

**PUBLIC ACCOUNTS COMMITTEE  
(1977-78)**

**(SIXTH LOK SABHA)**

**THIRTY-FIRST REPORT**

**EXPANSION OF SRINAGAR TELEPHONE  
EXCHANGE**

**MINISTRY OF COMMUNICATIONS**

**(P&T BOARD)**

[Action taken by Government on the recommendations of the Public Accounts Committee contained in their 204th Report (Fifth Lok Sabha)]

*Presented in Lok Sabha on 29th December, 1977*

*Laid in Rajya Sabha on 29th December, 1977*



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PUBLIC ACCOUNTS COMMITTEE.

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
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## PUBLIC ACCOUNTS COMMITTEE (1977-78)

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Shri C. M. Stephen

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- \*2. Shri Halimuddin Ahmed
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4. Shri Brij Raj Singh
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13. Shri Gauri Shankar Rai
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15. Shri Vasant Sathe.

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22. Shri Zawar Hussain.

### SECRETARIAT

1. Shri B. K. Mukherjee—*Joint Secretary.*
2. Shri T. R. Ghai—*Senior Financial Committee Officer.*

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\*Elected *w.e.f.* 23 November, 1977 *vice* S/Shri Sheo Narain and Jagdambi Prasad Yadav ceased to be Members of the Committee on their appointment as Ministers of State.

## INTRODUCTION

I, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Thirty First Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 204th Report (Fifth Lok Sabha) on 'Expansion of Srinagar Telephone Exchange'.

2. On 10 August, 1977, 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 C. M. Stephen—*Chairman*
  2. Shri Asoke Krishna Dutt—*Convener*
  3. Shri Gauri Shankar Rai,
  4. Shri Tulsidas Dasappa
  5. Shri Kanwar Lal Gupta
  6. Shri Zawar Hussain
  7. Shri Vasant Sathe
- } *Members*

3. The 'Action Taken Sub-Committee' of the Public Accounts Committee (1977-78) considered and adopted this Report at their sitting held on 29 November, 1977. The Report was finally adopted by the Public Accounts Committee (1977-78) on 19 December, 1977.

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

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

NEW DELHI ;  
December 20, 1977.  

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Agrahayana 29, 1899 (*Saka*).

C. M. STEPHEN,  
*Chairman,*  
*Public Accounts Committee.*

## CHAPTER I

### REPORT

1.1. This Report of the Committee deals with the action taken by Government on the Committee's recommendations/observations contained in their 204th Report (Fifth Lok Sabha) on 'Expansion of Srinagar Telephone Exchange', commented upon in paragraph 10 of the Report of the Comptroller and Auditor General of India for the year 1973-74, Union Government (Posts & Telegraphs).

1.2. The Committee's 204th Report was presented to the Lok Sabha on 30th March, 1976 and contained 16 recommendations/observations. According to the time schedule for furnishing Action Taken Notes on the Committee's recommendations/observations, prescribed in the Committee's 5th Report (Fourth Lok Sabha), the Notes indicating the action taken by Government in pursuance of the recommendations/observations contained in the 204th Report were required to be furnished to the Committee latest by 30 September, 1976. The Ministry of Communications (P & T Board) had, however, been requested, on 2 June 1976, to furnish the relevant Notes latest by 31 August 1976, so that the Committee's work might be facilitated and all the Action Taken Notes were made available to the Committee in accordance with this revised schedule.

1.3. The Action Taken Notes received from Government have been broadly categorised as follows :

(i) *Recommendations/observations that have been accepted by Government :*

Sl. Nos. 1, 2, 4, 5, 7, 8, 10, 13, 14, 15 and 16.

(ii) *Recommendations/observations which the Committee do not desire to pursue in the light of the replies received from Government :*

Sl. Nos. 3, 11 and 12.

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

Sl. No. 9.

(iv) *Recommendations/observations in respect of which Government have furnished interim replies :*

Sl. No. 6.

1.4. The Committee will now deal with the action taken by Government on some of their recommendations/observations.

*Lack of synchronisation between different components of the Expansion Project.*

(Paragraphs 1.86 to 1.87 and 1.89 to 1.90—Sl. Nos. 1 to 2 and 4 to 5).

1.5. Reviewing the execution of a project for the expansion of the capacity of the Srinagar Telephone Exchange and delays in the release of fresh telephone connections, the Committee, in paragraphs 1.86 to 1.87 and 1.89 to 1.90 of their 204th Report, had observed, *inter alia*, as follows :

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

“1.87. The non-receipt of permission for digging trenches ‘despite continuous persuasion’ has been cited as one of the reasons for the delay in laying the distribution cables. This, in the Committee’s view, can hardly be considered a valid excuse for delaying a project in which the local population of Srinagar, backed by the local administration as well as the Defence authorities for whom the telephone connections were of strategic importance, must have presumably evinced enthusiasm. By proper advance planning and coordination, it should not have been difficult for the Department to enlist the cooperation and active support of the local authorities. It is a pity that this work, started even after the first consignment of stores had been received, just came to be abandoned.”

“1.89. Yet another reason advanced for the delay in the completion of the expansion project is the non-receipt of essential cables required for the project from the Hindustan Cables Ltd. The Committee, however, find from a letter dated 20 December 1973 from the Department to Audit that at the time of preparation of the distribution cable plan the length of various sizes of cables provided were only approximate and had not taken into account the actual location of the distribution points with reference to the release of connections to persons on the waiting list. Consequently, the provisions made in the cable plan proved different from those made in the detailed estimate based on actual measurements. Admittedly, there was an error in forecasting the cable requirements and by the time the detailed estimate was sanctioned

in February 1967, sixteen months after the sanction of the project, and necessary indents for the cables were released in March 1967, much valuable time had been lost. This is indicative of defective planning which was by no means unavoidable. Our telephone system can do a lot better, as was seen when a project, sanctioned in November 1972, for the further expansion of the Srinagar Exchange from 4500 to 4800 lines, was started earlier (April 1972) and completed (August 1972), even before the sanction was issued."

"1.90. The Committee heard the Secretary of the Ministry of Communications arguing that if the estimate relating to the distribution cables had been sanctioned earlier and orders therefor placed before March 1967, it might have resulted in the cables being received earlier than required and left without any utilisation. While this argument may be valid in a certain situation, the Committee feel that this was not a very tenable assumption to make in the context of the general shortage of cables in the country at the time the project was taken up for execution. The problems likely to be encountered in the procurement of cables were also not unknown to the Department. The Public Accounts Committee (1968-69) put it on record, in paragraph 2.35 of their 40th Report (Fourth Lok Sabha), that as much as 13 per cent of the connectable capacity of telephone exchanges in the country with 1000 lines or above had remained unutilised, primarily on account of a shortage of cables. The Committee had further noted that the shortage of cables had assumed such proportions that the Department had anticipated that as much as two-thirds of their cable requirements would remain unsatisfied at the end of 1968-69. In view of this position it was only appropriate for the Department to have worked out the cable requirements of the Srinagar project in a more realistic manner and initiated action, with foresight and care, for the procurement and delivery of cables required for the project, in consultation with the Hindustan Cables Ltd. That this was not done would suggest that the basic planning of the expansion project was defective. The Committee would like to stress that once a project is taken up for execution, there should be a proper synchronisation of the different components of the project from the very beginning and a genuine coordination between the different agencies involved, so that the shortage or non-supply of certain essential items do not hold up the completion of the project."

