

**PUBLIC ACCOUNTS COMMITTEE
(1969-70)**

(FOURTH LOK SABHA)

EIGHTY-FIFTH REPORT

[Action taken by Government on the recommendations of the Public Accounts Committee contained in their 40th Report (Fourth Lok Sabha) on Appropriation Accounts (P&T) 1966-67 and Audit Report (P&T) 1968].



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**LOK SABHA SECRETARIAT
NEW DELHI**

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PUBLIC ACCOUNTS COMMITTEE

(1969-70)

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21. Shri N. R. M. Swamy
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SECRETARIAT

Shri A. L. Rai—*Deputy Secretary.*

Shri K. Seshadri—*Under Secretary.*

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this 85th Report on the Action Taken by Government on the recommendations contained in their 40th Report (Fourth Lok Sabha) on Appropriation Accounts (P&T) 1966-67 and Audit Report (P&T) 1968.

2. On the 7th June 1969 an "Action Taken" Sub-Committee was appointed to scrutinise the replies received from Government in pursuance of the recommendations made by the Committee in their earlier Reports. The Sub-Committee was constituted with following Members:—

1. Shri N. R. M. Swamy—*Convener*.
2. Shri H. N. Mukerjee
3. Shri K. M. Koushik
4. Shri Tayappa Hari Sonavane
5. Prof. Shanti Kothari
6. Smt. Sushila Rohatgi.

3. The draft Report was considered and adopted by the Sub-Committee at their sitting held on the 15th November, 1969 and finally adopted by the Public Accounts Committee on the 6th December 1969.

4. For facility of reference the main conclusions|recommendations of the Committee have been printed in thick type in the body of the Report. A statement showing the summary of the main recommendations/observations of the Committee is appended to the Report (Appendix).

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.

ATAL BIHARI VAJPAYEE,
Chairman,

22nd December 1969:1st Pausa 1891 (S). *Public Accounts Committee.*

CHAPTER I

REPORT

1.1. This Report of the Committee deals with action taken by Government on the recommendations contained in their 40th Report (Fourth Lok Sabha) on Appropriation Accounts (P&T) 1966-67 and Audit Report (P&T) 1968 which was presented to the Lok Sabha on the 20th February, 1969.

1.2. The Action Taken Notes/Statements have been categorised under the following heads:—

- (i) *Recommendations/observations that have been accepted by Government.*
Sr. Nos. 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24, 25, 26, 30, 31, 32, 33, 34, 35, 36, 39, 40 (3.31 & 3.32) 41, 42 (4.18 & 4.19) 43, 44, 45, 46, 47, 48, 49, 50, 51 & 52.
- (ii) *Recommendations/observations which the Sub-Committee do not desire to pursue in view of the replies to Government.*
Sr. No. 38
- (iii) *Recommendations/observations replies to which have not been accepted by the Committee and which require reiteration.*
Sr. Nos. 1, 2, 3, 4—6, 27—29.
- (iv) *Recommendations/observations in respect of which Government have furnished interim replies.*
Sr. Nos. 9 (1.56 & 1.57) 23 and 37.

1.3. The Committee hope that final replies in regard to those recommendations to which only interim replies have so far been furnished will be submitted to them expeditiously after getting them vested by Audit.

1.4. The Committee will now deal with the action taken notes on some of the recommendations. Submitted to them by Government.

Loss in Postal Branch—Operation of unremunerative Post Offices in rural areas—(Para 1.29—Sr. No. 1)

1.5. In paragraph 1.5 to 1.9 of their 40th Report (Fourth Lok Sabha) the Committee had dealt with the Revenue and Expenditure

position of the Postal Branch. Referring to the continuing losses in the Postal Branch, the Committee made the following observation in para 1.19 of the Report.

“Para 1.9: The Committee are perturbed over the continuing losses in the Postal Branch. The losses, which amounted to Rs. 1.28 crores in 1964-66, increased to Rs. 8.34 crores in 1966-67. The Committee find that approximately one-eighth of the loss in the year 1966-67 arose out of the operation of unremunerative post offices in rural areas. While the Committee recognise that such post offices provide an essential public service, they would like the Department to consider whether the existing policy of retaining losing post offices on trial for over ten years and on a permanent basis thereafter does not need review in the larger interests of the Department and economy. As pointed out by the P&T Tariffs Enquiry Committee, ‘such a long period of trial for post offices and their retention on a permanent basis at even higher losses after this period of trial, result in considerable cumulative losses to the Department. These continuing losses sap the resources generated in other areas of the Department’s activities’, leaving little ‘for the development and expansion of (other) services even when justified by the needs of traffic.’ The Committee note the recommendation of the Tariffs Enquiry Committee that ‘normally a period of four years or so should be considered enough for assessing whether a post office has developed traffic’ and that ‘if it has not, the conclusion is clear that such an office is not likely to justify its continuance and further expenditure on it can be hardly regarded as developmental expenditure...’. The Committee would like Government to take an early decision on this important recommendation, bearing in mind the sound principle that the postal services as a whole should break even, as indeed is the case in any countries of the world. This would ensure that the development and expansion of other vital services in particular tele-communications, is not hamstrung.”

1.6. In a note dated the 19th August, 1969, the Department of Communications (P&T Board) have stated as follows:—

“The recommendation is still under the consideration of the P&T Board.”

“The Work Study Unit has been set up only recently and it is too early to assess its impact on the working of the Department vis-a-vis economy or Savings.

The Work Study Unit has been organised into two teams—Work Study I and Work Study II. Work Study I is responsible for conducting studies in the field offices while Work Study II conducts studies in the Directorate. The Work Study I team, during 1968-69, has covered studies on a number of subjects in the Postal and Tele-Communication Branches and submitted their Reports to the concerned Sections for taking necessary action and submission to the P&T Board. The broad position is that the recommendations are under consideration and the PAC will be informed about the economies achieved when a decision on the recommendations has been taken and implemented”.

“The Work Study II team has reviewed the work of 25 Sections in the Directorate and its recommendations on implementation have resulted in a recurring saving of Rs. 62.100 per annum.”

“The Staff Inspection Unit of the Ministry of Finance have concluded two studies in the P&T Department:—

- (a) Telegraph Engineering Divisions and Sub-Divisions—Norms for staff.
- (b) P&T Circle Offices—Norms for staff.

The recommendations have been accepted by the P&T Board and orders have also been issued. The actual economies realised are being worked out in consultation with the lower formations and the PAC will be informed as soon as the figures are ready.”

“The suggestions made by the Tariff Enquiry Committee for effecting savings of time and labour in Post Office operations have been kept in mind by the Postal Research Centre. This Centre has helped to increase the speed of sorting of mail by its studies on ‘planning a sorting programme’ and ‘Location of Sorting case Selections’. It has also extended the use of Stamp Cancelling Machines to quicken the cancellation of stamps by laying down standards for the supply of these machines.”

5

1.11. The Committee desired to be furnished with further information on the following points:—

- (i) the areas of operations, covered by Works Study Units and the principal suggestions made by these units.
- (ii) the main recommendations made by the Staff Inspection Unit.
- (iii) the duties and responsibilities of the Postal Research Centre and the work done by it so far in the matter of standardising postal operation.

1.12. The information has been furnished as under:—

- (i) The Work Study Units are investigating 25 areas of operation in the Postal and Telecommunications Branches and P&T Directorate. Studies have been completed in respect of three items and orders regarding implementation also issued. In regard to the rest, studies have been completed in regard to a few items and the reports are under consideration by P&T Board. The balance of the items are under study.
- (ii) The studies of the Staff Inspection Unit cover:—
 - (a) Standards for administrative etc. Office staff in Telegraph Engg. Divisions.
 - (b) Standards for clerical staff in the circle offices.
 - (c) Standards for supervisory posts and officers in the Circle Offices.
 - (d) Standards for Postal Divisions.
 - (e) Study in respect of Crossbar planning and Railway Electrification Organisation including Gazetted personal.
 - (f) Work study of the posts of Regional Traffic Superintendents in Telephone Traffic Regions.
 - (g) Telecom. Accounts Offices.

Of these, studies have been completed in respect of Item (a) and (b), where orders regarding implementation have also been issued. Studies in respect of Items (c) & (d) have been completed and are under examination in the Directorate.

The main recommendations made by the Staff Inspection Unit are for fixation of the standards on the basis of co-efficients per clerk. In respect of items (a) and (b) where implementation orders have issued some saving in expenditure may result but no assessment has yet been made.

(iii) The Postal Research Centre of the P&T Directorate is entrusted with the study of machines in use in the Postal Services of advanced countries, their adoption in this country and their indigenous manufacture.

The introduction of mechanical aids in the Postal Services can be considered under the following Heads:—

- (a) Machines for use at the Post Office counters or lobbies for the convenience of the Public like stationery vending machine and franking machines.
- (b) Machines for the use of the staff in Mail handling as stamp cancellation machines, elevators and conveyors etc.

In the field of Postal Machinisation, ever since its inception, the Postal Research Centre has been actively exploring the scope for the introduction of primary mechanical aids (Postal Stationery Vending Machines, Stamp Emitters, Coin Changers Machines for issuing franked labels, conveyors etc.) in the Postal services. After a survey of such machines used in foreign countries, attempts have been made to get the machines which *prima facie* appeared to be suitable either by importing a few from abroad or by producing suitable prototypes indigenously. Whenever the machines have proved successful on field trial, the possibility of the indigenous manufacture of the machines is being explored so that the machines could be produced on a large scale and introduced in the postal services according to definite norms....

OPERATIONAL RESEARCH SCHEMES

The Operational Research Schemes undertaken by the Postal Research Centre have as their object the application of work study methods to postal operations with a view to achieving economy and efficiency.

The work done in this regard by the Postal Research Centre has been high lighted in the U.P.U. Journal by the publications of two papers—one on proper location of selections in a sorting office and the other on the examination of the variation of the speed of sorting

in relation to the number of selections in a sorting case and the planning of sorting system with a view to attaining overall efficiency. This paper was published in Union Postals of September 1968. These two papers were highly commended by the U.P.U. Authorities. The findings have been put into practice resulting in speedier disposal of traffic.

In the field of operational research, the Centre is currently engaged in striking a balance between man power distribution and traffic in sorting offices and on the possibilities of evolving a national postal code for addresses in India.

1.13. As part of the measures to control losses on the Postal Branch, it is essential that various operations should be standardised and the standards evolved rigorously enforced. As the Postal Department is labour-intensive, particular emphasis should be laid on labour-saving techniques. The Committee note that two teams of Work Study Unit are conducting studies in the field offices and the Directorate with a view to examining what economies are possible. The Committee would like the work in this regard to be phased properly, in accordance with a scheme of priorities, and completed expeditiously.

The Committee note from the information furnished that apart from the Work Study Teams, the Staff Inspection Unit of the Ministry of Finance as well as the Postal Research Centre are engaged on the work of evolution of norms in certain fields of work. As it would appear that there are several agencies engaged on the question of standardisation of operations and prescribing of norms, the Committee trust that there would be no duplication or overlapping of functions and the most competent available agency would be entrusted with the work of achieving economy in the field in which it has specialised.

Expenditure on reimbursement of medical charges and over-time allowance etc.

1.14. Commenting on the increase in expenditure of the Postal Department on reimbursement of medical charges, overtime allowance etc., the Committee had made the following observations in para 1.21 of their Fortieth Report:

“The Committee are also distressed to note that the expenditure on medical reimbursement overtime allowance etc. in the Postal Branch has increased four-fold since 1962-63.

They note that a number of malpractices have come to the notice of the Department in connection, particularly with the scheme for reimbursement of medical charges and that Government are considering how best such malpractices could be eliminated. The Committee, trust that, as a result of the efforts of the Study Group which is now examining the working of the medical reimbursement schemes, ways and means of eliminating these abuses will be found and effectively implemented."

1.15. In an action taken note dated the 18th August, 1969, the Department of Communications have furnished the following reply to the observations of the Committee:

"The matter is under active study by the Efficiency Bureau of the P&T Department as well as by the Study Group. Ways and Means of eliminating the abuses and malpractices in this regard will be found and effectively implemented after the results of the aforesaid studies are available."

1.16. The Committee enquired on what lines the malpractices noticed, are being tackled. In a reply dated the 4th November, 1966, the Department have stated as follows:—

"The Study Group constituted in the Ministry of Health to suggest measures of prevent abuses of the system of reimbursement of medical expenses under the C.S. (MA) Rules has in its various meetings taken decisions on a number of suggestions put forward before it. Some of the measures recommended by the Study Group in its earlier meetings and on which the Government have issued orders are:

- (i) reduction in the time limit of one year for submission of medical claims from the date of completion of treatment to three months, (2) introduction of C.G.H.S. Schemes at Allahabad with effect from 25-3-69 and (3) to have a separate modified C.G.H.S. Scheme for Calcutta by drawing up a panel of registered private practitioners by the Central Government.

2. Besides the measures enumerated above, the Study Group has also endorsed the Government's earlier decision to restrict the number of authorised medical attendants as also the number of chemists at various stations. In this direction the Government have already appointed restricted number of authorised medical attendants in Maharashtra, Bihar, Orissa, and the Union Territory of Chandigarh. Further the chemists have also been specified, in certain areas of the

States of Andhra Pradesh, Madras, Mysore, Rajasthan, Gujarat, Kerala and U.P. and the Union Territory of Chandigarh. At stations where the chemists have not so far been specified, the officials are required to purchase medicines from the Government Cooperative Stores etc., if functioning within a radius of two kilometers from the residence of the official.

3. Further steps are being taken by Government to amend the C.S. (MA) Rules on the recommendations of the Study Group so as to empower any Department of the Central Government to designate an authorised medical attendant in respect of any Government servant. A suggestion which had come up for consideration before the Study Group related to fixing of ceiling on reimbursement of medical expenses. This was left over for detailed consideration pending receipt of recommendations in this regard from the Administrative Reforms Commission.

4. Apart from the various measures stated above, the Efficiency Bureau set up in the P&T Department, to look into besides other issues the problem of mounting expenditure on medical reimbursement in the P&T Department and to suggest remedial measures, has since submitted its report. It has suggested various measures to improve upon the working of the scheme of medical reimbursement available under C.S. (MA) Rules. Of the various measures suggested decisions on the following suggestions have been taken by the P&T Board.

(i) Supply of formulary of medicines for use in the P&T Dispensaries

It has been decided to adopt the C.G.H.S. formulary for procurement and dispensing of medicines in the P&T Dispensaries. Any medicines not found to be available in the P&T Dispensary at any time shall be procured from a local authorised dealer and dispensed to the patient.

(ii) Opening of P&T Dispensaries

It has been decided to open four more departmental dispensaries (in addition to the 15 dispensaries already functioning at various places) at Amritsar, Jullundur, Tiruchirapalli and Vijaywada.

(iii) Appointment of authorised medical attendants by the P&T Department for its own employees.

As stated above the Government have agreed in principle to empower any Department of the Central Government to designate authorised medical attendants in respect of its own employees.

Necessary delegation to the P&T Board in this regard is awaited from Government. As soon as the orders are received action will be taken to appoint authorised medical attendants at stations where the per capita expenditure on medical reimbursement is over Rs. 100|p.a.

5. Besides the above, the Efficiency Bureau have given the following suggestions also:—

- (i) *Alternatives involving modifications to the existing scheme of medical reimbursement.*

It has been suggested in this regard that reimbursement of medical expenses be restricted in cases of hospitalisation alone and in other cases medical allowance with reference to pay range be granted for meeting medical expenses. In case this suggestion is not finally found to be acceptable it has been suggested to fix a ceiling on reimbursement applicable to cases of medical treatment other than on hospitalisation.

