The Committee desire that a thorough study should be made of the manner in which the entire project was planned and executed so as to fix responsibility and take action within six months against those who have been derelict in the performance of duties and derive lessons to ensure that such indefensible delays do not recur and that the work is so planned and executed as to be completed in the least possible time.

1.73. The glaring deficiencies noted during execution of the project at various stages required to be highlighted. It is a matter of considerable concern that the basic requirements namely preparation of a time-schedule to watch the execution of such a big project, was lost sight of in this case. The Ministry have, in a written note, conceded that the detailed time-schedule of various activities was not drawn up at that time. The Committee would like the Ministry to investigate how the fulfilment of such an essential pre-requisite, viz. preparation of a 'time-schedule' in the case of an exchange of this magnitude was overlooked. This lapse has proved costly and the responsibility therefor should be fixed."

1.5. In the notes dated 23/24 May, 1978, furnished by the Ministry of Communications (P&T Board) it has been stated:—

"1.72. The observations of the Committee have been noted. It is proposed to depute an Officer-on-Special-Duty to study in detail not only this project but also a few others which have apparently been delayed in the last 10 years, to identify the reasons for such delays and recommend suitable steps to avoid their recurrence. The Officer will also determine if any Officer had been responsible for any negligence.

The question of reduction of time in actual construction of buildings and installation of telephone exchanges, is also being examined separately. The preliminary studies indicate that the total period varies between 3.5 to 5 years. Efforts will be made to reduce this period further."

"1.73. The observations of the Committee have been noted for guidance in future. Instructions have been issued for preparation of PERT/BAR charts for each project and watch their progress closely. Instructions have also been issued regarding the constitution of Co-ordination and Monitoring Committee in each Telecom Circle and Telephone District as well as in the Directorate. A copy of these instructions is enclosed (Annexure to Paragraph 1.73 in Chapter IV).

As already stated in regard to recommendation No. 2 (Para 1.72 of the report) an officer-on-special-duty is proposed to be appointed to look into all aspects of planning and implementation of this and other projects, including the question of preparation of time schedule to watch the execution of each project."

1.6. Distressed over taking an inordinately long period of 12 years in the installation and commissioning of a 6000 lines automatic telephone exchange at Ludhiana, the Committee had, inter alia, recommended for the holding of a thorough study of the manner in which the entire project was planned and executed so as to fix responsibility and take action within six months (i.e. by May 1978) against those who have been derelict in the performance of duties. In pursuance of this recommendation, as well as a number of other similar recommendations contained in the 14th Report, the Ministry of Communications in their Action Taken Note have stated that they propose to depute an Officer on Special Duty to study in detail not only this project but also a few others which have apparently been delayed during the last 10 years for identifying the reasons for such delays, recommending suitable steps to avoid their recurrence and also going into the aspect of fixing responsibility. The Committee are distressed to note that even against their recommendation more than six months have already elapsed and the Government have yet to appoint the officer on Special Duty for the purpose. The Committee reiterate in very strong terms that not more than six months should now be taken in analysing the causes of delays for all the projects contemplated for examination by the Government including remedial steps to avoid their recurrence and also bringing to book the persons found responsible for such delays. The Committee would like to be apprised of the findings of the Officer on Special Duty and the remedial and conclusive action taken in this behalf.

1.7. The Committee had also recommended that the aforesaid study should be undertaken to derive lessons for future so that such indefensible delays do not recur and that the work is completed in the least possible time. According to the Department's own calculations, the project should have been completed in not more than six years as against the period of 12 years actually taken. The Committee had felt that even this period of 6 years was much too long as the Telecommunication authorities with all their vast experience in the field should be able to complete the initial works in less than two years and the work of construction and installation should be so phased and synchronised as to be completed at the earliest, say, within 2 to 2½ years instead of the margin of four years taken. The Committee are noted with dissatisfaction that the question of reduction of time in actual construction of buildings and installation of telephone exchanges is still under examination of the Government. The Committee stress that such an examination should be completed expeditiously so that the necessary time norms are laid down urgently for planning and execution of work on installation and expansion of telephone exchanges in future.

Delayed supply and unsatisfactory working of the air-conditioning plant—(Paragraphs 1.83 and 1.84—Serial Nos. 13 and 14)

1.8. Commenting upon the abnormal delay in commissioning of the air-conditioning plant for Ludhiana Telephone Exchange and its unsatisfactory working thereafter, the Committee had in Paragraphs 1.83 and 1.84 of their 14th Report, observed as follows:—

“1.83. Another major contributory factor for the delay in execution of the project was the long time taken in the commissioning of the air-conditioning plant which was indented for in April, 1970 for protecting the delicate and sophisticated exchange equipment from dust and humidity. Defects noticed at various stages of the functioning of the plant were attended to perfunctorily by the firm and that too after continuous follow-up action by the Department. The position as on 23 August, 1976 was that the firm was yet to conduct the monsoon test. The Committee are surprised that despite persistent lapses the Department concerned took no action whatsoever against the firm for transgression of the terms of the contract. All that has been done is that against the contract value of Rs. 4,38,885/- the firm's payment to the extent of Rs. 63,385/- was held up. The Committee do not appreciate the logic of the Department of Supply (D.G.S&D) that “action would be taken to recover the damages/loss in consultation with the indenter after the plant was taken over by the consignee”. The Committee would like to know whether the plant has since been taken over and the action taken to recover the loss.

1.84. It is a matter of serious concern that the air-conditioning plant supplied and installed in September, 1973 after a delay of about 1½ years as per the supply order, started giving troubles soon after installation. At the time of the first winter test conducted immediately on installation, its performance was far from satisfactory as its blower was getting excessively heated. The Committee regret to note that the supplier took one year to rectify the defects and the plant passed winter test in February, 1974 and summer test in May, 1974. The plant was offered for monsoon test in August 1974 but the test had to be abandoned due to burning of a cable. The Committee are distressed to note that the plant could not pass the final test till August, 1976 due to one defect or the other. As the

plant was not ready, the Department had to incur an additional expenditure of Rs. 98,000/- for obtaining 18 window type air-conditioners between June, 1971 and March, 1973. The Committee need hardly point out that had the air-conditioning plant been commissioned in time, the additional expenditure of Rs. 98,000 on the window type units could have been saved. The Committee recommend that a serious view should be taken about the performance of the firm by the DGS&D with a view to taking appropriate action against the firm for the breaches committed."

1.9. Action Taken Note dated 3 May, 1978, on Paragraph 1.83, furnished by the Ministry of Communications reads as follows:—

"The plant was provisionally taken over from M/s. York India Limited, Faridabad on 16-6-1977 subject to passing of monsoon tests by the P&T acceptance authority and all pending defects/discrepancies being attended to. The monsoon test was conducted on 22/23-8-77 and was found satisfactory. Some defects/discrepancies pointed by the testing party have, however, not been rectified so far.

Regarding action to recover the loss, this has to be done by the D.G.S. & D. It is understood that they are taking some action and will submit their action taken notes directly."

1.10. The reply dated 29 May, 1978 on Paragraph 1.83 furnished by the Department of Supply reads as follows:—

"Monsoon test conducted on 22nd and 23rd August, 1977 was considered successful, subject to rectification of certain defects listed in the Joint Inspection Report. Final Inspection note, after removal of the defects, was issued on 1-12-1977. The plant had meanwhile been already taken over by the consignee for normal use in June, 1977.

The consignee's report about actual loss suffered by him on account of delay in supply called for on 9-1-78 is still awaited and further appropriate action would be taken on receipt of the same after consulting Law Ministry, if necessary."

1.11. Action Taken Note dated 3 May, 1978 on Paragraph 1.84 furnished by the Ministry of Communications states:—

"Action taken note on the above recommendation of the Committee will be furnished by the Department of Supply (DGS&D).

This has been seen by the Chief Auditor (P&T)."

1.12. The Department of Supply have intimated the action taken on Paragraph 1.84, on 29 May, 1978 as follows:—

"The recommendation of the Committee has been noted and this will be kept in view while finalising the contract with a view to taking appropriate action for the breaches committed. A consolidated action on Sl. Nos. 13 and 14 would be taken on receipt of consignee's report already called for on 9-1-78 to furnish full details of the loss suffered by him."

1.13. The Committee enquired from the P&T Department the latest position about furnishing to the Department of Supply, the loss statement called for by them, the P&T Department have informed the Committee as follows vide their U.O. Note No. 28-7/64-TPS /BT(P1') dated 25 October, 1978:—

"Copies of the DGS&D letter dated 9-1-1978 calling for the loss statement and the reply given by the consignee on 28-8-1978 are enclosed (Annexures to Paragraphs 1.83 in Chapter IV)".

1.14. The Committee note that the air-conditioning plant was provisionally taken over from M/s. York India Limited on 16-6-1977 subject to passing of monsoon tests and removal of all pending defects and discrepancies. The Committee are, however, distressed that though the monsoon test was conducted successfully on 22/23-8-1977, some defects and discrepancies pointed out by the testing party have "not been rectified so far". From the loss statement furnished by the P&T Department to the Department of Supply on 28 August 1978, the Committee note with concern that the Electronic Filter and water softening plant has not been commissioned so far though it was pointed out at the time of monsoon test and thereafter the case had also been taken up with the firm. The P&T Department have very plainly confirmed in the loss statement furnished to the Department of Supply that the quality and service given by the Telephone Exchange remained extremely poor due to non-commissioning of air-conditioning plant thus resulting in severe inconvenience to subscribers. Further, the lack of air-conditioning caused extensive deterioration to the exchange equipment on a permanent basis. While the Committee are anxious to know the reasons for the non-rectification of these defects, they would also like to be apprised of the performance of the plant since its take-over. The Committee would once again emphasise that the lack of urgency and seriousness displayed by the firm in the execution of the contract should be viewed strongly while deciding the course of action against them for their numerous breaches in this contract.

Assessment of the damage to the exchange equipment due to delayed installation of air-conditioning plants (Paragraph 1.85—Sl. No. 15).

1.15. Emphasizing the need for assessment of the damage caused to the exchange equipment in terms of money due to delayed installation and subsequent unsatisfactory performance of the air-conditioning plants, the Committee had in Paragraph 1.85 of their Report, recommended as follows:—

“The Committee note that the window type units are not able to control the humidity. This not only affects the performance of the exchange but in course of time it may affect the life of the equipment. It is surprising that the Department have not been able to assess the ultimate damage caused to the equipment in terms of money. The Committee feel that such a study is very essential so that the amount of loss thus sustained can be taken note of while deciding the course of action against the firm.”

1.16. In the action taken note dated 14/15 June, 1978 furnished by the Ministry of Communications (P&T Board) it has been stated:—

“The absence of proper air-conditioning no doubt affects the efficiency of the telephone exchange equipment. In the long run this may also have an effect on the life of the equipment. It would however, be difficult to quantify the reduction in the efficiency and life of the exchange equipment because of the following reasons:—

- (i) The efficiency of the exchange equipment depends not only on the availability of proper air-conditioning but on many other factors like quality and type of exchange equipment quality of maintenance and availability of spare parts, traffic in the exchange and loading of exchange etc.
- (ii) For arriving at a realistic assessment of the reduction in the life and efficiency of exchange equipment due to delay in commissioning or non-availability of air-conditioning plants, studies would have to be undertaken practically over the entire life of the exchange which extends over two to three decades.

Even if on the basis of technical experience a rough quantification of the reduction in life and efficiency of an exchange is attempted it will almost certainly be challenged by the contracting firm. This would lead to endless disputes and may nullify the purpose sought to be achieved by quantification. Moreover as the period of investigation will be quite large even for arriving at a rough quantification it may not be possible to pin responsibility on the contracting firm in the short time.

For the reasons stated above it is felt that it may not be feasible to quantify the average effect on Exchange equipment due to non-commissioning of the air-conditioning plant."

1.17. The Committee regret that the Department has failed to appreciate their anxiety for evolving some formula to assess the approximate quantum of damage caused to Telephone Exchange equipment due to the non-commissioning or faulty functioning of air-conditioning plants. As explained by the Department, the Committee agree that it may not be technically feasible to exactly quantify the damage due to this, but they feel that it should not be so difficult to evolve certain criteria or formula for working out the approximate loss, which may in the long run form part of the loss to be finally recovered from the firm. The Committee hope that such a working arrangement with the firm will lead to minimise the chances of faulty functioning of the plants. They, therefore, recommend that the Department should undertake yet another serious exercise to evolve certain criteria for assessing the loss to the equipment due to the unsatisfactory working of air-conditioning plant and making suitable provisions to that extent in the contracts.

*Location of the satellite exchange in the departmental building—
(Paragraph 232—Sl. No. 28)*

1.18. Noting that an accommodation to the extent of 5600 sq. feet was lying unutilised in the new Telephone Exchange building at Sanathnagar, Hyderabad and suggesting that the satellite exchange might be located in the new building, the Committee had in paragraph 2.32 of their 14th Report, recommended:—

"The Committee are unable to understand why only 900 lines exchange was commissioned in the new building when a rented building is being used separately as a satellite exchange with a capacity of 800 telephone lines, whereas, as already stated, an accommodation to the extent of 5600

sq. feet in the new building is lying unutilised. The Committee would like the P&T Department to review the matter so as to locate the satellite exchange in the departmental building. The Committee would like to be informed of the action taken in the matter."

1.19. In their action taken note dated 15 May, 1978, the Ministry of Communications have stated as follows:—

"The observations of the Committee have been noted for future guidance.

It was originally the intention to instal an exchange of adequate capacity not only to meet new demands but also enable replacement of the existing satellite exchange. However, the continuing shortages and heavy slippages in switching equipment supplies forced a decision to retain the existing satellite exchange and provide capacity in the new building only to meet new demands. Higher allotment of equipment to this exchange would have meant postponement of expansion of some other exchange in the country and build up of pending demands there. Steps are being taken to plan adequate expansion of the exchange to permit phasing out of satellite exchange and re-utilisation of equipment from there elsewhere."

1.20. As accommodation to the extent of 5600 sq. ft. in the new exchange was lying unutilised, the Committee had recommended that the P&T Department should review the matter so as to locate the satellite exchange in the departmental building. As the action taken note is silent on this aspect, the Committee would like to know the action taken on their suggestion.

Fixation of responsibility for delays in the placement of indent and supply of air-conditioning equipment. (Paras 3.40 to 3.44—Sl. Nos. 29—33).

1.21. Dealing with the questions of delayed placement of indent and installation/commissioning of air-conditioning plant and installation of equipment for the Trunk Automatic Exchange (TAX) at Ambala, the Committee had, in paragraphs 3.40—3.44 of their 14th Report, recommended as follows:

"3.40. The Committee note that thought the question of installing a Trunk Automatic Exchange (TAX) at Ambala for extending STD to other stations in the coun-

try by inter-connecting the TAX at Ambala with the main TAX at New Delhi has been under consideration since 1965, a project estimate (Rs. 57 lakhs) for installation of a cross-bar type 2000 lines TAX at Ambala by 1969-70 was sanctioned only in November 1967. The object was to link the local telephone exchange at Ambala, Chandigarh, Simla, Ludhiana, Jullundur, Amritsar; Jammu, Panipat and Karnal in due course to the TAX at Ambala for the purpose of introducing subscribers' trunk dialling (STD) among these stations and to extend STD to other stations in the country by inter-connecting the TAX at Ambala with the main TAX at New Delhi (commissioned in April 1969). On completion of all these services, the annual revenue expected was about Rs. 62 lakhs from STD receipts. The work was started in September 1968 and still the project is not fully commissioned in all respects. Though the building was completed in March 1970, there was long delay in the completion of other components of the project viz., air-conditioning, installation of equipment etc. This delay was evidently due to lack of advance planning and proper synchronisation at various stages. The Committee are unable to agree with the Department of Communications that delays occurred because no PERT chart, as is done now, was introduced indicating the exact time schedule and inter-dependence of various activities connected with the completion of the project, as other ways and means could have been adopted to watch closely the progress and coordinate the execution at various stages."

- "3.41. The Committee are distressed to note that by the time the construction of the building was completed in March 1970, even the specifications for air-conditioning plant were not finalised by Director-General, Posts and Telegraphs, though the plant was to be installed in the building before commencement of installation of equipment. An indent was sent to DGS&D in April 1971 for purchase and installation of the air-conditioning plant when the supply of equipment for the Exchange from the Indian Telephone Industries had already commenced in January 1971. The Committee are constrained to note that another 8 months were taken in placing the order on the firm in January 1972. Of these 8 months, approximately two months were lost in tracing out a letter

issued by P&T Department to DGS&D on technical clarifications sought by DGS&D and other 2½ months' were taken by P&T Department to comment on the tenders received for the installation of the plant. The delay due to this protracted correspondence and routine work is most reprehensible. Had the P&T Department taken appropriate and timely measures to facilitate the placing of the order for the plant before completion of the construction of the building in March 1970, the inordinate delay of 22 months that occurred between March 1970 and January 1972 could have been avoided."

"3.42. Another factor which has also contributed to the delay in installation of the air-conditioning plant is the fact that the P&T Department took almost one year after placing the order on 31st January 1972 in approving the drawing for A/C plant room layout and location of the cooling tower. The result of these delays was that the installation of the plant was completed in May 1973 instead of September 1972 and that too could not be commissioned and put up for summer test for want of masonry job for ducting by the consignee."

"3.43. Though the plant was put into operation on 11 June 1976 after summer and winter tests, it is still to undergo the monsoon test, which could not be carried out earlier due to non-availability of adequate internal heat load as stipulated in the contract. It is distressing that even 3½ years after the installation of the plant in May 1973, the plant has still to carry out the monsoon test successfully. The Committee need hardly emphasise that the precise reasons for delay in the installation and commissioning may be identified with a view to fixing responsibility and to take remedial measures for future. The Committee may be informed of the action taken in this matter."

"3.44. The Committee note that though the indent for supply of equipment for the exchange was placed on the Indian Telephone Industries in March 1967, the manufacturing programme was deferred till 1971 when the production of TAX equipment was stabilised in ITI. Consequently, the supply of equipment, which cost Rs. 120.12 lakhs against the provision of Rs. 43.74 lakhs in the sanctioned estimate commenced in January 1971 and was completed in March 1975. As it was found that the size of the switch

room available could accommodate only 1700 lines of equipment as against 2000 lines originally planned, the equipment for only 1700 lines was obtained afterwards. The Committee are not convinced by the reply of the Posts and Telegraphs Department that because of the inadequate experience of the installation of TAX available with P&T and ITI, they could not estimate the size and capacity of the accommodation required, as in that case they should have been more cautious. The Committee also find that beside taking about 4 years initially in stabilisation of the TAX circuits, it took more than 4 years to instal the equipment in the Project after the work was commenced in January 1971, as against the stipulated period of one year."

1.22. The Action Taken Note dated 25 April 1978 on paragraph 3.40, furnished by the Ministry of Communications (P&T Board) reads as follows:

"Coordination to the extent possible was attempted but slippages could not be avoided as they were due to crossbar equipment production presenting problems in the ITI and difficulties in A/C plant installation."

1.23. Replies dated 31 March 1978 to paragraphs 3.41—3.43, furnished by the Ministry of Communications (P&T Board) read as follows:

Paragraphs 3.41 and 3.42:

"The Committee's observation has been noted for future guidance."

Paragraph 3.43:

"The plant has successfully passed the monsoon test since then and has been taken over by the consignee on 7-10-1977. The reasons for the delay in the installation and commissioning of the plant have been examined and it is seen that the main reason for such delays could be attributed to the performance of the air-conditioning firm. There was only a little delay on the part of the department in making the riser shaft for carrying the ducts available. This problem arose due to the unforeseen difficulty of the non-feasibility of the ducts being carried through the opening available in the building. This work also was completed in September 1973. The firm offered for the monsoon test twice during 1975, but the plants

failed to give successful performance. During 1976, the firm did not offer the plant for monsoon test on some pretext or the other. In the opinion of the department, the provision of the artificial load was not essential for the monsoon tests, as the plant had already passed the summer tests with the same inside load conditions; even then the same was arranged by the consignee and still the plant was not able to maintain the inside conditions.

The department is now procuring the air-conditioning plants itself. For this purpose, an exclusive air-conditioning cell, which is gradually developing expertise, has been created to plant and coordinate all activities relating to the installation of the air-conditioning plants. It is expected that with these steps such type of problems may be reduced to a great extent in future."

1.24. In their reply dated 29 May 1978, furnished by the Department of Supply on paragraph 3.43, it has been stated:

"Monsoon test conducted on 23-9-1977 and 24-9-1977 was declared successful subject to rectification of certain defects/discrepancies noted in the Joint Inspection Report. Completion report already called from the firm is, however, awaited.

Reasons for the delay in the installation and commissioning of the plant will be investigated and responsibility fixed. The results will be conveyed to the Committee as soon as possible.

Some of the important remedial measures adopted by the Department/DGS&D to avoid post-contract delays in the installation/commissioning and testing of the Central Air-Conditioning Plant are enumerated below:

(i) An office Memorandum was issued by the Department of Supply on 18-10-1976 (Annexure to reply to para 3.43 in Chapter V) to all Ministries/Departments of the Central Government suggesting:—

(a) That the Indenting Departments should associate the DGS&D at the time of initial planning of any project which may require provision of Central Air-conditioning. This would ensure better coordination in the planning and placing of indents for the main AC plant and other ancillary equipment to be ordered through the DGS&D or purchased directly

by the indenting departments, under the purchase powers delegated to them.

(b) Wherever, it is not possible to associate the DGS&D at the initial planning stage, the Indenting Departments should certify at the time of placing of their indents for Central Air-conditioning plants that proper arrangements have been made by them regarding items like site, adequate power, water supply etc., and that the same would be available to the supplier at the time the AC plant is required to be delivered and installed at site. In other words, if delivery/erection of the AC plant is required to be made in say 12 months from the date of indent, the indenting Departments should ensure that site, electric/power, water supply and any other ancillary items connected with the AC plant are available at site at that point of time.

(ii) Care is now taken before the conclusion of the contract that water available would be soft and in cases where the water available is not soft, water softening plants are invariably included in the scope of the supply of the contracts.

(iii) Fresh contracts are being awarded to experienced firms after taking into account their past performance.

(iv) Inspection has been made more rigid. Earlier, the main equipment for the plant, i.e., Compressor, Air Handling Units and Condensers were being visually inspected at the firm's works, their premises but now these equipments are initially tested at contractor's/ original equipment manufacturer's premises.

(v) After seasonal tests, if any defects/deficiencies are noted, the inspecting officers have been advised to give the target date to the firms for rectification thereof. Rectifications done by the firms are checked by the Inspectors before releasing the inspection note or declaring the particular seasonal test as successful."

1.25 Reply dated 25 April 1978 to paragraph 3.44 furnished by the Ministry of Communications (P&T Board) states:

"The supplies of equipment from ITI are governed by P&T-ITI Pricing Agreement and are charged as per the prices

prevalent at the time of supply. Though initially the provision in estimate was made on the basis of anticipated cost of manufacture in India, actual cost of indigenous manufacture turned out to be higher, resulting in higher cost of the equipment.

As far as shortage of accommodation leading to reduction in exchange capacity is concerned, this was due to inadequate experience available with P&T and ITI. However, greater caution is now being exercised in such matters.

As far as the installation time is concerned, from the experience gained in installing 15 TAXs in the last few years, it has been found that about 36—40 months are required for installation of a TAX of this size. Stipulation of one year made in the estimate was found too short."

1.26. The Committee do not agree with the arguments advanced by the Department that the sole reason for delay in the installation and commissioning of the air-conditioning plant for Trunk Automatic Exchange at Ambala could be attributed to the air-conditioning firm. The P&T Department have shown lack of purposive approach in the initial stages of processing and placement of the indent. For instance, indent for the air-conditioning plant, which was required to be installed before the commencement of the installation of the equipment was sent to DGS&D in April 1971 when the supply of equipment for the Exchange had already commenced in January 1971. Still, further 8 months were lost in placing the order on the firm in January 1972. The Department has given no explanation for this delay of 22 months from March 1970 when the building had been completed. The Committee consider the delay as most deplorable calling for investigation for fixing responsibility.

1.27. The Committee had also earlier expressed their displeasure over the delay in the installation of equipment, which took 4 years after the work was commenced in January 1971, as against the stipulated period of one year. Due to these delays, the Department has been put to tremendous loss, as on completion of the project, the annual revenue expected was about Rs. 62 lakhs from STD receipts. The Committee do not agree with the argument advanced by the Department in justification of this delay that about 36—40 months are required for installation of a TAX (Trunk Automatic Exchange) of this size against the stipulation of one year made in the estimate, when according to Department's reply to paragraph 1.72 (Sl. No. 2)

of 14th Report, the completion in all respects of a project three times as big as the one under consideration should take 3½ to 5 years.

Delay in supply of equipment by ITI (Paragraph 4.68—Sl. No. 38)

1.28. Commenting upon the question of delay in making supply of equipment by the Indian Telephone Industries to P&T Department for expansion of Calcutta Exchange No. 24, the Committee had, in paragraph 4.68 (Serial No. 38) observed as follows:

“The Committee have earlier been told that the optimum period now planned by the Indian Telephone Industries for effecting supplies has been reduced to 18 months. On this basis, the period of 3 years taken in effecting supplies for the Telephone Exchange at Calcutta seems to be very much on the high side. The Committee are led to think that the ITI have not yet geared up their machinery for ensuring the observance of the time-schedules for the completion of indents received from the J&T Department. The Committee consider it imperative that the ITI also should work on the basis of the time-bound programmes and also to devise an in-built mechanism for fixing the responsibility for delays in effecting supplies for the execution of urgent projects.”

1.29. In the reply dated 17 May 1978, furnished by the Ministry of Communications (P&T Board), it has been stated:

“The observations of the Committee have been noted for future guidance. The question of ITI observing agreed time schedules for supplies is being continuously reviewed between P&T and ITI through regular coordination meetings at various levels. Observations of Committee have been forwarded to ITI also.”

1.30. The Committee desired to know the action taken by Indian Telephone Industries on their recommendation. In a note, the P&T Department have informed the Committee as follows *vide* their U.O. No. 28-7/64-TPS (BT) (PT) dated 25 October, 1978:—

“The recommendations of the Committee had been forwarded to I.T.I. also as indicated in the action taken note. A copy of the I.T.I. letter No. K/P2/3178 dated 19-5-1978 received in reply is enclosed (Annexure to Paragraph 4.68 in Chapter IV).”

1.31. The Committee note that in pursuance of their recommendation pertaining to the gearing up of their machinery by Indian Telephone Industries for ensuring the observance of the time-schedule for the completion of indents received from the P&T Department, sequential package programmes have been evolved by Indian Telephone Industries in consultation with the P&T Department. For ensuring that ITI adheres to these programmes, a penal cut of 10 per cent on the value of supplies has been agreed upon for items of non-sequential supplies.

Remedial measures for securing better performance of the air-conditioning plants (Paragraph 6.98—Sl. No. 60).

1.32. Dealing with the aspect of very poor performance of the suppliers of air-conditioning plants for the Telephone Exchanges, the Committee had, in paragraph 6.98 (Sl. No. 60) of their 14th Report, observed as follows:

“In this connection, the Committee would like to draw the attention of the Ministry to one basic defect in the system of indenting and accepting the consignments tendered by the firms against the supply orders. According to the terms of the supply orders, payments are made to the extent of 80 per cent after the initial inspection of the plant and proof of despatch, and the balance 20 per cent after erection of the plant at site and final inspection and tests. The Committee have not been informed about the nature of inspection conducted at the premises of the firm as also the level at which the inspections were conducted. It is imperative that experienced engineers well qualified in air-conditioning and refrigeration in the P&T Department and the DGS&D should undertake joint inspections at the premises of firms before the supplies are accepted against the supply orders. In view of the fact that under the present procedure, the suppliers get 80 per cent of the contracted price on delivery of goods at site, they may not be evincing the requisite interest in the rectification of the defects that come to light after the delivery of goods. The Department and the DGS&D should jointly review the position and suitably modify the terms of the contracts to be given in future, so that the supplying firms feel the urgency of commissioning and running satisfactorily the plants to synchronise with the installation of sensitive telephone exchange equipment. The Committee would like to be informed in detail of the remedial measures taken in pursuance of this recommendation.”

1.33. In their Action Taken Note dated 14/15 June, 1978, the Ministry of Communications (P&T Board) have stated as follows:

"The work of procurement of air-conditioning plants has been taken over by P&T Department from DGS&D since November, 1974. Initially, the work in Telephone Districts was given to Districts themselves while in Telecom. Circles it was given to P&T Civil Wing. With effect from 4-11-1977 the entire work has been entrusted to the Air-conditioning Cell of the P&T Civil Wing. In the contracts finalised by the Telephone Districts, the terms and conditions of the contracts are by and large the same as followed by DGS&D. The contracts finalised by P&T Civil Wing are on the same terms and conditions as are applied to other 'works contracts' in CPWD. The main features of the contracts for air-conditioning plants to be handled by Air-conditioning Cell of Civil Wing will be as follows:

- (i) Contracts will be signed in the standard CPWD contract forms, PWD-6 and PWD-8. The penal clauses in these forms in regard to delay in execution, and for improper or bad work are quite stiff. The officers have been instructed to invoke these with speed wherever necessary.
- (ii) The contracts do not have any provision for payment on proof of despatch. Payment is to be made only after the equipment/materials reach site where they are to be installed. The running payment on various items of work involved are to be made in such a manner that not more than 85 per cent of the tendered value of such items is paid to the contractor for supply and installation. Deductions are also made towards security and maintenance for one year. 10 per cent is paid only after initial commissioning and satisfactory testing of the plant. The balance 5 per cent is to be released on satisfactory performance of the three seasonal tests.
- (iii) A detailed system design is undertaken and tailored to meet the exact requirements of each job covering all the essential parameters. Each component of the system is chosen to ensure optimum system performance.

The tender and contract documents are drawn up on the basis of such detailed design, leaving as far as possible, no room for any major deviation. It is further ensured that various major components like compressors, drive motors,

pumping sets, cooling towers, air handling units (including cooling coils), condensers and insulation and ducting materials are all from reliable and established manufacturers.

- (iv) Following conditions are incorporated in the contracts in regard to inspection:

'The departments authorised representative shall have full powers to inspect drawings of any portion of the work or examine the materials and workmanship of the plant at the contractor's works at any other place from which the material or equipment is obtained. Acceptance of any material or equipment shall in no way relieve the contractor of his responsibility for meeting the requirements of the specifications but shall have to be replaced free of cost by the contractor in case the equipment or work is found defective or of inferior quality'.

- (v) The inspections at the premises of the manufacturers are generally not being carried out at present as no payment is being made on the proof of despatch. The inspections are carried out at the work site itself according to the codified instructions in CPWA code and CPWD code at the level of Junior Engineers/Asstt. Engineers/Executive Engineers, before payment is made.

However, contracts have been so framed that in specific cases the department's representatives can inspect a component at the manufacturer's works in case such a need is felt due to any particular reason.