1.6. In their Action Taken Note dated 28 July 1976, furnished in response to the Committee's observations contained in paragraphs 1.86, 1.87 and 1.90, the Ministry of Communications (P&T Board) have stated :

"Noted. Instructions were issued in August 1974 for proper coordination and monitoring of projects [DGP&T letter No. 820-23/73-TPS (UPC) dated 8-8-1974, copy reproduced in Chapter II]. According to these instructions, projects costing more than Rs.50 lakhs are required to be monitored on PERT

chart and project costing less than Rs.50 lakhs are to be monitored on BAR chart. It is expected that these measures will enable better coordination between various components of projects and help in their timely completion."

1.7. With reference to the Committee's observations contained in paragraph 1.89 of the Report, the Ministry, in their Action Taken Note dated 19 July 1976, have replied :

"Instructions have since been issued vide DGP&T letter No. 354-130/73-TPS(XP) dated 10-3-1976 (copy reproduced in Chapter II) that in future project estimates, the actual cable scheme may be worked out and provisions made accordingly. As regards requirement of cables and review of progress of cable laying works, instructions have been issued regarding submission of quarterly and monthly statements of underground cables vide letter No. 400-2/75-TPS(C) dated 11-2-1975 (copy reproduced in Chapter II), to ensure that the cable laying works are completed well in time and there is no delay in the utilisation of the exchange capacity."

**1.8. The Committee note that realising, somewhat belatedly, that the execution of some of the telecommunication projects had suffered because of the absence of a systematic watch and analysis of the progress of various component works of such projects, the Ministry of Communications (P & T Board) have now introduced PERT and BAR chart techniques for monitoring the progress of projects and ensuring better coordination than what hitherto existed between different agencies entrusted with the execution of various components of the projects. The Committee expect that the instructions issued in this regard would be assiduously followed in respect of all telecommunication projects including those already under execution.**

*Delays in supplies of cables (Paragraph 1.91—Sl. No. 6)*

1.9-1.10. As pointed out on paragraph 1.89 of the 204th Report, one of the reasons advanced for the delay in the completion of the expansion project of Srinagar Telephone Exchange was the non-receipt of essential cables required for the project from Hindustan Cables Ltd. In this context, the Committee, in paragraph 1.91 of the Report, had recommended :

"Incidentally, the Committee find that about 90 per cent of the total production of Hindustan Cables Ltd. is being consumed by the Ministry of Communications and that the Administrative Reforms Commission had recommended that the control of Hindustan Cables should vest with this Ministry instead of the Ministry of Industrial Development. The then Secretary, Ministry of Communications, while tendering evidence before the Estimates Committee in 1972-73, had also pointed out that if the administrative control of the company vested with this Ministry, a 'lot of time in dialogue would have been saved'. The Estimates Committee had then been informed that a proposal for the transfer of the company to the Ministry of

Communications was under consideration of the Committee of Secretaries. The Committee have, however, been informed that the Company still continues to be under the administrative control of the Ministry of Industrial Development. While the reasons for continuing with this arrangement are not known to the Committee, they feel that it would be a more satisfactory arrangement if Hindustan Cables Ltd. is placed under the administrative control of the Ministry of Communications, and accordingly, desire that this should be examined afresh."

1.11. In their Action Taken Note dated 21 August 1976, the Ministry of Communications (P & T Board) have informed the Committee as follows :

"The matter is still under consideration."

1.12. As early as in December 1972, the Estimates Committee (1972-73) had been informed that a proposal for the transfer of Hindustan Cables Ltd. to the administrative control of the Ministry of Communications, which consumes about 90 per cent of the company's total production of cables, was under consideration of the Committee of Secretaries. Some four years have elapsed since then and this question is stated to be 'still under consideration'. The reasons for the delay in arriving at a final decision on what appears to be a fairly simple issue have not been made known to them. The Committee are of the view that considerable benefits are likely to accrue by the implementation of this suggestion of the Administrative Reforms Commission. They would urge Government to take a final decision on this question without loss of time.

*Avoidable delay in repairing a motor generator (Paragraph 1.94—Sl. No. 9)*

1.13. The Committee had found that as a result of the delays that had occurred at various stages of implementation of the expansion project, applicants awaiting fresh connections could not be catered to, leading to loss of potential revenue. Dealing with this question, the Committee, in paragraph 1.94 of the Report, had observed, *inter alia*, as follows:

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

1.14. The reply furnished in this connection by the Ministry of Communications (P & T Board), in their Action Taken Note dated 20 July 1976, is reproduced below :

“Apparently efforts were made to repair the generator set which was received in a damaged condition but the efforts were not successful due to non-availability of proper facilities in Srinagar. The other alternative of sending the damaged generator to some other place in Punjab or to Delhi for repairs was apparently not adopted being a costly proposition. Ultimately a competent technician who could repair this generator set at Srinagar itself was sent.

However to avoid recurrence of such cases in future, instructions have been issued to all field units to review the performance of the existing motor generator sets .”

**1.15. The reasons advanced by the Ministry of Communications (P & T Board) for the delay of three years in repairing a defective generator are not very convincing. The Secretary of the Ministry himself conceded during evidence tendered before the Committee that the generator could have been repaired earlier had special efforts' been made. It has, however, now been contended by the Ministry that while efforts made to repair the generator set at Srinagar itself proved unsuccessful in the absence of proper facilities, the other alternative of getting the generator repaired elsewhere was apparently not adopted being a costly proposition. It is not known whether the local authorities at Srinagar had, in fact, examined in detail the economics of the alternative course, particularly in the context of the loss of revenue likely to be sustained on account of the generator remaining out of order, and then had given it up as an uneconomical proposition. In any case, with a little imagination and foresight, the step finally taken by the Department (sending a competent technician to Srinagar for repairing the set) could well have been taken much earlier. The Committee fear that this matter had been handled somewhat casually by the authorities concerned. They trust that a lesson has been learnt from this costly lapse and measures are being taken to avoid repetition of such instances of delay.**

*Non-utilisation of Private Branch Exchange Lines (Paragraph 1.99—Sl. No. 14).*

1.16. Reviewing the utilisation of lines earmarked, in the Srinagar area, for providing junction lines to private branch exchanges (PBX), the Committee, in paragraph 1.99 of the Report, had recommended, *inter alia*, as follows:

“Non-utilisation of PBX connections apart, the Committee also find that in certain telephone exchanges of over 1,000 lines capacity, the installed capacity was more than the demand as on 31st March 1975. Though such instances are not many the Committee would nevertheless like the Department to keep a constant watch over the working of these exchanges so that

the excess, unutilised capacity might be transferred wherever feasible to other exchanges where the demand far outstrips the supply. The Committee would like to be apprised of the specific steps taken in this behalf”

1.17. In their Action Taken Note dated 30 August 1976, furnished in pursuance of this recommendation, the Ministry of Communications (P & T Board) have replied :

“Instructions have been issued vide this office letter No. 366-12/76-TPS (XP) dated 2-6-1976 that spare capacities in telephone exchanges of over 1,000 lines should be reviewed half yearly in the month of January and July and action should be taken to transfer surplus equipment where feasible to other places. After such a preliminary examination, in one case it has been observed that there is a spare capacity in Jharia. A detailed technical examination is being carried out to see if some of the equipments can be transferred.”