- (ii) *Improvement in the working of medical reimbursement scheme within the framework of the existing rules.*

The recommendations broadly relate to making minimum but essential changes to the existing medical attendance rules and to suggest administrative procedures with a view to identifying suspect cases and to concentrate on detailed scrutiny and vigorous pursuing of such cases.

The above two recommendations would require amendment of the C.S. (MA) Rules which are administered by the Ministry of Health. These recommendations are, therefore, being referred to that Ministry for their consideration.

6. This Department has also issued orders that the controlling officers should consider desirability of transferring the officials preferring claim habitually or too frequently and for large amounts to places where there are P&T Dispensaries and to good climate places.

This has been seen by the Ministry of Health.

1.17. The Committee hope that as a result of steps now initiated, it will be possible for Government to control effectively the expenditure of the Postal Branch on reimbursement of medical charges and eliminate abuses noticed by way of fraudulent or bogus claims. A

close watch will have to be kept on the working of P. & T. dispensaries which are being progressively opened at various places to dispense medicines to the staff. It will have to be particularly ensured that these dispensaries do not run up huge bills for stocking medicines which are disproportionate to the genuine requirements of the staff over a specific period. In places where the old practice of reimbursement of charges of medicines purchased from approved dispensaries continues, the expenditure should be closely watched by controlling officers and dubious claims quickly investigated and delinquents firmly dealt with.

The Committee also note that Government are considering a proposal to give a flat rate of medical allowance to the staff to eliminate complications involved in the working of the existing scheme. As this might simplify matters, the Committee would like Government to come to an early decision on this proposal.

Losses in Telegraph Branch—Sr. Nos. 4—6, paragraphs 1.29—1.31

1.18. In paragraphs 1.22 to 1.28, the Committee had dealt with the Revenue and Expenditure position of the Telegraph Branch. Referring to the losses incurred by the Telegraph Branch, the Committee made the following observations in paragraphs 1.29, 1.30 and 1.31:

“1.29. The Committee observe that the losses in the Telegraph Branch continue to rise and had reached Rs. 5.83 crores in 1966-67. The percentage of expenditure to revenue, however, has come down from 136.3 in 1965-66 to 134.4 in 1966-67. The Committee note that the Department have initiated a number of measures, such as conversion from morse key to teleprinters, replacement of open wire line by coaxial cables, extension of working hours, tightening of supervision and decentralisation of deliveries, in order to improve the service. The Committee feel that if these measures are implemented in earnest and the transmission and delivery of telegrams made prompt and reliable, the Department is bound to attract more traffic, thereby reducing the losses.”

“1.30. The Committee note with concern the observations of the Tariff Enquiry Committee that ‘no serious attempt has hitherto been made for ascertaining the cost per message handled from year to year’. The Committee consider that such an analysis should be undertaken systematically so as to enable the Department closely to watch the cost of service not only in order to effect economy without loss

of time, but also to judge the financial return before committing scarce resources to the expansion of the service. The Committee need hardly point out that the experience of advanced countries clearly indicates that telegraph services lose ground to the extent that postal service become more efficient and the use of telephones gains popularity and it is imperative, therefore, that any expansion programme, involving a considerable outlay for a service which is already incurring losses, should be undertaken only after making sure of the financial implications."

"1.31. The Committee also agree with the Tariff Enquiry Committee that deficits in the Telegraph Branch should not be indefinitely borne by the Telephone Branch, irrespective of the amount and the circumstances. The Committee suggest that the Efficiency Bureau of the P&T Department should undertake an intensive study of the working of the Telegraph Department with a view to suggest concrete measures to improve efficiency, effect economy and reduce losses."

1.19. In a note dated the 21st July, 1969, the Department of Communications (P&T Board) have stated as follows:—

"The P&T Board has since set up a Departmental Committee to make a detailed study of the working of the Telegraph Branch with a view to devising measures for bringing about:

- (i) Economies consistent with efficiency, and
- (ii) Reduction in the costs by improved methods of working and application of technological advancements.

A copy of the order setting up the Telegraph Operations Economies Committee is enclosed.

2. A Costing Cell has recently been set up in the P&T Directorate for making a scientific study of the costs incurred by the Department in operating the several Postal and Telecommunication services including the Telegraph service. As a part of its function, the Costing Cell is now reviewing the cost per message handled from year to year. The review has been completed upto 1967-68. In order to enable the Department to closely watch the cost of existing telegraph service it may be mentioned that 'Commercial Accounting' and Performance Budgetting have recently

been introduced in the Department. These measures are intended to indicate the economic and financial situation in various Telecommunication services operated and maintained by the Department. This will also enable the management to make suitable steps in committing scarce resources to expansion of various arms of services in the Department. From a Commercial angle efficiency and economy are always given due consideration while formulating new schemes for expansion and modernisation of Telegraph services. The telex service which forms an important part of telegraph services has been bringing handsome returns to the Department and its expansion is justified from the point of view of economy, modernisation and service to business, commerce, industry and administration."

1.20. In a further note dated the 31st October, 1969, the above Department have stated as follows:

"The term of the Telegraph Operating and Economies Committee set up on 11th March, 1969 has since been extended upto 31st December, 1969. Shri D. N. Ramchandani has since been nominated as the Chairman of the Committee vice Shri Marcus Delima, who has accepted a foreign assignment. The report of the Committee, when ready, will be furnished.

The cost of a Telegraph message is estimated at:

- | | | |
|--|----|----------|
| (i) Non-Press message of minimum length of 8 words | .. | Rs. 2.18 |
| (ii) Press message of minimum length of 50 words | .. | Rs. 4.21 |

1.21. The Committee observe that Government have set up a Departmental Committee to make a detailed study of the working of the Telegraph Branch and devise measures for reducing cost and effecting economies. The Committee would like the Study to be expeditiously completed and action initiated on their recommendations. As part of the machinery for controlling cost in the Telegraph Branch, a costing cell has also been set up in the P. & T. Directorate. It is imperative that this cell should at periodical intervals systematically and meaningfully analyse and report to the higher management on the cost of messages, so that timely steps could be taken to control the costs and make the service progressively more and more self-supporting.

Loss of potential revenue through inadequate utilisation of expanded capacity of Telephone Exchange (S. Nos. 27—29 paras 2.35 to 2.37).

1.22. In paragraphs 2.27 to 2.34, the Committee had dealt with loss of potential revenue through inadequate utilisation of expanded capacity of Telephone Exchanges while in paras 2.35 to 2.37, the Committee made the following observations:—

“The Committee note that as much as 13 per cent of the connectable capacity of telephone exchanges in the country with 1,000 lines or above remained unutilized as on 30th June, 1968, due primarily to a shortage of cables. They further note that the shortage of cables has assumed such proportions that the Department anticipate as much as two-thirds of their requirements of cables remaining unfulfilled as at the end of 1968-69, with no assured prospect of any foreign aid for the import of cables to meet at least a part of the pressing demand. It is strange that in the face of such a glaring shortage, Government have still not come to a decision on a proposal made by a working Group of the Planning Commission as early as September, 1962 for setting up a new unit for the manufacture of cables. The Committee cannot help feeling that the proposal has been processed in a very leisurely fashion. How leisurely the process of examination has been would be evident from the fact that Government took over four years after the submission of the report of the Working Group to come to a decision on the location of the project. Two years after this decision, the project still remains “under consideration”. The Committee would urge that a decision on the project be taken without delay.

The Committee note that Government have also embarked on a project for expansion of the capacity of Hindustan Cables Ltd. and that trial production is expected to start during 1969-70. They hope that the project will proceed according to schedule.

The Committee also observe that the Department have proposed a tentative target of 15 lakh telephone connections for the Fourth Plan and that the requirements of cables for such a programme would amount to 80,000 KMs of which only 48,000 KMs will be met by Hindustan Cables and the proposed new unit. In view of the large gap thus left and the current indications regarding non-availability

of foreign assistance for imports the Committee would like Government to consider how best the gap could be bridged indigenously by encouraging private manufacturers to undertake the manufacture of cables. The Committee would like a speedy decision to be taken by Government on requests already stated to have been received from some units in the private sector for permission to manufacture these cables by utilization of spare capacity.

1.23. In their reply dated the 18th August, 1969, the Department of Communication (P&T Board) have stated:

“The Public Accounts Committee in para 2.35 have commented on the following points:—

- (i) that as much as 13 per cent of the connectable capacity of telephone exchanges in the country remained unutilized as on 30th June, 1968 due primarily to shortage of cables.
- (ii) as against the shortage of cables and no assured prospect of any foreign aid for the import of cables the Government have still not come to a decision on a proposal for setting up a new unit for manufacture of cables.
- (iii) a decision on the project be taken without delay.

Regarding item (i) on a recent review based on information as on 31-3-1969 it was found that the percentage of unutilized connectable capacity of exchanges of 1,000 lines and above in the country was 14 per cent. The unutilized capacity was primarily due to shortage of telephone cables.

Regarding item (ii) the Department has recently negotiated a loan/credit from the World Bank/I.D.A. for 55 million U.S. Dollars and a bilateral credit to the tune of 33 to 36 million U.S. dollars from Canada is in an advanced stage of finalization. Against these credits it is proposed to import telephone cables worth 30 million U.S. dollars during the next 3 to 4 years.

In the meantime orders have already been placed for import of 1115 LKMs to telephone cables based on bilateral credits and it is expected that these cables might be available during the course of this year.

As regards the delay in taking decision regarding the proposal to set up the new unit, the matter was taken up with the Ministry of I.D.I.T. & C.A. who are in controls of M/s. Hindustan Cables Ltd. In their reply the Ministry of I.D.I.T. & C.A. have explained the various causes for delay as under:

- (i) Considerable amount of time had to be taken to decide the choice of the site which had to be made out of nearly 30 sites lying in six states.
- (ii) The proposal had to be examined very carefully in view of the huge investment of nearly Rs. 10 crores involved in the project.
- (iii) The original estimates made in early 1962 as well as the production pattern had to be reviewed due to the lapse of time till the site was selected finally in December, 1966.
- (iv) The need to prepare a fresh project estimate after taking into account the revised cost figures and requirements pattern.
- (v) The revised project estimate was submitted in April, 1968 which was again revised in June, 1968.
- (vi) The need to examine the establishment of this factory after taking into account the likely resources to be made available to P&T during the Fourth Plan.
- (vii) The necessity to take into account the representations received from private cable manufacturers for manufacture of telecommunication cables.

To consider the question of meeting the future requirements of telephone cables by establishment of a second cable factory and/or manufacture of telephone cables in the private sector, a couple of meetings were convened last year by the Planning Commission. In pursuance of the decisions taken in these meetings, a technical team comprising of representatives from the D.G.T.D., HCL & P&T Directorate has been constituted to visit M/s. Traco (A Govt. of Kerala Undertaking) and other private power sector units to assess their ability/capacity to manufacture telephone cables as also additional equipment and foreign exchange

needed by these units. This team has since submitted its report on M/s. Traco and it has been decided in a meeting taken by Minister I.D.I.T. & C.A. on 24-5-1969 to immediately allow this undertaking to set up capacity to manufacture 1000 LKMs of Telephone cables annually and it is expected that M/s. Traco's would take about two years to establish the manufacture of the cables. The technical team has also been advised to visit the other units and expedite its report on the possibilities of the manufacture of telephone cables by these units. The report when received will be examined by the Ministry of I.D.I.T. & C.A. on an urgent basis and submit the same to the P.P.E. Committee of the Cabinet for a decision. As M/s. Hindustan Cables Ltd. is under the Control of the Ministry of I.D.I.T. & C.A. the matter has been taken up with that Ministry who have replied that satisfactory progress is being maintained by M/s. Hindustan Cables Ltd. in adhering to the Schedule. In a meeting recently convened by the Ministry of I.D.I.T. & C.A. it has been indicated that this expansion programme of M/s. HCL will take at least two years to be completed.

In para 2.37 of their 40th Report (Fourth Lok Sabha) the Committee have observed as under:

- (i) For a tentative target of 15 lakh telephone connections for the Fourth Plan, requirements of cables would amount to 80,000 KMs. of which only 48,000 KMs will be met by M/s. Hindustan Cables Ltd. and the proposed new unit.
- (ii) Speedy decision to be taken by Government on requests already stated to have been received from some units in the private sector for permission to manufacture these cables by utilisation of spare capacity.

As regards (i) above it may be clarified that the P&T has been finally allotted an amount of Rs. 467.75 crores only for development of telecommunications during the Fourth Plan which would permit only an addition of about 7.6 lakhs of telephones (and not 15 lakhs as per the original Fourth Plan for Rs. 846 crores). The requirements of telephone cables for the revised plan is now estimated at 53,000 KMs.

As regards (ii) above the position has already been explained in our reply to para 2.35 of the PAC recommendation."

1.24. The Committee asked for information to be furnished on the following points:

- (i) Whether the negotiations with the World Bank/IDA for a loan/credit for 55 million dollars and a bilateral credit to the tune of 33 to 36 million US dollars from Canada, has been finalised. If so, what is the outcome?
- (ii) the present position of the orders already placed for import of 1115 KMs of telephone cables based on the bilateral credit.
- (iii) the present position of the Report of Technical team regarding other units and the Government's decisions thereon.
- (iv) whether a final decision has been taken that a second unit need not be set up in public sector for manufacture of cables.
- (v) whether with the expansion of capacity of Hindustan Cables Limited and other existing units as well as contemplated imports, the assessed requirements of 53,000 Kms of cables will be fully met.

1.25. In reply dated the 1st November, 1969 the Department of Communications (P&T Board) have stated:—

- "(i) Yes. A World Bank loan of 27.5 million US dollars and an IDA credit of equal amount have been signed on 18-6-69 and have become effective from 14-7-69.

A loan agreement for 40 million Canadian Dollars has also been signed on 30-9-69 with Canadian International Development Agency.

Under the above agreements, it is proposed to import about 15,000 to 20,000 standard KMS of telephone cables valued at roughly 30 million US dollars. The actual quantities to be imported will, however, depend upon the tender prices and the imports will be restricted to the amounts available in the loans.

- (ii) Supplies on orders already placed for 1115 Kms of Cables under bilateral credits, have commenced and are expected to be completed by March, 1970.
- (iii) & (iv) These issues are being dealt with by the Department of Industrial Development in the Ministry of Industrial Development, Internal Trade and Company Affairs. It is understood that the report of the Technical Team has been received and is under consideration by the Department of Industrial Development.
- (v) The total requirements of 53,000 SKms. of Cables for the Fourth Plan period are proposed to be met as follows:—
- (a) From Indigenous sources 30,000 to 38,000 SKMs.
(Out of this about 30,000 SKMs are the expected supplies from M/s H.C.L. as per the latest indications of the Department of Industrial Development).
- (b) By Direct imports : 15,000 to 20,000 SKMs
(Reference Reply at item (i) above).

Of the above, the quantities under imports are likely to materialise. As regards indigenous production, the Department of Industrial Development feels that there should not be any great difficulty in meeting the requirement."

1.26. The Committee see little justification for the inordinate delay of over 7 years in processing the proposal for setting up a second unit for manufacture of cables. The proposal was mooted as early as 1962. Even if, as argued by Government, the proposal had to be examined very carefully, in view of the substantial investment (Rs. 10 crores) involved, it should have been possible for Government to have come to a decision by now. The data furnished to the Committee show that, as on 31st March, 1969, as much as 14 per cent of connectable capacity of telephone exchanges of 1,000 lines and above remained unutilised due to shortage of cables. The shortage is so acute that out of the requirements of 53,000 Standard Kilometres of cables anticipated during the Fourth Plan period, nearly two-fifths are proposed to be met by imports. The Committee are constrained to note that

15,000 to 20,000 Standard Kilometres of telephone cables valued at roughly 30 million U.S. dollars are to be imported as indigenous capacity (both in the public and private sectors) which is capable of producing quality goods has not been expanded|allowed to expand to meet the home demand. The Committee need, hardly emphasise the need to step up indigenous production of cables in the interest not only of conserving foreign exchange but also of ensuring full utilisation of the capacity of the telephone exchanges, so that pending demands for connections could be met. The Committee would like Government to come to a decision, without further delay, on the question of expanding indigenous production of cables in the appropriate sector.