The Department is keeping a continuous watch on the performance of various firms in accordance with these terms and conditions."

1.34. Greatly distressed over the delayed supply and installation by the suppliers of air-conditioning plants for the Telephone Exchanges, which play a significant role in protecting the delicate and sophisticated exchange equipment from dust and humidity, the Committee had recommended that the P&T Department and the DGS&D should jointly review the position and suitably modify the terms of the contract, as according to the past experience, the firms had not only been showing lack of enthusiasm in making the timely supplies of the equipment and its installation but also have generally been displaying utter indifference in rectification of the defects

noticed during the prescribed seasonal tests. The Committee had found that one of the main reasons responsible for indifference on the part of the suppliers was that according to the terms of the supply orders, payments were made to the extent of 80 per cent after the initial inspection of the plant and proof of despatch and the balance 20 per cent after erection of the plant at site and final inspection and tests. The Committee wish that as claimed by the P&T Department, the position might improve as a result of taking over the work of procurement of air-conditioning plants by the P&T Department themselves from the DGS&D. But they are surprised to note that the same terms and conditions for the contracts have been maintained by the P&T Department, particularly with regard to the payment, which in the Action Taken Note has been shown as 85 per cent of the tender value after the equipment and material reached at site. As the P&T Department (Air Conditioning Cell) will have to deal with the same set of suppliers, the Committee feel that things may not improve as expected. The Department does not appear to have learnt a lesson from the past sad experience with the suppliers. The Committee strongly urge the Department to thoroughly review the terms of contract in the light of their past experience with the firms, and make the terms as strict as possible, particularly with regard to payment clause, so that better results as contemplated in the taking over of the work of the procurement of air-conditioning plants by the P&T Department themselves, could be achieved. The Committee would like to be apprised of the detailed steps taken in this regard and the new experience gained as a result thereof.

Abnormal delay in taking over of the Air-conditioning plant (Paragraphs 6.102—6.104—Sl. Nos. 64—66).

1.35. Commenting upon the aspect of abnormal delay in rectification of defects in the air-conditioning plant for the Bhubaneshwar Telephone Exchange and its consequential taking over by the Department, the Committee had, in paragraphs 6.102—6.104 (Sl. Nos. 64 to 66) observed as follows:

“6.102. Another disquieting feature which has concerned the Committee is that the air conditioning plant supplied by Frick India Limited, which was required to be installed by November, 1968 was put to monsoon, winter and summer tests as late as in August, 1972, January, 1973 and June, 1973, when a number of defects were noticed. Surprisingly enough, the supplier took more than 2½ years to rectify the defects. Though the plant was offered for

joint test during August 1975 which was conducted from 25 to 28 September 1975, it was still not found fit for taking over. The Committee are perturbed to note that the plant could not pass the final test till it was taken over on 26 August 1976 notwithstanding certain defects still persisting. The Committee would like to have a detailed report within six months on the performance of the plant from the date of its take over."

"6.103. The story of poor performance by the same firm, viz. Frick India Limited, has been repeated in their contracts for the air-conditioning plants in the case of Belgaum and Kellys (Madras) Exchanges. The installation of the plant for Belgaum Exchange was completed in October 1970 but it failed in the tests conducted in June 1973, February 1974 and October 1974. The Committee are concerned to note that even till September 1976 the plant was not able to pass all the tests satisfactorily. As regards the Kellys (Madras) Exchange, the air conditioning plant, which was to be installed by November 1971, was subjected to winter test only in December 1975 when some defects were noticed in it. The plant was, however, taken over provisionally on 27 February 1976 subject to the satisfactory summer and monsoon tests."

"6.104 The statement of the Secretary of the Ministry of Communications at the time of evidence that out of a total of 8 air-conditioning package units installed by M/s Frick India Ltd., only 2 are working satisfactorily, has come as a revelation. Judging from the poor performance of the firm in the present three cases *vis-a-vis* their overall performance in the other contracts, as also the indifference displayed by them in the matter of rectification of defects, the Committee feel convinced that a serious view (including their black-listing) should be taken about this firm in the matter of farming out of contracts to them."

1.36. In their Action Taken Note dated 14/15 June 1978 on paragraphs 6.102 and 6.103, Ministry of Communications (P & T Board) have stated as follows:

Paragraph 6.102

"The air-conditioning plant at Bhubaneswar was taken over on 26-8-1976 after the firm had attended all the defects

noted earlier. The performance of the air-conditioning plant since its take-over has been as follows:

Date of occurrence of fault	Nature of fault	Date of rectification	Amount incurred on rectification
22-3-77	Short circuit in the motor of compressor No. 1	4-4-77	Rs. 623
12-4-77	Ball bearing on the blower shaft broken	19-4-77	Rs. 720
16-6-77	Gas leaked from the system	Plant not working. Administrative Approval for an amount of Rs. 37,573 has been given for thorough overhaul and repair of the plant.	

Paragraph 6.103

"It is submitted that the air-conditioning plant at Belgaum has subsequently passed the winter test in December 1975, Monsoon test in August/September 1976 and Summer test in April 1977. The plant was taken over for use on 9-9-76 since then it is working satisfactorily. No fault is reported to have developed on the plant so far.

The air-conditioning plant at Kellys, Madras was provisionally taken over on 27-2-76. The plant was successfully tested for monsoon condition during August 1976 and for summer condition during April 1977. The plant is working and its general performance is reported to be satisfactory.

All seasonal tests on both the plants have thus been completed and their performance is reported to be satisfactory so far."

1.37. Ministry of Communications (P & T Board) Action Taken
Note dated 31st May 1978 on paragraph 6.104 reads as follows:

"P&T Department since taking over direct procurement of air-conditioning plants in November 1974, have taken due note of the past performance of various firms while finalising new orders. As far as M/s. Frick India Ltd. are concerned, it was being considered not to place any further orders on this firm. However, on a representation from them and rendering a special bank guarantee for satisfactory performance, two jobs have been entrusted to them on trial basis. The performance of these installa-

tions will be watched for one year after completion of the jobs. Question of awarding any new works to this firm will be considered only if their performance on these contracts is found to be satisfactory."

1.38. The Action Taken note dated 29 May, 1978 in paragraph 6.104 furnished by the Department of Supply states:

"Keeping in view the unsatisfactory performance of the firm no orders for central air-conditioning plants have been placed on them after March, 1972.

All the three air-conditioning plants discussed by the PAC in respect of Telephone Exchanges at Bhubaneswar, Kellys (Madras) and Belgaum are now working satisfactorily. These cases are yet to be finalised and the question of imposing penalties for delay in supply and installation of the plants would be considered on receipt of 'Loss statement' from the indenter. The Committee's recommendation for black-listing the firm is also receiving attention."

1.39. In a subsequent note furnished by the P & T Department on 25 October, 1978 at the instance of the Committee, it has been stated as follows:—

"The position in regard to the loss statements called for by the D.G.S & D in respect of the air-conditioning plants at Bhubaneshwar, Kellys (Madras), Belgaum is as follows:

- (i) *Bhubaneshwar*: The loss statement has not so far been called by D.G.S. & D.
- (ii) *Kellys (Madras)*: Copies of the letter dated 11th July, 78 from the D.G.S.&D. calling for the loss statement and the consignee's reply *vide* his letter dated 24-7-78 are enclosed (Annexure to Paragraph 6.104 in chapter IV).
- (iii) *Belgaum*: Copies of the letter of the D.G.S.&D. dated 21-3-78 calling for the loss statement and report was furnished by the consignee *vide* his letter dated 13-4-78 are enclosed (Annexure to Paragraph 6.104 in chapter IV).

Two works of air-conditioning plants—one at Hauz Khas telephone exchange, New Delhi and the other at Udaipur telephone exchange—were awarded to M/s Frick India Limited.

The air-conditioning plant at Hauz Khas telephone exchange was commissioned during March|April, 77. The plant has been listed for all three seasonal tests. The tests results have generally been satisfactory. A few comparatively minor issues about the performance under summer conditions are under investigation and rectification.

The plant has been working without any major problem for last one year.

The air-conditioning plant at Udaipur was installed and commissioned during June, 1978. The first test on this plant for monsoon conditions was scheduled to be held during September, 78. The report is awaited.

Some more time is required before the Department can come to a definite conclusion about the performance of this firm on these two contracts."

1.40. The Committee are distressed to note from the reply of the P&T Department that the performance of the air-conditioning plant for Bhubaneshwar Exchange since its take over by the Department on 26-8-1976 has not been wholly satisfactory although the Department of Supply had claimed that it was working satisfactorily. Apart from the two minor breakdowns experienced in the plant on 22-3-1977 and 12-4-1977 there was another breakdown, viz leakage of gas on 16-6-1977 due to which the plant had stopped working and it required thorough overhaul costing Rs. 37,573. The Committee would like to know whether these faults were due to some inherent defect in the plant or its faulty operation by the Department. The Committee would urge that concrete steps should be taken expeditiously to complete the overhauling and repairing of the plant so that it is put back to normal operation. In case these faults are covered under the warranty clause action should also be taken against the firm to realise the cost.

1.41. The Committee also note that for the sake of taking action by the Department of Supply against the firms for the various defaults in the execution of contracts for supply and installation of air-conditioning plants, the P&T Department are required to furnish Loss Statements to the Department of Supply. While the loss statements in respect of Belgaum and Kellys Exchanges have already been furnished by the P&T Department to Department of Supply, such statement in respect of Bhubaneshwar Exchange is yet to be called by the DGS&D. From the statements furnished by the P&T Department the Committee note that in the case of Kellys-

(Madras) no loss or inconvenience had been suffered by the Department. But in the case of Belgaum, because of delay in the erection of central air-conditioning plant, 13 Nos. of room air-conditioners had to be purchased. The Committee would like Government to obtain the loss statement in respect of Bhubaneswar also to determine whether the performance of the firm was satisfactory or not.

1.42. The Committee note that on a representation from the firm two works of air-conditioning—one at Hauz Khas, Delhi and another at Udaipur—were entrusted to the firm in April, 1977. The plant at Hauz Khas is reported to be working satisfactorily but the report on performance of Udaipur plant is awaited. The Committee desire that the performance of Udaipur plant be assessed before awarding any fresh contract. s

Defective functioning of the air-conditioning plant for Agra Telephone Exchange (Paragraphs 6.109 and 6.110—Sl. Nos. 71 and 72).

1.43. Commenting upon the deplorable performance of the air-conditioning plant for the Agra Telephone Exchange, the Committee had in paragraphs 6.109 and 6.110 (Sl. Nos. 71 and 72) of their 14th Report (Sixth Lok Sabha) recommended as follows:

“N.109. M s. American Refrigerator Company, New Delhi is concerned in yet another case of supply of air-conditioner for the Agra Telephone Exchange. This plant was installed in this Exchange in September, 1968 as against the stipulated period of March, 1966. No action was taken against the firm for the initial delay of about 2½ years. The five tests conducted on the plant during September, 1968 to June, 1971 revealed numerous defects. In spite of the fact that the Additional Chief Engineer of the Posts and Telegraphs Department had intimated as early as August, 1971 that the plant was beyond repair, the Department persisted with further trials and took over the plant on 5th July, 1973 on instructions from the Director General, Posts and Telegraphs. The Committee have been informed that the plant failed to give satisfactory service after take over and had to remain idle.”

“6.119. The Committee desire that the entire question of take over of the defective plant in spite of the persistent defects and despite the adverse report of the Addl. Chief Engineer, Posts and Telegraphs Jabalpur, should be thoroughly investigated with a view to fixing responsi-

lity. The Committee would also like the Department to examine and inform what action has been taken against the firm for the breach of contract."

1.44. The Action Taken Notes dated 31 May, 1978 furnished by the Ministry of Communications (P&T Board) on paragraphs 6.109 and 6.110 read as follows:

Paragraph 6.109

"The observation of the Committee has been noted. The question of take over of the air conditioning plant is proposed to be **examined along with other cases of delays in important projects in the last ten years.** A report in this regard is expected in about an year's time.

The case for rectification of defects is being pursued with the firm as well as DGS&D.

The report of the Addl. Chief Engineer, P&T Jabalpur dated 4-8-71 advising the rejection of the plant was addressed to the Director of Inspection (DGS&D), New Delhi and copy was endorsed to this office. This was taken up with DGS&D on 9-8-1971 by the P&T Directorate to reject the plant. The DGS&D called for a meeting of the representatives of the DGS&D, the P&T, the firm, the consignee and the Additional Chief Engineer, P&T, Jabalpur and it was decided that the plant should be run continuously for a month in April, 1972 and the rejection of the plant or otherwise be considered after seeing the performance. Accordingly, the plant was run and another inspection test of the plant was conducted jointly by the representatives of the Department and the supplier in June, 1972. Though a number of defects were persisting, the plant was stated to be able to maintain the desired inside conditions. Again a meeting was held in November, 1972 in the office of the DGS&D in which the firm agreed to rectify the defects and to guarantee against crack in refrigerant pipe due to vibrations of the plant until October 1973.

In consideration of this guarantee, the DG, P&T had instructed the taking over of the plant in July, 1973.

The firm has taken both the compressors for repairs and sent them to the factory of their manufacture at Peona for thorough overhaul and check on 10-10-1977. The performance of the plant will be watched after the compressors are put back and recommissioned by the firm."

Paragraph 6.110.

"It is proposed to investigate all cases of delays of important projects including the taking over of air-conditioning plants in the last ten years. It is expected that this report will be available in an year's time.

The action to be taken against the firm has to be examined by the DGS&D. It is understood that they are taking some action in the matter and will submit their Action Taken Note directly."

1.45. The Action Taken Note dated 29 May 1978, furnished by the Department of Supply on paragraph 6.110 reads as follows:

"The question of take over of the defective plant would be thoroughly investigated by the Vigilance Branch with a view to fixing responsibility and the Committee apprised of the findings.

Question of breach of contract by the firm and imposition of suitable penalty would also be examined shortly in consultation with the Law Ministry and a further Action Taken Note submitted to the Committee."

1.46. The Committee are unhappy to learn that the air-conditioning plant for the Agra Telephone Exchange which was installed in September 1968, after an initial delay of 2-1/2 years and thereafter taken over on 5 July 1973 in uncertain working condition, has remained idle since then. It is more surprising that both the defective compressors of the plant which were sent to their factory for thorough overhaul and repairs on 10-10-1977, have not yet been received back. The Committee would strongly urge the DGS&D to make concerted efforts to put the plant in effective operation urgently. The Committee would also await the results of investigations into the doubtful circumstances of its taken over. The Committee would also stress that appropriate action against the firm for flagrant breaches of contract as also imposition of suitable penalty should be completed urgently in consultation with the Ministry of Law.

CHAPTER II

RECOMMENDATIONS OR OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

The Committee note that in pursuance of their earlier recommendation *vide* para 1.316 of 145th Report (5th Lok Sabha) (1974-75), the P&T Department have now introduced the system of PERT (Progress Evaluation Programme and Review Technique) for monitoring the progress of projects and ensuring better coordination than what hitherto existed among different agencies entrusted with the execution of various components of the projects. While the Committee would watch with interest the impact of this system, they would also like to be apprised in categorical terms that the system is being assiduously followed in respect of all the major projects under execution. The Committee need hardly emphasise that continuous improvement should be effected in preparation of PERT charts etc., and in monitoring the progress in the interest of adhering strictly to prescribed time schedules for projects.

[Sl. No. 4 (Para 1.74) of Appendix to 14 the Report of the PAC
(6th Lok Sabha).]

Action Taken

The observation of the Committee have been noted for guidance. The instructions about preparation of PERT/BAR Charts have been reiterated and detailed instructions issued regarding monitoring of the projects and formation of the co-ordination and monitoring committees for this purpose *vide* D.G.P.&T. Memo. No. 758/778-TPS (Genl) dated 24-2-78. A copy of these instructions have been enclosed with the Action Taken Note on recommendation No. 3 (Para 1.73 of the report).

[Ministry of Communications (P&T Department) U.O. No. 27-6/
77-B dated 25-5-1978.]

Recommendation

It has been admitted by the Ministry that the purchase of plot, which is another basic requirement, for the setting up of the exchange, was made without examining its suitability from the engineering point of view. This is evident from the fact that the

Architect, who was entrusted with the task of preparation of Plans, had expressed the view that the plot was not suitable for the exchange as it was triangular and was in low-lying area. The mere fact that the P&T Civil Wing was not set up at that time does not absolve the Department of the responsibility of not issuing proper guidelines in this regard. In fact, prudence required that an expert of the P&T Department should have visited the site and given his report about the suitability or otherwise of the plot before purchase. Setting of disputed points in relation to the suitability of the land for the Exchange Building delayed the preparation of plans and it took about 14 months to draw up the final blue-prints and exercise which according to the Ministry should not have taken more than 4 months. The Committee have been assured that in order to avoid recurrence of situations like this, instructions are being issued to the Circles/Districts that the suitability of any land proposed for purchase/acquisition should be got examined not only by the Civil Engineering Officers but also by the Architects. The Committee desire that comprehensive instructions and guidelines should be issued in the matter so as to ensure that all the concerned authorities, namely, engineers, architects, technical experts etc., are fully associated and consulted before acquiring land for setting up telephone exchanges and other buildings of technical nature and complexity.

[Sl. No. 5 (Para 1.75) of Appendix to the 14th Report of the PAC (6th Lok Sabha)]

Action Taken

Observations of the Committee have been noted. Comprehensive instructions and guidelines have been issued regarding the selection of site for construction of various types of buildings vide P&T directorate letter No. 424-9/76TPS(C) dated 7-4-78. The instructions call for close association of Officers of Telecommunications, Architectural and Civil Wing Officers and list out all important aspects need to be taken into account in selecting a site. (Annexure)

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B dated 25-5-1978.]

ANNEXURE

INDIAN POSTS AND TELEGRAPHS DEPARTMENT OFFICE OF
THE DIRECTOR GENERAL POSTS AND TELEGRAPHS
DAK TAR BHAVAN, NEW DELHI--110001.

No. 424-9/76-T PS(C)

Dated, the 1-4-1978.

To

1. All G.Ms. Telecom. | G.Ms. Telephones | D Ms. Telephones.
2. C.E. Civil.
3. All SEs | Exens (Civil) | AE's (Civil).
4. Ttl SAs | RAs | AAs.

SUBJECT.—*Proforma for submitting the suitability certificate for land required for construction of Telephone Exchange Buildings.*

The 6th Plan proposals for the telecommunications have been tentatively agreed to and provide for addition of 115 lakhs direct exchange lines. The total plan outlay is envisaged at Rs. 1849 crores which also provides for 39 crores for the staff quarters. The execution of this plan would require a large number of sites to be acquired for telephone exchanges, telegraphs offices and staff quarters in the department.

2. In the past, a number of cases have come to light, where while selecting the sites certain essential requirements as to location, suitability from the point of view of architecture and construction, freedom from major obstacles like HT power lines, sewer lines etc., were not taken into account while acquiring the plots. In some other cases the availability of water supply, electric supply and outlets for sullage water were lost sight of. This has not only resulted in infructuous expenditure, but also has delayed the schemes for opening of telephone exchanges, construction of quarters etc.

3. To avoid such problems in future, it is proposed that whenever sites are to be selected for any departmental purposes there should be a careful consideration of all the aspects by not only the telecommunication officers but also the architects and civil engineers. In general, it will be desirable that the proposed site is inspected jointly by officers of all the three wings. However, if this is not feasible, in the first instance, the site should be inspected and its primary suitability for the purpose for which it is proposed to be acquired should be certified

by the telecommunication officers. Thereafter, the suitability certificates should also be obtained from the Architectural Wing and the Civil Engineers at the appropriate level.

4. For the purpose of issuing suitability certificate it has been decided that such certificates should be issued after inspection by officers of at least of the following rank in the three units:

- (i) In towns and cities with D.E. Telegraphs/Telephones/Regional Architect/Executive Engineer Civil population upto 1,00,000 according to 1971 census.
- (ii) In towns and cities of over Director of Telegraphs/Telephones/1,00,000 population according to the 1971 census. Sr. Architect/S.E. Civil.

5. In case of sites for telephone exchanges, the following points would need to be considered very carefully:

- (a) *The location of the site from the point of view of the load centre.*—The site should be located as near the load centre as possible. However, in case of prospective multi-exchange areas this might not be a critical factor provided a suitable overall multi-exchange network could be designed to ensure maximum economy in the cables.
- (b) *Adequacy of area and shape of the plot to enable construction of a suitable telephone building.*—In general an MAX I plot should be about 4000 sq. metres. An MAX-II site should be at least 2000 sq. metres. The plot should, as far as possible, be located on a main road, roughly rectangular in shape with a minimum width of about 35 metres.

6. In regard to the Telegraph Offices building the main factor would be its location with reference to the centre of business and commercial activity and ready accessibility to the public for transacting the counter business.

7. In regard to the staff colonies, the nearness to the various offices, shopping centres and the schools would be an important factor besides the type of locality.

In case of selection of sites for housing colonies it will be desirable to associate a representative of the JCM as far as possible.

8. To ensure proper consideration of all relevant aspects a detailed proforma for certifying the suitability of a site has been drawn

up. The proforma is in 3 parts, A, B and C. This proforma is to be personally signed by the officers of the various ranks depending upon size of the town as laid down in para 4 above. Some of the important points which are required to be kept in mind while furnishing the information in this proforma are discussed below:

- (a) Part 'A' is required to be filled by the officers of the Telecom. Wing. The telecom. wing officers should ensure that besides the points covered in paras 5, 6, and 7 it is ensured that the plot is free from legal encumbrances and encroachment etc. It may also be ensured that no transmission line or sewer line is passing through the plot, shifting of which may cost the Department a substantial amount. It may also be ensured that the plot being acquired does not form part of any green belt and is not subject to other zoning restrictions etc. Although, the telephone exchanges are airconditioned, care is required to be taken that the exchanges are not located in close vicinity of factories producing fumes which may cause corrosion of the equipment.
- (b) Part 'B' is required to be filled by the architects. While furnishing the certificate the architect should ascertain FSI and other such restrictions to ensure that a suitable building of appropriate size can be constructed for the specified purpose after the plot is acquired. Requirements of fire fighting services, construction difficulties also need to be taken into account.
- (c) Part 'C' is required to be filled by the appropriate civil engineering officers. The important points to be considered are soil bearing capacity, freedom from flooding etc. It may also be ensured that the plot is well located with reference to water supply line, sewer line and electrical line|sub-station so that expenditure incurred in providing the various facilities is not excessive. In case it is felt that these facilities cannot be provided without incurring substantial extra costs, the approximate cost of providing these facilities should be indicated in the proforma.

9. While, in selecting the site all the above points have to be considered it is unlikely that with acute shortage of lands in the towns and cities it will be possible to secure a site ideal in all respects. Some compromise may have, therefore, to be made. In this connection, it will be desirable to consider each aspect carefully and

to the extent possible quantity the effect of a particular problem in connection with a given site. For example:—

- (i) A particular plot of land, which may be in low-lying areas which get water logged in monsoon may not be normally suitable for the construction of a building; but a telephone exchange building is required to be constructed at the load centre and as such extra-expenditure if any for utilising such low-lying plot either by the construction of basement or by filling the depressed portion may work out to be more economical when compared to the construction of a telephone exchange building on a level plot of land located too far away from the load centre.
- (ii) Even if the particular land does not have a very good soil, e.g., it is made up of filled soil, as in case of dumping ground, the extra cost of providing special foundations like piles/rafts etc., may be covered by the saving in cable costs.

10. It has, therefore, been decided that while issuing the suitability certificate, the extra cost involved in the construction of buildings on a particular site due to poor soil condition or low-lying area etc., removal of obstruction like sewer line, power line etc. should also be calculated approximately by the Civil Wing and the Telecom. Officers. They may then examine whether the extra cost required in constructing the buildings at such site is likely to be compensated by other factors which may be in favour of the chosen site.

11. Since a number of Audit Paras have come in the past due to insufficient care being exercised at the time of selection of sites, it is essential that the proper attention is paid by the officers personally as listed in paras above so that such cases are avoided in future.

12. Receipt of this letter may kindly be acknowledged.

(K. D. VAIDYA)

Member (TD).

Copy to:—

1. Directors (XP)|(E)|(BT)|(X)|L|TX|Telecom. Trg.)
 2. All ADGs in Planning Branch.
-

Proforma for the site suitability certificate for a Telephone Exchange Building/Staff Colony/Telegraphs Office etc.

Part 'A'—To be filled by DET|Director (Telecom.)|DEP|Dy. (GM)

1. Name of Station.

2. Name of locality where site is located.

3. Survey Number and other identification particulars of the site (please attach a sketch indicating location of site with boundaries, neighbouring land marks and main access roads to the plot).

4. Board dimensions of the plot and area.

5. (a) Name of the Owner of the land.

(b) Is the clear title of the owner established?

(c) Is the plot free from encumbrances, encroachments and squatters?

(d) Is the land on lease or free-hold?

(e) If lease-hold the period and terms of lease.

(f) Is the land suitably fenced or boundary walls provided?

6. (a) *If the land is meant for a Telephone Exchange.*

(i) Is the plot within the area of search w.r.t. load centre?

(ii) If not, how far it is located from the load centre?

(b) *If the land is meant for Telegraphs Office.*

(i) Approximate distance from the existing Telegraph Office.

(ii) Approximate distance from the main centre of commercial activity.

(c) *If the land is meant for staff colony.*

(i) Approximate distance from the centre of Town;

(ii) Approximate distance from the nearest shopping complex;

(iii) Approximate distance from the nearest educational institution;

(iv) Approximate distance from main P&T offices in the town;

(v) Has the staff representative from JCM been consulted?
Does the staff approve of location?

7. Is the area of the land adequate for the purpose for which it is proposed to be acquired?

8. Is there an adequate approach road to the plot for bringing materials, access to fire engines etc.

9. (a) Is the land free from obvious obstacles to construction like:—

(i) Sewer line passing through the plot.

(ii) Power lines crossing the plot without possibility of shifting.

(iii) Obvious flooding. If there be any doubt on any of these points give details.

(b) Has the land adequate access for transporting man and materials and for fire brigade etc., and suitably located from the point of view of surroundings?

10. Are there likely to be any municipal restrictions like zoning, green area, height of building etc. in the area?

CERTIFICATE:—I have personally inspected the site on———
———made local enquiries about title of plot, Municipal restrictions etc., and subject to the confirmation of suitability for construction by Civil Engineers/Architects consider the plot suitable for acquisition for a Telephone Exchange/Telegraph Office/staff colony.

DET/DEP
Dir. (Telecom.)/DGM.

Proforma for issuing suitability certificate for site for Telephone Exchange/Staff Colony/Telegraph Office

Part 'B'—To be filled by Regional Architect/Senior Architect.

1. Name of Station.

2. Name of locality where the site is located.

3. Survey No. and other identification particulars of site (please attach a sketch indicating location of site with boundaries/neighbouring land marks and main access roads).

4. Broad dimensions of the plot and area.

5. Name of the Owner.

6. Purpose for which plot is being considered.

CERTIFICATE

1. The plot of particulars mentioned above has been personally inspected by me on _____. The plot has been found suitable from Architectural point of view for construction of a Telephone Exchange/Telegraph Office/Staff Colony from the point of view of location dimensions and shape of the plot, surroundings, approach roads and other factors.

2. Taking the local by-laws, permissible FSI and ground coverage into consideration it will be possible to construct about_____ sq. meters of floor area over _____ storeys.

3. Taking the local by-laws, permissible FSI and ground coverage into consideration it will be possible to construct about_____ houses on_____storeys basis.

4. I consider the plot unsuitable from architectural point of view because of the following reasons:—

N.B.—Please strike off whichever is not applicable.

Regional Architect/Senior Architect

Proforma for suitability certificate

For site for a Telephone Exchange/Staff Colony/Telegraph Office.

Part 'C'—To be filled by Executive (Civil)/S.E. (Civil) Engineer.

1. Name of Station.
2. Name of locality.
3. Survey No. and other identification particulars of the site.
4. Broad dimensions of the plot (attach a sketch indicating location of site with boundaries, neighbouring land marks and main access roads to the plot).
5. Name of Owner/Owners.
6. Whether the plot has been identified/demarcated by Telecom/Civil Wing authorities at site.
7. Nearest Railway Station, Bus Station, if any, and distance from the same.
8. Whether water supply is available. If available please show its distance from plot, diameter, pressure in mains and whether it is intermittent or continuous. Specify the sources of supply such as hand pumps with depth, alternative tube wells with depth.

9. Whether AC or DC electricity is available. What is the voltage and distance of low tension supply from plot or distance of high tension supply mains from plot.

10. Availability of Municipal drain and type of urinals and latrines generally provided in the locality.

11. Does any encroachment exist on the plot.

12. (a) Whether any Public drain passes through the land, if so, whether it is likely to be diverted easily.

(b) Whether any HT/LT line is passing through plot which may require shifting.

13. Are there any doors or windows opening on this land which can interfere with future construction on this plot?

14. Is the plot in level, higher or lower than in centre of road level on which rain water can be drained and if so, how much? (in feet).

15. What is the possibility of drainage of storm water from plot during the rains? How and where it can be drained off about levels of one of the public road?

16. Are there any buildings adjacent to the plot whose foundations may interfere with the construction of a building in the plot proposed to be acquired?

17. Approximate cost of levelling plot raising it by about——feet. So that storm water could be drained above centre of one of the Public roads.

18. Nature of soil on top, whether black cotton soil, and if so upto what (depth and recommended depth of foundation).

19. Depth of filled up soil if any.

20. Depth of good soil, upto which foundation will have to be taken.

21. Any other important feature that needs to be taken into account in regard to the suitability of this plot?

I have personally visited the site on———. In view of the above the site is considered to be suitable/unsuitable from construction point of view.

Executive Engineer,
Civil Division, P&T.

Superintending Engineer,
P&T (Civil Circle).

Recommendation

As the requirements of telephones are bound to increase perceptibly in years to come, it is essential to design and construct building for housing telephone exchanges in such a manner that these can be suitably expanded for housing the additional equipment. In this context, the committee commend the concept of modular construction which could be put to effective use to design most economic buildings for housing telephone exchanges and equipments.

[Sl. No. 6 (Para 1.76) of Appendix to 14th Report of the PAC
(6th Lok Sabha).]

Action Taken

The recommendations of the Committee have been noted for guidance. It may be mentioned that the Department is already constructing telephone exchange buildings which will be adequate for not only housing the initial installation but also for expansion of the exchange to meet the requirement for another 5 to 10 years. Further, provision is made in the designs for expanding the exchange building to double its capacity. Design concepts have been worked out for automatic exchange buildings to house 2500 lines initially followed by an expansion of another 2500 lines. Similar designs for 5000+5000 lines and 10,000+10,000 lines have also been evolved. In general buildings are now being designed according to these standards.

It may also not be out of place to mention that even in case of Ludhiana adequate provision had been made in the building for housing the expansion to this exchange.

[Ministry of Communications (P&T Board) U.O. No. 27-6/77-B
dated 25-5-1978.]