**1.18 The Committee hope that the review now undertaken of the actual utilisation of lines earmarked in various telephone exchanges in the country for providing junction lines to Private Branch Exchanges (PBX) would be completed expeditiously and necessary steps taken, on an emergent basis, to divert the surplus capacity, if any, available at these exchanges to places where the demand might be larger.**

*Crash programme for the extension of telephone facilities in the country.*

*(Paragraphs 1.100 and 1.101—Sl. Nos. 15 and 16).*

1.19. Dealing in this context, with the ever-increasing gap between the demand for and supply of telephones in the country, the Committee, in paragraphs 1.100 and 1.101 of the Report, had recommended as follows :

“1.100 Incidentally, the Committee note with concern the progressively widening gap between the demand for and supply of telephones. As on 31st March, 1975, there were 13.29 lakhs working telephone lines in the country and as many as 6.37 lakh applicants on the waiting list. From the information furnished in this regard by the Ministry of Communications, the Committee find that in certain important telephone districts the waiting lists for telephone connections exceeded or were near about the total direct exchange lines working in these centres. This means that in order to meet the demands for telephones fully in these centres the existing capacities will almost have to be doubled. In the metropolitan cities, generally, the waiting lists are alarming. For instance, the number of applicants on the waiting list at Bombay, Delhi and Calcutta as on 31st March, 1975 were respectively 1.78 lakhs, 1.04 lakhs and 0.75 lakh. As against this ever-increasing demand, a provision for only 7.79 lakh telephone connections has been made during the Fifth Plan period and if past performance is any indication, even this target may not be realised fully. This, in the Committee’s view, is by no means a satisfactory state of affairs.”

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

1.20. In their Action Taken Note dated 31 August, 1976, furnished in response to the above recommendations, the Ministry of Communications (P & T Board) have stated:

"The Department is aware of the large waiting lists in various cities and, particularly, in the Metropolitan Centres, like Bombay, Delhi and Calcutta. It had been trying to meet the demands to the extent feasible consistent with the limited availability of equipment and other resources which had been appreciated by the Committee. While it is true that large concentration of waiting lists in these big cities requires quick attention, the Department has also to meet the needs of development in the smaller towns and rural areas.

The present waiting lists in these cities on 1-7-1976 after the introduction of the advance deposit scheme last September are as follows:

(i) Bombay	67,307
(ii) Delhi	48,927
(iii) Calcutta	24,645

Against the total waiting list of about one lakh forty thousand lines for these three cities, the availability of main equipment for providing local connections all over the country from indigenous sources is less than one lakh lines per annum. This quantity of equipment has also to be allocated to other exchanges.

Efforts are being made to increase the capacity of indigenous production by expanding the existing factories and initiating action for establishing new ones. The Department has also been able to arrange imports of

equipment with the help of IDA loans. The latter currently provides for the import of 80,000 lines of equipment for use at Bombay, Delhi, Calcutta and Ahmedabad.

Apart from the efforts to raise the material resources, as mentioned earlier, the Department also has taken steps to raise financial resources by suitable adjustments of tariffs and taking advance deposits from the intending subscribers."

**1.21. While the Committee appreciate the steps taken or proposed to be taken by the Department for meeting the ever-increasing demand for telephone connections in the country, they would like to emphasise once again the need for devising more ways and means for ensuring before long an adequate and efficient telephone net-work in the country. Similarly, while the Committee are not unaware of the necessity of meeting the needs of development in the smaller towns and rural areas which are in no way less important, they would reiterate the imperative need for embarking on a crash programme for rapid extension of telephone facilities in these centres of commerce and industry where the waiting lists are formidable.**

## CHAPTER II

### RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

#### Recommendations

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

The non-receipt of permission for digging trenches 'despite continuous persuasion' has been cited as one of the reasons for the delay in laying the distribution cables. This, in the committee's view, can hardly be considered a valid excuse for delaying a project in which the local population of Srinagar, backed by the local administration as well as the Defence authorities for whom the telephone connections were of strategic importance, must have presumably evinced enthusiasm. By proper advance planning and co-ordination it should not have been difficult for the Department to enlist the cooperation and active support of the local authorities. It is a pity that this work, started even after the first consignment of stores had been received, just came to be abandoned.

The committee heard the Secretary of the Ministry of Communications arguing that if the estimate relating to the distribution cables had been sanctioned earlier and orders therefor placed before March, 1967, it might have resulted in the cables being received earlier than required and left without any utilisation. While this argument may be valid in a certain situation, the committee feel that this was not a very tenable assumption to make in the context of the general shortage of cables in the country at the time the project was taken up for execution. The problems likely to be encountered in the procurement of cables were also not unknown to the Department. The Public Accounts Committee (1968-69) put it on record, in paragraph 2.35 of their 40th Report (Fourth Lok Sabha) that as much as 13 per cent of the connectable capacity of telephone exchanges in the country with 1000 lines or above had remained unutilised, primarily on account of a shortage of cables. The Committee had further noted that the shortage of cables had assumed such proportions that the Department had anticipated that as much as two thirds of

the cable requirements would remain unsatisfied at the end of 1968-69. In view of this position, it was only appropriate for the Department to have worked out the cable requirements of the Srinagar project in a more realistic manner and initiated action, with foresight and care for the procurement and delivery of cables required for the project, in consultation with the Hindustan Cables Ltd. That this was not done would suggest that the basic planning of the expansion project was defective. The Committee would like to stress that once a project is taken up for execution, there should be a proper synchronisation of the different components of the project from the very beginning and a genuine co-ordination between the different agencies involved, so that the shortage or non-supply of certain essential items do not hold up the completion of the project.

[Sl. Nos. 1, 2 and 5 (Paragraphs 1.86, 1.87 and 1.90) of Appendix III to 204th, Report of the Public Accounts Committee (5th Lok Sabha)]

#### **Action Taken**

Noted. Instructions were issued in August 1974, for proper co-ordination and monitoring of projects (D.G. P & T letter No. 820-23/73-TPS (UPC) dated 8-1-74) (Annexure) According to these instructions, projects costing more than Rs. 50 lakhs are required to be monitored on PERT Chart and project costing less than Rs. 50 lakhs are to be monitored on BAR Chart. It is expected that these measures will enable better co-ordination between various components of projects and help in their timely completion.

[Ministry of Communications ( P & T Board) U.O. No. 27-6/76-13  
Dated 29-7-1976].