1.27. A substantial proportion of the anticipated demand for cables (i.e. about 30,000 Standard Kilometres) is to be met by the existing public sector unit at Rupnarainpur which is stated to be undertaking an expansion programme for this purpose to be completed over a period of two years. The Committee trust that a close watch will be kept by Government to ensure that the programme gets completed according to schedule.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

The Committee note with concern the progressively widening gap between the demand for and the supply of telephones. As on 31st March, 1968, the number of people on the waiting list for telephones was fifteen times what it was on 31st March, 1956, the supply being about four years behind the demand for the country as a whole. The Committee also note that the Department expects more than a doubling of the demand for telephones every five years hereafter till 1980-81, and that, during the Fourth Plan period, 15 lakhs of telephones would be necessary just to maintain the *status quo* in the matter of waiting lists. Even this limited plan for expansion would, on the Department's estimates, call for an investment of Rs. 846 crores which, on current indications, may not be available due to the dearth of foreign exchange and the limitations of internal resources caused largely by the diversion in recent years of the profits made on the telephone services to the Postal and Telegraph services.

[S. No. 7 of Appendix II, Para 1.54 of the 40th Report]

Action Taken

The Department shares the concern of the Committee with the progressively widening gap between the demand and supply of telephones. The telephone services are highly capital intensive with fairly large foreign exchange component specially for import of raw materials which are not found in the country. The expansion plan for telephone services thus depends to a large extent on the total investment plans for National economy as a whole and the share that can be allotted from this to the telephone services. The plough back of internal resources even without diversion of its profits to the Postal and Telegraph Services cannot fully meet the capital needs.

The Department had initially prepared a plan for providing 15 lakh telephones during the Fourth Plan period. The plan had envisaged an investment of Rs. 846 crores for five years. Keeping

the over-all position of the financial and foreign exchange resources, the Planning Commission have been able to recommend only Rs. 467.75 crores for the Telecommunications Plan which would permit installation of about 6 lakh DELs or 7.6 lakhs telephone sets during the 4th Plan period. This would leave a considerable gap between the demand and supply of telephones.

The Department would take up the question of an upward revision of investment and physical targets at the stage of mid-term Plan appraisal if the resources position at that stage permits such revision.

[Department of Communications (P&T Board), O.M. No. 23-8|69-TPS (EA-I), dated 18-8-1969.]

Recommendation

While the Committee recognise that the development of telephone facilities will have to depend on the overall resources position and the priorities to be given to other vital sectors of activity, they would like to stress that telephone communications constitute a vital part of the country's infrastructure. The development of this facility should, therefore, receive high priority in the country's plans. Such a priority would also seem to be merited by the fact that the telephone system can more than adequately pay its way.

[Serial No. 8, Appendix II, Para No. 1.55 of Report]

Action Taken

The Planning Commission recognise that the telephone communications constitute a vital part of the country's infrastructure and appreciate the need for developing communication facilities in view of their importance for the development of industry and trade. Having regard to these considerations, a provision of Rs. 466.25 crores has been made for Telecommunications in the Draft Fourth Five Year Plan (1969—74) against an expenditure of Rs. 164.04 crores in the Third Five Year Plan (1961—66). It may be mentioned that the provision for Telecommunications in the new Fourth Plan constitutes 3.2 per cent of total public sector outlay in the Plan, the corresponding percentage for the Third Plan expenditure being 1:9.

[Planning Commission No. T&C/5(1)/69, dated the 18th August, 1969.]

Recommendation

The Committee feel that the Telecommunications Branch should be so organised as to enable it to attract the requisite funds from all available sources as it is in a position to generate enough return to pay back the investment. The Committee would like Government to take an early decision to ensure that the accounts of the Telecommunications Branch are kept distinct from all other branches in keeping with the utility-cum-commercial nature of its service.

[Sl. No. 10 of Appendix II, para 1.58 of fortieth Report
(Fourth Lok Sabha)]

Action Taken

In an earlier paragraph (para 1.56), the Public Accounts Committee has recommended that there is a strong case for Government to examine carefully the proposal for the conversion of the Telecommunications Branch into a statutory Corporation. In para 1.58 (reproduced above), the Committee has expressed the opinion that the Telecom Branch be so organised as to enable it to attract the requisite funds from all available sources as it is in a position to generate enough return to pay back the investment. If this recommendation refers to the constitution of the Telecom Branch into a statutory corporation, then it may be mentioned that the matter is already being examined by the Administrative Reforms Commission. A Working Group of the Commission has submitted its report to the A.R.C. whose final recommendations are awaited.

2. So far as the recommendation of the Committee relating to organising the Telecom Branch to enable it to attract the requisite funds from all available sources is concerned, it may be submitted that even under the existing set-up every effort is made to attract funds to the extent possible for development and expansion of the Telecommunication services. In the Third Five Year Plan, a provision of Rs. 159 crores was made for the expansion of Telecom facilities. The Department also obtained two loans from the I.D.A. amounting to \$ 42 million and \$ 33 million to finalise the purchase of equipments and raw-material for the factories for development of telecommunication facilities. In the Fourth Five Year Plan, a provision of Rs. 467.75 crores has been made for the expansion of telecom facilities. A loan of \$ 55 million is being negotiated with the I.D.A. for the same purpose. As the Committee is aware, the Telecommunication Branch meets a substantial portion of its capital

expenditure from its internal resources, i.e., the funds generated by the branch itself. The main sources of internal funds are:—

- (a) Withdrawals from the Renewals Reserve Fund utilised for modernisation/replacement of assets. These amounted to Rs. 66.10 crores upto the year 1968-69.
- (b) Advance rentals from subscribers in OYT scheme and payment of advance rentals by subscribers in measured rate systems. The amount collected under this scheme and utilised for expansion of Telecom Facilities to end of 1968-69 is Rs. 30.39 crores.
- (c) Current revenues of the Department used to defray cost of small works upto certain specified limits. This accounts for about Rs. 102.21 crores upto 1968-69.

3. So far as the recommendation of the PAC relating to maintenance of accounts of the Telecommunications Branch as distinct from all other branches is concerned, it may be mentioned that the Department keeps separate profit and loss accounts for all the four branches. The revenue which is directly realised by a branch and the expenditure that is directly incurred by it are taken straight away to that branch. Revenue and Expenditure of a joint and general nature are initially booked under the general joint heads of account in the Revenue and Expenditure portions respectively and are then apportioned among the branches concerned in equitable proportions, which have been laid down in consultation with the A.G.P.&T. Similarly, for services rendered by one branch to the other, an inter branch adjustment is made giving credit to the branch which renders the service and debiting the branch which receives the service. Therefore, short of complete separation of the Telecom Branch from the Postal Branch, the accounting procedures laid down at present envisage the maintenance of accounts of these branches separately with a fair degree of accuracy of the financial results of their working.

[Department of Communications (P&T Board), O.M. No. 34-7/69-B, dated the 12-6-1969.]

Recommendation

The Committee note that the Department do not have separate revenue and expenditure figures for each exchange. While the Committee appreciate Government's view that the maintenance of such accounts would involve labour, they would like to stress that it

is necessary for the Department to keep a watch on the remunerativeness of at least the principal schemes of expansion undertaken by the Department so that scarce resources are expended on ventures which yield the maximum return keeping in view the interests of the country's economy. The Committee would like the Department to examine how best the existing system of accounts could be adapted to serve this purpose.

[Sl. No. 11 of Appendix II, para 1.59 of Fortieth Report—
Fourth Lok Sabha.]

Action Taken

The P. & T. Department sanctions projects when there is full justification for their execution with reference to the service they would give to the general public as also, when, they are expected to be fully remunerative taking into account the recurring and non-recurring expenditure and the revenue which they would earn when completed and operated to the full usable capacity envisaged. The remunerativeness of all large projects is further assessed twice a year in the course of their progress. Finally their profitability is again verified with reference to the revenue earned *vis-a-vis* the recurring and non-recurring expenditure, when they are completed.

2. The Audit have drawn attention to certain instances where in assessing the profitability of projects on completion, the instructions issued to the effect that the assessment of revenue should be based on the actual number of connections/lines and latest rates of local and trunk calls etc., have not been followed and revenue has been calculated on the basis of the optimum usable capacity instead of the capacity actually in use at that point of time. Instructions have accordingly been issued now to all concerned that the assessment of profitability of a project at a given time, should be made on the basis of the actual capacity in use as per standing instructions.

3. When a project is sponsored by a State Government/another Department etc., and if the project estimate is found to be unremunerative, a guarantee is obtained from the sponsoring Government or Department and the deficiency if any in its financial working is made good by the guarantor.

[Department of Communications (P&T Board) O.M. No.
11-13/68-PHA, dated 19-8-1969.]

Further Information

Please state whether a system of accounting has been evolved to assess the remunerativeness of the principal schemes of expansion.

[Further Information sought by the Committee]

Reply Given

A system of accounting already exists to assess the remunerativeness of the principal schemes of expansion in the P. & T. Department. The instructions on the subject have since been reiterated.

[Department of Communications (P. & T. Board) O.M. No. 11-13/68-PHA, dated 31-10-1969]

Recommendation

The Committee note with concern that the waiting lists for telephones in metropolitan cities like Calcutta, Bombay and Delhi are alarming the average waiting period in Calcutta being 6 years, Bombay 5 years, Delhi 6.5 years. The Committee also note that in the case of Bombay, the waiting list has been maintained only under the category of the 'OYT' scheme and the Department had arbitrarily given up the registration of applications under the non-OYT category since 1962. It is needless to point out that such arbitrary action in stopping registration for telephones under the larger category of non-OYT has not only seriously depressed the figure of outstanding demand for telephones in Bombay but has also obviously distracted the equitable allocation of scarce resources to that metropolitan city.

A uniform procedure for the maintenance of waiting lists for the non-OYT category should be evolved and enforced without delay so as to reflect the true position. The Committee also suggest that the Department should lay down precise guidelines for determining priorities for the allocation of additional lines keeping in view the number on the waiting list and the duration of waiting.

The Committee cannot too strongly stress that the P&T Department should not only correct the injustice done to Bombay in the matter of the correct estimation of outstanding demand but also ensure that in any allocation of telephone resources in the next Plan Period this aspect is kept in view so as to correct the inequity that has taken place.

[Sl. No. 12 of Appendix II, Paras 1.60 to 1.62 of 40th Report
4th Lok Sabha.]

Action Taken

A proper procedure for maintenance of waiting lists and a standard application form has been prescribed by the P&T Board and this is being enforced.

2. The present procedure for allocation of additional equipment is being reviewed in the light of the large forecasts of demand and limited resources likely to be available during 4th Plan period. The new guidelines will take into account the recommendations of the Public Accounts Committee, in this regard and an attempt would be made to bring about uniformity with regard to the waiting periods for OYT applicants in different areas.

3. Regarding the injustice to Bombay with regard to estimation of outstanding demand, it is proposed to bring the position at par with other places by adoption of the new uniform procedure for registration of both OYT and non-OYT demands. As regards, allocation of equipment even in the past some special consideration was given to Bombay, keeping in view the fact that the waiting lists there pertain to OYT category only. In any case, any inequity that might have occurred in the past is proposed to be corrected by adoption of suitable guidelines as stated in para 2 above.

[Department of Communications (P&T Board) O.M. No.
11-18 69-PHA, dated 19-8-1969.]

Recommendation

The Committee also consider that if the acute telephone position in the metropolitan centres of Commerce and Industry like Calcutta, Bombay and Delhi is to be eased to a reasonable extent, it is imperative that a crash programme for the installation of 1.62 lakh telephones at a cost of Rs. 62 crores, proposed by the Department, is accorded high priority and is implemented in all earnestness.

[Sl. No. 13, Appendix II, Para 1.63 of the 40th Report.]

Action Taken

In 1968 the Department had drawn up a crash programme for the installation of 1.62 lakh telephones at a cost of Rs. 62 crores to improve the telephone facilities in the four largest centres of Commerce and Industry. However, since the Fourth Plan was being finalised about the same time, it was felt that any such programme should form part of the Fourth Plan proposals.

2332 (aii) LS—3.

It has been possible to obtain only Rs. 467.75 crores for the Telecommunications Plan (subject to final approval of Plan) and it is not possible to include a major crash programme for the four major towns. However, maximum allocation would be made for meeting the requirements of these towns to improve the position regarding the telephone supply there.

The position will further be reviewed as the Plan implementation progress and if the financial and foreign exchange resources of Government improve, the P&T Board once again propose implementation of a special crash programme for those towns where the waiting periods have been considerably longer than the average for the country as a whole.

[Department of Communications (P&T Board) O.M. No. 23-8 '69-TPS(EA)-III, dated 18-8-1969.]

Recommendation

The Committee note from the data furnished during evidence that the available exchange capacity has, since 1962-63, been utilised only to the extent of 76 per cent to 80 per cent. Since the Department's norm for connections from an exchange is ordinarily 94 per cent, the Committee feel that there is considerable scope for improvement in this regard. The Committee would like the Department to improve the utilisation ratio by a sustained drive.

[Sl. No. 14, Appendix II, Para 104 of the 46th Report.]

Action Taken

The Department's norm for connections from a telephone exchange to the extent of about 94 per cent is in respect of the maximum number of connections to be provided from a telephone exchange when fully loaded, the remaining 6 per cent being kept available for engineering spares, number changes caused by shifts etc. While this figure is achieved wherever an exchange has been expanded to its fullest capacity and fully loaded, the overall average figures cannot be as high as this because of the additional exchange capacity being added continuously in various exchanges and the time taken in providing the telephone connections to the extent of its maximum capacity.

It is, however, admitted that in a number of cases there has been delay in the utilisation of the newly created exchange capacity because of shortage of cables and other line materials. **Continuous**

steps are being taken in this regard, notably to impress on the Ministry of Industries to expand the manufacturing capacity for tele-phones cables, to improve procurement of stores and to secure suitable credits for importing raw materials for the telephone cable factory as well as for telephone cables to meet the accumulated shortfall.

[Department of Communications (P&T Board) O.M. No. 23-8 '69-TPS(EA-IV), dated 18-8-1969.]

Recommendation

In regard to the difficulties in the way of expansion arising out of the shortage of foreign exchange, the Committee observe that the Department is at present dependent on foreign sources, particularly for cables and transmission equipment like carrier system, coaxial and microwave equipment. Later in this Report, the Committee have dealt with the question of shortage of cables and the need to expand indigenous sources of production for these items. The Committee would also like to stress the need for intensified research in the telecommunications research centre for the progressive development of indigenous know-how and production of transmission equipment.

[Sl. No. 15 of Appendix II—Para 1.65 of 40th Report, Fourth Lok Sabha.]

Action Taken

The Telecommunication Research Centre of the P&T Department ever since its inception has concerned itself with the design of equipment which would otherwise have been imported. Thus, amongst others, it has designed 4 Mc/s and 6 Mc/s, coaxial equipment, small tube coaxial equipment, narrow and broad band microwave links. All the designs were need-based and production oriented and almost every project on completion was followed up by regular manufacture in the I.T.I. In fact, at present, almost all the items under manufacture in the transmission division of ITI are based on designs developed in the TRC. On the switching side also, a number of items like different types of relay sets used in subscriber trunk dialing, telex intellex, etc. were designed in the Telecommunication Research Centre.

Particular mention may be made of the Pluse Code Modulated equipment which has currently been designed and the prototype of which is currently under manufacture in the I.T.I. The equipment

makes use of existing pairs in the local exchange junction network Super-imposed on two pairs, it provides 24 junction circuits. The equipment will be of considerable use in city exchange networks where the junction cables are fully utilised and any expansion in junction capacity would otherwise involve heavy outlays on expensive underground cables.