Recommendation

After the purchase of plot, the Department failed to exercise due caution and care which they should have as an owner of a landed property. The result of this lapse was that there was an encroachment by the Municipality/Improvement Trust, which came to the notice of the Department only when the field units started preparation of the surveyed site plan asked for by the Architect. This contributed to further delay because the matter had to be sorted out with the State Government who were persuaded to give additional land to compensate for the encroachment. This lapse is deplorable. The Committee have been assured that Government would issue necessary Instructions in this regard to all the units.

[Sl. No. 7 (Para 1.77) of Appendix to 14th Report of the PAC
(6th Lok Sabha).]

Action Taken

Observations of the Committee have been noted for guidance. Instructions had been issued regarding the fencing of all Departmental lands existing and to be acquired in future *vide* the P&T Directorate letter No. P-6-33/55-TPS (BG) dated 24 April 1972. The instructions have been reiterated *vide* a letter dated 15 March, 1978.

Copies of these instructions are enclosed (Annexure) for information of the Committee.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B dated 25-5-1978.]

ANNEXURE

No. P-6/33/55-TPS (BG)

GOVERNMENT OF INDIA

DEPARTMENT OF COMMUNICATIONS (P&T BOARD)

Dated New Delhi-1, 24th April, 1972.

To

All Heads of Circles/Administrative Offices.

SUBJECT: *Proper fencing of P&T Building and vacant lands in various Circles/Districts.*

The question of proper fencing of vacant lands lying in various Circles/Districts has been receiving attention of the Directorate from some time. The case was put up to the Building Committee who have approved the construction of same. You are requested, therefore, to ensure that a suitable fencing is made to all vacant plots of land. While taking possession of new land proper care may also be taken to get it demarcated and fenced at the time of taking possession.

Sd/-

(D. R. NARANG),

Asstt. Chief Engineer (BG).

Copy is forwarded to NB, PRP and Civil Wing for information.

INDIAN POSTS AND TELEGRAPHS DEPARTMENT
Office of the Director-General of Posts and Telegraphs

No. P-6-33|55|TPS|BG

Dated New Delhi 15-3-1978.

To

All Heads of Circles/Districts/Administrative Offices.

SUBJECT: *Proper fencing of P&T Building and vacant lands in various Circles/District.*

Attention is invited to this office Circular of even No. dated 27th April, 1972 on the question of proper fencing of Buildings and vacant lands in various Circles/Districts and also of new lands at the time of taking possession of the same after demarcation. It is requested to ensure that these instructions are followed to avoid encroachments etc., of P&T property.

Asstt. Director-General (BG).

Copy is forwarded to NB, PRP and Civil Wing for information.

Recommendation

Apart from issuing instructions, the Committee stress that there should be a close follow-up and implementation thereof for they feel that if ordinary precautions and care had been exercised by the Department they would have become aware much earlier about the possible encroachment of their land and taken remedial measures in time.

[Sl. No. 8 (Para 1.78) of Appendix to the 14th Report of PAC
(6th Lok Sabha).]

Action Taken

The observations of the Committee have been noted. In this regard the Action Taken Note on recommendation No. 7 (Para 1.77 of report) may please be referred.

[Ministry of Communications (P&T Department) U.O. No. 27-6/
77-B dated 25-5-1978.]

Recommendation

In this connection, the Committee would like to invite the attention of the Ministry to the following recommendations contained in paras 1.314 and 1.316 of their 145th Report (5th Lok Sabha):

"As a result of the delay in the execution of the Projects, there has been invariably an escalation of the project

estimates, non-utilisation of the facilities available and the consequent loss of revenue which was due to the Government.

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The Committee would, therefore, like the Department to issue suitable instructions to the effect that persons entrusted with the execution of the projects would be held responsible for any loss of revenue to the Government as a result of delay in the execution of the projects. The Committee hope that the PERT chart which the Department propose to introduce will take care that there is proper synchronisation of the different components of the project from the very beginning and that there is proper supervision in regard to the estimation of requirements, placement of indents and the utilisation of stocks."

[Sl. No. 12 (Para 1.82) of Appendix to the 14th Report of the PAC
(6th Lok Sabha).]

Action Taken

The observations of the Committee have been noted for guidance. As already stated detailed instructions have been issued regarding co-ordination and monitoring of projects. A copy of instructions issued by the Secy. (C) in this regard *vide* his D.O. No. 18-18/77-TR dated 29-12-77 is also enclosed for information of the Committee (Annexure).

[Ministry of Communications (P&T Department) U.O. No. 27-6/
77-B dated 25-5-1978.]

ANNEXURE

D.O. No. 18-18/77-TR

29-12-1977

My dear

Since I took over charge here over three months ago, the correspondence between us in the manner I contemplate has, more or less, been a one-way traffic. I have been getting regular monthly report from you indicating the important developments within your jurisdiction, particularly with regard to the progress in the implementation of different programmes taken up by us. I have so far deliberately refrained from writing to you because before I did so I wanted to have a reasonable familiarity with the different activities of this Department. During this period, several common problems have come to my notice. It will be my endeavour hereafter to write to you in regard to these problems fairly regularly. I would

only expect that the specific problems to which I refer in my letters would and should receive your personal and special attention. Otherwise, the object of my writing to you in this manner will be totally defeated. I would also be addressing these letters or sending copies of them by name to all heads of postal and telecommunication circles depending on whether the problems dealt with in each letter relate specifically to the postal or telecommunication matters. On this occasion, I shall confine myself to two such problems.

2. As some of you are possibly aware, within a few days of my taking over charge of this post, my colleagues here and I had to appear before the Public Accounts Committee and had to undergo intensive grilling on several matters relating to this Department in which lapses, irregularities or other deficiencies in action had come to the notice of the Public Accounts Committee. The two specific issues on which we came off rather badly and which I propose to mention in this letter were:

- (i) total lack of coordination in planning and implementation of different programmes resulting in delays of several years in completion of certain projects and in extending their benefits to the people; and
- (ii) serious defects in the billing and follow-up action in respect of telephone revenues resulting in huge outstanding, indifferent action in recovery of these dues, faulty billing with a large number of cases of excess and short billing as well as delayed presentation of bills.

3. We did try our best to defend and explain our case relating to the above categories to the PAC, but I would definitely say that, having studied these cases in advance, we had little to defend ourselves or to explain away and our main thrust had necessarily to be on what we had already done or proposed to do to give a better account of ourselves in future.

4. Since that last meeting of the PAC, I have seen a large number of cases in my day-to-day work and have been greatly disturbed to find that what came up during the last meeting of the PAC was by no means the first set of our failures in this direction but that it has been a continuing theme for several years and has been adversely commented upon by the PAC on several occasions in the past also. I have also seen that even in the past appearances before the Public Accounts Committee similar kinds of assurances and undertakings had been given by our colleagues for rectification of these shortcomings. I would not be fair if I say that nothing has been done in

the past in pursuance of those undertakings. Several changes in procedures have been made and of course there has been no dearth of instructions issued from time to time designed to apply correctives in these matters. But, apparently, there has not been serious enough follow-up action; otherwise over the years the picture should have considerably improved. These matters have, as such, necessarily to be tackled personally by the heads of circles, constantly reviewed and timely correctives applied. Unless, therefore, you take this as your personal responsibility and act with determination, I am afraid this process of draft will continue. That, in my opinion, should no longer happen because there is a limit to which there can be defence of undefendable cases and, in any case, the public, whose satisfaction with our service should be our primary objective and concern, will never excuse us for our failures and will certainly not be satisfied with any deficiencies in service. The problems, therefore, have to be viewed in that important context and it must be the endeavour of each one of us, in a position to play an effective role in these matters to ensure that we indeed do so.

5. Now coming to the two specific issues I have mentioned. I will take up first the question about lack of co-ordination in planning and implementation of our projects. One of the items which has been regularly appearing in the PAC's reports on this recurring there is, for instance, the programme for installation of telephone exchanges. This involves various processes starting with assessment of demands, planning for equipment required not only to meet those demands but also for reasonable expansion in the foreseeable future, planning for supply of various items of stores required taking into account the time schedule for their delivery, construction of building for housing those exchanges with all the preliminary steps for acquisition of land, designing of buildings, award of work for construction, etc., the provisioning of air-conditioning with ordering of required equipment, completion of all these works before the installation of the equipment for the exchanges and laying out of cables, etc. well in time to ensure that soon after the cut-over of the exchange individual connections are provided to the subscribers within the shortest possible time. All these processes need very close co-ordination between all the agencies concerned with the different processes by means of drawing up of PERT charts incorporating all the steps so as to ensure that there is no break in the chain at any stage for any reason. We have recently taken a decision to set up committees at Circle level with you as the Chairman and all the concerned officers in the circle as members to have these PERT charts carefully and realistically prepared; a constant monitoring of the project with reference to

this chart; evaluation of the project as soon as it is completed and evaluation of the results after six months of its completion to see that the results contemplated while taking up the project have been fully achieved. I would like these committees to start functioning immediately and expect each one of the participants to take part in it with full sincerity, seriousness and desire to ensure personally that at no stage there is any unavoidable hitch or difficulty. It has also been decided that if at any stage the committee comes to the conclusion that there is likely to be any delay in the execution of the project in any sphere in accordance with the PERT chart, the matter should be immediately brought to the notice of the Co-ordination Committee at the headquarters, which I will chair, to ensure that the matter which has not been found possible to settle at the local level can be taken care of straightway at the headquarters. I would naturally wish, and would expect, your full co-operation to ensure that these committees function in the spirit and with the objective with which they have been conceived and set up. I do not want to sound unduly harsh at this stage but I would certainly like to say that any failure in respect of the functioning of these committees in the manner in which it has been desired will not be viewed with any sympathy.

6. The category of projects I have referred to above is only illustrative but, of course, one which consumes large sums of money and has also attracted the severest criticism. The procedure and the observations made in the previous paragraph, however, apply equally to other projects concerning the Department, whether they relate to establishment of post offices, public call offices, administrative buildings, staff quarters, programme for satisfactory maintenance of existing services and carrying out of necessary improvements for providing better satisfaction to the public, etc. Even in respect of matters involving a number of agencies in your circle, such as redressal of grievances of the public and the legitimate demands of the staff, similar committees, if necessary, should be constituted to ensure prompt decisions.

7. The second issue I have referred to concerns the various shortcomings in respect of collection of dues and billing. On the former, I have already addressed another letter to you a day or two ago which should receive your immediate attention. With regard to the dues against the Government organisations, I am addressing the Secretaries concerned in the Government of India almost immediately and will also be writing to the Chief Secretaries of the States. Copies of these communications will be sent to you in due course for follow-up action. In connection with a recent question in Parliament asking for information about outstanding telephone bills

over Rs. 10,000 against individual subscribers throughout the country, information had been called for from all the units and I have greatly started to see the compiled information when it was submitted to me for seeking approval of the Government. This information in respect of individual subscribers all over the country had as many as 604 entries and the total amount came to about Rs. 130 lakhs. Most of these related to the four metropolitan cities and individual dues above Rs. 10,000 were in some cases even as high as over Rs. 50,000 even in respect of private parties, apart from even higher amounts in respect of some of the Government organisations. Since Delhi Telephone District is the closest to me from the angle of getting the records, I decided to get the records relating to some of these entries of Delhi. What I saw depicted a very unsatisfactory situation. I had picked up some of the private parties against whom sizable amounts had been indicated as dues. Some of the serious defects I noticed were as follows:

- (i) The action to disconnect had been taken months or even years after sizable dues had built up and even allowed to accumulate;
- (ii) additional bills continued to be sent even months after the telephone connection was reported to have been closed;
- (iii) telephones were disconnected and connected several times in spite of clear indication of habitual default in payment of the telephone bills. Even in such cases, action to disconnect was not taken when there were heavy dues for several months; and
- (iv) while reporting the total figure of dues against several subscribers, payments made from time to time were not deduced, but the total bills over a period of months were totalled up and reported as outstanding.

I am making a further case study of some of these cases to find out the circumstances under which such huge defaults occurred on the part of private parties and the failure to take the prescribed steps to disconnect the telephone connections. I have deliberately given this information so that it might serve as a guideline for looking into your own system of working in this matter to ascertain whether similar things have happened in your circle and, if so, the circumstances under which it has been allowed to develop. In my opinion, there will be a clear case for fixing responsibility and taking action.

8. While taking positive steps for tackling this chronic problem of outstanding dues, I would also like you to examine personally the circumstances under which excess or short billing takes place. Both these defects have been often commented upon adversely by the Public Accounts Committee. It will also have to be seen whether short-billing includes items such as amounts due from individuals to whom bills are not required to be sent which I had found to be so during my visit to Calcutta some time ago. There are many routine explanations for this phenomenon of short and excess billing, but I would strongly advise against acceptance of these routine explanations or developing a sense of complacency because amounts relating to them form a very small percentage of the total amount billed or collected. Our objective should be to significantly minimise, if not totally eliminate, these shortcomings. I do not wish at this stage to write more about this particular issue, but I would like to reiterate that these matters are causing me very serious concern and I need your full co-operation in setting right these defects in our working.

9. I am sorry for the length of this communication but it only underlines the importance I attach to these two issues and what a great relief it would be if we can make a noticeable dent on these two major problems of the Department. Therefore, I cannot but emphasise that you should not only read this letter very carefully but also take immediate steps at your personal level to take appropriate effective remedial action. Having said all that I wished to say by way of a preamble for the opening of this two-way traffic, I hope my letters to you hereafter will be shorter and less taxing.

As this letter will reach you just on the eve of the new year, I wish you a very happy New Year.

Yours sincerely,
Sd/-
(J. A. DAVE),

Copy forwarded to—

- (1) All Members of the P&T Board.
- (2) All Dy. Directors-General, P&T Directorate.
- (3) All General Managers (Maintenance), P&T.

Recommendation

The Committee have come across some instances earlier, where in similar circumstances, window type air-conditioning units had to be per force put in Telephone Exchanges instead of the package air-conditioning unit. The committee would like the Department to have a closer look at this problem and ensure that the air-conditioning package units are installed, tested and pressed into service to synchronise with the commissioning of sophisticated telephone exchange equipment. The committee would like to be informed of the action taken in this behalf.

[Sl. No. 16 (Para 1.86) of Appendix to 14th Report of PAC
(6th Lok Sabha)].

Action Taken

The work of procurement of air-conditioning plants has been taken over by P&T Department from DGS&D. An air-conditioning cell has been created in the department to deal with and co-ordinate all problems relating to the planning, procurement and maintenance of air-conditioning plants so as to ensure that the air-coditioning plants are commissioned to synchronise with the commissioning of telephone exchanges. As a result of these steps situation should improve in next few years.

[Ministry of Communication (P&T Department) U.O. No. 27-6/
77-B dated 3-5-1978]

As the procurement of the Air-Conditioning Plants for Technical Building has been taken over by the Posts & Telegraphs authorities themselves from November, 1974, the P&T have been requested to apprise the Committee of the action taken in the matter.

[Department of Supply O.M. No. PIII-17(5)/77 dated 29-5-1978]

Recommendation

The Committee have further been informed that estimates for providing an additional medium on the route have already been sanctioned and the additional medium is expected to be available by 1978-79. The Committee hope that keeping in view the commercial importance of Ludhiana, STD facility would be made available to this place on priority basis.

[Sl. No. 20 (Para 1.90) of Appendix to 14th Report of PAC
(6th Lok Sabha)].

Action Taken

The recommendation of PAC is noted. The medium is expected to be available in 1978-79 and both way STD facility from Ludhiana to Chandigarh and Delhi would be made available in 1979-80.

[Ministry of Communications (P&T Department) U.O No. 27-6/77-B dated 25-5-1978]

Recommendation

STD facility being a revenue yielding medium, the Committee are convinced that the Department has been put to a considerable financial loss by the non-provision of the facility in a 10,000 lines exchange like Ludhiana. The Committee recommend that Government should issue specific instructions for extension of this facility to commercial and other places of importance.

[Sl. No. 21 (Para 1.91) of Appendix to 14th Report of PAC (6th Lok Sabha)].

Action Taken

The Committee's suggestion regarding provision of STD facility on priority basis to commercial and other places of importance is being followed by this Department.

Sd/- (K. D. VAIDYA)

Member (Telecom-Development)

O.M. No. 346-4/75 TPL(TKS)

Dated 13-6-1978.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B dated 25-5-1978]

Recommendation

The Committee note that no realistic estimation of the demand for telephone in Sanathnagar locality of Hyderabad was made as is evident from the fact that in December 1963, the District Manager, Hyderabad sought approval for a 2000 line main exchange on the justification that Sanathnagar was fast developing into an industrial locality and that the demand of telephones in the area was expected to be 1311 in 1967, 2208 in 1972, 2933 in 1977 and 3528 in 1982. Although it was stated to be a perspective plan, no action whatsoever was taken by the authorities to re-assess the demand while sanctioning the purchase of land for the main telephone exchange in 1966.

No cognisance was taken also of the fact that during the same period 262 lines were working on the satellite exchange, which was already set up in a rented building in the locality w.e.f. August, 1964, as a temporary measure.

[Sl. No. 22 (Para 2.26) of Appendix to 14th Report of the PAC
(6th Lok Sabha)].

Action Taken

The observations of the Committee have been noted for guidance. A system of review of forecasts of demands against actuals is being followed. In a number of cases schemes and projects have been revised keeping in view the results of such reviews.

It is proposed to continue to follow up this system with utmost vigilance.

[Ministry of Communications (P&T Department) U.O. No. 27-6/
77-B dated 25-5-1978]

Recommendation

In March, 1971 when the new building which provided for a 5000 lines exchange was almost ready, a revised project estimate for 1200 lines was submitted in replacement of the satellite exchange which was then working with 551 connections and a waiting list of 89. In December 1971, the P&T Directorate, however, finally agreed to provide equipment for a 900 lines main exchange. At that time the likely demand for telephones indicated in justification for the project estimate was 3751 in 1972, 6692 in 1977 and 11038 in 1982. Surprisingly enough, the actual demand on 30 September 1976 against these estimates stood at 1513 telephones only.

[Sl. No. 23 (Para 2.27) of Appendix to the 14th Report of PAC
(6th Lok Sabha)].

Action Taken

The observations of the PAC have been noted. In this connection, as indicated in action taken note on recommendation No. 22 (Para 2.26 of the report) a regular system of review of forecast of demands at various stages of projects has been introduced.

[Ministry of Communications (P&T Department) U.O. No. 27-8/
77-B dated 25-5-1978]

Recommendation

The Committee are unable to appreciate the *raison d'être* of the inflated forecasts made in December 1971, particularly when the growth of demand from the time the proposal for the exchange was mooted in 1973 was stagnant. It appears to the Committee that no attempts were made to study the actual growth of demand before the acquisition of land, construction of building and deciding the size of the project. It is distressing to note that it took the authorities about 9 years to decide the size of the Exchange.

[Sl. No. 24 (Para 2.28) of Appendix to the 14th Report of the PAC
(6th Lok Sabha)].

Action Taken

The observations have been noted for guidance.

As already stated in the action taken note on recommendation No. 22 (Para 2.26 of the report) frequent reviews of demands against forecasts are now being undertaken.

It may be mentioned that in case of Sanathnagar exchange the original forecast which has subsequently proved to be highly inflated was based on the plans for the industrial estate proposed to be set up by the local Government authorities. Apparently these plans received a set-back due to Telangana Agitation of 1969 and Separate Andhra State Agitation of 1972-73.

It will be seen that the exchange capacity in the area has been limited to the actual demands and has not been based on the original forecasts.

[Ministry of Communications (P&T Department) U.O. No. 27-6/
77-B Dated 25-5-1978].

Recommendation

The Committee stress that suitable steps should be taken to improve the process and procedure for estimation of demands while drawing up any long-term plan for expansion. At the same time appropriate administrative action should be taken to reduce the time-lag between the acquisition of land, construction of building and placement of equipment orders.

[Sl. No. 25 (Para 2.29) of Appendix to 14th Report of FAC
(6th Lok Sabha)].

Action Taken

The observations of the Committee have been noted. Every effort is being made to improve the quality of forecasting. Forecasts are made with reference to historical growths of demands as well as known plans for development of an area. However forecasts can only be approximate and actuals will differ because of various factors like changes in policy of Government economic outlook, political situations etc. To ensure that the plans are kept in line with actual developments, frequent reviews of forecasts against actuals are being made and plans adjusted.

In regard to reduction in time lags in acquisition of land, construction of buildings and placement of equipment orders, a number of steps have been taken including augmentation of P&T Civil Wing, introduction of PERT/BAR Charts and frequent reviews of progress. However due to limited indigenous production of equipment and slippages due to various factors like power supply cuts, shortage of raw-materials, some difficulties and delays cannot be entirely ruled out. Every effort will however, be made to reduce adverse effects of such problems.

[Ministry of Communications (P&T Department) U.O. No. 27-6/
77-B Dated 25-5-1978].

Recommendation

For meeting the requirements of the users in an industrial and commercial city like Calcutta, a project for the expansion of Exchange No. 24 by 3300 lines was sanctioned in April 1965 for Rs. 59.48 lakhs of which Rs. 29.45 lakhs was for equipment and Rs. 30.03 lakhs for lines and cables. From the picture that emerged after the perusal of the material furnished by the Department and the oral evidence of the representatives of the concerned Ministries, the Committee have noted with considerable consternation that not only has the actual expenditure on the project exceeded the original estimate by more than 50 per cent but all the calculations of the Department for the early completion of the project were turned away on account of the failure of the different agencies concerned with the execution of the project. The up-shot was that the project for the expansion of the Exchange '24' was delayed by more than five years.

[Sl. No. 36 (Para 4.66) of Appendix to 14th Report of the PAC
(6th Lok Sabha)].

Action Taken

The observations of the Committee have been noted for future guidance. A number of steps including those for more effective co-ordination, monitoring and control of projects through PERT/BAR Charts have been introduced. Copy of latest instructions vide 758-7/78-TPS(Genl.) dated 24-2-1978 is enclosed (Annexure).

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B Dated 25-5-1978].

ANNEXURE

INDIAN POSTS AND TELEGRAPHS DEPARTMENT OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS

No. 758-7/78-TPS (Genl)

Parliament Street
Dak. Tar Bhavan.
the 24th Feb., 1978.
New Delhi—110001.

OFFICE MEMORANDUM

SUBJECT.—*Co-ordination, Monitoring and Progress of Telecommunication Projects.*

1. In supersession of all earlier instructions in this regard, the following authorities shall in future be responsible for basic planning and overall co-ordination, control and monitoring of various types of telecommunication projects in their respective territories:—

Sl. No.	Type of Project	Officer-in-Overall-Charge
(1)	All projects relating to Local Telephone Exchanges, Trunk Exchanges—both Manual and Automatic, Telex Exchanges and connected works.	The General Managers & District Managers in Telephone Districts General Managers. Telecom Circles.
(2)	All long-distance transmission projects, other than open-wire lines i. e. Microwave, Coaxial, UHF, VHF, etc.	General Managers Projects, Regions
(3)	All projects pertaining to long-distance P.C. Os, open-wire lines including carrier on open wire telegraph offices, VFT etc.	General Managers Telecom. Circles
(4)	All Building Projects other than those projects covered under long distance transmission schemes mentioned at (2) above i. e. buildings for local exchange projects, trunk exchange projects, telegraph offices, administrative offices, staff Qrs. etc.	General Managers & District Managers in Telephone Districts General Managers. Telecom. Circles.

2. For purposes of co-ordination, control and monitoring, co-ordination committees shall be constituted in each of the Telecom. Circles, Telephone Districts and Project Regions under the personal Chairmanship of officers in overall charge mentioned in para 1 overleaf. The constitution of these Committees shall be as follows:—

(a) TELECOM CIRCLES

- | | | |
|--------|---|--------------------|
| (i) | General Manager | Chairman |
| (ii) | A.G.M. Capital Works/Co-ord. | Convenor/Secretary |
| (iii) | Director of Telegraphs/DG.Ms. | Member |
| (iv) | General Manager Projects | Member |
| (v) | G.M.M. for STD/TAX/Long Distance Projects | Member |
| (vi) | I.F.A. | Member |
| (vii) | S.E. Civil | Member |
| (viii) | Executive Engineer
Electrical/Air conditioning | Member |
| (ix) | D.E./A.E. Circle Store Depot | Member |
| (x) | Other officers as required may be nominated or co-opted
by G. M. | |

(b) MAJOR TELEPHONE DISTRICTS

- | | | |
|--------|--|--------------------|
| (i) | General Manager | Chairman |
| (ii) | Addl./Dy. G. M. Planning/Co-ordination | Convenor/Secretary |
| (iii) | G. M. Projects | Member |
| (iv) | G. M. M. for STD/TAX/LD Projects etc. | Member |
| (v) | Dy. G. Ms. Planning (Switching) External Plant/Installation/
Construction | Member |
| (vi) | I. F. A. | Member |
| (vii) | S. E. (Civil) | Member |
| (viii) | S.E. or E.E. (Electrical/Air-conditioning) | Member |
| (ix) | D.E./A.E. District, Store Depot | Member |
| (x) | D.E. Acceptance Testing (T & D Circle) | Member |
| (xi) | Other officers as required may be nominated or co-opted
by G. M. | |

(c) MINOR TELEPHONE DISTRICTS

- | | | |
|------|---|--------------------|
| (i) | District Manager | Chairman |
| (ii) | D.E. (Planning/Co-ordination) | Convenor/Secretary |

- (iii) Representative of G.M. Projects (for STD/TAX projects) Member
 - (iv) Representative of G.M.M. (for STD/TAX projects) Member
 - (v) D.E. Planning (Switching, External Plant Installation, Construction) Member
 - (vi) I. F. A. Member
 - (vii) S. E./E. E. Civil Member
 - (viii) S. E./E. E. (Electrical/Airconditioning) Member
 - (ix) A. E. Circle Store Depot Member
 - (x) Other officers as required may be nominated or co-opted by G. M.
- (d) TELECOM, PROJECT REGIONS
- (i) G. M. Projects Chairman
 - (ii) Director (Transmission) Headquarters Convenor/Secretary
 - (iii) G.M.M. or his representative Member
 - (iv) S. E. Civil Member
 - (v) S. E. (Electrical/Airconditioning) Member
 - (vi) I. F. A. Member
 - (vii) Other Officers as required may be nominated or co-opted by G. M. Projects

3. The above Committees should meet atleast once in two months. The meetings may be held at the Headquarters of the officers in overall charge or at sites of larger projects at the discretion of the officers in overall charge.

4. The officer in overall charge should arrange for a PERT Chart to be prepared as soon as a project is conceived. The intention is to clearly identify all the distinct activities and various officers and agencies responsible for their execution from the outset, so that no aspect of the project is lost sight of. An attempt should also be made to the extent possible to work out the likely duration as well as the targets for commencement and completion of each activity and the critical path for the project as a whole. It is, of course, recognised that at this early stage of project formulation, these durations and targets for the activities would necessarily be tentative and would be confirmed and revised later on when the project takes a more concrete shape.

5. The PERT Chart so prepared should be reviewed in the next Meeting of the Co-ordination Committee and the responsibility and duration of activities agreed to. Thereafter the officer in overall charge will obtain progress reports every two months from all the

concerned officers, get the same consolidated and keep ready for discussion in subsequent Co-ordination Meetings. At these meetings, the Co-ordination Committee should take stock of the progress on each activity, identify any problem and find solution to meet the same. If for any particular problem, a solution at the Circle/District level is not feasible, the matter should be immediately referred by the G.M. concerned to the Central Co-ordination Committee (as indicated in para 6 below) particularly when the specifications of the project have to be changed or there are certain insuperable difficulties which will lead to delays in the completion of any project.

6. To monitor the progress of important projects and to remove any bottlenecks beyond the control of the Circle|District|Project Region Co-ordination Committees, a Central Telecommunication Project Co-ordination & Monitoring Committee shall function at the P. & T. Directorate as follows:—

- | | | |
|--------|--|--|
| (i) | D. G. P. & T. | Chairman |
| (ii) | Member (Telecom. Dev.) P&T Board | Member |
| (iii) | Member (Telecom. Operations) P&T Board | Member |
| (iv) | Member (Finance) P&T Board | Member |
| (v) | Deputy D. G. (MM) P&T Board | Member |
| (iv) | Deputy D. G. (F/D) P&T Board | Member |
| (vii) | Chief Engineer (Civil) P&T Board | Member |
| (viii) | Deputy D. G. (L) P&T Board | Convenor
(for Long Distance
Projects) |
| (ix) | Deputy D. G. (L) P&T Board | Convenor
(for Local Exchange
Projects) |

7. To enable the Central Committee at the Headquarters to monitor the co-ordinated implementation of Telecom. projects, the officers in overall charge of the projects shall submit a report every two months on the status of various projects in the proformae TD-001, TD-002, TD-003 and TD-004 (Annexures I to IV). These reports should be submitted to the P. & T. Directorate as soon as possible after the close of every two months' period and the meetings of the Circle|District|Project-Region Co-ordination Committee.

8. It will be seen that the progress report is in four parts as follows:—

Part—I (TD-001) giving a consolidated list of all projects sanctioned and their status. This report is to be prepared

in separate sections for different types of projects like local Exchanges MAX-I Step-by-step, Crossbar, MAX-II, MAX-III, CB Multiple, CB Non-Multiple, etc. and the long-distance projects like Coaxial, Microwave, U.H.F., VHF, TAXs, Manual, Trunk Exchanges, Long-Distance P.C.Os. etc.

Part-II (in form TD-002) giving a detailed progress report for each project separately. It will list all activities involved, the officer responsible for each, the estimated duration and targets and actual dates of commencement and completion with brief notes giving reasons for delay, if any. Separate detailed notes shall be given wherever some action is required beyond the control of the Officer in overall charge.

Part-III (in form TD-003) giving the progress in terms of financial expenditure in each project.

NOTE.—The reports in Part-II and Part-III (Forms TD-002 and TD-003) shall be forwarded to the Directorate only for projects costing Rs. 1 crore or more. The Directorate may, however, call for reports on specific projects, based on the review of lists contained in Part-I (Form TD-001).

Part-IV (in form TD-004) giving a list of all the projects physically completed, but for which Completion Reports have not to be submitted. This report shall be submitted once in six months only i.e. at the end of three two months' block at each financial year.

9. All Heads of Circles/Telephone Districts and Projects-Regions are requested to note the above instructions and take immediate action to organize the Co-ordination Committee and prepare PERT Charts and progress reports. The first progress report for the period ending 31st March, 1978 should be obtained, consolidated and forwarded by the Officers-in-overall-charge by the end of APRIL, 1978 at the latest.

10. A typical PERT Chart for automatic exchange had already been forwarded under this office letter No. 820-23/73TPS(UPC) dated 5th August, 1974. The detailed analysis of various activities for various projects may be undertaken on similar lines and PERT|BAR charts prepared accordingly by the Officers-in-overall-charge of projects.

11. Receipt of this Memo. may please be acknowledged. Any suggestions to improve the working of the Committees may also be forwarded and exchanged among the various Circles/Telephone Districts/Project Regions.