**ANNEXURE**

No. 820-23/73—TPS (UPC)

GOVERNMENT OF INDIA

**Ministry of Communications  
(P&T Board)**

*Dated, New Delhi-1, 8th August, 1994.*

To

All Heads of Circles  
All Heads of Telephone Districts  
General Manager Telecom. Projects.  
General Manager, T&D Circle, Jabalpur.

**SUB.:** *Co-ordination, monitoring and progress of major projects—introduction of PERT Charts.*

In major telephone exchange projects co-ordination of various activities such as construction of building, installation of air-conditioning plant, availability of water and electricity for the air-conditioning plant, installation of exchange equipment, laying of underground cables and utilisation of the expanded capacity, is required so as to ensure timely completion of the project and its utilisation. Instructions already exist, vide 268-270 of the P&T Vol. X regarding watching of the progress of projects. From time to time, instructions have also been issued by this office regarding co-ordination of the exchange capacities. A list of these instructions is given in Annexure-I (Not enclosed).

2. It has been observed that in spite of these instructions the execution of some of the projects is unduly delayed mostly attributable to the absence of a systematic watch and analysis of the progress of the various component works carried out by a number of officers under different administrations. In order to obviate this difficulty, it has now been decided that the telephone exchange projects should be watched on PERT Charts. A PERT chart for each telephone exchange project costing more than Rs. 50 lakhs will be prepared by the authority who will be in overall charge of the project. A copy of this PERT Chart should be enclosed with the Project Estimate sent by the Circles/Districts to this office for sanction. In these PERT Charts target dates in terms of months after 'O' date, *i.e.* the date of sanction of the EFC Memo. for completion of various events comprising the project should be clearly given. The responsibility for completion of various components of the project is listed in Annexure-II. (Not enclosed).

3. The Officer in overall charge of the project will hold co-ordination meetings as laid down in this office letter No. 607-3/72-TPS (XF) dated 2-4-1974 to review the progress of various components of the project to ensure that the target dates mentioned in the PERT charts are kept up.

In case these target dates cannot be adhered to for any valid reasons and this is likely to increase the total period of completion of the project, he should correct the PERT chart suitably at the time of the review and intimate the Directorate of the revised target dates.

4. It will be the responsibility of the controlling officer to pursue with the other concerned officers to get each of the component works done in time.

5. A sample copy of the PERT chart of a telephone exchange project is enclosed. In this PERT chart the activity time of each component has to be filled up in the PERT chart prepared by the controlling officer for each project.

6. Whenever the officer in overall charge of the project is transferred, he should make over a note indicating the correct status of the project to his successor (or in the latter's absence to the senior officer under whom he is working).

7. PERT charts may please be prepared for all the sanctioned projects which are yet to be completed. BAP charts introduced vide this office letter of even number dated 5-7-74 may be prepared for projects costing less than Rs. 50 lakhs.

8. The receipt of this letter may please be acknowledged.

Sd/- N. V. Shenoil  
Secretary(C).

### Recommendation

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

[Sl. No. 4 (Paragraph 1.89 of Appendix III to 20<sup>th</sup> Report of the Public Accounts Committee (5<sup>th</sup> Loh Sabha)]

**Action taken**

Instructions have since been issued vide DGP&T letter No. 354-130/73-TPS(XP) dated 10-3-1976 (Annexure I) that in future project estimates, the actual cable scheme may be worked out and provisions made accordingly. As regards requirements of cables and review of progress of cable laying works, instructions have been issued regarding submission of quarterly and monthly statements of underground cables vide letter. of No. 400-2/75-TPS(C) dated 11-12-1975 (Annexure II) to ensure that the cable laying works are completed well in time and there is no delay in the utilisation of the exchange capacity.

This has been seen by the AGP&T., Delhi.

[Ministry of Communications (P&T Board) U.O. No. 27-6/76-B  
Dated 19-7-1976].

## ANNEXURE I

Copy of letter No. 354-130/73-TPS(XP) dated 10-3-76 from O/o D.G.P. & T. New Delhi to All General Managers Telecom. (By name)/ All General Managers Project (By name) etc.

SUB.: *Provision in the project estimates to be sanctioned for 1977-78 for expansion/installation of new MAXs-I.*

Tentative allotments for the MAX-I (Strowger and Crossbar) equipment for 1977-78 has been issued under our office letter No. 201-60/75-TPS(EA) dated Nov. '75. Till now it has been the practice to make provision in the project estimate both for equipment and cables on ad hoc figures. The Member (TD) has not been happy with this procedure. He desires that the provision for the equipment should be made after roughly assessing the approximate amount to be spent, taking into account the equipment to be provided for the anticipated traffic as well as for additional equipment like test desks, power plant etc. Similarly for cables, he desires that the cables provision should be based on the likely requirement of the cables for this expansion. Whenever possible the actual cable scheme may be worked out and provision made accordingly. It is requested that this may please be kept in view and the project estimate for 1977-78 sent to this office based on, as far as possible, on the actual requirement instead of on ad hoc basis.

Sd/- K. H. Saxena,  
Dy. Director-General(S)

Copy to:—

- (1) Director (X)E/XP of P&T Directorate, New Delhi.
- (2) All A.Ds.G. of Planning Branch.
- (3) Spare copies.

## ANNEXURE II

### INDIAN POSTS AND TELEGRAPHS DEPARTMENT

#### OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELE- GRAPHS

DAK TAR BHAWAN, PARLIAMENT STREET, N.D.

To

All the General Managers Telecom. Circle.  
All the General Managers Telephone Districts,  
All the District Managers Telephone Districts.

No. 400/2/75-TPS(C) Dated New Delhi, the 11th December, 1975.

*SUB.: Submission of quarterly and monthly statements for underground cables.*

Instructions have been issued vide this office letter of even number dated 5/6th September, 1975 regarding submission of the quarterly statement for underground cables in statements (A), (B) and (C). It has now been decided to slightly modify these statements. In the statement (A) the columns 3, 4, 5, 6 and 7 each have been sub-divided KMs and CKMs (conductor Kilometers). It is proposed that all the information henceforth will be in CKMs, rather than in pair KMs. The various sizes of the cable should be first put under the Head 0.4 mm (4 lbs), then 0.5 mm (6½ lbs.) and lastly 0.63 mm (10 lbs.) and 0.90 mm. (20 lbs.). The different type of cables like 400/0.4 mm whether they are PCUT, PCQT, Lead-sheathed, Stalpeth should be clubbed together and indicated against 400/0.4 mm. Similarly in the statement (C) instead of pair KMs the figures may now be indicated in CKMs and the statement may be redesignated as statement (A-I). A copy of the revised proforma for statement A and A-I are enclosed herewith. The statement A and A-I should be sent by 7th of April/July/October/January, relating to the previous quarter.