Another important line of development undertaken in the TRC is in connection with the VHF trans receive sets with full dialling facilities. These can be used for long distance subscribers connections or public call offices. The cost of these links breaks even with about 12 miles of copper wire lines. Considering the expensive nature of these open wire lines and their exposure to frequent thefts, the VHF links are expected to have considerable use in the future P&T networks.

A new Division has been set up in the Telecommunication Research Centre to deal solely with the underground cables. In view of the large outlay of such cables it is expected that any rationalisation or economies effected in the network would result in substantial savings to the Department. The Division is at present actively studying the application of plastic insulated and plastic sheath underground cables to the P&T networks.

A list of the more important items designed and developed in the Telecommunication Research Centre are given in the enclosure (Annexure). Equipment to these designs is manufactured in the Indian Telephone Industries. If the value of this equipment is taken as a measure of the saving in foreign exchange, it may be said that the annual saving in foreign exchange arising from the manufacture to designs developed by the Telecommunication Research Centre is about Rs. 4 crores. The limitation in saving appears to be the manufacturing capacity of the production units concerned.

In all its design work, the Telecommunication Research Centre keeps in view the optimisation of available indigenous resources keeping down to the barest minimum the need for imported components. Even the projects taken up for development are those which would eventually result in the largest possible saving in foreign exchange.

[Department of Communications (P&T Board) O.M. No. TRC.17-16/69, dated the 18th August, 1969.]

ANNEXURE

IMPORTANT ITEMS DEVELOPED BY THE TELECOMMUNICATION RESEARCH CENTRE

A. Carrier Systems

1. Open wire Carrier Systems for 3, 8 and 12 channel working.
2. Paired Cable Carrier Systems for 12 and 60 channel working.
3. Power line Carried System.
4. Systems for standard and small tube coaxial cables up to 1300 channels capacity.
5. Full range of multiplexing equipment for large capacity systems.

B. Microwave & VHF Systems

1. 7 KMc, 300 channel system with klystron output.
2. 6 KMc, 1200 channel system with TWT output.
3. 2 KMc 60 channel system—full transistorised.
4. Single channel, 50 w VHF trans-receive for rural P.C.Os.

C. Digital Equipment

Pulse Code Modulated 24 channel junction equipment.

D. Telegraph Transmission Equipment

1. 12 and 24 channel FM VF Telegraph equipment.
2. Telegraph Regenerative repeater.
3. Speech and Duplex Telegraph equipment upto 9 Duplex channels.

E. Switching System Designs

1. Manual Trunk boards for SLOD and MLOD working.
2. Subscriber Trunk Dialing equipment.
3. Manual and Automatic Teleprinter exchanges (Telex).
4. International Teleprinter Exchange Equipment.
5. PABXs of five, nine, ten and twenty lines.
6. Design of a number of relay sets for inter-working with crossbar exchanges.
7. Crossbar local Tandem Exchange.
8. Equipment for STD barring.

F. V.F. Equipment

1. Different types of VF repeaters for Railway Electrification project.
2. Ultraphone (Transistorised).
3. Loud speaking Telephone.

G. Power Plant

1. Regulated automatic float charger systems for telephone exchanges and telexes with capacities upto 400 amps.
2. S.C.R. inverters for 50 Cs. 230 V supply upto 4 KVA capacity.
3. Solid state ringers.
4. Power feeding systems for coaxial cables.
5. Regulated power supplies of different types.

H. Instruments

1. Oscillators of 25 Kc and 150 Kc.
2. Decibel meters.
3. Vacuum Tube Volt meters.
4. Psophometer.
5. Cathode Ray Oscilloscopes.
6. Fault Locator for open wire lines.
7. Fault locators for cables.
8. Start-stop distortion measuring set for teleprinters.

Recommendation

As an interim measure, it appears to the Committee to be necessary to intensify the efforts started in 1965 for a World Bank loan to meet immediate requirements for expansion plants.

[Sl. No. 16 of Appx. II—para 1.66 of Fourth Report (Fourth Lok Sabha)].

Action Taken

Every effort is being made to expedite the World Bank loan for meeting the urgent requirements of cables and transmission equipment and raw materials for the indigenous production of these items for expansion plans. A World Bank Appraisal Mission visited India

in January/February, 1969 and it is expected that on the basis of the Appraisal Report that will be submitted by the Mission, a World Bank loan will be available shortly. A request has also been made for assistance from Canada for the procurement of cables and transmission equipment and a response is expected shortly.

[Department of Communications (P. & T. Board) O.M. No. 169-5/68-TPL (CP) dated, 23-5-1969].

Further Information

Please state the outcome of the efforts to obtain a World Bank Loan.

(Further Information sought by Committee)

Reply Given

A World Bank Loan of U.S. \$27.5 million and an I.D.A. credit of the same amount have since been obtained. Both the Loan and Credit Agreements were signed on 18th June, 1969 and have become effective from 14th July, 1969.

Action is now being taken to import the requisite equipment and stores against the above loan and credit.

[Department of Communications (P. & T. Board) O.M. No. 169-5/68-TPL(CP) Dated 31-10-1969].

Recommendation

The Committee note that at present the percentage of Public call offices varies from 1 per cent to 2 per cent of the total telephone connections in metropolitan cities. The Committee consider that in view of the admitted acute shortage of telephones in the country, the Department should work out and implement a crash programme for providing public call offices to the extent of at least 5 per cent of the telephone connections so that the difficulties faced by the general public in availing themselves of telephone facilities are eased to some extent.

[Sl. No. 17 of Appendix II Para 1.75 of 40th Report (1968-69) Fourth Lok Sabha].

Action Taken

As already stated by the departmental witness before the P.A.C (para 1.68) a policy decision was taken to provide public call offices

initially equal to about 5 per cent of the total telephone connections and to go upto 10 per cent in due course. Instructions were accordingly issued vide P. & T. Directorate letter No. 7-9/63-PHA dated 14th June, 1967, read with letter No. 7-9/66-PHA dated 21st June, 1967 (copies enclosed).

2. Since the increase in the number of public call offices depended mainly on the availability of coin collecting boxes, attached to public telephones, steps have been taken for increased production of such boxes by the telecommunication factories. As against 800 coin collection boxes manufactured during 1967-68, 2305 boxes were manufactured during 1968-69 and the programme for 1969-70 is to manufacture 5000 boxes. This progressive increase in the manufacture of coin collecting boxes will be continued further and it is hoped that the initial target for providing public call offices to the extent of 5 per cent of the telephone connection will be achieved in the near future.

3. It is added that during 1968-69, there has been addition of about 920 public call offices to the list as it existed on 31st March, 1968. The figure of yearly additions to the list will obviously increase with the increased manufacture of coin boxes.

[Department of Communications (P. & T. Board) O.M. No. 7-1/69-PHA) Dated, the 18th August, 1969].

Copy of letter No. 7-9 63-PHA dated 14th June, 1967 from D.G.P. &T., New Delhi to All Heads of Circles' Telephone Districts

Subject:—Opening of Local PCO's—making a reservation of 2 per cent of the total number of direct lines in every telephone exchange at the time of cut over or expansion.

The policy regarding opening of the local PCO's has been indicated in this office letter of even number dated the 9th September, 1966. It has, however, been observed that the number of local PCO's working at present compares un-favourably with the total number of telephones working in bigger cities. When it is not possible for the department to give telephone connections to every individual on demand due to limited resources it seems necessary, particularly in big cities, that the people in the lower middle class and

other lower income groups should have local PCO's available within easy reach. By doing so it is likely that the demand for private telephones may reduce proportionately.

2. The Government has, therefore, decided that to begin with the number of PCO's at Departmental and private premises be increased to 5 per cent of the number of direct exchange lines in any telephone system. In due course this should be increased to 10 per cent. Reservations may, therefore, be made for PCO lines before connections are given on opening of new exchanges or expansions.

3. In the monthly report, as mentioned in para 8 of this office letter of even number dated 9th September, 1966, referred to above, additional information with regard to the number of direct lines sanctioned, the number of local PCO's provided and the proportionate ratio reached as a result of the above instructions, may also be included.

4. Since the above instructions are mainly for the benefit of the general public and casual telephone users the Heads of Circles' Telephone Districts are required to make an urgent drive for opening of more and more PCO's according to the above scheme.

5. Please acknowledge receipt.

Copy of letter No. 7-9 66-PHA, dated the 21st June, 1967 from D.G. P. & T., New Delhi to all Heads of circles Telephone Districts.

Subject:—Opening on Local P.C.O's.

Please refer to this office circular No. 7-9/66-PHA, dated 14th June, 1967, on the subject noted above.

2. In order that there may not be any confusion in the heading and body of the circular, it is further clarified that all efforts should be made to utilise immediately 2 per cent of the capacity of exchanges for opening PCOs *within a year*. Necessary reservations have to be made before giving of new connections.

3. Further, for the time being, while planning new exchanges, our target should be to open 5 per cent of the total number of lines as PCOs in every telephone system. Necessary adjustment may, therefore, be made in the plans for expansion or opening of new exchanges.

4. For all long term plans, the target should be to increase the reservations from 5 per cent to 10 per cent.

Kindly acknowledge receipt.

Recommendation

It is hardly necessary for the Committee to say that a public monopoly service like the telephones should be consumer-oriented. The Committee cannot also help expressing the feeling that the quality of assistance rendered by telephone operators to the customers leaves great scope for improvement. The Committee consider that in the interest of improving its image as a public utility service, the Telephone Department should pay special and sustained attention to their special services such as directory enquiry and assistance for putting through local and trunk calls, so as to make them effective, time saving and reliable

[Sl. No. 18 of Appx. II and para 1.7 of 40th P.A.C. Report—
IV Lok Sabha]

Action Taken

With a view to improving the quality of the assistance to the telephone users in the "Special Services" and Trunk services, instructions have been issued to reduce the delay in time to answer on these services. Detailed instructions were also issued to ensure that the operative staff is courteous to the subscribers. The present position on these two points is indicated below:—

TIME TO ANSWER:

Standards for time to answer on Special Services and percentage of calls that should be answered in the prescribed time limits have been fixed by the Department. Periodical test checks are being carried out by the observation units of the Directorate to assess the quality of service. Apart from this, quarterly observations are taken by supervisory staff in the concerned exchanges to assess the quality of service. These reports are being examined by the officers of stations, divisions and circles, and possible remedial measures are being taken at all levels to bring improvements in service. The reports and remedial measures taken are being communicated by Heads of Circles to the Directorate also. Such periodical assessment and test checks have been playing a great part towards improving the service.

COURTESY:

Courtesy is one of the most important points on which great importance and emphasis is always given at all levels in the Department. Repeated instructions have been issued on this subject from time to time. Placards and mottos, pointing out utmost necessity to be polite and courteous are displayed at prominent places in all exchanges. As a special drive in this direction, "Courtesy Weeks" are also being celebrated every year to keep these instructions fresh in the minds of staff dealing with public. Strict supervision and vigilance is exercised on staff by way of posting monitors liberally. Arrangements exist also for secret observations, by using monitoring and observation sets. Tape recording discourteous behaviour when detected during observations is also adopted in certain cases.

Recent instructions on the subject of 'courtesy to the public' and 'Promptness and courtesy in telephone operations' have been issued in letters No. 21-29/68-PHT dated 7th March, 1969 and No. 21-31/68-PHT dated 23rd April, 1969 (copies enclosed). It is expected that with these efforts the position will improve considerably.

[Department of Communications (P. & T. Board) O.M. No. 21-6/69-PHT, dated 17th July, 1969].

Copy of letter No. 21-31 68-PHT, dated 23rd April, 1969 from D.G.

P. & T., New Delhi to all Heads of Circles, Districts and Regions.
Subject:—Promptness and Courtesy in telephone operation.

Sir,

I am directed to address you as under.

1. A Committee under the Chairmanship of Shri Mahavir Tyagi was set up in 1967 to revise the Telephone Tariff. The Committee had submitted its report on August, 1963. In addition to recommending the Telephone Tariffs, the Committee has also commented upon the quality of service. Extracts of para 8.31 of the report on "Time to Answer" and "Discourtesy" in special services are given below for information and necessary action.

"8.31—For special services like the directory enquiry service, the average time to answer has been fixed as 10 seconds. This standard is not reached in most of the exchanges. Test checks carried out by the Observation Unit of the

P. & T. Directorate show that the average duration in many cases is about 30 seconds. *Here again, performance should be improved.* Instances of discourtesy on the part of telephone operators and other staff of the Telephone branch have also been reported. Complaints of this type should be eliminated."

2. In this office letter No. 4-2/59-PHB, dated 2nd March, 1959 standards for time to answer were also prescribed for various special services. In this office letter No. 29/5/67-PHT, dated 17th May, 1968, instructions were again issued drawing attention to standards and it was desired that quarterly observations on Time to Answer are to be taken.

3. Study of reports received indicated that the time to answer was excessive in several cases and percentages of calls answered in prescribed limits very low. These aspects have been outlined recently demi-officially to the Directors of the concerned Circles and Districts.

4. You will agree, Sir, that in telephone service, subscribers' satisfaction depends, amongst other measures, substantially on the efficient manner in which the special services like the Directory Enquiry, Assistance etc. are provided and any steps taken, persistently and effectively to achieve standards we have set, go a long way to help the subscribers and to make them realise that the Administration is making supplementary efforts to remove the subscriber's difficulties. While you would be taking all steps with the existing resources and making use of the powers vested in you, opportunity has been taken in this communication to bring to your notice and for favour of your earnest attention the remarks of the Committee referred to in para 1. On the question of courtesy, the need to educate operating and maintenance staff to make it a point to be courteous, notwithstanding any provocation, which is an essential requisite in the telephone service, has to be emphasised and constantly inculcated by the first level supervisory staff themselves setting an example and also by proper direction from above. This calls for individual and group effort. While courtesy begets courtesy and it has to be two way, yet in telephone service, courtesy and healing touch, as it were, are to become a habit as such even in the face of discourtesy from clients sometimes and as best as human limitation can allow.

In this connection, in response to the Circular letter No. 21-29/68-PHT, dated 5th March, 1969 on the matter of courtesy copies of

Instructions issued by some Circles/Districts have been received in the Directorate.

The results of efforts made by you have been evident from time to time and it is hoped that, throughout the country such improvements in the telephone service would continue to take place, reducing the complaints received, verbal and written, to a great extent. What is stated in this circular is nothing new but the intention is only to focus your attention once more on this problem in which apart from circle or other levels the Directorate also is obliged to handle references and complaints from various areas.

Thanking you.

Copy of letter No. 21-29 68-PHT, dated 5-7-69 addressed to the General Manager Telephones, New Delhi and copy forwarded to all other Heads of Circles/Districts for similar action.

SUBJECT:—*Courtesy to the Public by the Telephone Operator's.*
Sir.

During the course of discussion in the meeting of the Informal Consultative Committee of the Parliament for the Department of Communications held on the 6th December, 1968 one of the members stated that the telephone service in Delhi had improved but desired that the telephone staff should be more courteous. Minister promised that this would be looked into.

It is requested that the need for utmost courtesy to the Public may kindly be emphasized upon the staff working in the telephone exchanges. A copy of the instructions issued may also be sent to this office.

Recommendation

The Committee would like the Department to pay special attention to the efficient maintenance of the telephone lines and taking of timely preventive action so that the occurrence of faults is reduced to the minimum, if not altogether eliminated. Where a fault does in fact develop the Committee expect the Department to en-

sure that it is rectified within the prescribed time so as to cause minimum inconvenience to the user.

[Sl. No. 19 of Appendix II and para 1.80 of 40th P.A.C. Report—IV Lok Sabha].