Sd/-

(K. D. VAIDYA)

Member (Telecom. Development)

Copy to:—

- (1) All Heads of Circles|Telephone Districts|Project-Regions.
- (2) General Managers (Maintenance).
- (3) All Members of the P.&T. Board.
- (4) Chief Engineer (Civil), P&T Directorate.
- (5) All Deputy D.Gs. Telecom., P&T Directorate.
- (6) Deputy D.G. (F|D).
- (7) All Directors in Telecom. Branches of Directorate.
- (8) Director (Fin. II) & Director (Fin. IV), P&T Dte.
- (9) Director (Budget).
- (10) Secretary, P&T Board.
- (11) All S.Es (Civil) and S.Es (Electrical).
- (12) All S.As.
- (13) All E. Es. (Civil/Electrical).

Sd/-

(K. D. VAIDYA)

Member (Telecom. Development)

CIRCLE/DISTRICT/PROJECTS REGION

LIST OF TELECOMMUNICATION PROJECTS AND THEIR STATUS AS ON.....

[To be submitted within a month of end of each two-monthly block w.r.t. DGP& T Memo No. 758-7/78-TPS(Genl.) dated 24-2-1978.]

Serial No.	Description of Project	Sanction particulars			Date of physical commencement of work (1st component)		Date of physical completion of work (Last component)		Remarks
		Sanctioned by	Sanction No. & Date	Sanctioned Cost	Originally planned	Actual/ Likely	Originally planned	Actual/ Likely	
1	2	3	4	5	6	7	8	9	10

CIRCLE/DISTRICT/PROJECTS FOR REGION

TWO-MONTHLY PROGRESS REPORT OF PROJECTS FOR THE QUARTER ENDING

Name of Project..... Sanctioned by..... Vide sanction No..... dt.....

[To be submitted within a month of close of each Two-monthly Block w.r.t. DGP&T Memo No. 758-7/58-TPS (Gtnl.) dt. 24-2-1978].

ACTIVITY PARTICULARS			Estimated duration in months	Date of commencement of activity		Date of Completion of activity		Remarks
No. of activity	Description of activity	Responsibility		Originally planned	Actual/ Likely	Originally planned	Actual/ Likely	
1	2	3	4	5	6	7	8	9

CIRCLE/DISTRICT/PROJECTS REGION

TWO MONTHLY PROGRESS REPORT ON EXPENDITURE ON PROJECTS FOR THE QUARTER ENDING

Name of Project.....Sanctioned by.....Vide Sanction No.....Dated.....

Total Sanctined Amount.....Target Date for completion
(Original) (Likely)

[To be submitted within a month of close of Two-monthly block w.r.t. DGP&T Memo No. 758-7/78-TPS (genl) Dated 24-2-1978.]

Serial No.	COMPONENT	DETAILED ESTIMATE			Expenditure booked to end of Quarter	Likely final cost of Component	Reasons for variation between Col. 5 & Col 7 if any
	Name of Component	Sanctioned by	Sanction No. & Date	Amount sanctioned			
1	2	3	4	5	6	7	8

CIRCLE/DISTRICT/PROJECTS REGION.

HALF YEARLY LIST OF PROJECTS COMPLETED FOR WHICH COMPLETION REPORTS ARE NOT SUBMITTED AS ON

[To be submitted within a month of each close of each Half-Year w.r.t. DGP&T Memo No. 758-7/78-TPS (Genl.) Date 24-2-1978].

Serial No.	Name of Work	SANCTION PARTICULARS			Date of Physical completion of work	Expenditure booked upto end of Period	TARGET DATE FOR Submission of CR.		Remarks.
		Sanctioned by	Sanction No. & Date	Sanctioned Cost			Vide last Statement	Now Likely	
1	2	3	4	5	6	7	8	9	10

Recommendation

The Indian Telephone Industries was responsible for the supply of equipment for the project. The indent for the supply of equipment was placed on them in May, 1965 and the supply was completed in 1968-69, i.e. after a lag of three years. To suit their convenience, the Indian Telephone Industries shifted their schedule for supply of equipment from 1965-66 to 1966-67. The reason advanced by them that "the shifting of the schedule was due to the fact that against the programme of 73,500 lines of new exchanges in 1965-66, the capacity earmarked for such exchange was only 40,000" does not appear to be convincing. The I.T.I. should have planned their supplies in concert with the P&T Department well in advance.

[Sl. No. 37 (Para 4.67) of Appendix to 14th Report of the P.A.C.
(6th Lok Sabha)]

Action taken

The observations of the Committee have been noted for future guidance. A number of steps have been taken to improve co-ordination between P&T and I.T.I. Regular review meetings are being held between the two. Programmes of supply of equipment are drawn up after consultation with I.T.I. taking into account their production capacity and programmes. As a result it has been possible to improve the actual supplies considerably. However, due to the total production capacity being less than annual requirements of P&T, orders are placed to the maximum extent of the production planned. As a result in case of hold up beyond control of I.T.I. like power cuts, shortage of raw materials, labour problems etc., there are slippages and programmes have to be revised.

[Ministry of Communications (P&T Department) U.O. No. 27-6/
77-B, dated 17-5-1978]

Recommendation

The position in regard to laying of cables was no better. As a result of the delay in sanctioning estimates there has been a wide gap of about 4½ years even in the sanctioning of two estimates of junction cables—the commissioning of the Telephone Exchange was held up. The justification given by the Department that "within the project provisions detailed estimates are sanctioned according to the requirements, details of which are worked out as the main work progresses" is hardly convincing. The Department should have

viewed the entire project as one of urgency and no administrative delays whatsoever should have been allowed to occur at any stage.

[Sl. No. 39 (Para 4.69) of Appendix to 14th Report of the P.A.C.
(6th Lok Sabha)]

Action taken

The observations of the Committee have been noted for future guidance in similar cases.

[Ministry of Communications (P&T Department) U.O. No. 27-6/
77-B, dated 17-5-1978]

Recommendation

The delay in the laying of subscribers' cables, the estimate for which was sanctioned in January, 1969, is also indefensible. The work should have been completed in 300 days but by March, 1974 only 98 per cent of the work had been completed. Assuming that there were disturbed conditions in Calcutta and also thefts of underground cables in that area from February, 1970 to March, 1973, the Committee fail to understand why the P&T Department could not complete the work of laying of the subscriber's cables when 86 per cent of the cables were received by March, 1970. Obviously the requirements of the particular Exchange were not given the importance that it deserved.

[Sl. No. 41 (Para 4.71 of Appendix to the 14th Report of the P.A.C.
(6th Lok Sabha)]

Action taken

The observations of the Committee have been noted for future guidance.

[Ministry of Communications (P&T Department) U.O. No. 27-6/
77-B, dated 17-5-1978]

Recommendation

The Committee note with concern that the departmental instructions of utilising ninety per cent of the capacity by release of new telephone connections soon after expansion or, in any case not later than six months of such expansion have not been followed on the commissioning of the expanded capacity for 3300 lines in January,

1970. As pointed out by Audit, this was due to the reason that the subscribers' cables were not ready, when expanded capacity became available. However, according to the Department, the exchange on expansion could not be loaded to a prescribed limit due to the low handling capacity of the Exchange. As against the actual traffic of 0.071 Traffic Units measures in June, 1970 the exchange was designed to carry originating traffic of 0.0628 Traffic Units. The loading was increased subsequently on the installation of some additional equipments and junctions and the full loading was possible only with effect from July, 1974, on adding necessary traffic relief equipment. Even if the argument put forward by the Department is accepted, the Committee fail to understand why the traffic relief equipment was not planned along with the expansion of the exchange. Had this equipment been planned initially the exchange might have been loaded according to the existing instructions. The Committee are unhappy to note that due to not loading the exchange according to existing departmental instructions the Department lost a potential revenue of about Rs. 31 lakhs till March, 1975 as worked out by audit

[Sl. No. 45 (Para 4.75) of Appendix to 14th Report of the P.A.C.
(6th Lok Sabha)]

Action Taken

The observations of the Committee have been noted for future guidance. A procedure for regular periodic measurement of traffic in various exchanges, and provision of traffic relief equipment with expansion is being introduced.

In this particular case the problem arose partly due to transfer of some of the lines to '24' exchange from '23' and '44' exchanges whose traffic was higher. Instructions have been issued *vide* 200-43/73 TPS (EA) dated 28-3-78 (Annexure) that in all cases where on expansion an exchange has to take over some of the lines from other exchanges, traffic measurements should be taken in all the concerned exchanges and the results taken into account while designing the expansion.

[Ministry of Communications (P&T Department) U.O. No. 27-6/
77-B, dated 17-5-1978]

ANNEXURE

INDIAN POSTS AND TELEGRAPHS DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL OF POSTS AND
TELEGRAPHS

No. 200-43/73-TPS (EA)

Dated at New Delhi the 28th March, 78.

To

All Heads of Telecom. Circles|Telephone Distts.

SUB: *Drawing up of specifications for provisioning of exchange equipment vis-a-vis the traffic in the exchange.*

A case has come to the notice of Public Accounts Committee of non-utilisation of full capacity of an exchange and consequent loss of revenue on account of inadequate provision of switching equipment to meet the traffic at its full loading. It apparently arose from the fact that on expansion the exchange had to take over an adjacent area with a higher calling rate while the exchange had been designed on the basis of calling rate of subscribers in the existing exchange only.

2. To avoid recurrence of such cases in future care should be taken in design and release of exchange specifications. Following steps are considered necessary:—

- (i) The area to be served by the new exchange or expansion should be carefully demarcated to the extent possible at planning stage.
- (ii) Traffic measurements should be taken in the concerned areas and appropriate traffic figures arrived at for the new exchange or expansion.
- (iii) The traffic figures adopted should be clearly indicated in the ordering specification together with quantities of equipment required so that an independent check can be made at the stage of detailed engineering.
- (iv) Care should be taken in calculating the quantities of equipment. Equipment should not be inadequate making it difficult to load the exchange. At the same time, it should not be excessive raising the cost and blocking the scare resources.

3. The specification which are now being drawn for the 1979-80 MAX-I Supply Programme for Strowger and Crossbar, may please be

drawn mentioning the actual traffic in the existing exchange as mentioned in para 2 above.

Receipt of this letter may please be acknowledged.

Sd/-

(R. S. GUPTA)
Director (E)
P&T Board.

Copy to:—

- (1) D.D.G.(MS) for information. He is requested that traffic studies of the exchanges may be carried out and the traffic evened out at all levels for the smooth working of the exchange. It has come to our notice in some cases that the distribution of traffic is not kept uniform in the exchanges thus, creating congestion on some routes and very low traffic on other routes.
- (2) Additional Director (Switching), T.R.C., Khurshid Lal Bhavan, New Delhi-110050.
- (3) Director(SL)
- (4) Director(PHE)
- (5) Director(PHX)
- (6) Director(X)
- (7) Director(XI)

Sd/-

(R. S. GUPTA)
Director (E)
P&T Board.

Recommendation

The Minister of Communications had also informed the Lok Sabha on 27th May, 1976, that various remedial measures were taken in the recent past for improvement of telephone services including those in the Calcutta Telephone System. This included the division of Calcutta Telephone District into six areas each under the direct charge of an Area Manager and the posting of an Additional General Manager to look after the operational aspect of the Telephone System including the maintenance of underground cable network. Further, under a crash programme for improving the efficiency of the Calcutta

Telephone System, separate teams were set up to systematically analyse deficiencies in the working of exchange equipments as well as external plants and remedial actions have also been taken in respect of most of the deficiencies noticed.

[Sl. No. 48 (Para 4.78) of Appendix to 14th Report of PAC
(6th Lok Sabha)]

Action taken

No action called for. The information in the Observations is confirmed.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B
dated 10-4-1978]

Recommendation

The Committee are further concerned to note the very poor performance of another air-conditioning contract concerning Madras Trunk Automatic Exchange awarded to M/s. American Refrigerator Company Madras. The plant which was required to be installed by August, 1966 was actually installed only in July 1968 after three extensions had been granted because the firm could not arrange import of the components in time.

[Sl. No. 68 (Para 6.106) of Appendix to 14th Report of PAC
(6th Lok Sabha)]

Action taken

The observation of the Committee has been noted.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B
dated 7-4-1978]

The poor performance of M/s. American Refrigerator Company, Madras has been noted and this will be kept in view while considering the award of future contracts.

[Department of Supply O.M. No. PIII—17 (5) /77 dated 29-5-1978]

CHAPTER III

RECOMMENDATIONS OR OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES RECEIVED FROM GOVERNMENT

Recommendation

In the execution of the project for the installation of a 6000 lines automatic telephone exchange at Ludhiana, the P&T Department have displayed an indefensible lack of planning and coordination resulting not only in enormous delay in execution but also escalation of costs on the project itself. That a project conceived in April 1961 should have been commissioned almost twelve years later in February 1973 speaks of the inept handling by the project authorities right from the start in utter disregard of the elementary economic considerations and administrative accountability. The Committee strongly deprecate the unconscionable delay of long 12 years in the commissioning of the Exchange.

[Sl. No. 1 (Para 1.71) of Appendix the 14th Report of the P.A.C.
(6th Lok Sabha)]

Action taken

The observations of the P.A.C. have been noted.

[Ministry of Communications (P&T Department) U.O.No. 27-6/77-B
dated 25-5-1978]

Recommendation

Another feature of the delay is in the planning manufacture and supply of the equipment by the Indian Telephone Industries, which took 59 months from August 1967 to July 1972. It took 20 months for the installation of the equipment from June 1971 to February 1973. The construction of the building was completed in August-September 1969 but the installation of the equipment could commence only in June 1971. According to original anticipations, supply of the equipment was expected to be completed in 1967-68 itself. But actually, these supplies were spread over the period from December 1968 to June 1971. Further, the stores were not supplied in sequence as the supply of major iron frames on which the whole

equipment is mounted was commenced by the Indian Telephone Industries in February 1969 and by July 1970 only 60 per cent of the frames were supplied, resultating in delay in commencing the installation work which was taken in hand with effect from June 1971 only. The Secretary, Ministry of Communications has conceded during evidence that if there had been proper coordination with the Indian Telephone Industries and there were no delays in the pre-construction works, better results would have been achieved. According to the Chairman of Indian Telephone Industries, the main reason for the delay in supply of the equipment was that there had been slippages on the part of their foreign collaborators. During 1965—68 Indian Telephone Industries had to supply 1,67,000 lines of equipment to the P&T Department. Against this, the actual supply was only 54,800 lines, resulting in a slippage of 1 lakh lines over that period. Consequently, the supply of equipment from the Indian Telephone Industries was coming in such a way that if for any exchange the first pack came on a certain date the last pack came after about 4 years. The Committee depreciate this lack of co-ordination between the telephone project authorities and the Indian Telephone Industries, a public undertaking working under the same Ministry of Communications. The responsibility for not taking due care in planning, co-ordination, manufacture, delivery, installation, which resulted in the unconscionable delay of four years and more should be thoroughly investigated and responsibility fixed on the erring officials so as to act as a deterrent to others for such indifferent attitude in discharging public responsibility.

[Sl. No. 9 (Para 1.79) of Appendix to the 14th Report of the P.A.C. (6th Lok Sabha)]

Action Taken

Detailed sequence of events from sanction of Building estimate to commissioning of the exchange is appended in the form of a PERT Chart (not enclosed).

2. The building construction was commenced in Nov., '67 and it was targetted to be ready by June, '69. The order for equipments was placed on M/s I.T.I. in August, 1967 to enable installation of equipment when the building gets ready.

3. Supply of equipments: Though orders for supply of equipment were placed in August, 1967 and building was made over on 18-8-69 the installation could not start before June, 1971 on account of non-supply of essential iron work for commencement of installation.

In order to expedite commencement of installation DGP&T had requested M/s. I.T.I. vide 30/70/65-TPS dated 31-5-1968 to supply all iron work and other essential equipment by January, 1969, so as to commence installation in the beginning of 1969. Consequently, the priority of Ludhiana was also advanced to Sl. 5 in period V. However, I.T.I. in their letter No. LOB/58142(19) dated June 18, 1968, stated that they would not be in a position to supply iron work and other essential equipment required to commence the installation, as in January, 1969, ITI would be able to supply equipment or the exchanges in periods I to IV only (1966-67). The case was further taken up with M.D. ITI by Member (D) vide D.O. No. 30/70/65-TPS dated 8-7-68. M/s. ITI vide their letter No. FCB/PC/5/PV(62) dated 26-8-70 promised that all the items of essential iron works required for commencement of installation would be supplied by end September, 1970. However, supply of essential items were not made even in September, 1970. The case was again taken up demi-officially by DDG(S) vide D.O. No. 17/5/70-TPS(XC) d/24-10-1970. Subsequently ITI vide their letter No. FCB/PC/11(272) dated 29-3-71 intimated that balance of essential items would be sent during April, '71. Ultimately the balance items required for commencing the installation were despatched on 23rd and 25th May '71 by Passenger Train under escort, as intimated by Chairman, ITI vide letter No. FCB/PC/PD/IV & V dated 29-5-71. The installation was commenced on receipt of these essential items in June '71.

4. From the above it can be seen that the department has made all efforts to co-ordinate with ITI for expediting supplies for this exchange, so that the installation could be commenced early. The Chairman, ITI in his oral evidence, has explained in detail the difficulties faced by ITI and the reasons for the inability of ITI to comply with the request of P&T for supply of essential items by March, 1969. The main reasons given by the Chairman, ITI, in his oral evidence, are delay on the part of the Collaborator in supplying instructions in respect of engineering and test know-how by more than a year's delay in supply of parts, equipments in the initial phase; there was a delay of about 1½ years in supplying the test equipment; certain machines supplied by the Collaborator were impounded by the Government of Pakistan at that time due to bad relationship with that country. There had been delay in supply of parts and machines and the total number of machines that was to have been supplied by the Collaborator was also found to be inadequate. Certain machines ordered in 1964 were delivered in 66-67. Since ITI was embarking on production of crossbar equipment for the first time, the deficiencies and delays on the part of

the Collaborator, and the seizing of machines by Pakistan Government resulted in abnormal delay in achieving the programmed production.

5. It will thus be seen that it was not so much for lack of co-ordination between P&T and ITI but due to certain basic problems in regard to setting up of production of a new line of equipment at ITI that the supply of equipment was delayed. It may however be stated that special steps have been taken to ensure closer co-ordination between P&T and ITI in regard to scheduling of supplies and review of each order at periodic intervals.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B Dated 13-6-1978]

Recommendation

The Committee are somewhat assured to find that the representatives of the Ministry during the course of evidence had categorically stated that the telephone project authorities and the Indian Telephone Industries have now reached a stage of complete co-ordination and laid down time-frame and sequence for supply of equipment. The Committee would like a watch to be kept at the higher level to see that the time schedule and sequence for supplies are honoured scrupulously in the field so as to obviate recurrence of cases of the nature dealt with in this Audit paragraph.

[Sl. No. 10 (Para 1.80) of Appendix to 14th Report of the P.A.C. (6th Lok Sabha)]

Action Taken

As far as crossbar supplies are concerned, sequential packet programme has been evolved in consultation with I.T.I. commencing from the supply year of 75-76. The supply spread has been mutually agreed to be 18 months for exchanges below 4000 lines and 24 months for exchanges above 4000 lines. Package programmes for all the exchanges are issued every year by M/s. I.T.I., indicating the date of commencement and completion of each packet. Minor deviation from packet supplied are occasionally allowed by mutual agreement in the light of developments beyond the control of I.T.I.

2. As a deterrent for I.T.I. to stick to these programmes a penalty cut of 10 per cent on the cost of supplies has been agreed upon for items of non-sequential supply. The detailed order on this issue arrived at after discussion with I.T.I. is appended for information. A statement (Annexure) of essential supplies of equipment are sent by M/s. I.T.I. every month and deviations from package programmes.

are pointed out to M/s. I.T.I. These are also discussed during the Production Co-ordination Committee meetings held twice a year. The Cost Check Unit at Bangalore with the Assistance of the Liaison Officer, P. & T., is authorised to impose a cut of 10 per cent as envisaged in the order mentioned above.

3. The above actions are being taken to ensure that M/s. I.T.I. honour the Time-Schedule in regard to sequential supplies scrupulously, so as to prevent delay in completion of projects.

[Ministry of Communications (P&T Department) U.N. No.
27-6/77-B Dated 13-6-1978]

ANNEXURE

Copy of letter No. 11-2/72-MMC dated 3-12-76 addressed to Chief Accounts Officer, P&T Cost Check Unit ITI Bangalore

SUBJECT: Implementation of Package Scheme for Cross Bar Supplies.

Following procedure is prescribed for making payments for cross-bar items with reference to articles 8.1 and 8.2 of the pricing agreement:—

- (i) M/s. I.T.I. will publish package programme for each year of rolling plan commencing from 75-76. Package programme for 75-76 have already been issued by M/s. I.T.I. and a similar programme has to be issued for 76-77 also.
- (ii) Supplies should commence on or before the calendar dates indicated in the package programme.
- (iii) No packet can commence supply, unless the supplies for earlier packets have commenced. In case the later packet is despatched in advance of an earlier packet a cut of 10 per cent will be imposed till the commencement of the earlier packet.
- (iv) For all packets, the supply should be completed on the terminal dates indicated. In case of delays of any packet beyond the terminal date, all supplies beyond the particular date will suffer a cut of 10 per cent. This cut will, however, be restored when the earlier packet is completed. This cut will be applicable to all the packets relating to their earlier packets.

EXCEPTION:

The following exceptions may, however, be observed:—

- (a) Miscellaneous orders like traffic relief, STD equipment, Training models etc., will not come under package programme for implementing the penalty clause.
- (b) In case of 'direct-to-site' items where ITI have entered into commitment with suppliers, penalty will not be imposed for early supply.
- (c) In case of any late changes in priorities upsetting the production and supply schedule, necessary extension of spreadover of supplies will be considered in mutual consultation with I.T.I.
- (d) In case there is any special request on I.T.I. for priority supply of stores through MMC Cell due to various unforeseen reasons, in all such cases penalty clause will not be imposed.

Please acknowledge receipt.

Sd/-

(M. L. Malik)

Asstt. Director General (CE).

Recommendation

According to the Department's own forecasts, the Exchange was expected to be commissioned in August 1971 whereas it was actually commissioned in February 1973, resulting in a delay of about 1½ years. As per the Project Report estimate the net annual profit expected from the exchange was Rs. 4.88 lakhs. However, according to the P&T Department, if the exchange had been commissioned as per schedule instead of February 1973, about Rs. 21 lakhs of additional revenue could have been earned if all possible connections had been provided. It is, therefore, apparent that due to the failure of the Department to ensure effective coordination and dovetail the various components of the Projects as per a fixed time-schedule, there has been a significant loss of potential revenue during this period of 1½ years. This potential loss of revenue would be manifold if calculated keeping in view the optimum period of six years for the completion of the project.

[Sl. No. 11 (Para 1.81) of Appendix to 14th Report of the
PAC (6th Lok Sabha)]

Action Taken

The observations of the Committee have been noted. As pointed in action taken note on recommendation No. 3 instructions have

been issued: for preparation of PERT/BAR Charts and closer watch on progress and coordination of exchange projects. It is hoped that the cases of avoidable delays will be reduced considerably as a result of the precautions taken.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B, dated 25-5-1978]

Recommendation

The Committee have noted that according to the instructions issued by the P&T Department in September 1970, ninety per cent of the exchange capacity should be utilised soon after its expansion and ninety-four per cent about six months before the due date of commissioning of the next expansion. In the case of Ludhiana Exchange, however, the percentage of loading has not been done in accordance with these instructions and has fluctuated between 72.3 per cent to 93.7 per cent of the existing capacity. As per the calculations made by Audit, the Department lost a potential revenue of about Rs. 13.40 lakhs upto September 1975 on this account. The Committee are not convinced with the argument advanced by the Ministry that in the case of crossbar exchanges these instructions could not be applied as they could not take load to the extent of 90 per cent. But the fact is that in March 1974, and January 1975, the exchange had actually been able to take a load of 93.7 per cent and 90.4 per cent of the capacity respectively. The Committee would like the Government to examine this aspect *de novo* with a view to laying down some specific and realistic guidelines and norms with regard to the percentage of loading in respect of crossbar exchanges also. The Committee need hardly stress that the norm should be kept high so as to enjoin on all concerned to make concerted efforts to achieve a higher level of efficiency and performance in the interest of public service and earning larger revenues on public assets.

[Sl. No. 18 (Para 1.88) of Appendix to 14th Report of P.A.C. (6th Lok Sabha)]

Action Taken

The instructions of the Committee have been noted for guidance.

Questions of loading of crossbar exchanges had been examined and detailed instructions in this regard have been issued under P&T Directorate letter No. 6-1/74-PHX dated 22-2-75. A copy is enclosed (Annexure) for information of the Committee.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B Dated 25-5-1978]

ANNEXURE

INDIAN POSTS & TELEGRAPHS DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL POSTS & TELEGRAPHS

No. 6-1/74-PHM

Dated New Delhi the, 22 Feb., 1975

To

The Heads of Circles/G.M.Ts.

Subject:—*Loading of crossbar exchanges.*

As per order of even No. dated 27-4-74 method of permissible limit of crossbar exchanges was prescribed. This applies only to those crossbar exchanges where the equipment requires to be upgraded. In crossbar exchanges where the I.T.I. has started supplying the equipment as per Task Force recommendations there is no need of further upgradation and for such exchanges the loading will be as per D.G.P&T. Memo No. 41-9/70-TPS(XP) dated 16-9-70. The formula to be adopted for crossbar exchanges, which require upgradation, will be as per annexure to this letter. This annexure supersedes the annexure to the Memo of even No. dated 27-4-74.

2. Whenever it is found that any crossbar exchange can not be loaded to 90 per cent, within 6 months of commissioning the field offices will submit the details of calculations to the PHX Cell of P&T Directorate, who will check up the calculations and will give the clearance to the field offices to keep loading of the exchanges below 90 per cent under intimation to XP and X Cells.

3. These instructions apply to all existing crossbar exchanges where loading has been kept below 90 per cent due to traffic reasons or for purposes of upgradation.

4. These amended instructions may please be brought to the notice of all officers concerned for necessary action.

Sd/-

(GANGADHAR G. BARVE)

Director (PHX)

Copy to:—

All Addl. G.Ms. T. Districts

All Dy. G.Ms. T. Districts

All D.E. Phones Crossbar Exchanges

All A.E. Phones Crossbar Exchanges

DDG (MS) | DDG (S) | Director (X) | Director (XP).

ANNEXURE TO LETTER
No. 6-1/74-PHM

Dated the Feb. '75

Method of determining loading of Crossbar Exchanges

- (i) Percentage of loading at the time of cutover should be restricted to about 60 per cent of the capacity of the exchange.
- (ii) After cutover the traffic in the exchange should be observed for a period of three months.
- (iii) Let the number of line units be —L
 Let the number of working connections in each line unit be W1, W2, WL
 Let the total number of seizures of both line markers in the busy hour of various line units be a1, a2-aL
 Let the number of originating group units be M
 Let the total seizures of all originating group markers in busy hour be B
 Let the number of terminating group units be N
 Let the total number of seizures of all terminating group markers in busy hours be D
 Let the capacity of the exchange be C
 The exchange can be loaded up to the lowest figures at (a), (b), (c), (d), below:
 - (a) Number of lines up to which the exchange can be loaded based on call handling capacity of line markers of different line units.

$$= \frac{W_1 + W_2 + W_3}{a1 \quad a2 \quad a3} \times \frac{WL}{aL} \times 6000 \times 0.9$$
 - (b) Number of lines up to which the exchange can be loaded based on handling capacity of originating group markers.

$$= \frac{W_1 + W_2 + WL}{B} \times 5000 \times M \times 0.9$$
 - (c) Number of lines up to which the exchange can be loaded based on call handling capacity of terminating groups.

$$= \frac{(W_1 + W_2 + W_3 + WL) \times 5000 \times N}{C}$$
 - (d) 90 per cent of the capacity of the Exchange = 0.9 lines.

After loading of the exchanges as indicated above the traffic in exchanges should be observed at intervals of one month and the same formulae may be applied to decide on further loading in the exchanges. After completion of upgradation work the exchanges can be loaded up to full traffic handling capacity or 90 per cent which is lower. Loading from 90 per cent to 94 per cent will be governed by the following factors.

- (i) Traffic in the exchange and the grade of service use the same formulae as above except (d) & (e).
- (ii) The rules that are applied for loading stronger exchanges may be applied at present such loading is governed by O.M. No. 41-9/70 TPS(XP) dated 16-9-70 (copy attached).

POSTS AND TELEGRAPHS BOARD

O.M. No. 41-9/70-TPS(XP) (UPG)

Parliament Street,
New Delhi.

The 16th Sept., 1970.

SUBJECT.—*Inadequate utilization of exchange capacity steps for improving the situation.*

Due to various factors, in the last few years the Department has accumulated sizeable unutilised exchange capacities inspite of the fact that there are very often large waiting lists pending in the same exchange area. This has naturally been a cause of anxiety. The Public Accounts Committee and the Administrative Reforms Commission have also taken note of this situation and called for effective action.

2. The P & T Board had recently reviewed the position in regard to the utilization of existing exchange capacities. The Board took note of the fact that with the exchange capacities available on 1-4-1970 about 1.5 lakhs additional telephone connections could be provided which could earn an additional revenue of about Rs. 10 crores annually. Copies of statistical statements giving the utilization of exchange capacities in Circles Districts as a whole and in case of exchanges for 1000 lines and above compiled for consideration of the Board for this purpose are enclosed. The Board decided that urgent steps are necessary for the early utilization of the accumulated spare capacity and to guard similar accumulation of spare capacity in the future.

3. As a first step, the Board has decided to lay down certain objective targets for the utilization of exchange capacities which could form the basis for effective action and for comparison of actual performance of each exchange, Circle or Telephone District. The P & T Board has decided to lay down the following targets in this regard.

- (a) 90 per cent of the exchange capacity should be utilized soon after the commissioning of the exchange or its expansion in any case not later than six months of such commissioning.
- (b) 94 per cent of the exchange capacity should be utilised—say about 6 months in advance of the due date for commissioning of the next extension; and
- (c) 4 per cent capacity, i.e., the difference between (a) and (b) above should be utilised gradually to meet the priority needs of Defence, the Central and State Governments, etc.

The above targets would apply in case of all exchanges of 1000 lines and above where the exchange capacities are planned to meet the opening day requirements or less and where the available exchange capacity is less than the total demand.

4. In the case of smaller exchanges (i.e., exchanges of less than 1000 lines capacity) it is the attempt to plan exchange capacities to meet the demands upto 3 years after commissioning of the exchange or its expansion. Adequate exchange capacities are thus usually available to meet the demands as they arise. Besides, these smaller exchange, there are a few large exchanges also where adequate capacity is available to meet the demands as they arise. It has been decided that in such cases the telephone connections should be provided promptly on receipt of applications except when it is technically not feasible due to non-availability of cables or other stores. Even in such cases, it should be the aim to provide the telephone connection as early as possible in any case within six months by arranging the cables and stores on priority.