2. The statement 'B' which was previously having a heading of "Progress of cable laying in respect of systems of 5,000 lines and above", will be renamed as "Progress of laying cables for projects sanctioned by the Directorate". For each of the project where cable laying works are in progress, the information may be submitted in the proforma at Annexure 'B'. Since in a number of cases the cable laying works have not been properly co-ordinated alongwith the installation of the exchange equipment and the P.A.C. have been very adversely commenting upon, it is essential that the cable works on the projects which are sanctioned by the Directorate are properly co-ordinated. It is, therefore, necessary that the progress of cable laying is reviewed more frequently for each of these projects and the Statement 'B' sent to Director (XP) regularly.

3. The frequency of sending this statement should depend upon the commissioning of the exchange. These exchanges (MainExtn.), which are likely to be commissioned within a year the statement should be sent monthly by 15th of every month. For those exchanges (Main/Extn.) which are being cutover after a year this should be sent quarterly, by 15th of next month of the respective quarter. This statement may be sent on separate sheets for each project so that the same can be easily put up in the relevant project control file.

Receipt of this letter may please be acknowledged.

Sd/-

*Asst. Director-General(C).*

STATEMENT 'A'

Quarterly statement of the receipt and utilisation of underground cables for the quarter ending (Say 31-12-1975)

No.	Type and size of Cable	Total quantity available at the beginning of the quarter	Total quantity received during the quarter	Total quantity available in Kms (3+4)	Total quantity actually laid during the quarter	Balance quantity available at the end of the quarter	Reasons for not laying the cable in hand	Remarks
1	2	3	4	5	6	7	8	9
		KM(a) CKM(b)	KM(a) CKM(b)	KM(a) CKM(b)	KM(a) CKM(b)	KM(a) (5a-6a) CKM(b) 5b-6b)		
<i>4 lbs Cable</i>								
A	(1)	100/4						
	(2)	200/4						
	(3)	300/4						
	(4)	400/4						
	(5)	500/4						
	(6)	600/4						
	(7)	1000/4						
<i>6½ lbs Cable</i>								
B	(1)	10/6½						
	(2)	20/6½						
	(3)	50/6½						
	(4)	100/6½						
	(5)	200/6½						
	(6)	300/6½						
	(7)	400/6½						
	(8)	500/6½						
	(9)	600/6½						
	(10)	800/6½						
	(11)	1000/6½						
	(12)	1200/6½						

**10 lbs Cable**

- C** (1) 50/10  
(2) 100/10  
(3) 200/10  
(4) 300/10  
(5) 400/10

- (6) 500/10  
(7) 600/10  
(8) 800/10  
(9) 1000/10

**20 lbs Cable**

- D** (1) 14/20  
(2) 20/20  
(3) 38/20  
(4) 50/20  
(5) 100/20  
(6) 200/20  
(7) 300/20  
(8) 400/20 e

**40 lbs Cable**

- E** (1) 14/40  
(2) 38/40  
(3) 54/40  
(4) 100/40

**General Manager Telecom/Circles/  
General Manager Telephones Distt.  
District Manager Telephones.**

STATEMENT A-I

(Old Statement C)

	for Quarter Ending ...
I. Progressive Total in CKM (Conductor Kilometer) laid till the end of last quarter . . . . .	CKM
II. Total CKM (Conductor Kilometer) Laid during this quarter . . . . .	CKM
III. Progressive total of CKM (Conductor Kilometer) laid by the end of this quarter (I+II) . . . . .	CKM
IV. DELs released in this quarter . . . . .	DELs
V. CKM (Conductor Kilometer) utilized per DEL Item—II <hr style="width: 10%; margin-left: 0;"/> Item—IV . . . . .	CKM/DEL
VI. DELs released in the corresponding quarter of previous year . . . . .	DELs
VII. Total CKM laid in the corresponding quarter of the previous year . . . . .	CKM
VIII. CKM (Conductor Kilometer) Utilized per DEL in the corresponding quarter of previous year Item VII <hr style="width: 10%; margin-left: 0;"/> Item VI . . . . .	CKM
IX. Reasons for utilization of excess CKM than following norms.	
(i) Circles . . . . .	8 CKM/DEL
(ii) Minor Districts upto 20,000 lines . . . . .	10 CKM/DEL
(iii) Districts from 20,000 lines to 1,00,000 lines . . . . .	12 CKM/DEL
(iv) More than 1,00,000 lines . . . . .	14 CKM/DEL

General Manager Telecom. Circle/  
General Manager Telephones Distt./  
District Manager Telephones.

**STATEMENT 'B'**

Monthly/Quarterly progress of laying cables.....Project sanctioned by D.G. P&T. *Vide*  
 No.....TPS(XP) dated.....

1. Name of the Project . . . . .
2. Capa city of the exchange equipment being cut over . . . . . Lines Main/Extn (        )

3. Provision of cable component in project estimate

	Cash Rs.	Stores Rs.
--	-------------	---------------

4. Particulars of the detailed estimates sanctioned against this project

	Nos	Amount	KM	CKM
(a) For primary & Secondary Cables	.....	.....	.....	.....
(b) For distribution cable	.....	.....	.....	.....
(c) For junction cable	.....	.....	.....	.....

TOTAL

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5. Expenditure booked till the last month

	Cash Rs.	Stores Rs.
--	-------------	---------------

6. Position of cables:—

	Primary & Secondary	Distri- bution	Junction	Total
	KM	KM	KM	CKM
	CKM	CKM	CKM	CKM

- (a) Cable required
- (b) Cables indented
- (c) Indent No. and date.
- (d) Cables received
- (e) Cable laid

7. Details of indents against which the cable supply is pending. (Attach separate sheet, if this space is not adequate).

8. Target Date for completion of Cable net work
- (a) Primary & Secondary
  - (b) Distribution cables.
  - (c) Junction cable.

General Manager Telecom/Circles/  
 General Manager Telephones Distt./  
 District Manager Telephones.

### Recommendation

Considering the acute shortage of cables in the country and the ever-widening gap between supply and demand, the committee would like Government to give serious thought to this problem and take measures to bridge the gap by the 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 telephone connections.

[Sl. No. 7 (Paragraph 1.92) of Appendix III to 204th Report of the Pub. Accounts Committee (5th Lok Sabha)]

### Action taken

The cables required by the local exchange systems are being manufactured at Rupnarainpur and Hyderabad units of M/s. Hindustan Cables Ltd. The installed capacity of these two units is 26.5 lakhs Conductor Kilometres. In the earlier years there was a significant shortfall between the orders placed by the P&T and the supplies made by HCL due to various factors like labour unrest etc. The table below indicates the quantity ordered and the supplies made by the HCL in the period 1970-71 to 1975-76. It would be noted that in 1976, the supplies made were to the extent of 92% of the orders placed.

Year	Quantity Ordered (Lakh CKM)	Quantity supplied (Lakh CKM)	Percentage of quantity ordered
1970-71	7.224	4.974	69.4%
1971-72	99.850	3.410	34.50%
1972-73	7.720	4.170	54%
1973-74	10.040	6.150	60%
1974-75	8.566	7.502	88%
1975-76	13.400	12.400	92%

2. Special efforts are now being made to procure quantities of cables to match the supply of exchange equipment and subject to budgetary provisions.