Action Taken

*The Department is paying special attention to the efficient maintenance of telephone lines and the taking of timely preventive action so that the occurrence of faults is reduced to the minimum. The action taken by the Department to ensure adherence to the prescribed norms for fault clearance was already indicated in a note furnished to the Public Accounts Committee (reproduced in para 1.78 of the Report).

2. A strict watch is being to ensure that norms for fault clearance are attained by most of the telephone exchanges in India.

[Department of Communications (P. & T. Board) O.M. No 21-6/69-PHT, dated 5-7-1969]

Recommendation

The Committee note that the arrears of telephone revenue have been brought down from Rs. 6.11 crores as on 1st July, 1967 to Rs. 5.38 crores as on 1st January, 1968. They would, however, like to point out that there is still substantial scope for improvement. From the information furnished by the Department, the Committee find that "heavy delay" in billing and collection of revenue still persists. Consequently, a sum of Rs. 30 crores, which could become available to the Department, remains "locked up with subscribers" interest on this alone amounting "to about a couple of crores in a year". A commercial department like the telephones should not be complacent about this situation.

[Serial No. 20 of Appendix II, Para 2.9 of the Fortieth Report (Fourth Lok Sabha) of Public Accounts Committee (1968-69)]

Action Taken

As observed by the Committee the arrears in respect of telephone bills issued upto 31st March, 1967 came down from Rs. 5.61 crores (and not Rs. 6.11 crores as mentioned in the Report) as on 1st July, 1967 to Rs. 5.38 crores as on 1st January, 1968. The outstandings as on 1st July, 1968 in respect of bills issued upto 31st March, 1967 have been further reduced to Rs. 3.01 crores.

The percentage of three-months-old outstandings on first July each year to the amount collected during the preceding year has been showing some improvement. This percentage in the last three years was as under:—

1965-66	..	11.0
1966-67	..	8.2
1967-68	..	8.0

The Department is keeping a strict watch on the prompt issue of bills and on quicker realisation of telephone revenue. A monthly review of the outstandings is made at the highest level and remedial measures, where called for, are taken.

[Department of Communications (P. & T. Board) O.M. No. 23-4/69-TR(1) Dated, the 12-8-1969].

Recommendation

The Committee are particularly distressed to find that Government subscribers continue to account for the bulk of the arrears. They had drawn attention to this situation in Para 3.13 of their 13th Report (Fourth Lok Sabha).

The Committee find that the Department have not been strictly enforcing the threat of disconnecting of telephones for non-payment of bills in time to this category of subscribers. The Committee note that at the Telephone Revenue Conference held in September, 1968, it was decided that in respect of current arrears (1966-67 and 1967-68) disconnection should be enforced without compunction except in the exempted categories and that in the case of the Non-payment of defence circuits, the matter should be reported personally to the Sr. Signals Officer concerned before disconnection. The Committee hope that these measures will be strictly enforced in order to recover the large amounts due from Government departments.

[Serial No. 21 Appendix II Para No. 2.10—2.11 of Fortieth Report (Fourth Lok Sabha) of Public Accounts Committee (1968-69)].

Action Taken

The rapid expansion of Government's activities, the frequent transfers of its personnel and above all the changes in the composition and structure of Ministries and Departments, made it very diffi-

cult to pursue and effect recovery of bills against Government subscribers. However, as already decided in this matter at the Telephone Revenue Conference, action has been taken to speed up recovery of arrears, and further in order to avoid accumulation in future, it has been reiterated that telephones of Government subscribers, barring those exempted, should be disconnected for non-payment, on the same footing as of private subscribers.

The following further steps have also been taken in this direction:—

- (a) Orders issued in April, 1965 that Government Departments should settle the bills provisionally on receipt, subject to discrepancies, if any, being settled later, were reiterated by the Deputy Prime Minister in a D.O. letter issued to Ministers in August, 1967.
- (b) The system of payment by book adjustment which resulted in loss of accepted bills and involved prolonged correspondence, has been replaced by settlement on cash payment basis.
- (c) A system of rebate of Rs. 4 for prompt payment has been introduced in Delhi with effect from 1st April, 1968 as an experimental measure. Such rebate was considered to serve as an inducement to Government subscribers to pay bills promptly, so that audit objections arising out of loss of rebate are avoided.
- (d) In case of reorganisation of Ministry/Department involving transfer of telephones, orders making the original Ministry/Department liable to pay the charges for telephone bills till such time as the changes are communicated to the billing authorities, have been issued on July, 1968.

[Department of Communications (P. & T. Board) O.M. No. 23-4/69-TR(2), dated 19-7-1969].

Recommendation

The Committee note that, in the aforesaid Telephone Revenue Conference, detailed measures were also evolved for liquidation of old outstanding arrears from the general public. The Committee trust that all out efforts will be made to liquidate the old arrears within a period of one year so that the billing work is brought upto

date on a 'No payment No Service' basis.

[Sl. No. 22 Appendix II Para No. 2.12 of Fortieth Report
(Fourth Lok Sabha) of Public Accounts Committee
(1968-69)].

Action Taken

Every endeavour is being made to liquidate old arrears and for this purpose the following steps have been taken:

- (a) Action was initiated for immediate collection or write off of old arrears relating to period upto 1958 and for recovery of outstandings for years 1966-67 and 1967-68 by December, 1968. The position is now under review.
- (b) On 30th January, 1969, powers for write-off of irrecoverable dues by Heads of Circles have been enhanced to Rs. 2000 in each case. This limit was also raised to Rs. 4000 in each case in respect of items prior to April, 1958.
- (c) Submission of monthly arrears report by each Head of Circle/District is prescribed. On the basis of these reports, a monthly review is conducted which is looked into by Sr. Member (Finance), Chairman, P. & T. Board and the Minister of Communications. Any setback of the position in any of the units is viewed seriously and remedial measures initiated.
- (d) Instructions have also been issued to bring the billing arrears also upto date.

The position in respect of old arrears is thus expected to improve.

[Department of Communications (P. & T. Board) O.M. No.
23-4/69-TR(3), dated 19-7-1969].

Recommendation

The Committee are disturbed to note the continuous spate of complaints about inaccuracy in billing of telephones.

The Committee note that Government have now decided to introduce a percentage check of the accuracy of telephone bills. There is also a proposal to introduce a photographic system of taking meter readings in the Bombay Telephone District which might be extended in the light of experience to Delhi and Calcutta Telephone Districts.

The Committee cannot stress too much the need for the thorough checking of bills to ensure their accuracy as well as the investigation of cases of proved incorrect billing so as to take remedial action. Where it is proved that a bill has been prepared incorrectly for want of care, the Committee would like Government to take deterrent action so as to tone up the entire work of preparation of bills.

[Serial No. 24 of Appendix II Para Nos. 2.19, 2.20. & 2.21 of Fortieth Report (Fourth Lok Sabha) of Public Accounts Committee (1968-69)].

Action Taken

The Department is keeping a close watch on the complaints in respect of inaccuracies in telephone bills. Such complaints are showing a slight decrease. The following table shows the number of complaints in respect of "discrepancies under local and trunk call bills" received in the three quarters ending 31st March, 1969:—

Quarter ending 30th September, 1968	..	14540
Quarter ending 31st December, 1968	..	12475
Quarter ending 31st March, 1969	..	11174

Compared to the several lakhs of telephone bills issued every month by the P. & T. Department to its subscribers, the number of complaints about inaccuracy would appear to be small.

2. To guard against inaccuracies in bills, various checks have been laid down by the Department. However, the existing billing and accounting procedures are being studied by a Committee appointed for this purpose and any changes considered necessary in the existing rules will be made after the Report of the Committee has been received and considered by Government.

3. The question of introducing photographic system of taking meter readings has been under the consideration of the Department for some time. Sanction for the purchase of four units of equipment at estimated cost of Rs. 1.32 lakhs for taking photographic readings of meters has been accorded and the Director General, Supplies and Disposals has been requested to procure the equipment. As soon as this is received, it will be installed at four places, to start with as an experimental measure.

4. Instructions have been issued to Heads of Circles/Telephone Districts to ensure accuracy of bills and to take disciplinary action

against the officials responsible where it is proved that the bill has been prepared inaccurately for want of care.

[Department of Communications (P. & T. Board) O.M. No. 23-4/69-TR(5), dated 14-8-1969].

Recommendation

The Committee note from the results of sample survey conducted by the Department that trunk call bills are usually challenged by subscribers for inclusion of calls not booked or cancelled after booking, indication of longer duration, wrong priority or incorrect valuation. Another aspect meriting urgent attention is the heavy delay in the submission of trunk call bills which not only irk the subscribers but also delay the collection of revenues due to the Department. The Committee cannot too strongly emphasise that in the interests of speedier collection of revenues and subscriber satisfaction, the Department should take concrete measures to secure the timely and accurate submission of bills to subscribers.

[Sl. No. 25 of Appendix II para 2.22 of Fortieth Report (Fourth Lok Sabha)].

Action Taken

The Telephone Revenue Accounts offices were responsible for the submission of the trunk call bills to the subscribers. Due to the large volume of work entrusted to a single unit some delays occurred in the issue of the bills and also in the settlement of complaints made by the subscribers on account of discrepancies in the telephone bills like inclusion of calls booked or cancelled after booking, indication of longer duration, wrong priority or incorrect valuation etc. The Telephone Revenue Accounting Offices have been decentralised now and the control over issue of bills and settlement of the complaints preferred by the subscriber is vested in the Divisional Engineer. This arrangement will go a long way towards expediting issue of trunk call bills, earlier settlement of complaints and expeditious collection of telephone revenue.

A committee for evaluating different telephone revenue billing and accounting systems has already been set up and its report is awaited.

Suitable instructions have been issued to All Heads of Circles to impress upon the billing authorities the importance of prefer-

ring accurate bills and of ensuring expeditious collection of telephone revenue.

[Department of Communications (P. & T. Board) O.M. No. 1-28/68-TC, dated 14th August, 1969)].

Recommendation

The Committee note that a test checking of bills for the Telephone Exchange in Bombay had revealed that in 32 cases, short billing to the extent of Rs. 48,838 had resulted owing to infrequent readings of meters with provision for 4 digits only. The Committee note that the Department have now decided to replace the 4 digit meters in heavily worked exchanges by 5 digit meters. The Committee feel that if the Department had exercised due care in the beginning, they would have provided 5 digit meters *ab initio* in heavy exchanges, as is now being done for exchanges fitted with cross-bar equipment.

The Committee note that the capacity of the Indian Telephone Industries to supply 5 digit meters is limited and that it would take three years to replace 4 digit meters by 5 digit meters in heavily worked exchanges. The Committee suggest that Government may examine the possibility of getting the telephone meters of 5 digits from manufacturers of other types of meters like electricity meters so as to replace the 4 digit meters at the earliest to avoid loss of revenue. In the meantime the Committee stress that every care should be taken to ensure that meter readings from the 4 digit meters are undertaken at least once a fortnight to avoid under-billing of the nature indicated in the Audit Para.

[Sl. No. 26 of App. II—Para 2.25 & 2.26 of 40th P.A.C. Report (Fourth Lok Sabha)].

Action Taken

In 1964 the Department had decided to replace the 4 digit meters by 5 digit meters as soon as possible. Since then M/s. Indian Telephone Industries have also been asked to arrange the supplies. So far M/s. Indian Telephone Industries Ltd. have supplied about 6700 meters for replacement of existing 4 digit meters besides about 40,000 5 digit meters for new cross-bar exchanges. They are also trying to establish independent indigenous sources for manufacture and supply of 5 digit meters in private sector. M/s. Indian Tele-

phone Industries have now indicated the supply programme of 5 digit meters for the next 5 years as below:—

Year	ITI Mfg.	Indigenous purchases	Total availability	Normal expansion requirements.	Available for replacements
(All Figures are in lakhs)					
1969-70	0.95	1.70	2.65	1.20	1.45
1970-71	0.95	1.70	2.65	1.25	1.40
1971-72	1.20	1.65	2.85	1.29	1.56
1972-73	1.20	1.65	2.85	1.44	1.41
1973-74	1.20	1.64	2.84	1.85	0.99
TOTAL	5.50	8.34	13.84	7.03	6.81

With the experience so far it is likely that the above target may prove too optimistic.

The department will, however, continue to pursue the question of supplies with M/s. Indian Telephone Industries for this purpose.

A circular has been again issued that unless all 4 digit meters are replaced by 5 digit meters, the meter readings should be taken every fortnight.

[Department of Communication (P. & T. Board) O.M. No. 23-9/69-TPS(EA), Pt. dated 17-7-1969].

Recommendation

The Committee find from the information furnished by the P. & T. Board that one of the factors inhibiting the utilisation of spare capacity in the exchanges is consumer resistance outside big cities to acceptance of telephone under 'Own Your Telephone' Scheme. They would like Government to undertake a close study of the causes of such consumer resistance and take steps to meet it, so

that in the process utilisation of the spare capacity, Government are also able to mobilise badly needed resources for the development of telephone.

[Sl. No. 30 of App. II & Para 2.38 of 40th Report, 1968-69].

Action Taken

1. The OYT Scheme was extended with effect from 1st January, 1968 to all stations having a capacity of 1000 lines or above and 70 per cent of the connections at stations where OYT was in vogue prior to 1st January, 1968 and 50 per cent connections at stations where it was introduced afresh after 1st January, 1968 were to be reserved for being provided under the OYT Scheme.

The OYT Scheme was also made applicable to all Government Departments both Central and State.

2. There were representations against this procedure from several State Governments including Punjab, Bihar, Madras, Andhra, Rajasthan and West Bengal but the scheme has not been relaxed. Gradually, the Ministries/Departments have reconciled themselves to this restriction and consumer resistance from this quarter has been overcome.

3. Representation were also received against the extension of OYT Scheme from industry as well as commercial organisations, Telephone Advisory Committees and other representative bodies. These representations were considered in detail as they represented the core of the consumer resistance to the payment of OYT deposit from the general public. Such representations expressed their opposition to the new scheme mainly on the ground that it adversely affected the prospects of middle class prospective subscribers for getting a telephone connection and that smaller towns had not sufficient industrial potential to bring forth the OYT demand.

4. The extended OYT Scheme was, therefore, reviewed in August-September, 1968 and it was observed that at several OYT stations the OYT demand was not sufficient to absorb the capacity available for providing OYT connections as per quota reserved for this category. The Department was, therefore, faced either with the alternative to yield to the consumers' resistance to some extent or to allow the spare exchange capacity at such stations to be kept idle till it could be utilised for the OYT demands. As looking of the spare capacity would result in avoidable loss of revenues it was decided to release available capacity for non-OYT connections in

case OYT waiting list becoming current at a station and if there were good prospects of it continuing to be current for another three months.

5. It has been observed that at industrial centres/State Capitals like Kanpur, Bangalore, Ludhiana, Baroda, Surat, Kolhapur, Indore, Jabalpur, Cuttack, Chandigarh, Allahabad, Lucknow and Poona, there seems to be sufficient response to the OYT Scheme so as not to invoke the relaxation mentioned in Para 4 above i.e. sufficient demand is expected to be forthcoming at these stations for utilizing the full quota allotted to the OYT category. Other stations may also fall in line by judicious planning of the equipment so that the centres where the OYT demand dominates may be given better allocation of equipment in the development plans than to other stations where response is not so encouraging.

[Department of Communications (P. & T. Board) O.M. No. 11-19/69-PHA, dated 5-7-1969].

Recommendation

The Committee regret that there was a delay of about six years in claiming rentals, due to a failure on the part of the Department to issue advice notes in time. The Committee note that pursuant to their recommendation in para 3.33 of their 13th Report (Fourth Lok Sabha) the Department have taken steps to accelerate the decentralisation of the Accounts Offices with a view to expedite preparation of bills, but that this experiment has "not brought about the desired improvements yet". The Committee would like the Department to have the working of the scheme closely reviewed and the points of weakness so far noticed to be quickly remedied, so that the billing procedure is put on an efficient footing. As decided at the recent Telephone Revenue Conference, it should be the Department's endeavour to ensure that advice notes in respect of work done reach the Accounts Unit within seven days of the completion of the work and are promptly followed up by the preferring of bills.