5. The P & T Board has decided that active steps should be taken to achieve the above targets, say, by end of 1971-72. For this purposes Heads of Circles|Telephone Districts should undertake regular reviews of utilization of exchange capacities. Such reviews should be undertaken at least once in a quarter for each exchange and a programme of giving telephone connections should be chalked out to achieve the targets. The programme must be drawn on a realistic

basis taking all the relevant factors in account and should be reviewed during next quarter to compare the progress against the programme.

If there be any special difficulties in achieving the above targets these should be of course be brought to the notice of the Directorate for appropriate action. The P & T Board will consider those difficulties as a second step and try to devise ways and means to meet their difficulties.

6. While the P & T Board is confident that Heads of Circles/Telephone Districts would do all in their power to achieve the targets laid down, it would also like to be kept informed of the progress, particularly in case of all exchanges of 1000 lines and above. To achieve a certain amount of uniformity in the review of progress a form has been designed. It is proposed that Heads of Circles/Telephone Districts would get the statistical data compiled in the form as at end of June, September, December and March each year and review the same and take appropriate action in the matter. Copies of the statistical data will also be endorsed to Directorate within a month of close of the quarter. The proforma drawn up is no doubt rather elaborate but would be highly useful to all concerned. Abolitions of certain existing returns is also being considered and will be intimated shortly. The progress report to P & T Board will be compiled suitably for this data in the Directorate.

The data should be supplied to P & T Directorate [for attention to ACE(XP)] to reach him by 31st July, 31st October, 31st January and 30th April each year for the previous quarter.

7. It is requested that a review be undertaken on the above basis immediately for the quarter ending June 1970 and data for all exchange systems of 1000 lines above. Further reviews be undertaken regularly and data supplied as requested above.

Sd - Member (TD).

Recommendation/Observation of the Committee

The Committee are concerned to note that an important commercial and industrial centre like Ludhiana does not have subscribers Trunk Dialling facility with other important places like Delhi and Chandigarh. The Committee have been informed that due to non-completion of the project in time, the spare capacity available on

the co-axial cable laid on this route by the end of 1965 had to be utilised for providing STD to Srinagar, Jammu, Jullundur and Amritsar. The Committee need only point out that the least that the Department could have done was to have foreseen this eventuality and initiated action well in time to ensure that the supplementary additional facilities as required were provided so that these could be pressed into service along with the new telephone exchange keeping in view the commercial and industrial importance of Ludhiana.

[Sl. No. 19 (Para 1.89) of Appendix to the 14th Report of
PAC (6th Lok Sabha).]

Action taken

Additional trunk medium, viz., Delhi-Bhatinda-Jullundur was conceived in January, 1966 and the scheme was sanctioned in December, 1968. However, the execution could not be matched with the commissioning of the exchange due to shortage of microwave transmission equipment in the country. On commissioning of this trunk medium, circuits on the existing medium would become spare for providing STD from Ludhiana to Chandigarh and Delhi.

[Ministry of Communications (P & T Department)
U.O. No. 27-6/77-B, Dated 13-6-1977.]

Recommendation

The Committee note that a decision was taken by P & T Directorate that wherever the demands for telephones would justify an initial installation of 1500 lines of exchange equipment, a building suitable for 5000 lines and capable of further expansion to accommodate another 5000 lines would be constructed. Keeping this decision in view, the original proposal of 2000 lines exchange, a main exchange building in Sanathnagar, with a capacity of 19,700 sq. ft. was constructed to accommodate a 5000 lines exchange initially. The Committee further note that on completion of the installation of equipment in March, 1975 in the main telephone exchange building, a 900 lines exchange was actually commissioned in it. By then the 800 lines capacity satellite exchange had 760 working connections with a waiting list of about 150 applicants. As a result of this 5600 sq. ft. of accommodation in the new building remained unutilised.

[Sl. No. 27 (Para 2.31) of Appendix to 14th Report of
PAC (6th Lok Sabha).]

Action taken

The observations of the Committee have been noted for guidance. A brief explanation of the circumstances of the case may however not be out of place. A number of designs of exchange buildings have been evolved which cater for not only the immediate demand but also the expansion requirements for reasonable periods in the future. In view of this policy the entire building accommodation is not planned to be utilised fully with initial installation.

In this particular case, the original intention was to instal about 1500 lines in this building not only to meet the pending demands but also to replace the existing satellite exchange in the rented building. However, due to acute shortage of equipment, the replacement of the existing exchange was deferred and only 900 lines equipment was installed in the new building. It was a difficult choice but had to be made in view of the extreme shortage of switching equipment.

[Ministry of Communications (P & T Department)
U.O. No. 27-6/77-B, Dated 25-5-1978.]

Recommendation

The Committee are further concerned to note that the actual expenditure of Rs. 131.81 lakhs on the project upto January, 1975, has exceeded the sanctioned estimate of Rs. 51.85 lakhs by over 154 per cent and was likely to go up further due to the proposed modifications. It is seen from the reply of the P & T Department that the annual revenue, expenditure and profit anticipated in the project estimate were Rs. 20,73,600, Rs. 10,49,100 and Rs. 10,24,500 respectively. The revenue forgone is thus Rs. 71,00,000 on account of delay in commissioning the project as it was expected that the TAX would be completed in March, 1969 according to the schedule adopted in the Project Estimate. The Committee are convinced that the heavy capital expenditure beyond the sanctioned estimates could have been reduced to a great extent and more revenue earned thereby, if the authorities concerned had made concerted and co-ordinated efforts to keep to the time schedule to complete the project. The Committee regret that due to these lapses in handling the project the country had to pay heavily

[Sl. No. 35 (Para 3.46) of Appendix to 14th Report of
PAC (6th Lok Sabha).]

Action taken

It has already been explained in reply to the earlier paras that the cost of the indigenous equipment turned out to be much higher than provided for in the estimate, resulting in increased expenditure.

2. It has been explained above that the heavy capital expenditure beyond the sanctioned amount was due to the difference in the cost of manufacture of TAX equipment in the country and the cost estimated earlier. The time schedule given in the project estimate could also not be kept up as the equipment could not be manufactured in the country as per original programme. The delay in the execution of this project was only due to these unavoidable circumstances and was beyond the control of the Department. As such the loss of revenue is only notional and not real.

[Ministry of Communications (P & T Department)
U.O. No. 27-6/77-B, Dated 26-4-1978.]

Recommendation

Equally unaccountable is the delay in the completion of the work relating to the laying of the junction cables. The work against the first estimate was expected to be completed within six months of the receipt of stores at site. The work commenced in June, 1967 and was completed in March, 1974. The work relating to the second estimate was started in December, 1971 and completed in September, 1974. It has taken nearly seven years to complete the work against the first estimate and almost three years against the second estimate. The argument of the P & T Department that most of the cables were received in 1969 and also physically laid by May, 1970 is not correct. The explanation offered by the Department, namely that "Most of the cables were received by 1969, and it is reported by the General Manager, Telephone that they were also physically laid by May, 1970. The completion indicated as March, 1974 apparently pertains to the completion of payments, closing of accounts, etc.," appears to be a laboured one. Assuming that the work of laying of cables was completed in May, 1970, the Committee would like to know what prevented the completion of the payments, closing of accounts, etc., till May, 1974.

[Sl. No. 40 (Para 4.70) of Appendix to the 14th Report of the
PAC (6th Lok Sabha).]

Action taken

The case of 1st junction estimate has been examined. Of the total cost of Rs. 18,08,036 incurred on this estimate Rs. 17,98,517 was booked by 1970-71. Only an amount of Rs. 9,519 has been booked in 1972-73 and 1973-74. This amount relates to adjustment of cost of G.I. pipes and road reinstatement charges paid to the Calcutta Corporation and not to any physical work done by the Department. The reasons for delay in completion of payments and closing of accounts are being ascertained.

The observations of the Committee in regard to need for expeditious completion of works and closing of accounts have been noted for future guidance.

[Ministry of Communications (P & T Department)
U.O. No. 27-6/77-B, Dated 23/25-5-1978.]

Further Action taken

The reasons for delay in completion of payments and closing of accounts have been ascertained. It appears that the delay was due to following reasons:

- (i) The claim for the cost of G.I. Pipe laid before May, 1970 was preferred by the party in January, 1973. The payment was made and was charged in the accounts of March, 1973.
- (ii) An advance towards reinstatement charges was paid in the Calcutta Corporation and booked under the Head T-Deposits and Advances pending receipt of final bills. The Calcutta Corporation did not however furnish the final bills. After discussion it was agreed that the amounts already paid may be treated as final payments against sanctioned plans and estimates. Unadjusted advance under the Head T-Deposits and Advances was accordingly adjusted to the final head of account in March, 1974.

This is incontinuation of this office U.O. No. 362-8 75-TPS(SP), dated 16-5-1978.

[Ministry of Communications (P & T Department)
U.O. No. 362-8 75-TPS(XP), Dated 9-11-1978.]

Recommendation

The Committee have noted that there have been a large number of cases of thefts of underground cables in and around Calcutta during February, 1970 to March, 1973. Since the cases of such thefts are on the increase, the question of collusion of the offenders with the staff of the P & T Department cannot altogether be ruled out. The Committee desire that this aspect of the matter should be gone into thoroughly with a view to taking suitable remedial measures.

[Sl. No. 44 (Para 4.74) of Appendix to 14th Report of
PAC (6th Lok Sabha).]

Action taken

All cases of theft have been reported to the police and a close liaison is being maintained with them. A special intelligence cell was also set up under the West Bengal Government in 1974. There has been a noticeable reduction in the theft cases as follows:

<i>Year</i>	<i>No. of cases of cable theft</i>
1973-74	166
1974-75	163
1975-76	120
1976-77	54

The police has not reported involvement of departmental employees in these cases. The matter is however being further pursued.

[Ministry of Communications (P & T Department)
U.O. No. 27-6/77-B, Dated 17-5-1978.]

Further Action taken

The matter regarding the involvement of departmental employees in the theft cases of under ground cables as referred to in Para 4.40 and 4.41 of PAC 14th Report Sixth Lok Sabha has been further examined. The officials referred above have been finally acquitted by the competent Court. So far the Police has not reported the involvement of any other departmental employees.

This is in continuation of this office U.O. No. 362-8/75-TPS(XP) dated 16-5-78.

[Ministry of Communications (P&T Department U.O. No. 362-3/75-TPS (XP) dated 9-11-1978]

Recommendation

Considering the fact that delays in the commissioning of this project are responsible not only for the escalation of costs but also loss of potential revenues, the Committee recommend that a departmental probe should be conducted to fix responsibility for the glaring lapses that have occurred at every stage of the execution of the project. The deficiencies noted should lead to an awareness in the minds of the project authorities as to the need for an effective planning and coordination with various authorities right from the very beginning. The Committee have already stressed this point in paragraph 1.80 of this Report.

[Sl. No. 46 (Para 4.76) of Appendix to 14th Report of the PAC
(6th Lok Sabha)]

Action Taken

The observations of the Committee have been noted for guidance. It is proposed to depute an officer-on-special duty to study the details not only in this case but also in other cases apparently delayed in last 10 years to identify the reasons for such delays and recommend suitable steps to avoid their recurrence. The officer will also determine if any officer had been responsible for any culpable negligence.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B Dated 17-5-1978]

Recommendation

The Committee note that in April-May 1976, there was large-scale collapse of telephones in Calcutta, when a number of cables in various parts of the city broke-down affecting the telephone services to about 8 per cent subscribers. According to the statement made in this behalf by the Ministry of Communications in the Lok Sabha on 27 May, 1976 there has been extensive digging of roads and footpaths taken up from time to time by various utility services and agencies like Calcutta Metropolitan Development Authority, Calcutta Electricity Supply Corporation, Calcutta Corporation etc. The extent of damage came to be known only when Calcutta experienced heavy showers during early April and thereafter. The Committee regret to note the lack of coordination among the various service agencies despite the existence of a cell for achieving such coordination. The Committee cannot too strongly recommend the over-riding need for maintaining effective functional coordination among the various service agencies functioning in Calcutta.

[Sl. No. 47 (Para 4.77) of Appendix to 14th Report of PAC (6th Lok Sabha)]

Action Taken

A cell for coordinating the activities of different agencies and departments engaged in underground work in Calcutta is functioning under the aegis of CMDA. The addl. G.M. (Plg.) and DGM (CP) who are responsible for all underground cable works have been attending the coordination meetings. In addition coordination meetings are held at lower levels as well. The basic problem is due to inherent vulnerability of the underground cables in the congested spaces which are frequently disturbed. All efforts are made to consult other civic authorities at all levels to minimize such disturbances.

[Ministry of Communications (P&T Department)
U.O. No. 27-6/77-B Dated 10-4-1978]

Recommendation

The Committee also note that with a view to detect damages to the cables before they developed into electrical failures, technique of gas pressurisation of underground cables has been adopted as a part of maintenance policy for large telephone networks. The first phase of this project was to bring under gas pressure all junction cables on critical routes in Calcutta by March, 1977 and thereafter the primary cables were also to be gas pressurised. Work on the approved programme for introduction of cabinets and pillars for underground cable network was also stated to be under progress. The Committee would like to know the concrete progress made on these projects so far together with details of the other remedial steps taken for eliminating the chances of breakdown of telephone system in Calcutta as occurred in April-May, 1976.

[Sl. No. 49 (Para 4.79) of Appendix to 14th Report of the PAC
(6th Lok Sabha)]

Action Taken

Upto December, 1977 about 200 Km of junction cables have been pressurised. The remaining Junction Cables (about 1000 Kms) and Primary Cables (about 400 Kms) have been programmed to be pressurised in the next few years and action has been taken for procurement of equipments.

Action has been initiated to pressurise all new main cables before commissioning. An attempt is being made to retrieve the faulty pairs before pressurisation is introduced so as to maximize utilisation of the cable.

With a view to provide necessary flexibility, a programme for installation of cabinets and pillars has been taken up. Out of the present requirement of about 670 Cabinets/Pillars, 410 have so far been installed.

In addition, to ensure reliable communication on junctions from the Central Calcutta to outlying exchanges like Dum Dum, Uttarpara, Behala etc., a scheme for providing such junctions on specially designed microwave links is under consideration. As a first step an experimental link between Telephone Bhavan and Cossipore (52) exchange is under installation.

[Ministry of Communications (P&T Department)
U.O. No. 27-6/77-B Dated 4-5-1978]

Recommendation

During the course of his statement the Minister had also informed the House that five new exchanges with total equipped capacity of 11,700 lines were commissioned during 1975-76 and another 16,000 lines were planned for commissioning during 76-77. Similarly, the total number of new connections provided during 75-76 was about 8,000 and the target of new connections for 1976-77 was 15,000. The Committee would like to know the actual achievements in respect of commissioning of lines and the provision made of new connections in Calcutta during 1976-77. It will be appreciated that Calcutta is not only a premier metropolitan city but one of the most important industrial and commercial centres in the country with a long history and a well-knit industrial base around it. As such it was evidently all the more important that the Deptt. should have identified the deficiencies in the telephone Exchange system in Calcutta well in advance and taken concerted and well co-ordinated measures to ensure that the telecommunication facilities were improved as per a time-bound programme and the capacity increased and commissioned to meet the outstanding requirements. It is regrettable that the facts narrated in the foregoing paragraphs clearly bring out that the department neither realised the urgency of the matter nor did it take adequate measures to see that the much sought for facilities were expanded and commissioned at the earliest.

[Sl. No. 50 (Para 4.80) of Appendix to 14th Report of the PAC
(6th Lok Sabha)]

Action Taken

The achievements in commissioning of new exchanges and provision of new connections in the year 1976-77 are given below:

<i>Item</i>	<i>Planned</i>	<i>Achieved</i>
New Exchanges		
Capacity	16,000	10,860 lines
	<i>Gross</i>	<i>Net</i>
New Connections	15,000 Nos.	16,104 Nos. 12,229 Nos.

[Ministry of Communications (P&T Department)
U.O. No. 27-6/77-B Dated 4-5-1978]

Recommendation

For meeting the growing demand for telex connections in Calcutta a project estimate for the expansion of Calcutta Telex Exchange from 1000 to 2500 lines was sanctioned in December, 1967 at an estimated cost of Rs. 193.55 lakhs. The supply of equipment (including the Power Plant) for which an order was placed on Indian Telephone Industries in February, 1968 started in March, 1969 and was completed in 1974-75. It has been submitted to the Committee that as the equipment (without power plant) was received in phases, its installation was also phased and completed in March, 1973 (1972-73). The Committee fail to understand how the installation of equipment could be said to have been completed in March, 1973 when the supply of the equipment was spread over beyond 1972-73 to 1974-75 and equipment worth Rs. 1 lakh was still to be received during 1973-74 and 1974-75. The Committee would like to be informed about the correct position in this respect.

[Sl. No. 51 (Para 5.18) of Appendix to 14th Report of PAC
(6th Lok Sabha)]

Action taken

The Installation of the equipment, except the Power Plant was completed in March, 1973. This fact has already been brought out by the P&T in its written note which has been referred to and quoted by the PAC in para 5.12. The Power Plant was received in June, 1974, the estimated cost of which is Rs. 1,11,000/-. The work of power plant was completed in August, 1975 after removing the defects by the manufacturers. Thus the complete installation of equipment including the Power plant could be taken as completed in August 1975.

[Ministry of Communications (P&T Department)
U.O. No. 27-6/77-B Dated 7-4-1978]

Recommendation

The Committee are distressed to note that the power plant which was a part of the whole expansion programme sanctioned in December, 1967 was received in June, 1974 i.e. 15 months after the completion of the installation of the equipment in March 1973 and was commissioned as late as August, 1975 only after rectifying the defects which were noticed after its installation. At the time (30 September, 1975) the Telex Exchange had utilised 68.4 per cent of its capacity (2500 Lines) with 211 waiting applicants (on 1 September, 1975). The main reason, as it appears to the Committee for the Exchange not working to full capacity by September, 1975 was

that by that time only 483 teleprinter machines had been received as against total estimated requirement of 1200 machines.

[Sl. No. 52 (Para 5.19) of Appendix to 14th Report of PAC
(6th Lok Sabha)]

Action Taken

As far as the delay in supply and commissioning of the power plant is concerned it has already been brought out that the higher capacity power plant was ordered as early as March, 1968 (*Vide* para 5.13). As such there was no delay in ordering. It has also been brought out (*vide* para 5.13) that this size power plant was ordered for the first time on indigenous sources. There was therefore some unforeseen delay in the supply. Certain defects also came up because of its being to a new design and necessary repairs had to be carried out after detailed examination of the faults.

The allocation of teleprinters was made year by year taking the needs into account; unfortunately the supply fell short of the needs due to power constraints in Tamil Nadu State during the period. The supply picked up in 1975-76 but in 1974-75 it was only 1350 for the whole of India.

[Ministry of Communications (P&T Department)
U.O. No. 27-6/77-B Dated 7-4-1978]

Recommendation

What has distressed the Committee more is the fact that no firm time schedule was laid down for completion of the project. The date of completion of installation was fixed vaguely as one year after the receipt of the equipment from Indian Telephone Industries. The ITI itself instead of supplying the equipment according to its manufacturing capacity, spread the supplies over a number of years. As submitted by the Ministry, the ITI needed four years to supply the equipment, after receiving the order in February, 1968. As such, the requisite supply of the equipment should have been completed by February 1972 instead of 1974-75. The Committee regret to observe that it was 7 years after placing the order for the power plant that the project could be commissioned in August, 1975, free from any defects. The Committee feel that the fact that power plant was ordered for the first time on indigenous suppliers should not be taken as an excuse for taking 6 long years to manufacture it from the date of placing the order in February, 1968. The Committee would like the Ministry of Communications to investigate the precise reasons for the late supply

of the power plant with a view to taking remedial measures for future.

[Sl. No. 53 (Para 5.20) of Appendix to 14th Report of PAC
(6th Lok Sabha)]

Action Taken

ITI intimated that it was for the first time that a high capacity float rectifier which has not been manufactured earlier by any firm in India had to be undertaken. The Supplier had to manufacture a prototype unit to meet the specifications laid down by the P&T. M/s ITI had to advise the supplier on more than one occasion to meet the quality standard and conform to the drawing and specifications laid down. The changes or modifications appear to be unavoidable as the manufacture of the high capacity power plant was the first of this type and size.

[Ministry of Communications (P&T Department)
U.O. No. 27-6/77-B Dated 7-4-1978]

Recommendation

The Committee note that only 483 teleprinter machines were supplied by the Hindustan Teleprinter Ltd. to the Calcutta Telex Exchange during the period from October, 1973 to September, 1975 as against an allotment of 1050 (650 in 1971 and 400 in 1973) teleprinter machines made by the Director General, Posts and Telegraphs. The Committee have been informed that the shortfall in the supply of the teleprinter machines was due to severe cut in the electric power supply to the Hindustan Teleprinter Ltd. As the general position regarding supply of electric power has improved in the country, the Committee hope that concerted efforts would be made to clear the present backlog of machines. The Committee feel that had the requisite number of teleprinter machines been supplied in time and the power plant worked as scheduled, the Calcutta Telex Exchange would have worked to larger capacity and earned the additional potential revenue of Rs. 31.79 lakhs per annum.

[Sl. No. 54 (Para 5.21) of Appendix to 14th Report of PAC
(6th Lok Sabha)]

Action taken

Supply position of Teleprinter from Hindustan Teleprinters has improved.

[Ministry of Communications (P&T Department)
U.O. No. 27-6/77-B Dated 7-4-1978]

Recommendation

The execution of the project for replacement of a 700 lines manual exchange at Bhubaneswar by an automatic telephone exchange testifies in an eloquent manner the lack of planning and foresight on the part of the P&T authorities. The original scheme sanctioned in 1962 for installation of 1500 lines automatic telephone exchange was revised in 1964. Even when the revised scheme was at the preliminary stage of implementation, another project for expansion of the proposed exchange from 1500 to 2000 lines was sanctioned in September, 1965. Again another project was sanctioned for further expansion of the proposed exchange from 2000 to 3000 lines. The Committee take a serious view of the frequent revisions and expansions of the project, a situation which discloses a basic weakness in the planning organisation of the P&T Department which seemed to have not taken adequate notice of the unfulfilled registered demand and the demand likely to be generated at the Capital of a State.

[Sl. No. 55 (Para 6.93) of Appendix to 14th Report of the PAC
(Sixth Lok Sabha)];

Action Taken

Observations of the PAC been noted for future guidance. In this connection, however, a brief explanation for the reasons for frequent expansions sanctioned in this case may not be out of place.

Normally, it will be logical to plan initial installation or expansion of exchanges not only to meet the demands on opening day but also a number of years thereafter depending upon the growth rate and economic planning period. However, as is well known, the total supplies of automatic telephone exchange equipment from indigenous sources have been extremely limited. These have been inadequate to meet the demand of all the important cities and towns in the country including the State Capitals. Keeping this acute shortage in view, the Deptt. had to take a decision to restrict the allocation of equipment only just sufficient to meet the demands on the date of commissioning of the exchange; the main consideration being that as far as possible, there should be no spare equipment anywhere, while there are large waiting lists pending elsewhere. Keeping this policy in view, it has been necessary to undertake and sanction projects for small expansions to exchanges almost every year or at least once in two years.

It is further well known that the telephone exchange projects have a fairly long gestation period and therefore they have to be sanctioned a few years in advance of the expected date of completion of the project.

This inevitably results in an expansion project being sanctioned even before the physical work on the earlier project has commenced.

In this particular case, the project for the 1500 lines exchange was sanctioned on the forecast of demand for the original expected date of commissioning in 1967-68. Subsequently projects were sanctioned for its expansion from 1500 to 2000 lines and 2000 to 3000 lines respectively. Unfortunately the installation of the initial exchange got inordinately delayed and all the three capacities could only be commissioned in 1972-73.

The repeated expansions were sanctioned in the interest of best utilization of switching equipment available from the indigenous manufacturing capacities. It may not be out of place to mention that the supplies of switching equipments from indigenous sources continue to be far short of requirements and the above procedure of sanctioning frequent expansions has still to be resorted to.

Steps are of course being taken to augment the indigenous manufacturing capacity for switching equipment. Eventually when adequate supplies can be ensured attempts will be made to plan telephone exchange capacities not only to take care of the requirements on the date of commissioning, but also for a few years thereafter taking into account the economic planning period based on rate of growth in different cities.

[Ministry of Communications (P&T Department) U.O. No.27-6/77-B Dated 3-5-1978]

Recommendation

The Committee are surprised to learn from the statement of the P&T Department that the original project provision had to be modified in order to provide for a basement and stronger foundation for future expansions. Since on this account, the project estimate exceeded by more than 10 per cent a revised project estimate had to be sanctioned in 1964. It is all the more surprising that the P&T Department had taken the plea that the omission to provide for stronger foundations was due to an oversight on the part of the staff who were new to the work at that time. The Committee consider that responsibility cannot be passed on to a sub-ordinate officer and the technical officer who was concerned with the examination of the project has to bear the full responsibility for the omission. The Committee deprecate the perfunctory manner in which the project was proceeded with. Keeping in view the fact that Bhubaneswar

is a State Capital where the demand for telephone facilities from the public is bound to grow, the P&T authorities should have thought of and provide the necessary inbuilt capacity for meeting the requirements.

[Sl. No. 56 (Para 6.94) of Appendix to 14th Report of the PAC
(Sixth Lok Sabha)]

Action Taken

The observations of the PAC have been noted for future guidance.

The Department has taken steps to ensure that the exchange buildings are adequate to house equipment not only for initial installation but also expansions to meet the demand for upto about 10 years after the initial installation. Provision is also made in the design of the original building for its further extension to double its original capacity. Buildings are generally being designed in following ranges to cover the requirement of different stations:—

- (a) Initial construction to house upto about 2500 lines and capable of vertical or lateral extension to house another 2500 lines.
- (b) Initial construction to house upto 5000 lines and capable of vertical or lateral extension to house another 5000 lines.
- (c) Initial construction to house upto about 10000 lines and capable of vertical or lateral extension to house another 10000 lines.

[Ministry of Communications (P&T Department) UO No 27-6/77-B
6/77-B Dated 3-5-1978]

Recommendation

The Indian Telephone Industries is also answerable for the delay in the commissioning of the Telephone Exchange at Bhubaneswar. It is a matter of concern that the I.T.I. have taken three long years (from March 1965 to March 1968) in making the supply of equipment for 2000 lines. The Committee have time and again stressed the need for a proper co-ordination between the P&T Department and the Indian Telephone Industries so that supplies are made according to well-planned time schedule and all bottlenecks and difficulties standing in the way of timely supplies are attended to expeditiously.

[Sl. No. 57 (Para 6.95) of Appendix to 14th Report of the PAC
(Sixth Lok Sabha)]

Action Taken

The observations of the PAC have been noted. A machinery for continuous co-ordination has been established between the P&T Department and the I.T.I. In general co-ordination meetings are held regularly at which attempts are made to establish a firm delivery schedule for each exchange. These are then reviewed at subsequent meetings.

As a result the average delivery spread of crossbar exchange has been reduced from about 3 to 5 years obtaining earlier to about 18—24 months now. Similarly, the delivery spread on stronger exchange has been reduced from about 3-4 years earlier to about 12—18 months.

Difficulties, however, sometimes still arise beyond the control of ITI e.g. the problems of power supply cuts, shortage of raw materials, labour problems, etc. because of which there are slippages in deliveries upsetting the installation and commissioning of exchanges.

[Ministry of Communications (P&T Department) UO No. 27-6/77-B
Dated 3-5-1978]

Recommendation

It is a matter of great concern to the Committee that the installation and commissioning of air-conditioning plants which form an important constituent of telephone exchanges and are meant for protecting the sensitive and sophisticated exchange equipment from dust and humidity, have generally been lagging behind, thus affecting the efficiency of the projects. From the numerous cases, the committee have so far dealt with it has been observed that the execution of the contracts for air-conditioning have by and large been delayed and not synchronised with the completion of the exchange projects. Even after installation, the plants have in majority of the cases not been able to render satisfactory performance, thus not only affecting the performance of the Telephone Exchanges but also eventually affecting the life of equipment. In the event of non-commissioning of the air-conditioning plants, the Government have generally been incurring additional expenditure on the installation of window type air-conditioning units to protect to some extent sophisticated equipment from humidity. In the case of Belgaum Telephone exchange, 13 window type units at a cost of Rs. 0.86 lakhs were installed in February 1974 due to the non-commissioning of the air-conditioning plant in time. Moreover, in the case of Bhubaneswar Exchange, the installation of the exchange equipment

commenced in January, 1969 was completed in March, 1973 without any air conditioning facility. The Committee are surprised to learn from the P&T Deptt. that it is not possible to quantify the adverse effect on the exchange equipment due to the non-commissioning of the air conditioning plant. The Committee have already stressed earlier in this Report that such an assessment is essential so that the amount of loss thus sustained can be taken note of while deciding the course of action against the firm.

[Sl. No. 58 (Para 6.96) of Appendix to 14th Report of P.A.C.
(Sixth Lok Sabha)]

Action Taken

The main reason for the delay in the installation and commissioning of air-conditioning plants appeared to be the co-ordination which was required between several agencies of D.G.S&D., P&T and the contracting firm. In order to reduce the problem the work of procurement of air-conditioning plants has been taken over by the P&T Department from D.G.S&D. with effect from November, 1974. Within the P&T Department itself a specialized air-conditioning Cell has been created under the P&T Civil Wing. As the same agency viz. P&T Civil Wing is responsible for provision of Building, Water, Electricity and air-conditioning plants, the problem of co-ordination will be reduced to a considerable extent. The air-conditioning Cell is gradually developing expertise and shall be designing the complete air-conditioning plants themselves in due course. The 2nd line maintenance of air-conditioning plants has also been entrusted to this cell. It is expected that with these steps the situation regarding delay in the commissioning of air-conditioning plants and their unsatisfactory working should improve in the next few year.

Regarding, the quantification of the loss sustained due to non-provision of air-conditioning plants on the life and efficiency of exchange equipment, the action taken note in respect of recommendation No. 1.85 may kindly be seen.

[Ministry of Communications (P&T Department) UO No. 27-6/77-B
Dated 15-6-1978]

Recommendation

The Committee are surprised that despite persistent lapses the Department concerned have hardly taken action against the unscrupulous firms for transgression of the terms of the contract. The representatives of the Government have time and again been expressing their helplessness before the Committee in taking remedial measures

to improve the said situation. The Committee cannot accept this plea and would strongly urge upon the Department to have a closer look at this problem and devise elaborate measures to ensure that air-conditioning package units are installed, tested, and pressed into service to synchronise with the commissioning of the sophisticated telephone exchange equipment.

[Sl. No. 59 Para 6.97 of Appendix to 14th Report of the P.A.C.
(6th Lok Sabha)]

Action taken

Till November, 1974, the procurement of air-conditioning plants in P&T Department was being done through D.G.S.&D. This involved Co-ordination between various organizations of P&T, D.G.S.&D. and the contracting firm. In order to improve the situation the powers to procure air-conditioning plants have been delegated to P&T Department itself.