This has been seen by the AGP&T Delhi.

[Ministry of Communications (P&T Board) U.O. No. 27-6/76-B dated 10-8-1976].

### Recommendation

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

[Sl. No. 8 (Paragraph 1.93) of Appendix-III to 204th Report of the Public Accounts Committee (5th Lok Sabha)]

### Action taken

Noted. In order to avoid under-utilisation and to keep a close watch on the utilisation of the capacity of the new exchanges/extensions, Field Units have been asked to send a monthly statement showing the new connections provided from the new exchange/extension till the exchange is loaded upto 90%. A copy of letter No. 800-3/73-TPS (UPC) dated December, 1975 is enclosed (Annexure)

This has been seen by the P&T.

[Ministry of Communications (P&T Board) No. 27—6/76-B Dated —1976].

## ANNEXURE

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

No. 800—3/74-TPS(UPC).

Dated: December, 75

To

All General Manager Telecommunications,  
General Manager Telephones,  
D.M.T., Telephone Districts.

SUB: *Review of loading of Exchange upto 90%*

Instructions had been issued *vide* this office letter No. 41-9/70-TPS (UPC) dated 16-9-70 that the 90% of the exchange capacity should be utilised within six months of the cut-over of the exchange. Minister (C) desires that Circles and Districts should take advance action for processing cases of giving new telephone connections whenever new exchange equipment is commissioned so that on the date of commission of the new equipment a fair percentage of the new connections is also provided from the new Exchange/Extension.

It is, therefore, requested that the number of new connections which have been provided on the date of the commissioning of the new Exchange/Extension may kindly be intimated to Director (PHX) immediately after the Exchange Extension is cut-over. A monthly statement showing the new connections provided from the new Exchange/Extension may also be submitted to Director (PHX) till the Exchange is loaded upto 90%.

Sd/-  
(H. S. Sodhi)  
Director (PHX).

#### Recommendation

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

[Sl. No. 10 (Paragraph 1.95) of Appendix III to 204th Report of the Public Accounts Committee (15th Lok Sabha)]

**Action taken**

Indian Telephone Industries are required to supply the spares required for the first three years with the main telephone exchange equipment. The stocks thereafter are to be replenished one year to year basis.

2. Shortages of essential items of spares have been noticed in the past and a decision was taken to control the distribution of critical items of strowger systems centrally from the P&T Directorate. Over the years the position has eased and the number of items required and controlled centrally has come down. The items which are not controlled centrally are ordered directly on ITI by the field units. No particular difficulty has been noticed in this system. As mentioned above, in respect of critical items, the distribution is controlled centrally and as such wherever possible, the shortages in one centre are met by transfer from other centres where such spares may be available. The supply schedules of the centrally controlled items are monitored, discussed and adjusted in the quarterly coordination Committee meetings held between I.T.I. and P&T.

This has been seen by A.G. P&T.

[Ministry of Communication of (P&T Board) No. 27—6/76-B Dated 24-7-1976].

**Recommendation**

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

[Sl. No. 13 (Paragraph 1.98) of Appendix III to 204th Report of the Public Accounts Committee (5th Lok Sabha)].

**Action taken**

As desired a review of utilisation of 4/200 PBX groups in all exchanges is being conducted. The recommendation of the Committee that the Department should explore the possibility of diverting the equipment installed in places where there is inadequate demand to those having greater and more urgent demands will be followed.

[Ministry of Communications (P&T Department) Memo No. 27—6/76—B Dated 30-7-1976].

**Recommendation**

Non-utilisation of PBX connections apart, the Committee also find that in certain telephone exchanges of over 1,000 lines capacity, the installed

capacity was more than the demand as on 31st March, 1975. Though such instances are not many, the Committee would nevertheless like the Department to keep a constant watch over the working of these exchanges so that the excess, unutilised capacity might be transferred wherever feasible to other exchanges where the demand far outstrips the supply. The Committee would like to be apprised of the specific steps taken in this behalf.

[Sl. No. 14 (Paragraph 1.99) of Appendix III to 204th Report of the Public Accounts Committee (5th Lok Sabha)].

#### **Action taken**

Instructions have been issued *vide* this office letter No. 366-12/76-TPS(XP) dated 2-6-76 (Annexure) that spare capacities in telephone exchanges of over 1,000 lines should be reviewed half yearly in the month of January and July and action should be taken to transfer surplus equipments where feasible to other places (copy enclosed). After such a preliminary examination, in one case it has been observed that there is a spare capacity in Jharia. A detailed technical examination is being carried out to see if some of the equipments can be transferred.

This has been seen by AGP&T.

[Ministry of Communications (P & T Board) U.O. No. 27-6-76-B dated 20-7-1976].

## ANNEXURE

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

No. 366-12/76-TPS(XP) dated New Delhi, the 2nd June, 1976

#### OFFICE MEMORANDUM

Public Accounts Committee *vide* Para 1.99 of the 204th Report have recommended that in telephone exchanges of over 1,000 lines capacity, spare capacity should be reviewed so that the excess unutilised capacity might be transferred wherever feasible to other exchanges, where the demand far outstrips the supply. It has, therefore, been decided by Member (TD) that spare capacity should be reviewed half yearly in the month of January and July and action should be taken to transfer equipment, where feasible, to other places. A.D.G. (UPC) will carry out this review and forward it to Director (E) and Director (X) for necessary action.

Sd/-

(OM SHANKER DEO)

*Director (XP)*

A.D.G. (UPC), P. & T Directorate,  
Director(E)/Director (X), P. & T. Directorate.  
File P.A.C.

#### Recommendations

Incidentally, the Committee note with concern the progressively widening gap between the demand for and supply of telephones. As on 31st March, 1975, there were 13.29 lakhs working telephone lines in the country and as many as 6.37 lakh applicants on the waiting list. From the information furnished in this regard by the Ministry of Communications, the Committee find that in certain important telephone districts the waiting lists for telephone connections exceeded or were near about the total direct exchange lines working in these centres. This means that in order to meet the demands for telephones fully in those centres the existing capacities will almost have to be doubled. In the metropolitan cities generally, the waiting lists are alarming. For instance, the number of applicants on the waiting lists at Bombay, Delhi and Calcutta as on 31st March, 1975 were respectively 1.78 lakhs, 1.04 lakhs and 0.75 lakh. As against this ever-increasing demand, a provision for providing only 7.79 lakh telephone connections has been made during the Fifth Plan period and if past performance is any indication, even this target may not be realised fully. This, in the Committee's view, is by no means a satisfactory state of affairs.

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

[Sl. Nos. 15 and 16 (Paragraphs 1.100 and 1.101) of Appendix III to 204th Report of the Public Accounts Committee 15th Lok Sabha]].

#### Action taken

The Department is aware of the large waiting lists in various cities and, particularly, in the Metropolitan Centres, like Bombay, Delhi and Calcutta. It had been trying to meet the demands to the extent feasible consistent with the limited availability of equipment and other resources which had been appreciated by the Committee. While it is true that large concentration of waiting lists in these big cities requires quick attention the Department has also to meet the needs of development in the smaller towns and rural areas.