The Committee note that in this particular case, out of the outstanding amount of Rs. 7.58 lakhs, a sum of Rs. 7.03 lakhs has been realised. They hope the Department will ensure that the remaining amount is also expeditiously realised.

[Serial No. 31 Appx. II Para Nos. 2.44—2.45 of Fortieth Report (Fourth Lok Sabha) of Public Accounts Committee (1968-69)].

Action Taken

The delay in claiming rental on account of the Advice Notes not having been issued in time has been noted. The decentralisation of the Telephone Revenue Accounts Offices to divisional level has been completed except in respect of a few divisions. As regards review of the working of the decentralised scheme, the present telephone revenue billing and accounting systems are being studied by a Committee, with a view to bringing about improvements. According to the decision of the TR Conference, instructions have been issued for the Advice Notes to be released within seven days of the completion of the work. The need for prompt issue of bills and collection thereof has also been impressed on all the Heads of Circles and Telephone Districts.

The payment of the balance of Rs. 0.55 lakhs, is expected to be made by the Defence authorities as soon as the Government sanction for the same is received by them.

[Department of Communications (P. & T. Board) O.M. No.
235/69-TR, dated 19-7-1969].

Recommendation

The Committee would like Government to examine, in the light of their experience in this case, the adequacy of the existing procedure for establishing the solvency of parties appointed as advertising agents. The Committee would like Government to examine whether bank guarantees taken from parties appointed as agents should in future cover not only the revenue due from the parties in terms of the contract but also liquidated damages leviable for belated remittance by the parties of Government's share of revenue.

The Committee also hope that, on the basis of legal advice given in this case, steps would be taken to put the clause regarding liquidated damages in the standard form of agreement on a satisfactory footing, keeping in view the need to ensure that such a clause serves also as a deterrent against default by contractors.

[Serial No. 32 of Appendix II, paras 2.56 and 2.57 of 40th
Report 1968-69 (Fourth Lok Sabha)].

Action Taken

The existing procedure for establishing the solvency of parties appointed as advertising agents seems to be adequate in that the income tax clearance certificates/latest financial statements are obtained from the advertising agents before their appointment as such

2. Earlier the bank guarantee was obtained only for the Government share, viz. 75 per cent of the minimum gross revenue guaranteed by the advertising agents. Now, it has been decided that the bank guarantee should be obtained for the full gross minimum revenue guaranteed by the advertising agents. This will leave a margin of 33-1/3% over the Government share of minimum revenue, to cover Government share of 60 per cent on the additional revenue, if any, secured by the advertising agents over the minimum gross guaranteed as well as the liquidated damages.

3. Steps have been taken to revise the clause regarding liquidated damages in the standard form of agreement, in consultation with the Ministry of Law. According to the revised clause, the department can charge 12 per cent interest on the amount defaulted. Charging this higher rate of interest would serve as a deterrent against default in clearance of Government dues by the contractors. The Ministry of Law have advised that revision of this clause providing for action more deterrent than this would not stand in a court of Law.

4. These matters are also under examination by the Telephone Directory-Standardisation Committee and on receipt of their report, the question regarding the amount to be covered by the bank guarantee and levy of liquidated damages for default in clearance of Government dues will be further examined in the light of the recommendations of that Committee.

[Department of Communications (P. & T. Board) O.M. No. 27-2/69-PHB, dated 5-7-1969].

Recommendation

The Committee note that, due to human failures, the rentals in respect of two exchanges were not revised in time. They would like to be apprised of the outcome of the investigation being conducted by Government in this regard. They note that the Department have since evolved for the smaller exchanges a new pattern of charges, according to which the rentals will depend not on the capacity of the exchanges but on whether the exchanges render part-time or twenty-four hour service. The Committee need hardly stress that when exchanges rendering part time service switch over to twenty-four hour service, prompt action will be taken by the Department to revise the rentals.

[Sl. No. 33 of Appendix II Para No. 2.62 of Fortieth P.A.C. Report, 1968-69].

Action Taken

Prior to 20th July, 1967, the rental for telephone connections from flat rate exchanges, depended on the capacity of the exchange and whenever the capacity of an exchange was increased to 300 lines or more, the rentals for the connections were to be revised and in such case the increased rates of rental were to be made applicable from certain conventional dates (1st April or 1st October following) after issue of one month's notice to the subscribers.

(i) *Alipurduar Exchange:*

Investigations show that the capacity of this exchange had reached 300 lines on 10th May, 1965 and the revised rates of rental were to be applicable from 1st October, 1965. The Divisional Engineer Telegraphs concerned had issued notices to the subscribers on 21st July, 1965 about the expansion of the exchange capacity from 200 to 300 lines and the consequent enhancement of the rental. As intimation regarding serving of notices to the subscribers did not reach the billing authority viz., the Accounts Officer, Telephone Revenue, he could not take action to issue bills at enhanced rates. The Divisional Engineer, however, included this exchange in his half yearly statement of equipped capacity of exchanges sent to the Billing authority in November, 1965. The billing authority could not act on this, since he was not sure whether notices were served on the subscribers. This resulted in certain amount of correspondence between the engineering officer and the billing authority who ultimately issued the arrear bills on 2nd February, 1968 after clarifying the question regarding issue of notices to subscribers from the Divisional Engineer and the Circle Office. The amount involved was Rs. 18,600 for the period from 1st October, 1965 to 30th September, 1967. Excepting a small sum of Rs. 193.74 the entire amount stands recovered and efforts for realisation of this balance amount still continue. Action has also been initiated to fix responsibilities for the delay in revision of rental of this exchange and to prevent recurrence of such lapses in future.

(ii) *Nowgong Exchange:*

In this case the capacity had reached 300 lines on 28th February, 1963 and the revised rates of rental were to be enforced from 1st April, 1963. The delay in revision of rental occurred on account of human failure and the Sub-Divisional Officer responsible for the lapse has been warned to avoid such delays in future. Consequently there was a short recover yof rental to the extent of Rs. 16,412.05 for

the period from 1st April, 1963 to 28th February, 1965. Out of the above arrears, the amount outstanding as on date is Rs. 504.15 only. Efforts for recovering this amount still continue.

Necessary instructions have already been issued to all Heads of Circles to take prompt action to revise the rental of exchanges rendering part-time service when converted into exchanges providing 24 hours of service. A copy of the instructions issued in this connection to all Heads of Circles and Telephone Districts *vide* letter No. 3-33/68-R dated 1st August, 1969 is enclosed.

[Department of Communications (P. & T. Board) O.M. No. 3-33/68-R, dated 14th August, 1969]

No. 3-33/68-R

GOVERNMENT OF INDIA
DEPARTMENT OF COMMUNICATIONS
(P. & T. BOARD)

Sardar Square, Parliament Street,

Dated, New Delhi-1, the 1-8-1968.

To

All Heads of Circles/Telephone Districts.

Subject:—Revision of rental for Telephone connections in flat rate exchanges.

A reference is invited to this Office letters Nos. 3-32/60-R, dated 10th March, 1961, 27th December, 1961 and No. 3-24/66-R, dated 18th February, 1967 in which instructions for the revision of rental for telephone connections in flat rate systems were issued.

With effect from 20th July, 1967, flat rate exchanges from the rental point of view are of two types *viz* exchanges providing 24 hours of service and exchanges providing restricted hours of service. Exchanges providing restricted hours of service are further subdivided into two categories *viz*. manual exchanges of capacity of

over 20 lines and manual exchanges of capacity of 20 lines or less. The rental prescribed for these exchanges with effect from 20th July, 1967 is given below:

Type of Exchange	Rate of rental	
	Annual	Monthly
(i) Exchanges providing 24 hrs. of Services.	Rs. 300/-	Rs. 27/-
(ii) Exchanges providing restricted hours of service:		
(a) Manual exchanges of capacity of over 20 lines	Rs. 250/-	Rs. 23/-
(b) Manual exchanges of capacity of 20 lines or less	Rs. 180/-	Rs. 17/-

It may be noted that revision of rental for telephone connections from flat rate exchanges will arise in the case of increase in the capacity of manual exchanges providing restricted hours of service from 20 lines or less to over 20 lines and when manual exchanges of capacity of over 20 lines providing restricted hours of service are converted into exchanges providing 24 hours of service. The rentals in such cases are required to be revised from certain specific dates (i.e. 1st April or 1st October next) after issue of one month's notice to the subscribers. Cases had come to the notice of this office in the past wherein considerable delay had occurred in revision of rental resulting in loss of revenue to the Department. It may therefore be ensured that the instructions issued in this office letters referred to in Para 1 above are carefully noted by all concerned and prompt action is taken by the Divisional Engineers Telegraphs/Divisional Engineers Phones in this regard, under intimation to the billing authority, whenever revision of rental is necessitated due to the above reasons.

Sd/-

Assistant Director General (Rates)

Copy to:—

1. The Accountant General, Posts & Telegraphs, Simla.
2. All Directors & Dy. Directors of Audit & Accounts, Posts & Telegraphs.
3. TR/PHA/PHB/PHT/Budget Sections of the P. & T. Directorate.

4. All P. & T. Training Centres.

Sd./-

Assistant Director General (Rates).

Recommendation

The Committee regret to note that the Bombay Telephone Workshops sustained a loss of Rs. 59.60 due to their inability to maintain the Power Factor of their electric installations at the requisite level. It took the Department about seven years to procure and instal the equipment needed for correcting the Power Factor at a cost of Rs. 10,200. The Committee cannot help feeling that the whole matter was handled with a sense of complacency. They do not find convincing the reasons for the delay given by the Department and would like to await the final outcome of the investigations in this regard. They trust that remedial steps will also be taken by the Department to avoid a recurrence of instances of this kind.

[Sl. No. 34 of Appendix II Para No. 3.7 of 40th Report, 1968-69].

Action Taken

In continuation of the additional information on para 20 of the Audit Report (P. & T.), 1968 furnished in the P. & T. Board U.O. No. 15-7/68-WK, dated the 30th October, 1968 in response to Lok Sabha Secretariat O.M. No. 2|5;2|68|PAC, dated the 10th September, 1968, the causes of delay in the installation of Power Factor Capacitors were investigated by the General Manager, Telecom. Factories and his report has been carefully considered. Multiplicity of factors has contributed to the delay. Due to this, it has not been possible to pin-point responsibility on any individual officer, as different officers at different levels dealt with this case at various stages over a period of seven years.

2. As recommended by the Public Accounts Committee, the following remedial measures have been taken. They are as follows:—

- (i) Managers have been delegated with higher financial powers to purchase plant and machinery upto a limit of Rs. 25,000 in each case directly from open market without the intervention of Director General, Supplies & Disposals.

- (ii) for proper control and advice to Managers on financial matters, Chief Accounts Officers have been posted in each of the Factories.

[Department of Communications (P. & T. Board) O.M. No. 15-7/69-TF, dated 19-8-1969].

Recommendation

The Committee regret that the Department had to incur an extra expenditure of Rs. 1.45 lakhs during the period March, 1965 to June, 1966, due to the use of canvas bags in place of lighter blue bags, for conveying mail by air. While the Committee note the Department's explanation that the blue bags are in short supply, they feel that the Department too have failed to make the optimum use of the existing stock of blue bags and to ensure the prompt return of "surplus empties" by offices not needing them. The Committee would like the Department to intensify the surprise check now being conducted to that the available stock of blue bags is used to the maximum extent possible and the units receiving these bags promptly settle their bag accounts by returning the "surplus-empties".

[Serial No. 35 of Appendix II—Para No. 3.18 of the Fortieth Report (Fourth Lok Sabha)].

Action Taken

The recommendations of the committee have been brought to the notice of the heads of Posts and Telegraphs Circles who have also been instructed to ensure that these recommendations are fully implemented. A copy of their instructions issued in this regard is attached (17-1/69-D, dated 26th March, 1969).

[Department of Communications (P. & T. Board) O.M. No. 17-1/69-D, dated 23-5-1969].

D.O. No. 17-1/69-D.

OFFICE OF THE DIRECTOR GENERAL OF POSTS AND
TELEGRAPHS, NEW DELHI

Director (MAILS)

Dated at New Delhi-1, the 26th March, 1969.

My dear.....

You may be aware that we received an Audit Para on the use of canvas bags for closing air-mail resulting in extra expenditure. Seve-

No. 17-1/65-D, dt. 14-5-65,
 No. 17-1/65-D, dt. 21-1-66,
 No. 17-1/65-D, dt. 3-5-66,
 No. 17-1/68-D, dt. 6-2-68,
 No. 17-1/68-D, dt. 16-3-68.

ral instructions for use of *only* blue air-mail bags for closing air-mail have been issued from time to time as noted in the margin. But despite repeated instructions energetic action for prompt settlement and return of surplus empties of blue air-mail bags has not been taken, as more cases of use of 'C' bags for closing air-mail are coming to the notice of the Directorate.

The Public Accounts Committee (1968-69) have taken a serious view of the problem. It is felt by the Committee that the Department have failed to make the optimum use of the existing stock of blue bags and to ensure prompt return of "Surplus-empties" by offices not needing them.

The Committee have desired that the Department should intensify the surprise checks now being conducted so that the available stock of blue bags is used to the maximum extent possible and the units receiving these bags promptly settle their bag accounts by returning the Surplus-empties.

It is also desired by the Committee that the cases of misuse of blue bags should also be thoroughly probed and deterrent action taken against the persons found responsible for such misuse.

You are therefore, requested to personally look into the matters and to ensure that Committee's suggestions are followed rigidly.

The receipt of this letter may please be acknowledged.

Yours sincerely

Sd./-

Shri

Postmaster General,

Recommendation

The Committee note the Department's apprehension about the misuse of blue bags. They would like the matter to be thoroughly probed and deterrent action taken against the persons found responsible for such misuse.

[Sl. No. 36 of Appendix II Para 3.19 of the Fortieth Report (Fourth Lok Sabha)].

Action Taken

The Heads of Circles have been directed to personally look into the matter and ensure that all cases of misuse are properly investigated and responsibility enforced and the committee's suggestions are followed rigidly. A copy of the letter is attached for information (17-1/69-D, dated 26th March, 1969).

[Department of Communications (P. & T. Board) O.M. No. 17-1/69D-I dated 23-5-1969.]

Director (MAILS)

D.O. No. 17-1/69-D.

OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS, NEW DELHI

Dated at New Delhi-1, the 26th March, 1969.

My dear.....

No. 17-1/65-D, dt. 14-5-65.
No. 17-1/65-D, dt. 21-1-66.
No. 17-1/65-D, dt. 3-5-66.
No. 17-1/68-D, dt. 6-2-68.
No. 17-1/68-D, dt. 16-3-68.

You may be aware that we received an Audit-Para on the use of canvas bags for closing air-mail resulting in extra expenditure. Several instructions for use of only blue air-mail bags for closing air-mail have been issued from time to time as noted in the margin. But despite repeated instructions energetic action for prompt settlement and return of surplus-empties of blue air-mail bags has not been taken, as more cases of use of 'C' bags for closing air-mail are coming to the notice of the Directorate.

The Public Accounts Committee (1968-69) have taken a serious view of the problem. It is felt by the Committee that the Department have failed to make the optimum use of the existing stock of blue bags and to ensure prompt return of "Surplus-empties" by offices not needing them.

The Committee have desired that the Department should intensify the surprise checks now being conducted so that the available stock of blue bags is used to the maximum extent possible and the units receiving these bags promptly settle their bag accounts by returning the Surplus-empties.