Within the P&T Department a separate Air-Conditioning Cell has been created under P&T Civil Wing which is responsible for planning, procurement and installation of the air-conditioning plants. This cell is gradually developing expertise in the field of air-conditioning by way of sending officer for training in advance institutions. Detailed instructions have also been issued to all concerned in the Department regarding their specific duties and functions at various stages so that air-conditioning plants are commissioned in time. With these steps it is expected that the situation will improve in the next few years.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B
Dated 31-5-1978]

Recommendation

The Committee regret to note the initial delay in placing the indent for procurements of air-conditioning plant for Bhubaneswar exchange in September, 1967, particularly when the indent for exchange equipment was released in March, 1965 and the building was ready in April, 1967. According to the Department the initial indent placed in April, 1967 was not in the proper form and had to be re-submitted in the prescribed form in September, 1967. The Committee fail to understand as to how this primary and essential aspect of placing the indent in the proper form which led to a further delay of 5 months was lost sight of. This needs to be explained and the responsibility therefor fixed.

[Sl. No. 61 (Para 6.99) of Appendix to 14th Report of the
P.A.C. (Sixth Lok Sabha)]

Action Taken

D.G.S.&D. have prescribed a form D.G.S&D. 85 for placing indents. Apparently the Circle Office was not aware of this and submitted the indent on plain paper. When this came to the notice of this office, Circle was advised to re-submit the indent in the proper form. This was done in September, 1967.

It is proposed to look into all the cases of delays in projects in last 10 years and identify various reasons for delays to learn lesson for the future and determine if there had been any culpable negligence on the part of anybody. A report will be submitted in about a year's time in this regard.

It may be mentioned that P&T has taken over the work of procurement of air-conditioning plants from D.G.S.&D. with effect from November 1974. It is hoped that such type of problems will therefore not arise in future.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B Dated 31-5-1978]

Recommendation

The Committee note with concern that still another avoidable omission of furnishing the requisite drawing with indent has been responsible for delay in finalisation of the indent by D.G.S&D. for about a year. According to the Department the requisite drawings were enclosed with the initial indent placed in April, 1967 and as such were not enclosed with the indent placed subsequently in September, 1967. These drawings were not traceable in the office of the D.G.P.&T. which led to further correspondence between the Posts and Telegraphs Department and D.G.S&D delaying the finalisation of the indent. This avoidable delay of several months needs to be investigated with a view to fixing responsibility and taking remedial measures to eliminate the chances of recurrence of such lapses.

[Sl. No. 62 (Para 6.100) of Appendix to 14th Report of the P.A.C. (6th Lok Sabha)]

Action Taken

It is proposed to look into all the cases of delays in projects in last 10 years and identify various reasons for delays to learn lessons for the future and determine if there had been any culpable negligence on the part of anybody. A report will be submitted in about a year's time in this regard.

It is, however, mentioned that with effect from November, 1974 P&T Department has taken over the work of procurement of air-conditioning plants from D.G.S&D. and such type of problems will not arise in future.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B Dated 31-5-1978]

The disciplinary aspect alongwith the question of taking remedial measures to eliminate the chances of recurrence of such lapses shall be examined shortly by the Vigilance Branch and a further Action Taken Note submitted to the Committee.

[Department of Supply O.M. No. PIH-17(5)/77 Dated 29-5-1978]

Recommendation

Another instance of lack of planning and foresight on the part of the Department is in regard to the provision of basic and primary facility like power required for the testing and commissioning of the plant. According to the original supply order the installation of the plant was to be completed by 30th Nov., 1968 but the power for running the plant could actually be made available in March, 1972. No serious attempt appears to have been made by the Department for making this facility available in time. This is confirmed by the fact that the preliminary indent for HT sub-station equipment was placed with D.G.S&D. in Feb., 1970, whereas the indent for air-conditioning plant had gone in April, 1967. The Committee are not satisfied with the casual explanation advanced by the Department that different departmental agencies are involved in making different provisions. Similar lack of planning with regard to the provision of power is in evidence in the case of Belgaum exchange where though the installation of the plant was started in October 1970, power supply was made available by the Department only in April, 1972. In the case of Madras Trunk Automatic Exchange as well, the timely provision of power was not made. The Department cannot escape the responsibility for effecting the complete coordination in the whole project irrespective of the fact whether three or four agencies are in the field and responsible for supplying of different products. The Committee have been informed during evidence that the question of streamlining the process of making timely availability of facilities like power etc. is under review. The Committee urge that this matter should be finalised urgently and they should be informed of the institutional arrangements made to obviate recurrence.

[Sl. No. 63 (Para 6.10) of Appendix to 14th Report of the P.A.C. (6th Lok Sabha)]

Action Taken

The responsibility for planning, procurement, installation and timely commissioning of air-conditioning plants has now been entrusted to the newly created Air-Conditioning Cell under P&T Civil Wing. As the same organisation viz. P&T Civil Wing is in charge of provision of supply of Power, it is expected that problem of co-ordination in this regard would be eliminated to a great extent and it will be possible to make timely availability of power for testing and commissioning of air-conditioning plants.

[Ministry of Communications (P&T Department) U.O. No.
27-6/77-B Dated 31-5-1978]

Recommendation

The Committee are concerned to note that out of 131 existing contracts for the supply of air-conditioning plants to Posts and Telegraphs Department by different firms, as many as 51 are not working satisfactorily as per the reports of the different tests conducted. This indeed is a lamentable state of affairs. The Committee are concerned to note that despite such a situation, no positive and effective steps appear to have been taken by the Departments concerned to improve the position. The Committee learn that in order to meet the situation to some extent, the Posts and Telegraphs Department are trying to develop a group of departmental persons equipped with necessary expertise so that the plants are designed properly. In the meanwhile the Committee would like the Department to prepare a list of the defects which have been generally noticed during and after installation of various air-conditioning plants, so that the group of experts may take proper notice of these while designing plants. The Committee would also watch with interest the positive contribution of the proposed 'group'.

[Sl. No. 67 (Para 6.105) of Appendix to the 14th Report of the
P.A.C. (6th Lok Sabha)]

Action Taken

The list of air-conditioning plants which had given trouble along-with the defects noticed was compiled in January, 1977 and was made available to the Air-Conditioning Cell which has been entrusted with periodical maintenance and overhaul of the air-conditioning plants to keep them in good working condition. This Cell has started attending to the sick plants and put them back in good working condition. 18 air-conditioning plants have already been attended

to by them. Work on another 68 plants is expected to be completed soon.

The experience gained on the annual repair and maintenance of air-conditioning plants shall be utilised suitably while designing the air-conditioning systems to be installed in P&T Department.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B dated 13-9-1978]

Recommendation

The Committee regret to note that due to the non-installation of the plant as per schedule, the Department had to incur an additional expenditure of Rs. 0.51 lakh in June 1966 for the installation of —12 window type air-conditioners. The Committee feel that while granting extension of time, this aspect of additional expenditure should have been taken due note of.

[Sl. No. 69 (Para 6.107) of Appendix to 14th Report of PAC (6th L.S.)]

Action Taken

The Committee's observation has been nottd. Detailed comments will however, be furnished by the Department of Supplies in this regard.

[Ministry of Communications (P&T Department) M.O. No. 27-6/77-B dated 7-4-1978].

The original delivery period stipulated in the contract for was, 30.4.1966 or earlier and its installation by 30.8.1966 or earlier.

The purchase of widow type Air-conditioners was made in June 1966 by the P&T Department directly without the knowledge of DGS&D, which was earlier than the date of installation viz. 30-8-1966, stipulated in the contract.

From the report of C&AG for the year 1974-75 under para 20 (b), it is observed that Exchange equipments were received by the P&T Department in March, 1966 which did not synchronise with the date of the installation of the plant. Further extensions in delivery period were granted on the basis of recommendations received from the P&T authorities. *Prima-facie* the firm cannot be held responsible contractually for any extra expenditure incurred by the indenter before expiry of the contract delivery period.

[Department of Supply O.M. No. PIII—17(5)/77 dated 29-5-1978]

CHAPTER IV

RECOMMENDATIONS OR OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation

The Committee need hardly point out that Ludhiana for the last two decades has been in the vanguard of industrial development of the country particularly in the small-scale sector. This town has a distinction of executing very large export orders for hoisery goods as also for manufacturing intricate components and tools for the internal and external markets. Since it is Government's avowed policy to provide infrastructure facilities in the interest of accelerating industrial and economic development, the Committee can see hardly any valid reason for the indifference displayed by the P&T authorities in expanding and improving the inadequate telecommunication facilities. This is all the more reprehensible when the Secretary, Communications has candidly admitted during evidence that the period of 12 years taken in the execution of the project was "very very long period and there was no basic defence for such a long period having been taken", as according to the Ministry's own calculation the project should have been completed in not more than six years. In fact, the Committee feel that even this period of six years is much too excessive as the Telecommunication authorities with all their vast experience in the field should be able to complete the initial works in less than two years and the work of construction and installation should be so phased and synchronised as to be completed at the earliest, say, within 2 to 2½ years instead of the margin of four years taken. The Committee desire that a thorough study should be made of the manner in which the entire project was planned and executed so as to fix responsibility and take action within six months against those who have been derelict in the performance of duties and derive lessons to ensure that such indefensible delays do not recur and that the work is so planned and executed as to be completed in the least possible time.

[Sl. No. (Para 1.72) of Appendix to 14th Report of the
PAC (6th Lok Sabha)]

Action Taken

The observations of the Committee have been noted. It is proposed to depute an Officer-on-Special duty to study in detail not only this project but also a few others which have apparently been delayed in the last 10 years, to identify the reasons for such delays and recommend suitable steps to avoid their recurrence. The Officer will also determine if any officer had been responsible for any negligence.

The question of reduction of time in actual construction of buildings and installation of telephone exchanges, is also being examined separately. The preliminary studies indicate that the total period varies between 3.5 to 5 years. Efforts will be made to reduce this period further.

[Ministry of Communications (P&T Department) U.O. No. 27-6 77-B dated 25-5-1978].

Recommendation

The glaring deficiencies noted during execution of the project at various stages required to be highlighted. It is a matter of considerable concern that the basic requirement namely preparation of a time-schedule to watch the execution of such a big project, was lost sight of in this case. The Ministry have, in a written note, conceded that the detailed time-schedule of various activities was not drawn up at that time. The Committee would like the Ministry to investigate how the fulfilment of such an essential pre-requisite, viz. preparation of a time-schedule in the case of an exchange of this magnitude was overlooked. This lapse has proved costly and the responsibility therefor should be fixed.

[Sl. No. 3 (Para 1.73) of Appendix to 14th Report of the PAC (6th Lok Sabha)].

Action Taken

The observation of the Committee have been noted for guidance in future. Instructions have been issued for preparation of PERT/BAR charts for each project and watch their progress closely. Instructions have also been issued regarding the constitution of Co-ordination and Monitoring Committees in each Telecom Circle and Telephone District as well as in the Directorate. A copy of these instructions is enclosed (Annexure).

As already stated in regard to recommendation No. 2 (Para 1.72 of the report) an officer-on-special-duty is proposed to be appointed to look into all aspects of planning and implementation of this and other

projects, including the question of preparation of time schedule to watch the execution of each project.

[Ministry of Communications (P&T Department), U.O. No. 27-6/77-B dated 25-5-1978].

ANNEXURE

INDIAN POSTS AND TELEGRAPHS DEPARTMENT OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS

No. 758-7/78-TPS (Genl).

Parliament Street
Dak Tar Bhavan

NEW DELHI-110001, the 24th Feb. 1978.

OFFICE MEMORANDUM

SUBJECT: Co-ordination, Monitoring & Progress of Telecommunication Projects.

1. In supersession of all earlier instructions in this regard, the following authorities shall in future be responsible for basic planning and overall co-ordination, control and monitoring of various types of telecommunication projects in their respective territories:—

Sl. No.	Type of Project	Officer-in-Overall-Charge
(1)	All projects relating to Local Telephone Exchanges, Trunk Exchanges—both Manual and Automatic, Telex Exchanges and connected works.	The General Managers & District Managers in Telephone Districts/General Managers, Telecom Circles.
(2)	All long-distance transmission projects, other than open-wire lines i.e. Microwave, Coaxial, UHF, VHF, etc.	General Managers Projects, Regions
(3)	All projects pertaining to long distance P. C. O's open wire lines including carrier on open-wire, telegraph offices, VFT etc.	General Managers, Telecom Circles.
(4)	All Building Projects other than those projects covered under long distance transmission schemes mentioned at (2) above i.e. buildings for local exchange projects, trunk exchange projects, telegraph offices, administrative offices, staff Qrs. etc.	General Managers & District Managers in Telephone Districts/General Managers, Telecom Circles.

2. For purposes of co-ordination, control and monitoring, co-ordination committees shall be constituted in each of the Telecom. Circles, Telephone Districts and Project Regions under the personal Chairmanship of officers in overall charge mentioned in para 1 over-leaf. The constitution of these Committee shall be as follows:—

(a) *Telecom Circles*

- (i) General Manager Chairman
- (ii) A. G. M. Capital Works/Co-ord. Convenor/Secretary
- (iii) Director of Telegraphs D.G.Ms. Member
- (iv) General Manager Projects Member
- (v) G. M. M. of STD/TAX/Long-Distance Projects Member
- (vi) I. F. D. Member
- (vii) S. E. Civil Member
- (viii) Executive Engineer Electrical/Air-conditioning Member
- (ix) D.E. A/E Circle Store Depot Member
- (x) Other officers as required may be nominated or co-opted by G M Member

(b) *Major Telephone Districts*

- (i) General Manager Chairman
- (ii) Addl./Dy. G. M. Planning/Co-ordination Convenor/Secretary
- (iii) G. M. Projects Member
- (iv) G. M. M. for STD/TAX/LD Projects etc Member
- (v) Dy. G. M. Planning (Switching) External Plant/Installation/Construction Member
- (vi) I. F. A. Member
- (vii) S.E. (Civil) Member
- (viii) S.E. or E.E., (Electrical/Air-conditioning) Member
- (ix) D.E./A-E District Store Depot Member
- (x) D. E. Acceptance Testing (T & D) (Circle). Member
- (xi) Other officers as required may be nominated or co-opted by G M.

(c) *Minor Telephone Districts*

- (i) District Manager Chairman
- (ii) D. E. (Planning/Co-ordination) Convenor/Secretary
- (iii) Representative of G. M. Projects Member
(for STD/TAX projects).
- (iv) Representative of G.M. M. (for STD/TAX projects) Member
- (v) D. E. Planning (Switching, External Plant, Installation, Construction) Member
- (vi) I. F. A. Member
- (vii) S.E. /E.E. Civil Member

- (viii) S.E./E.E. (Electrical/Air conditioning) Member
- (ix) A. E. Circle Store Depot Member
- (x) Other officers as required may be nominated or co-opted
by G.M.
- (d) *Telecom Project Regions*
 - (i) G. M. Projects Chairman
 - (ii) Director (Transmission) Headquarters Convenor/Secretary
 - (iii) G. M. M. or his representative Member
 - (iv) S. E. Civil Member
 - (v) S. E. (Electrical/Air conditioning) Member
 - (vi) I. F. A. Member
 - (vii) Other Officers as required may be nominated or
co-opted by G. M. Projects.

3. The above Committees should meet atleast once in two months. The meetings may be held at the Headquarters of the officers in overall charge or at sites of larger projects at the discretion of the officers in overall charge.

4. The officer in overall charge should arrange for a PERT Chart to be prepared as soon as a project is conceived. The intention is to clearly identify all the distinct activities and various officers and agencies responsible for their execution from the outset, so that no aspect of the project is lost sight of. An attempt should also be made to the extent possible to work out the likely duration as well as the targets for commencement and completion of each activity and the critical path for the project as a whole. It is, of course, recognised that at this early stage of project formulation, these durations and targets for the activities would necessarily be tentative and would be confirmed and revised later on when the project takes a more concrete shape.

5. The P. .ERT Chart so prepared should be reviewed in the next Meeting of the Co-ordination Committee and the responsibility and duration of activities agreed to. Thereafter the officer in overall charge will obtain progress reports every two months from all the concerned officers, get the same consolidated and keep ready for discussion in subsequent Co-ordination Meetings. At these meetings, the Co-ordination Committee should take stock of the progress on each activity, identify any problem and find solution to meet the same. If for any particular problem, a solution at the Circle/District level is not feasible, the matter should be immediately referred by the G.M. concerned to the Central Co-ordination Committee (as indicated in para 6 below) particularly when the specifications of the

project have to be changed or there are certain insuperable difficulties which will lead to delays in the completion of any project.

6. To monitor the progress of important projects and to remove any bottlenecks beyond the control of the Circle|District|Project Region Co-ordination Committees, a Central Telecommunication Project Co-ordination and Monitoring Committee shall function at the P & T Directorate as follows:—

(1) D.G.P. & T.	Chairman
(2) Member (Telecom. Dev.) P & T Board	Member
(3) Member (Telecom. Operations) Board	Member
(4) Member (Finance) Board	Member
(5) Deputy D. G. (MM) Board	Member
(6) Deputy D. G. (F/D) Board	Member
(7) Chief Engineer (Civil)	Member
(8) Deputy D. G. (L)	Convenor
	(for Long Distance Projects)
(9) Deputy D.G. (S) P & T Board	Convenor
	(for Local Exchange Projects)

7. To enable the Central Committee at the Headquarters to monitor the co-ordinated implementation of Telecom. projects, the officers in overall charge of the projects shall submit a report every two months on the status of various projects in the proformae TD-001, TD-002, TD-003 and TD-004 (Annexures I to IV). These reports should be submitted to the P. & T. Directorate as soon as possible after the close of every two months' period and the meetings of the Circle|District|Project-Region Co-ordination Committee.

8. It will be seen that the progress report is in four parts as follows:—

Part-I (TD-001) giving a consolidated list of all projects sanctioned and their status. This report is to be prepared in separate sections for different types of projects like local Exchanges MAX-I Step-by-Step, Crossbar, MAX-II, MAX-III, CB Multiple, CB Non-Multiple, etc and the long-distance projects like Coaxial, Microwave, UHF, VHF, TAXs, Manual, Trunk Exchanges, Long-Distance PCOs, etc.

Part-II (in form TD-002) giving a detailed progress report for each project separately. It will list all activities involved, the officer responsible for each, the estimated duration

and target and actual dates of commencement and completion with brief notes giving reasons for delay, if any. Separate detailed notes shall be given wherever some action is required beyond the control of the Officer in overall charge.

Part-III (in form TD-003) giving the progress in terms of financial expenditure in each project.

NOTE—The reports in Part-II and Part-III (Forms TD-002 and TD-003) shall be forwarded to the Directorate only for projects costing Rs. 1 crores or more. The Directorate may, however, call for reports on specific projects, based on the review of lists contained in Part-I (Form TD-001).

Part IV (in form TD-004) giving a list of all the projects physically completed, but for which Completion Reports have not to be submitted. This report shall be submitted once in six months only, i.e., at the end of three two months' block at each financial year.

9. All Heads of Circles Telephone Districts and Projects-Regions are requested to note the above instructions and take immediate action to organize the Co-ordination Committee and prepare PERT Charts and progress reports. The first progress report for the period ending 31-3-1978 should be obtained, consolidated and forwarded by the Officers-in-overall-charge by the end of April, 1978 at the latest.

10. A typical PERT Chart for automatic exchanges had already been forwarded under this office letter No. 820-23,73-TPS(UPC), dated 5-8-1974. The detailed analysis of various activities for various projects may be undertaken on similar lines and PERT BAR charts prepared accordingly by the Officer-in-overall-charge of projects.

11. Receipt of this Memo. may please be acknowledged. Any suggestions to improve the working of the Committees may also be forwarded and exchanged among the various Circles Telephone Districts Project-Regions.

Sd/- (K. D. VAIDYA),
Member (Telecom. Development).

Copy to:—

(1) All Heads of Circles Telephone Districts Projects-Regions.

- 2) General Managers (Maintenance).
- 3) All Members of the P. & T. Board.
- 4) Chief Engineer (Civil), P. & T. Directorate.
- 5) All Deputy D.Gs. Telecom., P. & T. Directorate.
- 6) Deputy D.G. (F/D).
- 7) All Directors in Telecom. Branches of Directorate.
- 8) Director (Fin. II) and Director (Fin. IV), P. & T. Dte.
- 9) Director (Budget).
- 10) Secretary, P. & T. Board.
- 11) All S.Es. (Civil) and S.Es. (Electrical).
- 12) All S.As.
- 13) All E.Es. (Civil|Electrical).

Sd/- (K. D. VAIDYA),
Member (Telecom. Development).

CIRCLE/DISTRICT/PROJECT REGION

LIST OF TELECOMMUNICATION PROJECTS AND THEIR STATUS AS ON.....

(To be submitted within a month of end of each two-monthly block w.r.t. DGP&T Memo. No. 758-7/78-TPS (Genl.) dated 24-2-1978.)

Serial No.	Description of Project.	Sanction particulars.			Date of physical commencement of work (1st component)		Date of physical completion of work (Last component)		Remarks.
		Sanctioned by	Sanction No. & Date.	Sanctioned Cost.	Originally planned	Actual/ Likely	Originally planned	Actual/ Likely	
1	2	3	4	5	6	7	8	9	10

CIRCLE/DISTRICT/PROJECTS REGION**TWO-MONTHLY PROGRESS REPORT OF PROJECTS FOR THE QUARTER ENDING**

Name of Project.....Sanctioned by.....Vide Sanction No.....dt.....

(To be submitted within a month of close of each Two-monthly block w.r.t. DGP&T Memo. No. 758-7/58-TPS (Genl) dt. 24-2-1978).

ACTIVITY PARTICULARS			Estimated duration in months.	Date of commencement of activity		Date of Completion of activity.		Remarks.
No. of activity	Description of activity	Responsi- bility		Originally planned	Actual/ Likely	Originally planned	Actual/ Likely	
1	2	3	4	5	6	7	8	9

CIRCLE/DISTRICT/PROJECTS REGION

TWO MONTHLY PROGRESS REPORT ON EXPENDITURE ON PROJECTS FOR THE QUARTER ENDING

Name of Project.....Sanctioned by.....Vide Sanction No.....Dated.....

Total sanctioned Amount.....Target Date for completion.....
(Original) (Likely)

(To be submitted within a month of close of Two-monthly block w.r.t. DGP&T Memo. No. 758-7/78 TPS(Genl.) Dated 24-2-1978.)

Serial No.	COMPONENT		DETAILED ESTIMATE		Expenditure booked to end of Quarter	Likely final cost of component	Reasons for variation between Col. 5 & Col. 7 if any.
	Name of Component.	Sanctioned by	Sanction No. & Date	Amount sanctioned			
1	2	3	4	5	6	7	8

CIRCLE DISTRICT PROJECT REGION

S U P P L E M E N T

 HALF YEARLY LIST OF PROJECTS COMPLETED FOR WHICH COMPLETION TICKETS
ARE NOT SUBMITTED AS ON

(To be submitted within a month of each close of each Half-Year with DGP&T Memo No. 758-7/78-TFS(Go L) Dated 24-2-1978).

Serial No.	Name of Work.	SANCTIONED PARTICULARS			Date of Physical completion of work	Expenditure booked upto end of period.	TARGET DATE FOR Submission of CR.		Remarks.
		Sanctioned by	Sanction No. & Date	Sanctioned Cost			Vide last Statement	Now Likely	
1	2	3	4	5	6	7	8	9	10

Recommendation

Another major contributory factor for the delay in execution of the project was the long time taken in the commissioning of the air-conditioning plant which was indented for in April, 1970 for protecting the delicate and sophisticated exchange equipment from dust and humidity. Defects noticed at various stages of the functioning of the plant were attended to perfunctorily by the firm and that too after continuous follow-up action by the Department. The position as on 23rd August, 1976 was that the firm was yet to conduct the monsoon test. The Committee are surprised that despite persistent lapses the Department concerned took no action whatsoever against the firm for transgression of the terms of the contract. All that has been done is that against the contract value of Rs. 4,38,885 the firm's payment to the extent of Rs. 63,385 was held up. The Committee do not appreciate the logic of the Department of Supply (D.G.S. & D) that "action would be taken to recover the damages/loss in consultation with the indenter after the plant was taken over by the consignee". The Committee would like to know whether the plant has since been taken over and the action taken to recover the loss.

[Sl. No. 13 (Para 1.83) of Appendix to 14th Report of
PAC (6th Lok Sabha).]

Action Taken

The plant was provisionally taken over from M.s. York India Limited, Faridabad on 16-6-1977 subject to passing of monsoon tests by the P. & T. acceptance authority and all pending defects/discrepancies being attended to. The monsoon test was conducted on 22-23-8-1977 and was found satisfactory. Some defects/discrepancies pointed by the testing party have, however, not been rectified so far.

Regarding action to recover the loss, this has to be done by the D.G.S. & D. It is understood that they are taking some action and will submit their action taken notes directly.

[Ministry of Communications (P. & T. Department)
U.O. No. 27-6/77-B, Dated 3-5-1978.]

Recommendation

Monsoon test conducted on 22nd and 23rd August, 1977 was considered successful, subject to rectification of certain defects listed in the Joint Inspection Report. Final Inspection note, after removal of the defects, was issued on 1-12-1977. The plant had meanwhile

been already taken over by the consignee for normal use in June, 1977.

The consignee's report about actual loss suffered by him on account of delay in supply called for on 9-1-1978 is still awaited and further appropriate action would be taken on the receipt of the same after consulting Law Ministry, if necessary.

[Department of Supply, O.M. No. PIII-1(5) 77, Dated 29-5-1978.]

The Committee enquired from the P. & T. Department the latest position about furnishing to the Department of Supply, the loss statement called for by them, the P. & T. Department have informed the Committee as follows vide their U.O. Note No. 28-7/64-TPS (PT), dated 25th October, 1978:

"Copies of the D.G.S. & D. letter dated 9-1-1978 calling for the loss statement and the reply given by the consignee on 28-8-1978 are enclosed (Annexures I and II)."

ANNEXURE I

Copy of letter No. ME-4/202/04/087/11/441, dated 9-1-1978 from Government of India, Dte. General of Supplies and Disposals, Parliament St. New Delhi to DE Phones, Ludhiana.

SUBJECT.—This office AT No. ME-4/202/04/087/10-6-1970/1/441/PADW dated 30-4-1971 for supply and installation of A.C Plant at Ludhiana against Indent No. Engg/WP-1072, dated 9-4-1970.

The original delivery date specified in the subject AT has not been adhered to by the firm. Please furnish the following information to enable this office to finalise the case:—

- (1) Confirm that the stores have been received in full and in good conditions. The exact date(s) of receipt of stores may also be indicated as the terms of the delivery is free delivery at destination.
- (2) Loss or inconvenience, if any, suffered by you on account of delay in supplies on the part of the firm. In case of some monetary loss, the break up of the same may also be furnished.

- (3) In case the stores have been received short or damaged or lost in transit, please advise:—
- (a) Whether the claim or shortage|less or damage have been shown on copies of I|Notes before their release or preferred and got settled with the carriers.
- (b) Whether the firm despatched the stores under clear R|R if the R|R contain remarks (said to contain) etc.
4. Whether the receipted copies No. 2 and 5 of I|Notes have since been released to the firm and you have no other claim pending against them.
- (5) Please indicate the date on which the final inspection of the plant has been carried out alongwith the date of taking over the plant.

Your reply should reach this office latest by 25-1-1978 positively failing which it will be assumed that you have recd. the stores in full and no loss or inconvenience has been suffered by you and the contract will be finalised on its merits without any further reference to you, at your risk and cost. Any financial repercussion arising thereof will be your liability which you may kindly note.

Sd/-

K. K. MALHOTRA,
A.D. D.G.S. & D.

ANNEXURE II

No. 7521|28-8-1978.

Message for D.G. S & D New Delhi.

ENG C|W-33-46.11 AAA REF YOUR No. ME-4|202|04|087|11|441
DATED 9-1-1978 REGARDING QUERY ABOUT AIR CONDI-
TIONING PLANT AT LUDHIANA AAA PARAWISE REPORT
AS BELOW AAA

ALL THE STORES RECEIVED EXCEPT FOR MINOR THINGS
STORES RECEIVED IN PARTS ON DIFFERENT DATES AAA
DATES STARTING FROM 4-12-1971 TO 31-3-1973 AAA

(2) THE QUALITY AND SERVICE GIVEN BY THE TELE-
PHONE EXCHANGE REMAINED EXTREMELY POOR DUE TO
NON COMMISSIONING OF AIR CONDITIONING PLANT RE-
SULTING IN SEVERE INCONVENIENCE TO SUBSCRIBERS
AAA WE WERE FACED WITH LARGE NUMBER OF COMP-
LAINTS AAA

THE LACK OF AIR CONDITIONING CAUSED EXTENSIVE DETERIORATION TO THE EXCHANGE EQUIPMENT ON A PERMANENT BASE AAA THE EXCHANGE HAD TO BE MAINTAINED WITHOUT AIR CONDITIONING PLANT FOR 5 YEARS AAA IN THE ABSENCE OF AIR CONDITIONING WINDOW TYPE AIR CONDITIONERS (22) IN NUMBERS WERE PROVIDED AAA THE COST OF WHICH RUNS INTO RS. 80,000 APPROXIMATELY AAA

MOREOVER THE ELECTRONIC FILTER AND WATER SOFTENING PLANT HAVE YET TO BE COMMISSIONED EVEN THOUGH IT WAS POINTED OUT AT THE TIME OF MONSOON TEST AND LATER THE CASE WAS TAKEN UP WITH THE FIRM AAA

(3) NO SUCH CASE AS PER THIS OFFICE RECORDS

(4) THIS INSPECTION NOTES HAVE BEEN RELEASED FROM YOUR OFFICE

(5) PROVISIONALLY TAKEN OVER ON 16-6-1977 AAA DATE OF FINAL INSPECTION ON 22/23-8-1977.

COPY TO RELEPOST NEW DELHI.

D.M.T.
LUDHIANA.

Recommendation

It is a matter of serious concern that the air conditioning plant supplied and installed in September, 1973 after a delay of about 1½ years as per the supply order, started giving troubles soon after installation. At the time of the first winter test conducted immediately on installation, its performance was far from satisfactory as its blower was getting excessively heated. The Committee regret to note that the supplier took one year to rectify the defects and the plant passed winter test in Feb., '74 and summer test in May, 1974. The plant was offered for monsoon test in August, 1974 but the test had to be abandoned due to burning of a cable. The committee are distressed to note that the plant could not pass the final test till August, 1976 due to one defect or the other. As the plant was not ready, the Department had to incur an additional expenditure of Rs. 98,000/- for obtaining 18 window type air-conditioners between June, 1971 and March, 1973. The Committee need hardly point out that had the air-conditioning plant been commissioned in time, the additional expenditure of Rs. 98,000 on the window type units could have been

saved. The Committee, recommend that a serious view should be taken about the performance of the firm by the DGS&D with a view to taking appropriate action against the firm for the breaches committed.