2. The present waiting lists in these cities on 1-7-1976 after the introduction of the advance deposit scheme last September, are as follows :—

(i) Bombay	67,307
(ii) Delhi	48,927
(iii) Calcutta	24,645

Against the total waiting list of about one lakh forty thousand lines for these three cities, the availability of main equipment for providing local connections all over the country from indigenous sources is less than one lakh lines per annum. This quantity of equipment has also to be allocated to other exchanges.

3. Efforts are being made to increase the capacity of indigenous production by expanding the existing factories and initiating action for establishing new ones. The Department has also been able to arrange imports of equipment with the help of IDA loans. The latter currently provides for the import of 80,000 lines of equipment for use at Bombay, Delhi, Calcutta and Ahmedabad.

4. Apart from the efforts to raise the material resources, as mentioned earlier, the Department also has taken steps to raise financial resources by suitable adjustments of tariffs and taking advance deposits from the intending subscribers.

[Ministry of Communications (P & T Department) Memo No. 27-6/76-B dated 31-8-1976].

## CHAPTER III

### RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES OF THE GOVERNMENT

#### Recommendation

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

[Sl. No. 3 (Paragraph 1·88) of Appendix III to 204th Report of the Public Accounts Committee (5th Lok Sabha)].

#### Action taken

It is not possible to ascertain at this stage whether and why the reduced working season was not taken into account. However with the monitoring procedures now prescribed such omissions will be avoided.

This has been seen by the AG P&T Delhi.

[Ministry of Communications (P & T Board) U.O. No. 27-6/76-B dated 15-7-1976].

#### Recommendation

What is even more distressing to the Committee is the incorrect procedure followed by the Srinagar Exchange, as well as other exchanges in the country, in releasing telephone connections to the applicants on the waiting list. According to the instructions in force for the release of telephone connections, while connections under the General Category are to be given strictly in the order of the date of registration in the waiting list, 7½ percent of the exchange capacity available for allotment in telephone systems of 10,000 lines and the above and 10 per cent of the capacity in systems of 1,000 lines and above but below 10,000 lines are to be allotted on the advice of the Telephone Advisory Committees. However, instead of placing before the Advisory Committee only those applications for out-of-turn allotment for sanction, a practice somehow appears to have developed of placing the entire waiting list before the committee for approval. As a result, even the in-turn connections which are to be given on a first-come first-served basis were released only after the meeting of the committee with consequential under-utilisation of the available capacity

and loss of revenue. The Committee would very much like to know how long this irregular practice has been allowed to continue, despite the unambiguous instructions in this regard, and the reasons therefor. Now that instructions have been issued clarifying the correct position, the committee trust that there would be no repetition of the mistake and the department would ensure that such avoidable loss of revenue as has happened in the present case does not recur.

[Sl. No. 11 (Paragraph 1.96) of Appendix III to 204th Report of Public Accounts Committee (5th Lok Sabha)].

#### **Action taken**

The practice of withholding in-turn connections pending sanction of out-of-turn connections by the Telephone Advisory Committees had somehow developed before 1968. On 24th February, 1968, very clear instructions were issued to release in-turn connections as soon as capacity became available without waiting for sanction of out-of-turn connections (Annexure I). The case of Srinagar has come to notice where these instructions were not followed. However, to avoid any repetition of such a lapse, the instructions issued in 1968 have been further strongly reiterated in our letter of 25th May, 1976 (Annexure II).

This has been seen by the Accountant General, P & T.

[Ministry of Communications (P & T Department) U.O. No.27-6/76-B dated 1-3-1977].

## ANNEXURE I

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

No. 11-7/67-PHA/Coll.VIII dated New Delhi, the 24-2-1968.

To

All Heads of Circles.

All Heads of Telephone Districts.

**SUB. :—***Procedure for release of connections on expansion of an exchange or cut over of a new exchange*

It has been observed that ins pite of the instructions contained in this office letter No. 2-15/64-PHA dated the 27th February, 1965, on the subject given above, no uniform policy is being followed at present in Circles and Telephone Districts with regard to the procedure of the bulk release of connections either on completion or expansion of an exchange or cut-over of a new telephone exchange. In some cases the exchange equipment is added but no advance action is taken for providing cable pairs in certain localities and making arrangements for the procurement of all items of stores resulting in the exchange capacity remaining unutilised and thus causing loss of revenue.

2. The following instructions relating to the procedure to be followed at the time of bulk release of connections, are, therefore, issued in supersession of all earlier instructions, which may please be strictly followed.

- (i) In bulk release, action should be initiated much in advance to ensure that cable pairs, stores required for provision of new connections are available in time.
- (ii) It should be decided at least 6 months before the expansion or cut-over of an exchange as to how many connections would be released in turn under various categories as per rules, contained in D.G. P.& T. letters No. 2-29/67-PHA dated 19-12-1967 and No. 11-7/67-PHA/Col. II dated 15-2-1967 and action to ascertain technical feasibility in respect of these cases should be taken immediately.
- (iii) After ascertaining the feasibility demand notes should be issued to all the eligible subscribers and it should be made clear to them that the connection would be given only after the installation of additional equipment is completed. The demand note should be issued ordinarily three months before the date of the cut-over.

- (iv) Soon after the payment of the Demand Note, Advice Note should be issued and fittings should also be completed on the subscribers' premises before the cut-over of the exchange.
  - (v) At the time of cut-over of the exchange as many connections as possible should be working.
  - (vi) In respect of individual release for out-of-turn as well as in-turn connections, Demand Notes should be issued only after ascertaining technical feasibility.
  - (vii) The in-turn connections to the extent of available capacity should be released by the Administration in the normal course without waiting for the sanction of out-of-turn connections by the T.A.C.
3. The receipt of these instructions may please be acknowledged.

Sd/-  
(M. M. WAGLE)  
*Director of Telephones (E)*

Copy to :—

1. All Divisional Engineers, Telephones/Telegraphs.
2. Director of Inspection (T) /D.C.E.(MX/PHB Section).

Sd/-  
(M. M. WAGLE)  
*Director of Telephones(E)*

**ANNEXURE II**  
**INDIAN POSTS AND TELEGRAPHS DEPARTMENT**  
**OFFICE OF THE DIRECTOR GENERAL OF POSTS AND**  
**TELEGRAPHS**

No. 11-2/76-PHA                      Dated New Delhi the 22/25th May, 1976.

To

All Heads of Telecom Circles.

All Heads of Telephone Districts.

*SUB:—Procedure for release of connections on expansion of an existing exchange or cut-over of a new exchange.*

Sir,

Instructions were issued vide para 2 (vii) of this office letter No. 11-7/67-PHA (Col. VIII) dated 24-2-1968 that in-turn connections in all categories according to fixed percentages should be released in normal course on capacity becoming available in any exchange without waiting for the sanction of out of turn connections on the recommendations of the Telephone Advisory Committee. A case has recently come to the notice where in-turn connections were held-up pending the sanction of out of turn connections resulting in idle capacity and consequential loss of revenue to Government. The case has been adversely commented upon by the Public Accounts Committee of Parliament and serious view has been taken of the non-observance of the instructions on the subject.