It is also desired by the Committee that the cases of misuse of blue bags should also be thoroughly probed and deterrent action taken against the persons found responsible for such misuse.

You are therefore, requested to personally look into the matter and to ensure that Committee's suggestions are followed rigidly.

The receipt of this letter may please be acknowledged.

Yours sincerely,
Sd./-

Shri.....
Postmaster General

Recommendation

The Committee observe that the existing specifications of blue bags are such that the Department have sometimes inevitably to use the heavier canvas bags for transporting weightier mail.

The Committee would like the Research Department of P. & T. to pay special attention to the problem of evolving suitable specifications for use of lighter materials for manufacture of air-mail bags so as to effect maximum saving in air freight.

[Serial No. 39 of Appendix II, paragraphs Nos. 3.22 and 3.23 of 40th Report (Fourth Lok Sabha).]

Action Taken

A proposal for introduction of Nylon bags had been taken up earlier in 1961. After getting the technical advice of the Director General, Supplies & Disposals on different samples, a supply of 5,000 nylon bags in two sizes has been made in the month of April and May, 1969, to the Airport Sorting Office, Bombay for use in closing airmail bags for foreign countries as on experimental measure. The usefulness or otherwise of these bags will be examined from the point of view of their cost, durability and savings effected in air freight and further action will be taken on the basis of the results of the study.

[Department of Communications (P&T Board) O.M. No. 91-3/69-PRP, dated 5-7-1969.]

Recommendation

The Committee note that due to a lapse on the part of the Department, the requirements of electricity of a telephone exchange were not properly estimated and a power load was contracted for which was far in excess of immediate needs. In the result the department

incurred an infructuous expenditure of about Rs. 24,000. The Committee would like the Department to take steps to ensure that such gross over-estimation of requirements does not take place in future.

[Sl. No. 40 of App. II and para 3.31 of 40th PAC Report
(Fourth Lok Sabha)]

Action Taken

Suitable directives have been issued to All Heads of Circles/ Telephone Districts etc. in the Directorate Memo. No. 97-6/67-TPS dated 22nd April, 1969 (copy enclosed) to ensure that over-estimation of electric requirement is avoided in future.

[Department of Communications (P&T Board) O.M. No.
97-6/67-TPS, dated 1-5-1969.]

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

No. 97-6/67-TPS, dated at New Delhi-1, the 22nd April, 1969

To

All Heads of Circles and Telephone Districts,
C.C.T.S., Calcutta.
General Manager Workshops, Calcutta.
Additional Chief Engineer (P&T) T&D Circle, Jabalpur.

Subject:—Contract for supply of electric energy to Telephone exchange/telecom. buildings.

1. A case has recently come to notice where the ultimate requirements of electric load for a telephone exchange was contracted for (instead of immediate requirements), with the local Electric Supply Authorities. The building charge as per terms of the contract was to be a minimum of 75 per cent of the contracted load (guaranteed minimum charge). Since the actual consumption was far below the contracted load, the department was billed for guaranteed minimum charge (75 per cent of the contracted load) thus resulting in avoidable infructuous expenditure to the department. The case had able infructuous expenditure to the department. The case had commented as follows *vide* para 3.31 of their 40th Report (4th Lok Sabha) 1968-69:

“The Committee note that due to lapse on the part of the department the requirements of electricity of a telephone

exchange were not properly estimated and a power load was contracted for which was far in excess of minimum needs. The Committee would like the department to take steps to ensure that such gross over-estimation of requirements does not take place in future."

2. The load in the case mentioned at para 1 above, was also contracted for much earlier than the time of actual requirements. As per terms of agreement entered into with the local electric supply authorities, the guaranteed minimum charge became payable after expiry of three months from the date of contract. The requisite load made available by the Electricity Board was, however, not used for nearly 7 months. Accordingly, infructuous expenditure was also incurred on this account for 4 months.

3. For avoiding such lapses in future, the following instructions are issued for the guidance of the Divisional Engineer Telegraphs who will be contracting for the load with the local electric supply authorities. Suitable action may kindly be taken by the Heads of Circles for bringing the instructions to the notice of all concerned officers.

3.1. As per current practice, the Assistant Chief Engineer (BT) P&T Directorate, New Delhi will intimate the load figures for telecommunication installation, namely, auto, carrier and Air Conditioning plant to the Executive Engineer, Electrical, P&T, Civil Wing. The Executive Engineer, Electrical, P&T Civil Wing will assess the requirements for load for other requirement such as power plugs, lights, fans, compound lighting, load for quarters etc. and compile the total load for the building and intimate the same to the Divisional Engineer Telegraphs concerned in the following form. A copy of the letter to be addressed by the Executive Engineer Electrical to the Divisional Engineer Telegraphs should be endorsed to the Asstt. Chief Engineer (BT), P&T, Directorate, New Delhi.

	Initial		Ultimate	
	(a)	(b)	(c)	(d)
	Peak	connected	Peak	connected
	KW	KW	KW	KW
Auto				
Carrier				
A/C Plant				
Power plugs				
Light and fans				
TOTAL	KW	KW	KW	KW

3.2. The Divisional Engineer Telegraphs should normally contract for the *initial peak load requirement* as given at (a) of the table above (unless the tariff structure and terms and conditions of the local electric supply authority indicates otherwise). Before entering into an agreement with the local electric supply authorities, the following factors should be taken into account by the Divisional Engineer Telegraphs concerned.

After examining the terms and conditions of the local electric supply authorities, the timing of entering into agreement should be so regulated that maximum benefit could come to the department. For this purpose, the following relevant factors may be taken into consideration

- (a) The progress of installation of telecommunication equipment namely, auto, carrier etc. for which the electrical load is required to be contracted.
- (b) Installation of air-conditioning plant is normally done as a separate work by an air-conditioning firm on whom orders are placed through D.G.S.&D. The progress of installation of air-conditioning plant for which substantial load is required should be kept in view and the initial peak load to be contracted for should be phased suitably.

4. It is requested that all existing case under your control may kindly be reviewed in the light of the above instructions and suitable action taken in respect of new cases.

Sd/-

Assistant Chief Engineer (BT)

Copy to Chief Engineer Civil. He is requested to issue suitable instructions to the Executive Engineer (Electrical).

Sd/-

Assistant Chief Engineer (BT)

Recommendation

The Committee would like the Posts and Telegraphs Department to pay special attention to the maintenance of the power factor and to take prompt corrective measures to avail of the tariff concession where admissible.

[Sl. No. 40 of Appendix II and para 3.32 of 40th PAC Report
(IV Lok Sabha)]

Action Taken

Suitable directive has been issued to all Heads of Circles/Districts etc. in the Directorate Memo. No. 111/19/68-NB, dated 22nd August, 1968 (copy enclosed), to ensure that effective and speedy action is taken for maintaining the power factor at prescribed level and also for improving the power factor beyond minimum limit to take the maximum advantage in tariff.

[Department of Communications (P&T Board) O.M. No.
97-6/67-TPS(i), dated 1-7-1969.]

Copy of letter No. 111/19/68-NB dated 22nd August, 1968, to All Heads of Circles and Telephone Districts etc.

Subject:—Contracts for supply of electric energy to telephone exchange/telecom. buildings.

HT supply is obtained from the local electric supply authorities for most of the telephone exchanges and telecom. buildings in the Department. The sub-station equipment viz. transformers, HT/LT panels and connectend cables are planned by the P&T Civil Wing on the basis of ultimate connected load of these buildings.

2. The charges of the HT supply are billed on different basis by different electric supply administrations. Most of the powers supply tariffs are two part tariffs viz. charges for the contracted maximum demand and charges for the electric energy consumed. In addition, in some of the cases, it is stipulated that the power factor of the load should not fall below a specified value. In case the power factor falls below the prescribed value either additional charges are recovered or the rebate offered for maintaining the power factor above the prescribed limit is lost.

3. Recently, a case has come to notice where the power factor of the electric load in a telephone exchange building was below the specified value and thus additional amount had to be paid to the electric supply authorities as penalty. The power factor in such cases can be improved by installing power capacitors at the input of LT supply. For this purpose, advice of the local electric supply authorities should be obtained as necessary, and steps initiated, wherever necessary, for power factor correction.

You should, therefore, review the cases under your control and ensure that effective and speedy action is taken for maintaining

the power factor at the prescribed level, and also for improving the power factor beyond the minimum limit to take the maximum advantage in the tariff. This aspect has also to be kept in view at the time of entering into agreement for new cases.

Please acknowledge receipt of this circular.

Sd/-

Deputy Director General (S. & M.)

Recommendation

The Committee feel that there is need for the Department to keep a close watch over the cost of production of different items produced in the Workshops. Such a watch could best be kept by evolving standards for performance for various operations on the basis of Work Study assessments as suggested by the Committee in para 5.11 of their 13th Report (Fourth Lok Sabha). The Committee note from the reply of the Department to that recommendation that the requisite studies are in progress. They hope that these studies will be completed expeditiously so that the Department could have well-established guide-lines for measuring the efficiency of the workshops.

[S. No. 41, Appendix II. Para No. 4.17 of 40th Report, 1968-69.]

Action Taken

The management of the P&T Workshops in keeping close watch over the cost of production by having a regular and systematic review and by improving the manufacturing methods and techniques, layout of shops, development of new designs, etc. As a result thereof, it has been possible to reduce the cost of production of some of the products in the Telecom. Factory, Calcutta. In the other two Factories, similar systematic reviews have been started by the management which we hope will lead to reduction in cost of production.

2. The cost reduction was achieved during 1968-69 in the Telecom. Factory, Calcutta in the following items of products:--

1. Bracket Attachment Terminal 6".
2. Stay Rod 6'.
3. Stalks 5-1¼" Phones.

4. Stay Shackle 1½".
5. Junction D.P. Pox 20 Prs. (External).
6. C.B. Multiple 'A' Position.
7. C.B. Multiple 'B' Position.
8. C.X.B. Non-Multiple switch Board 10+100 lines.
9. P.B.X. Floor Pattern 10+50 lines.

[Department of Communications (P&T Board) O.M. No. 15-3/69-TF/I, dated 18-8-1969.]

Further Information

Please state whether work studies have been undertaken by Government and whether cost reduction achieved in 1968-69 is the result of these studies.

[Further Information sought by Committee.]

Reply Given

The cost reduction achieved during 1968-69 in the Telecom. Factory, Calcutta is as a result of the Work Study undertaken by the Industrial Engineering Group of the Factory. Similar studies have been started in the other two Factories.

[Department of Communications (P&T Board) U.O. No. 15-3/69-TF/I, dated 31-10-1969.]

1.11.69

Recommendation

As part of the measures for controlling costs, it would be necessary for the Department to exercise close control over overhead expenses in the Workshops.

[S. No. 42 of Appendix II, Para 4.18 of 40th Report 1968-69.]

Action Taken

While every effort is being made by the Management to keep a close watch over overhead expenses in the Telecom. Factories, the rise in overheads has been mainly due to uncontrollable factors as mentioned below:—

- (a) extension of various amenities like Children Education allowance, reimbursement of medical expenses, reimbursement of tuition fees;

- (b) increase in rates of Dearness Allowance from time to time;
- (c) treatment of some portion of "Dearness Allowance" as "Dearness Pay" for purpose of drawal of House Rent Allowance and City Compensatory Allowance; and
- (d) Revision of pay scales of industrial workers.

Unlike the regular monthly wages, the fringe-benefits e.g. medical reimbursement, L.T.C., C.E.A. etc. which do not vary with factory hours are not allocated to production orders. These expenses together with arrears of allowances revised with retrospective effect from time to time both for Industrial Workers (direct and indirect) and the staff add to overheads and contribute to increase in on-cost of percentages.

The recommendation of the Committee has, however, been noted for implementation.

[Department of Communications (P&T Board) O.M. No. 15-3 '69-TF/II, dated 19-8-1969.]

Recommendation

A proper review should be undertaken to see whether the percentages of overheads in the three Workshops are reasonable, taking into account the types of machines, the labour on producing the products and the material costs.

[S. No. 42 of Appendix II Para 4.19 of 40th Report, 1968-69.]

Action Taken

Overheads expressed in relation to direct labour costs as percentages increasing year after year do not *ipso-facto* indicate their reasonableness or otherwise. The successive increases in fringe-benefits and arrears payments of allowances revised with retrospective effect from time to time add to overheads without adding to cost of direct labour and thereby increase the on-cost percentages.

The overall percentages of overheads for the current year *viz.*, 1969-70 based on proforma accounts for 1967-68 are as follows:—

Calcutta	..	272 per cent.
Jabalpur	..	276 per cent.
Bombay	..	332 per cent.

Considering the machine intensive production in Bombay Factory where Telephone Switchboard equipment is manufactured and comparatively greater labour intensive production in Calcutta and

Jabalpur where the bulk of production is line stores, the percentage of overheads in three factories as indicated above appear to be reasonable.

[Department of Communications (P&T Board) O.M. No. 15-3/69-TF/III, dated 19-8-1969.]

Further Information

Please state the specific steps taken by Government to control overheads pursuant to the recommendation of the Committee.

[Further Information sought by Committee.]

Reply Given

The following steps have been taken so far:—

1. Any vacancies that arise in industrial and regular staff cadres are, as a rule, not filled. Only when the Industrial Engineering Group reviews and recommends as absolutely essential, the filling of vacancies in individual cases is decided upon. With such restrictions the extra expenditure on account of additional staff salaries and allowances debitable to overheads, has been avoided. The total strength of the three factories which was 7221 on 1st April 1967 has, in fact, come down to 6,985 as on 31st March, 1969.

2. A P&T Dispensary at Jabalpur factory has been established and this has considerably reduced the medical expenses (these are debited to overheads).

[Department of Communications (P&T Board) U.O. No. 15-3/69-TF/II, dated 31-10-1969.]

1-11-1969.]

Recommendation

The Committee note from the information made available by the Department that in the Calcutta Workshop particularly, high overheads in galvanising, forging and heavy machine shops have increased the cost of production. They hope that on the basis of the studies being conducted by the Department, some norms for overheads for comparable operations in the different workshops will be evolved and that in the light thereof concerted efforts will be made to reduce overheads, where they are higher.

(Sl. No. 43 of Appendix II Para 4.20 of 40th Report, 1968-69).

Action Taken

Steps are being taken further to control overheads as far as practicable. Efforts are being made to reduce the incidents of indirect/handling labour by introducing semi-mechanised handling processes, by arranging shops in such a planned way as production may flow from shop to shop without much to and fro movements. Efforts are also being made to reduce incidental expenses in respect of labour such as reduction in the medical re-imburement amount by establishing a P&T Dispensary at Jabalpur.

In addition, studies on the elements constituting the major constituents of the overheads are being instituted.

[Department of Communications (P&T Board) O.M. No. 15-3/69-TF-IV, dated the 18 August, 1969.]

Recommendation

The Committee note that cost reduction in the Calcutta Workshop is integrally linked with the question of modernisation of the Workshop. According to the information furnished on an earlier occasion, the scheme for modernisation was taken up in 1959. In para 5.10 of their 43rd Report (Third Lok Sabha), the Committee had commented on the delay in the implementation of the scheme. They now note that the scheme is under implementation and hope it will be completed expeditiously.

[Sl. No. 44 of Appendix II Para 4.21 of 40th Report, 1968-69.]

Action Taken

The first step towards modernisation of the Telecom. Factory Calcutta is to replace the old and worn out plant and machinery, by modern fast operating plant and machinery. In order to improve the productive capacity of those items which are of much demand and those items which are considered to be cheaper than outside market rate, special purpose and fast operating machines have already been ordered and are under procurement. Indents for 105 machines in place of old machines have already been placed.