[Sl. No. 14 (Para 1.84) of Appendix to 14th Report of PAC
(6th Lok Sabha)]

Action taken

Action taken note on the above recommendation of the Committee will be furnished by Department of Supply (DGS&D)

Ministry of Communications (P&T Department) UO No. 27-6/77-B
Dated 3-5-1978]

The recommendation of the Committee has been noted and this will be kept in view while finalising the contract with a view to taking appropriate action for the breaches committed. A consolidated action on Sl. Nos. 13 and 14 would be taken on receipt of consignee's report already called for on 9-1-78 to furnish full details of the loss suffered by him.

[Department of Supply O.M. No. P. III-17 (57/77 Dated
29-5-1978]

Recommendation

The Committee note that the window type units are not able to control the humidity. This not only affects the performance of the exchange but in course of time it may affect the life of the equipment. It is surprising that the Department have not been able to assess the ultimate damage caused to the equipment in terms of money. The Committee feel that such a study is very essential so that the amount of loss thus sustained can be taken note of while deciding the course of action against the firm.

Sl. No. 15 (Para 1.83) of Appendix to 14th Report of PAC
(6th Lok Sabha)]

Action taken

The absence of proper air-conditioning no doubt affects the efficiency of the telephone exchange equipment. In the long run this may also have an effect on the life of the equipment. It would however, be difficult to quantify the reduction in the efficiency and life of the exchange equipment because of the following reasons:—

- (i) The efficiency of the exchange equipment depends not only on the availability of proper air-conditioning but on many other factors like quality of maintenance and availability

of spare parts, traffic in the exchange and loading of exchange etc.

- (ii) For arriving at a realistic assessment of the reduction in the life and efficiency of exchange equipment due to delay in commissioning of non-availability of air-conditioning plants, studies would have to be undertaken practically over the entire life of the exchange which extends over two to three decades.

Even if on the basis of technical experience a rough quantification of the reduction in life and efficiency of an exchange is attempted it will almost certainly be challenged by the contracting firm. This would lead to endless disputes and may nullify the purpose sought to be achieved by quantification. Moreover as the period of investigation will be quite large even for arriving at a rough quantification it may not be possible to pin responsibility on the contracting firm in the short time.

For the reasons stated above it is felt that it may not be feasible to quantify the average effect on Exchange equipment due to non-commissioning of the air-conditioning plant.

Member (Telecom-Development)

[Ministry of Communications (P&T Department) UO No. 27-6-77-

B Dated 15-6-1978]

Recommendation

The Committee are unable to understand why only 900 lines exchange was commissioned in the new building when a rented building is being used separately as a satellite exchange with a capacity of 800 telephone lines, whereas, as already stated, an accommodation to the extent of 5600 sq. ft. in the new building is lying unutilised. The Committee would like the P&T Department to review the matter so as to locate the satellite exchange in the departmental building. The Committee would like to be informed of the action taken in the matter.

[Sl. No. 28 (Para 2.32) of Appendix to 14th Report of PAC
(6th Lok Sabha)]

Action taken

The observations of the Committee have been noted for future guidance.

It was originally the intention to instal an exchange of adequate capacity not only to meet new demands but also enable replacement of the existing satellite exchange. However, the continuing shortages and heavy slippages in switching equipment supplies forced a decision to retain the existing satellite exchange and provide capacity in the new building only to meet new demands. Higher allotment of equipment to this exchange would have meant postponement of expansion of some other exchange in the country and build up of pending demands there. Steps are being taken to plan adequate expansion of the exchange to permit phasing out of satellite exchange and re-utilisations of equipment from there elsewhere.

[Ministry of Communications (P&T Department) UO No. 27-6/77-
B Dated 15-5-1978]

Recommendation

The Committee note that though the question of installing a Trunk Automatic Exchange (TAX) at Ambala for extending STD to other stations in the country by inter-connecting the TAX at Ambala with the main TAX at New Delhi has been under consideration since 1965, a project estimate (Rs. 57 lakhs) for installation of a crossbar type 2000 lines TAX at Ambala by 1969-70 was sanctioned only in November, 1967. The object was to link the local telephone exchange at Ambala, Chandigarh, Simla, Ludhiana, Jullundur, Amritsar, Jammu, Panipat and Karnal in due course to the TAX at Ambala for the purpose of introducing subscribers' trunk dialling (STD) among these stations and to extend STD to other stations in the country by interconnecting the TAX at Ambala with the main TAX at New Delhi (Commissioned in April, 1969). On completion of all these services, the annual revenue expected was about Rs. 62 lakhs from STD receipts. The work was started in September 1968 and still the project is not fully commissioned. in all respects. Though the building was completed in March 1970 there was long delay in the completion of other components of the project *viz.* air-conditioning, installation of equipment etc. This delay was evidently due to lack of advance planning and proper synchronisation at various stages. The Committee are unable to agree with the Department, of Communications that delays occurred because no PERT chart, as is done now, was introduced indicating the exact time schedule and interdependence of various activities connected with the completion of the project, as other ways and means could have been adopted to watch closely the progress and coordinate the execution at various stages.

[Sl. No. 29 (Para 3.40) of Appendix to 14th Report of PAC
(6th Lok Sabha)]

Action taken

Coordination to the extent possible was attempted but slippages could not be avoided as they were due to crossbar equipment production presenting problems in the ITI and difficulties in A/C Plant Installation.

[Ministry of Communications (P&T Department) UO No. 27-6/77-B Dated 26-4-1978]

Recommendation

The Committee are distressed to note that by the time the construction of the building was completed in March, 1970, even the specifications for air-conditioning plant were not finalised by Director General, Posts and Telegraphs, though the plant was to be installed in the building before commencement of installation of equipment. An indent was sent to DGS&D in April, 1971 for purchase and installation of the air-conditioning plant when the supply of equipment for the Exchange from the Indian Telephone Industries had already commenced in January, 1971. The Committee are constrained to note that another 8 months were taken in placing the order on the firm in January, 1972. Of these 8 months, approximately two months were lost in tracing out a letter issued by P&T Department to DGS&D on technical clarifications sought by DGS&D and another 2½ months were taken by P&T Department to comment on the tenders received for the installation of the plant. The delay due to this protracted correspondence and routine work is most reprehensible. Had the P&T Department taken appropriate and timely measures to facilitate the placing of the order for the plant before completion of the construction of the building in March, 1970, the inordinate delay of 22 months that occurred between March, 1970 and January, 1972 could have been avoided.

[Sl No. 30 (Para 3.41) of Appendix to 14th Report of P.A.C. (6th Lok Sabha)]

Action taken

The Committee's observation has been noted for future guidance

[Ministry of Communications (P&T Department) UO No. 27-6/77-B Dated 31-3-1978]

Recommendation

Another factor which has also contributed to the delay in installation of the air-conditioning plant is the fact that the P&T Department took almost one year after placing the order on 31st January,

1972, in approving the drawing for A/C plant room layout and location of the cooling tower. The result of these delays was that the installation of the plant was completed in May, 1973, instead of September, 1972 and that too could not be commissioned and put up for summer test for want of masonry job for ducting by the consignee.

[Sl. No. 31 (Para 3.42) of Appendix to 14th Report of P.A.C.
(6th Lok Sabha)]

Action taken

The observation of the Committee has been noted for future guidance.

[Ministry of Communications (P&T Department) U.O. No.
27-6/77-B Dated 31-3-1978]

Recommendation

Though the Plant was put into operation on 11-6-76 after summer and winter tests, it is still to undergo the monsoon test, which could not be carried out earlier due to non-availability of adequate internal heat load as stipulated in the contract. It is distressing that even 3½ years after the installation of the plant in May, 1973, the plant has still to carry out the monsoon test successfully. The Committee need hardly emphasise that the precise reasons for delay in the installation and commissioning may be identified with a view to fixing responsibility and to take remedial measures for future. The Committee may be informed of the action taken in this matter.

[Sl. No. 32 (Para 3.43) of Appendix to 14th Report of
P.A.C. (6th Lok Sabha)]

Action Taken

The Plant has successfully passed the monsoon test since then and has been taken over by the consignee on 7-10-1977. The reasons for the delay in the installation and commissioning of the plant has been examined and it is seen that the main reason for such delays could be attributed to the performance of the air-conditioning firm. There was only a little delay on the part of the department in making the riser shaft for carrying the ducts available. This problem arose due to the unforeseen difficulty of the non-feasibility of the ducts being carried through the opening available in the building*. The firm offered for the monsoon test twice during the 1975, but the plant failed to give successful performance.

During 1976, the firm did not offer the plant for monsoon test on some pretext or the other. In the opinion of the department,

*This work also was completed in September, 1973.

the provision of the artificial load was not essential for the monsoon tests, as the plant had already passed the summer tests with the same inside load conditions; even then the same was arranged by the consignee and still the plant was not able to maintain the inside conditions.

The department is now procuring the air-conditioning plants itself. For this purpose, an exclusive airconditioning cell, which is gradually developing expertise, has been created to plan and co-ordinate all activities relating to the installation of the airconditioning plants. It is expected that with these steps such type of problems may be reduced to a great extent, in future.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B Dated 31-3-1978]

Monsoon test conducted on 23-9-77 and 24-9-77 was declared successful subject to rectification of certain defects/discrepancies noted in the Joint Inspection Report. Completion report already called from the firm is, however, awaited.

Reasons for the delay in the installation and commissioning of the plant will be investigated and responsibility fixed. The results will be conveyed to the Committee as soon as possible.

Some of the important remedial measures adopted by the Deptt./DGS&D to avoid postcontract delays in the installation/commissioning and testing of the Central Air Conditioning Plant are enumerated below:—

- (i) An Office Memorandum was issued by the Deptt. of Supply on 18-10-76 (copy enclosed) (Annexure) to all Ministries/Deptts. of the Central Government suggesting:—
 - (a) That the Indenting Departments should associate the DGS&D at the time of initial planning of any project which may require provision of Central Air-conditioning. This would ensure better co-ordination in the planning and placing of indents for the main A.C. Plant and other ancillary equipment to be ordered through the DGS&D or purchased directly by the indenting Departments, under the purchase powers delegated to them.
 - (b) Wherever, it is not possible to associate the DGS&D at the initial planning stage, the Indenting Departments should certify at the time of placing of their indents for Central Air-conditioning plants that proper arrangements have been made by them regarding items like site, adequate power, water supply etc. and that the

same would be available to the supplier at the time the A.C. plant is required to be delivered and installed at site. In other words, if delivery/erection of the AC Plant is required to be made in say 12 months from the date of indent, the Indenting Departments should ensure that site, electric/power, water supply and any other ancillary items connected with the AC Plant are available at site at that point of time.

- (ii) Care is now taken before the conclusion of the contract that water available would be soft and in cases, where the water available is not soft, water softening plants are invariably included in the scope of the supply of the contracts.
- (iii) Fresh contracts are being awarded to experienced firms after taking into account their past performance.
- (iv) Inspection has been made more rigid. Earlier, the main equipment for the plant i.e. Compressor, Air Handling Units and Condensors were being visually inspected at the firm's works/their premises but now these equipments are initially tested at contractor's/Original Equipment manufacturer's premises.
- (v) After seasonal tests, if any defects/deficiencies are noted, the inspecting officers have been advised to give the target date to the firms for rectification thereof. Rectifications done by the firms are checked by the Inspectors before releasing the inspection note or declaring the particular seasonal test as successful.

[Department of Supply O.M. No. PIH-17(5)/77 Dated 29-5-1978]

ANNEXURE

No. PIH-21(6)/76

GOVERNMENT OF INDIA

MINISTRY OF SUPPLY AND REHABILITATION
(DEPARTMENT OF SUPPLY)

New Delhi, Dated the 18th October, 1976

OFFICE MEMORANDUM

SUBJECT:—Supply and installation of Central Air-conditioning Plants—ordered through DGS&D.

In the past complaints have been received with regard to post-contract delay in the installation, commissioning and testing of Cen-

tral Air-conditioning Plants purchased by the DGS&D on behalf of the various Indenting Departments. Various measures are being taken by the DGS&D to ensure supply of quality equipment and timely erection and installation by the suppliers concerned. During the examination of a number of cases, it has also been noticed that delays at various stages have taken place on account of:—

- (i) non-availability of site;
- (ii) non-provision of adequate power supply;
- (iii) inadequate water supply.
- (iv) non-provision of any other facility/ancillary item for which consignee is responsible.

2. These factors have not only contributed to the delays in performance of the contracts but in certain cases these have made it difficult to enforce warranty and other contracted obligations. To avoid such difficulties in future, it is requested;

- (a) That the Indenting Departments should associate the DGS&D at the time of initial planning of any project which may require provision of Central Air-conditioning. This would ensure better co-ordination in the planning and placing of indents for the main A.C. Plant and other ancillary equipment to be ordered through the DGS&D or purchased directly by the Indenting Departments, under the purchase powers delegated to them.
- (b) Wherever, it is not possible to associate the DGS&D at the initial planning stage, the Indenting Departments should certify at the time of placing of their indents for Central Air-conditioning plants that proper arrangements have been made by them regarding items like site, adequate power, water supply etc. and that the same would be available to the supplier at the time the AC Plant is required to be delivered and installed at site. In other words of delivery/erection of the AC Plant is required to be made in say 12 months from the date of indent, the Indenting Departments should ensure that site, electric/power, water supply and any other ancillary items connected with the AC Plant are availability at site at that point of time.

Sd/- J. M. LINGDOH
Director to the Government of India.

To

All Ministries/Departments of the Government of India etc.

Copy especially forwarded to:—

- (i) Engineer-in-Chief, CPWD, New Delhi.
- (ii) Director General, All India Radio, New Delhi.
- (iii) Director General, Door Darshan, New Delhi.
- (iv) Ministry of Defence, New Delhi.
- (v) Ministry of Railways (Railway Board).

Recommendation

The Committee note that though the indent for supply of equipment for the exchange was placed on the Indian Telephone Industries in March, 1967, the manufacturing programme was deferred till 1971 when the production of TAX equipment was stabilised in ITI. Consequently, the supply of equipment, which cost Rs. 120.12 lakhs against the provision of Rs. 43.74 lakhs in the sanctioned estimate commenced in January, 1971 and was completed in March, 1975. As it was found that the size of the switch room available could accommodate only 1700 lines of equipment as against 2000 lines originally planned, the equipment for only 1700 lines was obtained afterwards. The Committee are not convinced by the reply of the Posts and Telegraphs Department that because of the inadequate experience of the installation of TAX available with P&T and ITI, they could not estimate the size and capacity of the accommodation required, as in that case they should have been more cautious. The Committee also find out that beside taking about 4 years initially in stabilisation of the TAX circuits, it took more than 4 years to instal the equipment in the Project after the work was commenced in January 1971, as against the stipulated period of one year.

[Sl. No. 33 (Para 3.44) of Appendix to 14th Report of the
P.A.C. (6th Lok Sabha)]

Action Taken

The supplies of equipment from ITI are governed by P&T-ITI Pricing Agreement and are charged as per the prices prevalent at the time of supply. Though initially the provision in Estimate was made on the basis of anticipated cost of manufacture in India, actual cost of indigenous manufacture turned out to be higher, resulting in higher cost of the equipment.

2. As far as shortage of accommodation leading to reduction in exchange capacity is concerned, this was due to inadequate experience available with P&T and I.T.I. However, greater caution is now being exercised in such matters.

3. As far as the installation time is concerned, from the experience gained in installing 15 TAXs in the last few years, it has been found that about 36—40 months are required for installation of a TAX of this size. Stipulation of one year made in the estimate was found too short.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B Dated 26-4-1978]

Recommendation

The Committee have earlier been told that the optimum period now planned by the Indian Telephone Industries for effecting supplies has been reduced to 18 months. On this basis, the period of 3 years taken in effecting supplies for the Telephone Exchange at Calcutta seems to be very much on the high side. The Committee are led to think that the I.T.I. have not yet geared up their machinery for ensuring the observance of the time-schedules for the completion of indents received from the P&T Department. The Committee consider it imperative that the I.T.I. also should work on the basis of the time-bound programmes and also to devise an in-built mechanism for fixing the responsibility for delays in effecting supplies for the execution of urgent projects.

[Sl. No. 38 (Para 4.68) of Appendix to 14th Report of the P.A.C. (6th Lok Sabha)]

Action Taken

The observations of the Committee have been noted for future guidance. The question of I.T.I. observing agreed time schedules for supplies is being continuously reviewed between P&T and I.T.I. through regular coordination meetings at various levels. Observations of Committee have been forwarded to I.T.I. also.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B Dated 17-5-1978]

The Committee desired to know the action taken by Indian Telephone Industries on their recommendation. In a note, the P&T Department have informed the Committee as follows *vide* their U.O. No. 28-7/64-TPS|BT(PT) dated 25 October, 1978:

"The recommendations of the Committee had been forwarded to I.T.I. also as indicated in the action taken note. A copy

of the I.T.I. letter No. K/P2/3/78, dated 19-5-1978 received in reply is enclosed (Annexure)".

ANNEXURE

Copy of the D.O.No. K/P2/3/78 dated the 19th May, 1978 from Shri K. R. Nayar, G.M., I.T.I. Ltd., Bangalore to Shri D. K. Sangal. DDG(S), P. & T. Directorate.

Dear Shri Sangal,

Please refer to your d.o. letter No. 7080-3/78-TPS (Genl.) dated 23rd February, 1978 and 25/27th February, 1978, on the 'Action Taken Note' relating to the supply and installation of the telephone exchange equipments at 'Calcutta 24', Ludhiana, Ambala TAX and Bhubaneshwar.

2. Subsequent to the observations made by the Public Accounts Committee, sequential package programmes have been evolved by the Company in consultation with the P&T. The programmes for all the exchanges are issued every year by ITI indicating the dates of commencement and completion of each of the programmes. Minor deviations from package supplies are occasionally allowed by mutual agreement provided there is no overall adverse effect on the completion of the project.

3. To ensure that ITI adheres to these programmes, a penal cut of 10 per cent on the value of supplies has been agreed upon for items of non-sequential supplies. A statement of essential supplies of equipment is sent by M/s I.T.I. every month and deviations from package programmes are pointed out to M/s ITI. These are also discussed during the Production Coordination Committee meetings held periodically. The P&T Cast Check Unit at Bangalore with the assistance of the Liaison Officer, P&T is authorised to impose the penal cut of 10 per cent as envisaged in the order mentioned above.

4. The above action is being taken to ensure scrupulous compliance with the time-schedule for sequential supplies so as to prevent delay in the completion of the projects.

5. On the observations made in recommendations Nos. 9 and 10, we are in agreement with the draft replies proposed by the P&T as forwarded to us by Ministry of Communications under D.O. No. U54012/2/78-FAC dated 16th February, 1978.

6. We request that a copy of the final reply given by the P&T on the conclusion/Recommendation of the P.A.C. (1977-78) may be furnished to us.

Recommendation

In this connection, the Committee would like to draw the attention of the Ministry to one basic defect in the system of indenting and accepting the consignments tendered by the firms against the supply orders. According to the terms of the supply orders, payments are made to the extent of 80 per cent after the initial inspection of the plant and proof of despatch, and the balance 20 per cent after erection of the plant at site and final inspection and tests. The Committee have not been informed about the nature of Inspection conducted at the premises of the firm as also the level at which the inspections were conducted. It is imperative that experienced engineers well qualified in air-conditioning and Refrigeration in the P&T Department and the DGS&D should undertake joint inspections at the premises of firms before the supplies are accepted against the supply orders. In view of the fact that under the present procedure, the suppliers get 80 per cent of the contracted price on delivery of goods at site they may not be evincing the requisite interest in the rectification of the defects that come to light after the delivery of goods. The Department and the DGS&D should jointly review the position and suitably modify the terms of the contracts to be given in future, so that the supplying firms feel the urgency of commissioning and running satisfactorily the plants to synchronise with the installation of sensitive telephone exchange equipment. The Committee would like to be informed in detail of the remedial measures taken in pursuance of this recommendation.

[Sl. No. 60 (Para 6.98) of Appendix to 14th Report of the P.A.C.
(6th Lok Sabha)]

Action Taken

The work of procurement of air-conditioning plants has been taken over by P&T Department from DGS&D since November, 1974. Initially, the work in Telephone Districts was given to Districts themselves while in Telecom. Circles it was given to P&T Civil Wing. With effect from 4th November, 1977 the entire work has been entrusted to the air-conditioning Cell of the P&T Civil Wing. In the contracts finalised by the Telephone Districts, the terms and conditions of the contracts are by and large the same as followed by DGS&D. The contracts finalised by P&T Civil Wing are on the same terms and conditions as are applied to other

"works contracts" in CPWD. The main features of the contracts for air-conditioning plants to be handled by air-conditioning cell of Civil Wing will be as follows:—

- (i) Contracts will be signed in the standard CPWD contract forms, PWD-6 and PWD-8. The penal clauses in these forms in regard to delay in execution, and for improper or bad work are quite stiff. The Officers have been instructed to invoke these with speed wherever necessary.
- (ii) The contracts do not have any provision for payment on proof of despatch. Payment is to be made only after the equipment/materials reach site where they are to be installed. The running payment on various items of work involved are to be made in such a manner that not more than 85 per cent of the tendered value of such items is paid to the contractor for supply and installation. Deductions are also made towards security and maintenance for one year. 10 per cent is paid only after initial commissioning and satisfactory testing of the plant. The balance 5 per cent is to be released on satisfactory performance of the three seasonal tests.
- (iii) A detailed system design is undertaken and tailored to meet the exact requirements of each job covering all the essential parameters. Each component of the system is chosen to ensure optimum system performance.

The tender and contract documents are drawn up on the basis of such detailed design, leaving as far as possible, no room for any major deviation. It is further ensured that various major components like compressors, drive motors, pumping sets, cooling towers, air-handling units (including cooling coils), condensers, and insulation and ducting materials are all from reliable and established manufacturers.

- (iv) Following conditions are incorporated in the contracts in regard to inspection:—

"The departments authorised representative shall have full powers to inspect drawings of any portion of the work or examine the materials and workmanship of the plant at the contractor's works at any other place from which the material or equipment is obtained. Acceptance of any material or equipment shall in no way relieve the contractor of his responsibility for meeting the requirements of the specifications but shall

have to be replaced free of cost by the contractor in case the equipment or work is found defective or of inferior quality."

- (v) The inspections at the premises of the manufacturers are generally not been carried out at present as no payment is being made on the proof of despatch. The inspections are carried out at the work site itself according to the codified instructions in C.P.W.A. code and CPWD code at the level of Junior Engineers/Asstt. Engineers/ Executive Engineers, before payment is made.

However contracts have been so framed that in specific cases the department's representatives can inspect a component at the manufacturers' works in case such a need is felt due to any particular reason.

The Department is keeping a continuous watch on the performance of various firms in accordance with these terms and conditions.

[Ministry of Communications (P. & T. Department)
U.O. No. 27-6/77-B dated 15-6-1978]

Recommendation

Another disquieting feature which has concerned the Committee is that the air conditioning plant supplied by Frick India Limited, which was required to be installed by Nov., 1968 was put to monsoon, winter and summer tests as late as in August, 1972, January, 1973 and June, 1973 when a number of defects were noticed. Surprisingly enough, the supplier took more than 2½ years to rectify the defects. Though the plant was offered for joint test during, 1975 which was conducted from 25 to 28 September, 1975, it was still not found fit for taking over. The Committee are perturbed to note that the plant could not pass the final test till it was taken over on 26 August, 1976 notwithstanding certain defects still persisting. The Committee would like to have a detailed report within six months on the performance of the plant from the date of its take over.

[Sl. No. 64 (Para 6.102) of Appendix to 14th Report of P.A.C.
(6th Lok Sabha)]

Action Taken

The Air-conditioning plant at Bhubaneshwar was taken over on 26th August, 1976 after the firm had attended all the defects noted

earlier. The performance of the air-conditioning plant since its take-over has been as follows:—

Date of Occurance of fault	Nature of Fault	Date of rectification	Amount incurred on rectification
1	2	3	4
22-3-77	Short circuit in the motor of compressor No. 1	4-4-77	Rs 623
12-4-77	Ball bearing on the blower shaft broken.	19-4-77	720
16-6-77	Gas leaked from the system	Plant not working, Administrative approval for an amount of Rs. 37,573 has been given for thorough overhaul and repair of the plant.	

[Ministry of Communications (P. & T. Department)
U.O. No. 27-6/77-B dated 15-6-1978]

Recommendation

The story of poor performance by the same firm viz., Frick India Limited, has been repeated in their contracts for the air-conditioning plants in the case of Belgaum and Kellys (Madras) Exchanges. The installation of the plant for Belgaum Exchange was completed in October, 1970 but it failed in the tests conducted in June, 1973, February, 1974 and October, 1974. The Committee are concerned to note that even till September, 1976 the plant was not able to pass all the tests satisfactorily. As regards the Kellys (Madras) Exchange, the air-conditioning plant, which was to be installed by November, 1971, was subjected to winter test only in December, 1975 when some defects were noticed in it. The plant was, however, taken over provisionally on 27 February, 1976 subject to the satisfactory summer and monsoon tests.

[Sl. No. 65 (Para 6 103) of Appendix to 14th Report of the P.A.C. (6th Lok Sabha)]

Action Taken

It is submitted that the Air-conditioning plant at Belgaum has subsequently passed the winter test in December, 1975, Monsoon test in August/September, 1976 and summer test in April, 1977. The plant was taken over for use on 9th September, 1976 since then it is working satisfactorily. No fault is reported to have developed on the plant so far.

The air-conditioning plant at Kellys, Madras was provisionally taken over on 27th February, 1976. The plant was successfully tested for monsoon condition during August, 1976 and for summer condition during April, 1977. The plant is working and its general performance is reported to be satisfactory.

All Seasonal tests on both the plants have thus been completed and their performance is reported to be satisfactory so far.

[Ministry of Communications (P. & T. Department)

U.O. No. 27-6/77-B dated 15-6-1978]

Recommendation

The statement of the Secretary of the Ministry of Communications at the time of evidence that out of a total of 8 air-conditioning package units installed by M/s. Frick India Ltd., only 2 are working satisfactorily has come as a revelation. Judging from the poor performance of the firm in the present three cases *vis-a-vis* their overall performance in the other contracts, as also the indifference displayed by them in the matter of rectification of defects, the Committee feel convinced that a serious view (including their black-listing) should be taken about this firm in the matter of farming out of contracts to them.

[Sl. No. 66 (Para 6.104) of Appendix to 14th Report of the PAC
(6th Lok Sabha)]

Action Taken

P&T Department since taking over direct procurement of Air-conditioning Plants in November, 1974, have taken due note of the past performance of various firms while finalising new orders. As far as M/s. Frick India Ltd. are concerned it was being considered not to place any further orders on this firm. However on a representation from them and rendering a special bank guarantee for satisfactory performance, two jobs have been entrusted to them on trial basis. The performance of these installations will be watched for one year after completion of the jobs. Question of awarding any new works to this firm will be considered only if their performance on these contracts is found to be satisfactory.

[Ministry of Communications (P. & T. Department)

U.O. No. 27-6/77-B dated 15-6-1978]

Action Taken

Keeping in view the unsatisfactory performance of the firm no orders for central Air-conditioning Plants have been placed on them after March, 1972.

All the three air-conditioning plants discussed by the P.A.C. in respect of Telephone Exchanges at Bhubaneshwar, Kellys (Madras) and Belgaum are now working satisfactorily. These cases are yet to be finalised and the question of imposing penalties for delay in supply and installation of the Plants would be considered in receipt of 'Loss Statements' from the indenter. The Committee's recommendation for blacklisting the firm is also receiving attention.

[Department of Supply O.M. No. P.III-17(5)|77 dated 29-5-1978.]

In a subsequent note furnished by the P&T Department on 25 October, 1978 at the instance of the Committee, it has been stated as follows:

"The position in regard to the loss statements called for by the D.G.S&D in respect of the air-conditioning plants at Bhubaneshwar, Kellys (Madras), Belgaum is as follows:

- (i) *Bhubaneshwar*: The loss statement has not so far been called by D.G.S&D.
- (ii) *Kellys (Madras)*: Copies of the letter dated 11th July, 1978 from the D.G.S&D calling for the loss statement and the consignee's reply *vide* his letter dated 24-7-78 are enclosed (Annexures I and II).
- (iii) *Belgaum*: Copies of the letter of the D.G.S&D dated 21-3-78 calling for the loss statement and report was furnished by the consignee *vide* his letter dated 13-4-1978 are enclosed (Annexures III and IV).

Two works of air-conditioning plants—one at Hauz Khas telephone exchange, New Delhi and the other at Udaipur telephone exchange—were awarded to M/s. Frick India Limited.

The air-conditioning plant at Hauz Khas telephone exchange was commissioned during March/April, 1977. The plant has been listed for all three seasonal tests. The tests results have generally been satisfactory. A few comparatively minor issues about the performance under summer conditions are under investigation and rectification.

The plant has been working without any major problem for last one year.

The air-conditioning plant at Udaipur was installed and commissioned during June, 1978. The first test on this plant

for monsoon conditions was scheduled to be held during September, 1978. The report is awaited.

Some more time is required before the Department can come to a definite conclusion about the performance of this firm on these two contracts."

ANNEXURE I

Copy of Letter No. ME-4 202|04|274|II.438 dated 11th July, 1978 from the Asstt. Director (Supplies), New Delhi addressed to the Divl. Engineer|F.P., Madras Telephones, Madras-3.

SUBJECT: The office A/T No. ME-4|202|04|274|20-2-70|I|438|PAOD dated 26-2-71 for supply and installation of A/C Plant at Kellys Telephone Exchange against Indent No. PPB|AC| Kellys dated 13-2-70.

The original delivery date specified in the subject A/T has not been adhered to by the firm. Please furnish the following information to enable this office to finalise the case:—

1. Confirm that the stores have been received in full and in good conditions. The exact date(s) of receipt of stores may also be indicated as the terms of the delivery is free delivery at destination.
2. Loss or inconvenience, if any, suffered by you on account of delay in supplies on the part of the firm. In case of some monetary loss, the break up of the same may also be furnished.
3. In case the stores have been received short or damaged or lost in transit, please advise:—
 - (a) whether the claim or shortage|loss or damage have been shown on copies of I|Notes before their release or preferred and got settled with the carriers.
 - (b) Whether the firm despatched the stores under clear R/R if the R/R contain remarks 'said to contain' etc.

4. Whether the receipted copies Nos. 2 and 5 of I/Notes have since been released to the firm and you have no other claim pending against them.

5. Please indicate the date on which the final inspection of the plant has been carried out alongwith the date of taking over the plant.

You may please examine point No. 2 above and categorically mention actual loss, if any, incurred due to delay in installation commissioning.