2. In order to avoid recurrence of such cases and loss of revenue, it is requested that all concerned under your administrative control may please be suitably advised to scrupulously follow the instructions referred to above. It may be made clear to them that serious notice will be taken of any lapse on their part in this regard.

Yours faithfully,

Sd/-  
(P. N. KAUL)

**DIRECTOR OF PHONES (E)**

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**Recommendation**

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

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

[Sl. No. 12 (Paragraph 1.97) of Appendix III to 204th Report of Public Accounts Committee (5th Lok Sabha)].

#### **Action taken**

4/200 Group is necessary to accommodate PBXs having more than 10 junction lines. In case of PBXs only the first junction line is printed in the directory and in case this line is busy, the exchange equipment automatically searches for the next free junction line and the subscriber gets a busy tone, only when all are busy. Without use of 4/200 group, PBXs needing more than 10 junctions cannot be connected. In 4 200 group a subscriber having a minimum of 4 junction lines and maximum of 200 lines can be accommodated.

The engineering design of equipment permits of this facility being provided only in groups of 200 lines. In this group while allotting lines to PBXs enough spare capacity for future requirements of the PBXs are allowed for. This portion of the exchange equipment is therefore, not available for use by other subscribers. It may however, be added that the equipment of selectors etc. to serve this group is regulated according to the Traffic which depends upon the number of PBX Junctions actually connected.

[Ministry of Communications (P & T Department) Memo  
No. 27-6/76-B Dated 30-8-1976]

## CHAPTER IV

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

#### Recommendation

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

[Sl. No. 9 (Paragraph 1.94) of Appendix III to 204th Report of the Public Accounts Committee (5th Lok Sabha)].

#### Action taken

Apparently efforts were made to repair the Generator Set which was received in a damaged condition but the efforts were not successful due to non-availability of proper facilities in Srinagar. The other alternative of sending the damaged Generator to some other place in Punjab or to Delhi for repairs was apparently not adopted being a costly proposition. Ultimately a competent Technician who could repair this Generator Set at Srinagar itself was sent.

However, to avoid recurrence of such cases in future, instructions have been issued to all field units to review the performance of the existing Motor Generator Sets (copy of letter No. 3-6/75-PHM dated 4-6-1976 is enclosed (Annexure)

This has been seen by the AGP & T Delhi.

[Ministry of Communications (P & T Board) U.O. No. 27-6-76-B  
Dated 20-7-1976].

*ANNEXURE*

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

No. 3-6/75-PHM.

Dated, New Delhi, 4-6-1976.

To

All Heads of Telecom. Circles/  
Telephone Districts.

Instances have come to notice where motor generator sets remained out of order for a considerable time for want of timely repairs. Though M.G. sets are being progressively replaced by static power plants, it is considered essential to review the performance of the existing motor generator sets, carry out repairs to ensure that these sets give rated outputs, during operation. Where the sets have outlived their economical life, the proposals for their replacements should be examined so that timely procurement action could be taken.

Sd/-  
(H. S. Sodhi)

*Director (PHX).*

## CHAPTER V

### RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

#### Recommendation

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

[Sl. No. 6 (Paragraph 1.91 of Appendix III to 204th Report of Public Accounts Committee (5th Lok Sabha)].

#### Action taken

The matter is still under consideration.

This has been seen by the A.G. P & T, Delhi.

[Ministry of Communications (P & T Board) U.O. No. 27-6/76-B  
Dated 23-8-1976]

NEW DELHI ;  
December, 20, 1977.

Agrahayana 29, 1899 (S)

C. M. STEPHEN  
Chairman,  
Public Accounts Committee.

## APPENDIX

### CONCLUSIONS/RECOMMENDATIONS

Sl. No.	Para No. of the Report	Ministry/Department concerned	Conclusion/Recommendation
1	2	3	4
1	1-8	Ministry of Communications/ P&T Department.	The Committee note that realising somewhat belatedly, that the execution of some of the tele-communication projects had suffered because of the absence of a systematic watch and analysis of the progress of various component works of such projects, the Ministry of Communications (P&T Board) have now introduced PERT and BAR chart techniques for monitoring the progress of projects and ensuring better coordination than what hitherto existed between different agencies entrusted with the execution of various components of the projects. The Committee expect that the instructions issued in this regard would be assiduously followed in respect of all tele-communication projects including those already under execution.
2	1-12	-do-	As early as in December, 1972, the Estimates Committee (1972-73) had been informed that a proposal for the transfer of Hindustan Cables Ltd. to the administrative control of the Ministry of Communications, which, consumes about 90 per cent of the Company's total production of cables was under consideration of the Committee of Secretaries. Some four

years have elapsed since then and this question is stated to be 'still under consideration'. The reasons for the delay in arriving at a final decision on what appears to be a fairly simple issue have not been made known to them. The Committee are of the view that considerable benefits are likely to accrue by the implementation of this suggestion of the Administrative Reforms Commission. They would urge Government to take a final decision on this question without loss of time.

3 1.15 Ministry of Communications/  
P&T Department

The reasons advanced by the Ministry of Communications (P&T Board) for the delay of three years in repairing a defective generator are not very convincing. The Secretary of the Ministry himself conceded during evidence tendered before the Committee that the generator could have been repaired earlier had 'special efforts' been made. It has, however, now been contended by the Ministry that while efforts made to repair the generator set at Srinagar itself proved unsuccessful in the absence of proper facilities, the other alternative of getting the generator repaired elsewhere was apparently not adopted being a costly proposition. It is not known whether the local authorities at Srinagar had, in fact, examined in detail the economics of the alternative course, particularly in the context of the loss of revenue likely to be sustained on account of the generator remaining out of order, and then had given it up as an uneconomical proposition. In any case, with a little imagination and foresight, the step finally taken by the Department (sending a competent technician to Srinagar for repairing the set) could well have been taken much earlier. The Committee fear that this matter had been handled somewhat casually by the authorities concerned. They trust that a lesson has been learnt from this costly lapse and measures are being taken to avoid repetition of such instances of delay.

4 1-18 -do-

The Committee hope that the review now undertaken of the actual utilisation of lines earmarked in various telephone exchanges in the country for providing junction lines to Private Branch Exchanges (PBX) would be completed expeditiously and necessary steps taken ; on an emergent basis, to divert the surplus capacity, if any available at these exchanges to places where the demand might be larger.

5 1-21 -do-

While the Committee appreciate the steps taken or proposed to be taken by the department for meeting the ever-increasing demand for telephone connections in the country, they would like to emphasise once again the need for devising more ways and means for ensuring before long an adequate and efficient telephone network in the country. Similarly, while the Committee are not unaware of the necessity of meeting the needs of development in the smaller towns and rural areas which are in no way less important, they would reiterate the imperative need for embarking on a crash programme for rapid extension of telephone facilities in those centres of commerce and industry where the waiting lists are formidable.