Your reply should reach this office latest by 25-7-78 positively failing which it will be assured that you have received the stores in full and no loss or inconvenience has been suffered by you and the contract will be finalised on its merits without any further reference to you, at your risk and cost. Any financial repercussion arising thereof will be your liability which you may kindly note.

Sd/- Asstt. Director (Supplies)
for Director General of Supplies and Disposals.

INDENTOR: The A.D.G. (BT), DGP&T, Dak Tar Bhavan, Parliament Street New Delhi: for similar action please.

ANNEXURE II

Copy of Letter No AE/KLY/Exc/AC Plant/4339 APP 71-72/78-79 dated 24-7-78 from the Asstt. Engineer (Phones), Kellys Crossbar Exchange (Mtce.), Madras-10 addressed to the Asstt. Director O/O Director General of Supplies and Disposal, New Delhi-110001.

SUBJECT: Your AT No. ME-4/202/04/274/20-2-70/I/438/PAOD dated 26-2-71 for supply and installation of AC Plant at Kellys Telephone Exchange against indent No. PPE/AC Kellys dated 13-2-70.

Ref: Your letter No. ME 4/202/04/274/II/438, dated 11-7-78.

Kindly refer to the letter cited above and informations required by you are furnished serial-wise below:

I. The stores have been received in full and in good condition on.

(a) RRA 193133	. . . . .	dt 25-10-71	18-11-71
(b) RR 193122	. . . . .	dt 11-10-71	4-12-71
(c) RRA 465254	. . . . .	dt 10-11-71	20-12-71
(d) RRA 465285	. . . . .	dt 10-11-71	21-12-71
(e) Lorry Way Bill No 56510	. . . . .	dt 23-2-72	6-3-71
(f) RRA 194122	. . . . .	dt 29-12-71	26-4-72
(g) RRA 195811	. . . . .	dt 3-4-72	22-4-72
(h) Delivery Challan No 649	. . . . .	dt 15-5-72	15-5-72

II. Loss or inconvenience if any suffered on account of delay in supplies on the part of the firm. Nil.

Sl. No. 3: (A & B) The short supplies of materials against DGS & D bill No. HOGI 34 and 35 dt. 6-11-71 amounting to Rs. 5200/- have been settled by the firm. In this connection D.O. Lr. No. SA. 17/ME. 4/2731/32 dated 3-4-73 of Pay and Accounts Officer, Ministry of Supplies New Delhi to AO G.M. Madras Telephones may be referred.

Sl. No. 4: The copies Nos. 2 and 5 of I/Notes have been released. The firm was asked to obtain required amendment from DGS & D and suitable price reduction as per final joint inspection report ref. Sl. No. 5 below and also refer Lr. No. PPE/AC/KLY/V/44 dated 13-6-1977 of D.E. Equipment Planning addressed to DGS & D.

Sl. No. 5: The Plant was provisionally taken over on 27-2-76. The final joint inspection of the plant has been carried out on 25th and 26th April, 77. In this joint inspection report vide para III (1&2) the firm was asked to obtain the required amendment from D.G.S. & D. with suitable price reduction.

ANNEXURE III

No. ME-4/202/04/416/II/266

Government of India

Dte. General of Supplies & Disposal Parliament, Street,
New Delhi-110001.

BY REGD. POST

Dated the 21-3-1978.

To,

The Asstt. Engineer Trunks,
Telephone Exchange,
Belgaum-590001.

SUBJECT: This office A/T No. ME-4/202/04/416 (27-7-68)/I/266/PAOD
Dated 26-7-78 for supply and installation of A/C Plant at
Belgaum T.E. against Indent No. 1050/52 APP dt. 19-7-67.

The original delivery date specified in the subject A/T No. has not been adhered to by the firm. Please furnish the following information to enable this office to finalise the case:—

1. Confirm that the stores have been received in full and in good conditions. The exact date(s) of receipt of stores may also be indicated as the terms of the delivery is free delivery at destination.
2. Loss or inconvenience, if any, suffered by you on account of delay in supplies on the part of the firm. In case of some monetary loss, the break up of the same may also be furnished.
3. In case the stores have been received short or damaged or lost in transit, please advise:—
 - (a) whether the claim or shortage/loss or damages have been shown on copies of I/Notes before their release or preferred and got settled with the carriers.
 - (b) whether the firm despatched the stores under clear R/R if the R/R contain remarks 'said to contain' etc.
4. whether the receipted copies Nos. 2 & 5 of I/Notes have since been released to the firm and you have no other claim pending against them.
5. Please indicate the date on which the final inspection of the plant has been carried out alongwith the date of taking over the plant.

Your reply should reach this office latest by 10-4-78 positively failing which it will be assumed that you have received the stores in full and no loss or inconvenience has been suffered by you and the contact will be finalised on its merits without any further reference to you, at your risk and cost. Any financial repercussion arising thereof will be your liability which you may kindly note.

Sd/-

K. K. MALHOTRA,
Asstt. Director (Supplies)
... for D.G.S. & D.

Copy to INDENTOR:—The ADG (BT), DGP&T, Dak Tar Bhavan,
Parliament Street, New Delhi—for similar
action.

ANNEXURE IV

INDIAN POSTS AND TELEGRAPHS DEPTT.

From: The Asstt. Engineer, Trunks,
Belgaum-590001.

To

The Asstt. Director (Supplies),
O/O The Director General of Supplies & Disposal,
Parliament Street, New Delhi.

No. 1050 APP/64-65/125

Dated 13-4-78.

Sub: A/T No. ME 4/202/04/416 (27-7-68) I/266/PAOD, dated 26-7-68,
for supply and installation of A/C Plant at Belgaum Tele-
phone Exchange, against Indent No. 1050/52 APP dated
19-7-67.

Ref: Your letter No. ME 4/202/04/416 II/266, dated 21-3-78.

Parawise report is as under:—

Para 1. The stores have been received in full and in good condition.

Para 2. Because of the delay in erection of the central air-condition-
ing plant at Belgaum, the department has purchased 13 Nos.
of Room Air Conditioners to reduce the fault liability in
Crossbar Exchange at Belgaum.

Para 3. N/A.

Para 4. Copies of Inspection Notes No. 2 & 5 have already been released to the Firm under this office letter No. 1050/APP/64-65/123 dated 10-4-78.

Para 5. Final Summer Tests have successfully been carried on 11th to 13th April, 1977.

A/C Plant had been taken over on 9-9-76, after the successful completion of the monsoon tests.

Sd/-
Asstt. Engineer,
Trunks, Belgaum.

Copy forwarded for information to:—

Shri Seetharaman,
Asstt. Director (BT) O/O the D.G.P. & T. Dak Tar Bhavan,
Parliament Street, New Delhi with reference to his telephonic talks of date.

2. The D. E. Telegraph, Belgaum for f/o information.

Recommendation

M/s American Refrigerator Company, New Delhi is concerned in yet another case of supply of air-conditioner for the Agra Telephone Exchange. This plant was installed in this Exchange in September, 68 as against the stipulated period of March 1966. No Action was taken against the firm for the initial delay of about 2½ years. The five tests conducted on the plant during September, 1968 to June 1971 revealed numerous defects. In spite of the fact that the Additional Chief Engineer of the Posts and Telegraphs Department had intimated as early as August, 1971 that the plant was beyond repair, the Department persisted with further trial and took over the plant on 5th July 1973 on instructions from the Director General Posts and Telegraphs. The Committee have been informed that the plant failed to give satisfactory service after take over and had to remain idle.

[Sl. No. 71 (Para 6.109) of Appendix to 14th Report of PAC (6th Lok Sabha)].

Action Taken

The observation of the Committee has been noted. The question of take over of the air-conditioning plant is proposed to be examined

alongwith other cases of delays in important projects in the last ten years. A report in this regard is expected in about an year's time.

The case for rectification of defects is being pursued with the firm as well as DGS&D.

The report of the Addl. Chief Engineer, P&T Jabalpur dated 4-8-71 advising the rejection of the plant was addressed to the Director of Inspection (DGS&D) New Delhi and copy was endorsed to this office. This was taken up with DGS&D on 9-8-1971 by the P&T Directorate to reject the plant. The DGS&D called for a meeting of the representatives of the DGS&D, the P&T, the Firm, the consignee and the Additional Chief Engineer P&T Jabalpur and it was decided that the plant should be run continuously for a month in April 72 and the rejection of the plant or otherwise be considered after seeing the performance. Accordingly, the plant was run and another inspection test of the plant were conducted jointly by the representatives of the Department and the supplier in June 1972. Though a number of defects were persisting, the plant was stated to be able to maintain the desired inside conditions. Again a meeting was held in November 1972 in the Office of the DGS&D in which the Firm agreed to rectify the defects and to guarantee against crack in refrigerant pipe due to vibrations of the plant until October 1973.

In consideration of this guarantee, the D.G.P.&T had instructed the taking over of the plant in July 1973.

The firm has taken both the compressors for repairs and sent them to the factory of their manufacture at Poona for thorough overhaul and check on 10-10-1977. The performance of the plant will be watched after the compressors are put back and recommissioned by the firm.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B Dated 31-5-1978]

Recommendation

The Committee desire that the entire question of take-over of the defective plant in spite of the persistent defects and despite the adverse report of the Addl. Chief Engineer, Posts and Telegraphs, Jabalpur, should be thoroughly investigated with a view to fixing responsibility. The Committee would also like the Department to examine and inform what action has been taken against the firm for the breach of contract.

[Sl. No. 72 (Para 6.110) of Appendix to 14th Report of PAC (6th Lok Sabha)].

Action Taken

It is proposed to investigate all cases of delays of important projects including the taking over of air-conditioning plants in the last ten years. It is expected that this report will be available in an year's time.

The action to be taken against the Firm has to be examined by the DGS&D. It is understood that they are taking some action in the matter and will submit their Action Taken Note directly.

[Ministry of Communications (P&T Department) U.O. No.
27-6/77-B Dated 31-5-1978]

Action Taken

The question of take over of the defective plant would be thoroughly investigated shortly by the Vigilance Branch with a view to fixing responsibility and the Committee apprised of the findings.

Question of breach of contract by the firm and imposition of suitable penalty would also be examined shortly in consultation with the Law Ministry and a further Action Taken Note submitted to the Committee.

[Department of Supply O.M. No. P.III-17(5)/77 Dated 29-5-1978]

CHAPTER V

RECOMMENDATIONS OR OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

Recommendation

The Committee note that as against 11,250 estimated mazdoor days for the installation of the equipment, 21,839 mazdoor days were actually spent involving an additional expenditure of Rs. 0.64 lakh in wages. As there was no uniform formula in this regard, the P&T Department constituted a special Group to go into the matter and lay down broad guidelines. The Committee have been informed that the Special Group have since submitted their Report and the same is under consideration. The Committee would like to be informed of the conclusive action taken in pursuance of this Report.

[Sl. No. 17 (Para 1.87) of Appendix to the 14th Report of the PAC
(6th Lok Sabha)].

Action Taken

The report of the special group set up in this regard is still under active consideration. It is hoped to finalise the decision in this regard shortly when a further report will be submitted to the Committee.

[Ministry of Communications (P&T Department) U.O. No.
27-6/77-B Dated 25-5-1978]

Recommendation

The Committee are constrained to note that the work of the telephone exchange building at Sanathnagar though sanctioned in 1967 was completed in February 1974, over a period of about 6½ years. The inordinate delay of 28 months in the construction of the building alone, beyond its stipulated period of July 1971 is inexcusable. The Committee also note that after the building was put up, another 8 months were taken to provide water and electricity which became available by December 1974 only. The contributory factors for the delay like cement shortage etc. could have been tackled as these were foreseeable and had not arisen abruptly. As regards subsequent changes in the structure, the need, nature and extent of changes brought about are open to question. The Committee would like the P&T Directorate to examine in depth the reasons which

were responsible for the delay in the construction of the building with a view to taking suitable remedial measures for future. The Committee would like to be informed of the action taken in pursuance of this recommendation.

[Sl. No. 26 (Para 2.30) of Appendix to 14th Report of PAC
(6th Lok Sabha)].

Action Taken

The indepth examination of the reasons for the delay for construction of building of Sanathnagar is being undertaken. The results of the examination will be intimated shortly.

Instructions have already been issued to monitor the progress of project including construction of buildings through the PERT/BAR Charts. Heads of Circles/Telephone Districts have been advised to hold regular coordination meetings and review the progress of each project.

[Ministry of Communications (P&T Department) U.O. No.
27-6/77-B Dated 15-5-1978]

Recommendation

The Committee find that though 50 per cent of the capacity viz., about 850 lines was commissioned on 10 March, 1976 and subsequently stations like Ambala, Chandigarh, Amritsar, Simla and Jullundur had been connected till date, difficulty cropped up in connecting both ways Chandigarh, Simla, Jullundur which continued till November 1976. The Committee would like to know whether this difficulty which was to be overcome on the commissioning of inter-TAX working between Ambala TAX and Delhi TAX in November 1976 has since been removed. The Committee hope that concerted efforts would now be made to expedite the balance equipment so that the project is upgraded to provide the rated capacity of 1700 lines without loss of further time. The Committee would like to be apprised of the further progress made in this regard.

[Sl. No. 34 (Para 3.45) of Appendix to 14th Report of PAC
(6th Lok Sabha)]

Action Taken

The difficulty in the transfer of Chandigarh and Jullundur from Delhi TAX to Ambala TAX has now been overcome and transfer is expected to be completed before the end of March, 1978. No difficulty in respect of Simla was experienced even earlier. STD in both directions were commissioned within a span of 4 months.

As far as modifications work is concerned, M/s I.T.I. have now intimated that the supply of materials will be completed by the end of March, 1978. The modification work has been started and concerted effort is being made to complete this work as early as possible. The full 1700 lines are expected to be available for carrying traffic by March, 1980.

[Ministry of Communications (P&T Department) U.O. No.
27-6/77-B Dated 17-5-1978]

Recommendation

The Hindustan Cables Limited, which is the sole supplier of cables to P&T Department, has also failed to come up to expectations in the matter of supply of cables for this Exchange. During the years 1969 to 1974 the performance of the undertaking has been anything but satisfactory. During the years 1971-72 to 1973-74, against the orders for 6096 km., 4040 km. and 4640 km., the actual supplies effected were only 1640 km., 1938 km., and 2489 km. respectively. Considering the ever-widening gap between the demand and supply of cables, the Committee had in paragraph 1.92 of their 204th Report (5th Lok Sabha—1975-76), recommended to the Government “to give a 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.” The Department had assured the Committee in their Action Taken Note that special efforts were now being made to procure quantities of cables to match the supply of exchange equipment. During the years 1974-75 and 1975-76 the supplies made were to the extent of 88 per cent and 92 per cent of the orders placed. The Committee had stressed the need for concerted and sustained efforts for ensuring execution of the annual supply order for cables in entirety. It is perplexing that despite the recommendations of the Committee in their 204th Report (5th Lok Sabha—1975-76) that the Hindustan Cables should be placed under the administrative control of the Ministry of Communications, the Government have decided that this undertaking should continue under the administrative control of the Ministry of Industrial Development.

[Sl. No. 42 (Para 4.72) of Appendix to 14th Report of the PAC
(6th Lok Sabha)]

Action Taken

The Ministry of Communications have been urging the Ministry of Industry for the last several years that there are many advantages in transferring the administrative control of the Hindustan Cables Limited to the Ministry of Communications. It was pointed out that the control of HCL by the Ministry of Communications which was already managing the other two telecommunication industries, namely, I.T.I. Limited and H.T.L., would not only ensure better coordination amongst the telecommunication industries and the main user Department (P&T) but would also enable improvement in the quality of products and promotion of exports. Despite repeated requests made over the last few years the Ministry of Industry have not so far accepted the proposals.

2. In April, 1976 the then Minister of Communications wrote to the then Prime Minister in this regard. A reply was received from the Prime Minister's Secretariat that the Prime Minister had considered the suggestion and that she felt that no change was necessary.

3. After the formation of the new Government, the Minister of Communications again took up the matter with the Minister of Industry but again the proposal was not accepted by the Ministry of Industry. It is now proposed to take up the matter with the Prime Minister so that a solution could be found to this long pending issue.

[Ministry of Communications (P&T Department) U.O. No.
27-6/77-B Dated 17-5-1978]

Recommendation

Keeping in view the fact that a potential loss was suffered by the P&T Department due to the abnormal delay in the completion of the cable laying part of telephone project for want of timely supply of cables and also the fact that the Ministry of Communications was the principal consumer of the cables produced by Hindustan Cables Limited the Committee once again stress that the question of transfer of control of this company to the Ministry of Communications should be reconsidered in all its ramifications and finalised expeditiously.

[Sl. No. 43 (Para 4.73) of Appendix to 14th Report of the PAC
(6th Lok Sabha)]

Action Taken

The matter is being pursued. In this connection Action Taken Note for item 42 may kindly be referred.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B Dated 17-5-1978]

Recommendation

The Committee are constrained to note that after installation of the plant in July 1968, it remained under testing till December 1971, when several defects were noticed each time and reportedly rectified by the firm, and the plant was accepted by the Department in January, 1972. The Committee are surprised to note that the plant developed faults within five months of its commissioning and was shut down in April 1974 due to the leaks in evaporative condenser coils, which were guaranteed for five years. The plant was recommissioned only on 31 August 1976 on replacement of the defective coils but it is still not rendering satisfactory service. The Committee regret that due to the continuous poor performance by the firm and lack of supervision on the part of the departmental officials, the Department had to incur another expenditure of Rs. 0.85 lakh for purchase of another 13 window type of air-conditioners for providing essential protection to the exchange equipment which had in the mean time been augmented to provide for increase in the load of traffic. They had further to incur another expenditure of about Rs. 20,000 to carry out repairs to the plant between 22 June 1973 to 15 February 1974. What passes comprehension is the almost total failure of the Department to take any action against the firm whose performance has been any thing but satisfactory. This lacuna should be taken note of by the DGS&D for suitable remedial action.

[Sl. No. 70 (Para 6.108) of Appendix to 14th Report of PAC (6th Lok Sabha)]

Action taken by the Department

The Committee's observation has been noted for future guidance and action. Comments regarding action against the firm for its performance will be furnished by the Department of Supplies.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B Dated 7-4-1978]

Action Taken

It had been reported by the concerned Inspecting Officer on 20-1-77 that the Evaporator Condenser had been rectified and the

plant was working satisfactorily. There has been no further complaint from the Consignee.

Question of recovery of extra expenditure from the firm because of the delay in installation/commissioning of the plant would be examined for appropriate action in consultation with Law Ministry. The unsatisfactory performance of this and other firms would be duly taken into consideration at the time of renewal of their registration and placing all future contracts on them.

[Department of Supply O.M. No. P.III-17(5)77 Dated 29-5-1978]

Recommendation

It is also suggested that a continuous evaluation of the performance of all the suppliers of sophisticated airconditioning equipments should be made with a view to taking appropriate action at least in placing future orders. Government may also consider the feasibility of setting up a public sector undertaking to manufacture air-conditioning plants for P&T and other Departments in view of the poor performance of the private firms as pointed out in the preceding paragraphs.

[Sl. No. 73 (Para 6.111) of Appendix to the 14th Report of the PAC (6th Lok Sabha)]

Action Taken

In order to keep a watch on the performance of the various firms it is intended to introduce in P&T a system of enlisting the air-conditioning and refrigerating contractors. The enlistment will list the firms in a number of classes. The capability of a particular firm will be duly taken into account for placing them in a particular class. For enlisted contractors there will be a system of maintaining a confidential register in which details of work awarded and the contractor's performance on the same will be recorded. This data would be taken into consideration while placing new orders.

The question of setting up of a public-sector undertaking to manufacture air-conditioning plants for P&T and other departments was taken up with the Ministry of Industrial Development, who have intimated, that this aspect would be examined in detail.

[Ministry of Communications (P&T Department) U.O. No. 27-6/77-B Dated 31-5-1978]

P. V. NARASIMHA RAO,
Chairman,
Public Accounts Committee.

NEW DELHI;
December, 13 1978.
Agrahayana, 22 1900 (S).

APPENDIX XVII

Conclusions or Recommendations

Sl. No.	Para No. of the Report	Ministry/ Department concerned	Conclusion or Recommendation
1	2	3	4
1	1.3	Ministry of Communications (P&T Department) Department of Supply	The Committee require that final replies duly vetted by Audit to those recommendations or observations in respect of which only interim replies have so far been furnished, should be submitted expeditiously.
2	1.6	Ministry of Communications (P & T Department)	Distressed over taking an inordinately long period of 12 years in the installation and commissioning of a 6000 lines automatic telephone exchange at Ludhiana, the Committee had, <i>inter alia</i> , recommended for the holding of a thorough study of the manner in which the entire project was planned and executed so as to fix responsibility and take action within six months (i.e. by May 1978) against those who have been derelict in the performance of duties. In pursuance of this recommendation, as well as a number of other similar recommendations contained in the 14th Report, the Ministry of Communications in their Action Taken Note have stated that they propose to depute an Officer on Special Duty to study in detail not only this project but also a few others which have apparently been delayed during the last 10 years for identifying the reasons for such

delays, recommending suitable steps to avoid their recurrence and also going into the aspect of fixing responsibility. The Committee are distressed to note that even against their recommendation more than six months have already elapsed and the Government have yet to appoint the Officer on Special Duty for the purpose. The Committee reiterate in very strong terms that not more than six months should now be taken in analysing the causes of delays for all the projects contemplated for examination by the Government including remedial steps to avoid their recurrence and also bringing to book the persons found responsible for such delays. The Committee would like to be apprised of the findings of the Officer on Special Duty and the remedial and conclusive action taken in this behalf.

3 1.7 Ministry of Communications
(P & T Deptt.)

The Committee had also recommended that the aforesaid study should be undertaken to derive lessons for future so that such indefensible delays do not recur and that the work is completed in the least possible time. According to the Department's own calculations, the project should have been completed in not more than six years as against the period of 12 years actually taken. The Committee had felt that even this period of 6 years was much too long as the Telecommunication authorities with all their vast experience in the field should be able to complete the initial works in less than two years and the work of construction and installation should be so phased and synchronised as to be completed at the earliest, say,

within 2 to 2½ years instead of the margin of four years taken. The Committee note with dissatisfaction that the question of reduction of time in actual construction of buildings and installation of telephone exchanges is still under examination of the Government. The Committee stress that such an examination should be completed expeditiously so that the necessary time norms are laid down urgently for planning and execution of work on installation and expansion of telephone exchanges in future.

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I. 14 Ministry of Communications
(P & T Department)
Department of Supply

The Committee note that the air-conditioning plant was provisionally taken over from M/s. York India Limited on 16-6-1977 subject to passing of monsoon tests and removal of all pending defects and discrepancies. The Committee are, however, distressed that that though the monsoon test was conducted successfully on 22/23-8-1977, some defects and discrepancies pointed out by the testing party have "not been rectified so far". From the loss statement furnished by the P&T Department to the Department of Supply on 28 August 1978, the Committee note with concern that the Electronic Filter and water softening plant has not been commissioned so far though it was pointed out at the time of monsoon test and thereafter the case had also been taken up with the firm. The P&T Department have very plainly confirmed in the loss statement furnished to the Department of Supply that the quality and service given by the Telephone Exchange remained extremely poor due to non-commissioning of air-conditioning plant thus resulting in severe inconvenience to subscribers. Further, the lack of air-conditioning caused extensive deterioration to the exchange equipment on a perma-

nent basis. While the Committee are anxious to know the reasons for the non-rectification of these defects, they would also like to be apprised of the performance of the plant since its take-over. The Committee would once again emphasise that the lack of urgency and seriousness displayed by the firm in the execution of the contract should be viewed strongly while deciding the course of action against them for their numerous breaches in this contract.

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1.17 Ministry of Communications
(P & T Department)

The Committee regret that the Department has failed to appreciate their anxiety for evolving some formula to assess the approximate quantum of damage caused to Telephone Exchange equipment due to the non-commissioning or faulty functioning of air-conditioning plants. As explained by the Department, the Committee agree that it may not be technically feasible to exactly quantify the damage due to this, but they feel that it should not be so difficult to evolve certain criteria or formula for working out the approximate loss, which may in the long run form part of the loss to be finally recovered from the firm. The Committee hope that such a working arrangement with the firm will lead to minimise the chances of faulty functioning of the plants. They, therefore, recommend that the Department should undertake yet another serious exercise to evolve certain criteria for assessing the loss to the equipment due to the unsatisfactory working of air-conditioning plant and making suitable provisions to that extent in the contracts.

6 1.20 -do-

As accommodation to the extent of 5600 sq. ft. in the new exchange was lying unutilised, the Committee had recommended that the P&T Department should review the matter so as to locate the satellite exchange in the departmental building. As the action taken note is silent on this aspect, the Committee would like to know the action taken on their suggestion.

7 1.26 Ministry of Communications
(P & T Department)
Department of Supply

The Committee do not agree with the arguments advanced by the Department that the sole reason for delay in the installation and commissioning of the air-conditioning plant for Trunk Automatic Exchange at Ambala could be attributed to the air-conditioning firm. The P & T Department have shown lack of purposive approach in the initial stages of processing and placement of the indent. For instance, indent for the air-conditioning plant, which was required to be installed before the commencement of the installation of the equipment was sent to DGS & D in April, 1971 when the supply of equipment for the Exchange had already commenced in January, 1971. Still, further 8 months were lost in placing the order on the firm in January, 1972. The Department has given no explanation for this delay of 22 months from March, 1970 when the building had been completed. The Committee consider the delay as most deplorable calling for investigation for fixing responsibility.

8 1.28 Ministry of Communications
(P & T Department)

The Committee had also earlier expressed their displeasure over the delay in the installation of equipment, which took 4 years after the work was commenced in January, 1971, as against the stipulated period of one year. Due to these delays, the Department has been

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put to tremendous loss, as on completion of the project, the annual revenue expected was about Rs. 62 lakhs from STD receipts. The Committee do not agree with the argument advanced by the Department in justification of this delay that about 36—40 months are required for installation of a TAX (Trunk Automatic Exchange) of this size against the stipulation of one year made in the estimate, when according to Department's reply to paragraph 1.72 (Sl. No. 2) of 14th Report the completion in all respects of a project three times as big as the one under consideration should take 3½ to 5 years.

9 1.31 Ministry of Communications
(P & T Department)

The Committee note that in pursuance of their recommendation pertaining to the gearing up of their machinery by Indian Telephone Industries for ensuring the observance of the time-schedule for the completion of indents received from the P & T Department, sequential package programmes have been evolved by Indian Telephone Industries in consultation with the P & T Department. For ensuring that ITI adheres to these programmes, a penal cut of 10 per cent on the value of supplies has been agreed upon for items of non-sequential supplies.

154

10 1.34 -do-

Greatly distressed over the delayed supply and installation by the suppliers of air-conditioning plants for the Telephone Exchanges, which play a significant role in protecting the delicate and sophisticated exchange equipment from dust and humidity, the Committee

had recommended that the P&T Department and the DGS&D should jointly review the position and suitably modify the terms of the contract, as according to the past experience, the firms had not only been showing lack of enthusiasm in making the timely supplies of the equipment and its installation but also have generally been displaying utter indifference in rectification of the defects noticed during the prescribed seasonal tests. The Committee had found that one of the main reasons responsible for indifference on the part of the suppliers was that according to the terms of the supply orders, payments were made to the extent of 80 per cent after the initial inspection of the plant and proof of despatch and the balance 20 per cent after erection of the plant at site and final inspection and tests. The Committee wish that as claimed by the P&T Department, the position might improve as a result of taking over the work of procurement of air-conditioning plants by the P&T Department themselves from the DGS&D. But they are surprised to note that the same terms and conditions for the contracts have been maintained by the P&T Department, particularly with regard to the payment, which in the Action Taken Note has been shown as 85 per cent of the tender value after the equipment and material reached at site. As the P&T Department (Air Conditioning Cell) will have to deal with the same set of suppliers, the Committee feel that things may not improve as expected. The Department does not appear to have learnt a lesson from the past sad experience with the suppliers. The Committee strongly urge the Department to thoroughly review the terms of contract in the light of their past experience with the firms,

and make the terms as strict as possible, particularly with regard to payment clause, so that better results as contemplated in the taking over of the work of the procurement of air-conditioning plants by the P&T Department themselves, could be achieved. The Committee would like to be apprised of the detailed steps taken in this regard and the new experience gained as a result thereof.

II 1.40 Ministry of communication
(P & T Department)

Department of Supply

The Committee are distressed to note from the reply of the P&T Department that the performance of the air-conditioning plant for Bhubaneswar Exchange since its take over by the Department on 26-8-1976 has not been wholly satisfactory, although the Department of Supply had claimed that it was working satisfactorily. Apart from the two minor breakdowns experienced in the plant on 22-3-1977 and 12-4-1977, there was another breakdown, viz., leakage of gas on 16-6-1977 due to which the plant had stopped working and it required thorough overhaul costing Rs. 37,573. The Committee would like to know whether these faults were due to some inherent defect in the plant or its faulty operation by the Department. The Committee would urge that concrete steps should be taken expeditiously to complete the overhauling and repairing of the plant so that it is put back to normal operation. In case these faults are covered under the warranty clause action should also be taken against the firm to realise the cost.

the Department of Supply against the firms for the various defaults in the execution of contracts for supply and installation of air-conditioning plants, the P&T Department are required to furnish Loss Statements to the Department of Supply. While the loss statements in respect of Balgaum and Kellys Exchanges have already been furnished by the P&T Department to Department of Supply, such statement in respect of Bhubaneshwar Exchange is yet to be called by the DGS&D. From the statements furnished by the P&T Department the Committee note that in the case of Kellys (Madras) no loss or inconvenience had been suffered by the Department. But in the case of Belgaum, because of delay in the erection of central air-conditioning plant, 13 Nos. of room air-conditioners had to be purchased. The Committee would like Government to obtain the loss statement in respect of Bhubaneshwar also to determine whether the performance of the firm was satisfactory or not.

13 1.42 Ministry of Communications
 (P & T Department)

The Committee note that on a representation from the firm two works of air-conditioning—one at Hauz Khas, Delhi and another at Udaipur—were entrusted to the firm in April, 1977. The plant at Hauz Khas is reported to be working satisfactorily but the report on performance of Udaipur plant is awaited. The Committee desire that the performance of Udaipur plant be assessed before awarding any fresh contract.

14 1.46 Ministry of Communications
 (P & T Department)
 Department of Supply

The Committee are unhappy to learn that the air-conditioning plant for the Agra Telephone Exchange which was installed in September, 1968, after an initial delay of 2½ years and thereafter taken

over on 5th July, 1973, in uncertain working condition, has remained idle since then. It is more surprising that both the defective compressors of the plant which were sent to their factory for thorough overhaul and repairs on 10-10-1977 have not yet been received back. The Committee would strongly urge the DGS & D to make concerted efforts to put the plant in effective operation urgently. The Committee would also await the results of investigations into the doubtful circumstances of its taken over. The Committee would also stress that appropriate action against the firm for flagrant breaches of contract as also imposition of suitable penalty should be completed urgently in consultation with the Ministry of Law.

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