The second step towards modernisation is to change the present layout of the Factory other than the machine shop in order to facilitate quick movement of handling equipments, proper storage of stores etc. A proper layout plan to coordinate the functions of the various shops and godowns is under finalisation and it will be

implemented by phases without affecting the production in the machine shops for which a layout for the new machines replacing the old ones has been prepared.

Implementation of the scheme of modernisation in the Factory in all its entirety is being expedited.

[Department of Communications (P&T Board) O.M. No. 15-3/69-TF/V, dated 19-8-1969.]

Further Information

Please furnish the full details of the programme for modernisation of the workshops.

[Further Information sought by Committee.]

Reply Given

Details of the programme for modernisation of Telecom. Factory at Calcutta are indicated below:—

Name of the item.	Cost (Rs. in lakhs)
1. Provision of new office accommodation and accommodation for various sections of the factory with modern layout	70.00
2. <i>Machinery</i>	
(i) Speart Erosion machine }	2.50
(ii) Profile Grinder machine }	2.10
(iii) 6 Pneumatic Hammers	2.10
(This will introduce a modern technique replacing the present method of forging with Sprig Hammers.)	
3. Galvanising Plant (This provides for mechanised operation in place of manual operation)	1.08
4. Foundry machines (This provides for machine moulding in place of hand moulding)	

A provision of Rs. 7.00 lakhs has been made in B.F. for 1969-70 for construction of Galvanising Shed and Administrative Block

(Manager's Office). In regard to item No. 1 above the whole project is to be completed in phases. Regarding other items, provision has been made in the B.E. for 1969-70. Item No. 4 namely Foundry machines have been installed.

[Department of Communications (P&T Board) O.M. No. 15-3/69-TF/III, dated 5-11-1969.]

Recommendation

The Committee also find that the Workshops, as at present organised, manufacture items which are cheaper in the market, while not producing in sufficient quantity items like 'stalks' which are dearer in the market. The Committee feel that this is an anomalous position; the extra expenditure on this account during 1966-67 alone was over Rs. 10 lakhs. The Committee had earlier brought this situation to the notice of Government in paras 5.21 and 5.27 of their 43rd Report (3rd Lok Sabha). While the Committee appreciate that abrupt discontinuance of certain lines of manufacture may raise the problem of utilisation of surplus man and machinery, they feel that the Department should explore the possibility of utilisation of the surplus capacity through expansion of manufacture of items which the workshops are now producing more economically than private trade. The Committee would further suggest that the Department should keep a close watch over the cost differential between the workshop rate of items and their outside purchase rate. Where the departmental cost of items persistently exceeds the market price by more than certain margins to be prescribed by the Department, the question of stopping departmental manufacture should be considered. An assured supply of those items from the trade might in such cases be forthcoming if Government hold out prospects of sustained demand for those items through rate contracts or other long term arrangements.

[Sl. No. 45 of Appendix II, Para No. 4.22 of 40th Report, 1968-69.]

Action Taken

Systematic review of cost comparison is made in respect of common items which are manufactured in Telecom. Factories and purchased from outside market. A decision has already been taken that wherever the cost of manufacture in the Telecom. Factory is higher than the outside purchase rate by more than 25 per cent., the pros-

pects for cost reduction and justification for continuance of manufacture should be examined in each case and put up to the Board of Management of the Telecom. Factories for orders. However, no such case has arisen during the period 1968-69.

[Department of Communications (P. & T. Board) O.M. No. 15-3/69-TF/VI, dated 18-8-1969.]

Recommendation

The Committee would also like to be apprised of the progress made in expanding the manufacture of Stalks which the Workshops are producing at competitive rates.

[Sl. No. 46 of Appendix II Para 4.23 of 40th Report, 1968-69.]

Action Taken

Steps to implement this recommendation have already been taken. In the Calcutta and Jabalpur Factories, Pneumatic Hammers have recently been installed. With the installation of Pneumatic Hammers, the rate of production of Stalks will be faster and the Telecom. Factories will be able to meet the entire requirement of the Department. During 1968-69 production was 16.21 lakhs as against 15.69 lakhs in 1967-68. In 1969-70, the production anticipated is 19 lakhs.

[Department of Communications (P. & T. Board) O.M. No. 15-3/69-TF/VII, dated 18-8-1969.]

Recommendation

The Committee note that out of 4.107 cases of losses of stores in 1966-67 reported to the police, there were only six cases of conviction by courts of law. This suggests a lacuna in the existing arrangements for investigating cases of thefts. The Committee would like the Department to take steps to see that not only are all cases of theft promptly reported to the police authorities, but that close follow up action is taken to ensure that these cases are investigated and proceedings expeditiously launched in the courts.

[Sl. No. 47, Para No. 5.5 of Appendix II of 40th Report, 1968-69 (Fourth Lok Sabha).]

Action Taken

Chief Ministers of the States have been addressed demi-officially by the Minister (C) to bestow special attention to the problem and

direct the Is. G.P. suitably on the subject. The Chief Ministers have assured that concerned authorities have been alerted to make all out efforts, intensify police patrolling in the vulnerable areas and adopt severe measures to minimise and eradicate the crime.

Heads of the Circles have been instructed to keep close liaison and arrange periodical meetings with the Is. G.P. and render full co-operation and assistance to police to enable them to process copper wire theft cases with due promptness.

The theft cases are reported to the police authorities with the least possible delay by the P. & T. personnel, as the repair of the damaged lines is mostly taken up only after the police visit the site.

[Department of Communications (P. & T. Board) U.O. No. 1-8/69-NM, New Delhi, dated the 29-4-1969.]

Recommendation

The Committee note that the bulk of the losses in the Department is on account of thefts of copper wire. In this connection, they would like to draw attention of Government to recommendations made in paras 1.21 to 1.23 of their 35th Report (Fourth Lok Sabha).

[Sl. No. 48, Para No. 5.6 of Appendix II of 40th Report, 1968-69 (Fourth Lok Sabha)].

Action Taken

Suitable action has already been taken on the recommendation of the Public Accounts Committee made in paras 1.21 to 1.23 of their 35th Report (Fourth Lok Sabha).

[Department of Communications (P. & T. Board) U.O. No. 1-8/69-NM, dated 14th August, 1969.]

Recommendation

The Committee note that defalcations and frauds caused a loss of Rs. 14.25 lakhs during 1966-67 to the Department. In their 13th Report, the Committee had drawn attention to similar cases reported in the previous year and suggested preventive measures to minimise such losses. The Committee note that pursuant to these suggestions, the Department have recently issued instructions for tightening supervision all round. They hope that this would have the effect of

bringing down the number of cases of frauds and defalcations in future. The Committee need hardly add that the Department should take deterrent action where fraud or malafides on the part of departmental staff is established.

[Sl. No. 49 Appx. II Para 6.8—40th Report—(IV Lok Sabha).]

Action Taken

Pursuant to the recommendations of the Public Accounts Committee, the Department has been exercising effective vigilance over the cases of loss and fraud cases by conducting quarterly reviews. Special attention is paid to cases involving large amounts. Instructions have been issued to tighten up the supervision and taking remedial measures as and when called for.

These instructions have been reiterated recently. All concerned have again been directed to take deterrent action against departmental and extra-departmental officials fraud or malafide action on whose part has been established.

A copy of the said instructions is enclosed. The observations of the Committee regarding the need for deterrent action in such cases has been noted and we have acted up to it.

[Department of Communications (P. & T. Board) O.M. No. 14-1/68-INV, dated 19th July, 1969].

INDIAN POSTS & TELEGRAPHS DEPARTMENT

OFFICE OF THE DIRECTOR GENERAL POSTS & TELEGRAPHS

No. 14-1/68-INV.

Dated, the 30th April, 1969.

To

All Heads of Circles,

Subject:—Recommendation of Public Accounts Committee (68-69)

Your attention is invited to the following instructions issued by this Directorate from time to time and it is requested that all heads of circles should review the situation in their circles and adopt remedial and preventive measures to plug the loopholes in the working of the offices under their jurisdictions so that the mischief mongers from among the departmental and Extra-departmental officials, may not get an opportunity to commit such offences as may put the department to a loss of Government money.

1. Endst. No. 45-5/66-CF, dated 6-7-67 regarding payment of counterfeit BPOS.

2. Letter No. 4|51|BY|66-INV, dated 7-4-67 regarding verification of payment of MOs.

3. Letter No. 15-10/65-INV, dated 15-7-68 regarding verification of payment of MOs.

4. Letter No. 10/15/67-INV(III), dated 25-3-68 regarding Bogus final payment of GPF money.

5. Letter No. 12-2/PB/67-INV, dated 31-5-68 regarding prompt and successful investigation in the cases of loss of bags containing cash and insured articles and taking preventive measures.

6. Letter No. 55|1|67-CI, dated 5|12|67 regarding arrangements for keeping post offices cash and other valuable overnight at the nearest Police Station, Treasury or Sub-Treasury.

The Public Accounts Committee have hoped that these instructions would have the effect of bringing down the number of fraud cases in future and have further observed that the department should take deterrent action where fraud or malafides on the part of departmental staff has been established.

Pursuant to the recommendations of the Committee, it is desired that all heads of Circles should make all out efforts to minimise the incidence of loss and fraud cases and take deterrent action against the departmental and E.D. Officials who are responsible for commission of frauds.

Suitable instructions may also be issued to all concerned to tighten up supervision at all levels and deterrent action may be taken against supervisory staff including the divisional heads wherever lack of supervision on their part facilitates frauds resulting in loss to the Government.

All Heads of Circles are requested to see that all supervising officers under them follow the above instructions meticulously.

Recommendation

“The Committee hope that in consultation with the Comptroller and Auditor General, a procedure will be evolved whereby Audit Objections would be promptly taken note of by the Department.

They also hope that, in pursuance of instructions stated to have been issued by the Department, these objections would be promptly taken up and settled.

[Sl. No. 50 of Appendix II—Para No. 6.14 of 40th Report].

Action Taken

With reference to a similar observation contained in an earlier Report of the Public Accounts Committee relating to P. & T. [*vide* para 7.18 of 13th Report (4th Lok Sabha)], the manner of presentation of outstanding audit objections included in the periodical statements furnished by the Accountants General to the Ministries has been reviewed in consultation with the Comptroller and Auditor General with a view to making it possible for the Ministries to have a better appreciation of the types of audit objections remaining outstanding and to deal with them promptly and effectively, and it has been decided to classify them according to certain broad categories. Necessary instructions have been issued by the Comptroller and Auditor General to all Accountants General including the Accountant General, Posts & Telegraphs. They have also been brought to the notice of all Ministries/Departments by the Ministry of Finance *vide* their O.M. No. F.12(48)-E(Coord)/68, dated the 1st July, 1969 (copy enclosed).

2. The Department of P. & T. is keeping a continuous watch on the disposal of audit objections/inspection reports and with the changes in procedure mentioned above it will be ensured that the objections which point out serious irregularities will receive prompt attention.

[Department of Communications (P. & T. Board) O.M. No. 30-16/68-B, dated 18th August, 1969].

Copy of O.M. No. F. 12(48)-E(Coord)|68, dated 1st July, 1969 from the Government of India, Ministry of Finance (Deptt. of Expenditure).

Subject:—Prompt settlement of Audit Objections—Observations of the P.A.C. in their 13th Report (4th Lok Sabha).

The Public Accounts Committee, commenting on the large number of Audit Objections and Inspection Reports outstanding against a Department have, *inter alia*, observed in Para 7.18 of their 13th Report (4th Lok Sabha) that a suitable pattern should be evolved

in consultation with Audit, whereby important audit objections would get prompt attention from the officers concerned. The matter was examined by this Ministry in consultation with the C. & A. G. While it has not been found possible to classify audit objections as important or otherwise, it has been decided to modify the existing form of the periodical statements of outstanding audit objections/ Inspection reports furnished by the Accountants General to the administrative Ministries, with a view to enabling them to have a better appreciation of the types of audit objections remaining outstanding and to deal with them promptly and effectively. In future, the objections will be exhibited under broad categories as shown below, besides being grouped office or Department-wise:

- (i) Want of sanctions to establishment of continuance of establishment;
- (ii) Want of sanctions to miscellaneous and contingent expenditure;
- (iii) Want of sanctions to estimates or excess over sanctioned estimates;
- (iv) Want of detailed contingent bills, vouchers, payees receipts, stamped acknowledgments or other documents;
- (v) Recoverable advances not recovered and adjusted within the prescribed period;
- (vi) Want of agreements;
- (vii) Non-recovery of over payments or amounts disallowed in Audit;
- (viii) Irregularities in payments with reference to contracts;
- (ix) Want of sanctions to write off of losses or irrecoverable amounts;
- (x) Objections raised on grounds of financial property;
- (xi) Other reasons.

The above procedure will be followed from the issue of the half yearly statements due to the administrative Ministries on the 15th June, 1969 showing particulars of audit objections for the period from April, 1968 to September, 1968 and not settled by the end of March, 1969. Such a categorisation of objections will also be made by the A. Gs. in reporting the objections outstanding for more than

a year which they may like to bring to the special notice of Government. Necessary instructions have been issued by C. & A.G. to the Accountants General accordingly.

The Ministry of Home Affairs etc. may kindly note the modifications indicated above for necessary action. In this connection attention is also invited to this Ministry's O.M. No. F. 12(39)-E (Coord)/68 dated the 5th April, 1969 with which a revised Guard File on "Speedy settlement of Audit Objections/Inspection Reports and timely disposal of draft audit paras" was circulated.

Recommendation

The Committee are constrained to observe that the position in respect of the Savings Bank ledger agreement is very unsatisfactory. The number of ledgers in arrears in Punjab, M.P., Bihar, West Bengal, U.P., Orissa, Delhi and Assam Circles as on 31st March, 1967, was 53,354. In spite of the creation of special squads for clearance of work at a cost of Rs. 8.77 lakhs there were still 28,286 ledgers pending as on 31st August, 1968. The Committee would like speedy action to be taken for liquidation of the remaining items of work by fixing definite target dates. The Committee would also like to impress on the P. & T. Department that the clearance of arrears by special squads at such heavy costs should not become a regular feature of the Department's set up.

[Sl. No. 51 of Appendix II—Para No. 6.24 of 40th Report—
(IV Lok Sabha)].

Action Taken

Utmost stress is being laid on the ledger agreement work and a constant watch is being kept on the progress in the P. & T. Directorate. Periodical statements are called for by the Circle Offices and also by the Directorate where these are critically reviewed. To speed up the action, orders were issued in February, 1969 sanctioning an honorarium of Rs. 12 per ledger per year for clearance of the accumulated arrears. This was considered necessary as the clearance of the arrears by the squads was found to be rather slow and also costlier. These measures, it is felt, will go a long way in improving the position. In fact, the work is gaining maximum momentum in many circles. In U.P. Circle, where the number of unagreed ledgers for the period ending 31st March, 1967 stood at 15532, the balance as on 31st March, 1969 was 5624. In M.P. Circle, the old arrears have been entirely wiped off. In Punjab Circles also, the position is more

or less current, there being only 60 ledgers in arrears as on 31st March, 1969 for the period ending 1966-67. The position in other Circles is also getting improved. However, there has been not much progress in Delhi, Orissa and Assam Circles where, due to some staffing difficulties, squads could not be formed. It is expected that the orders for the work to be done on honorarium basis issued in February, 1969, will now bring about the desired improvement. The slow progress in some Circles is also due to fact that the records had become very old thereby making it difficult to reconcile the discrepancies coming to notice in the agreement work.

A statement showing the latest position of arrears as on 31st March, 1969 in respect of the period ending 1966-67 is attached. Another statement Annexure 'A' showing the arrears as on 31st March, 1969 in respect of 30 offices detailed in the Audit Report is also attached. Now only 8735 ledgers are pending with them for agreement Target dates are being fixed in consultation with Heads of Circles concerned.

As regards the last sentence of the Committee's recommendations, it may be mentioned that the Department is already alive to the need of disbanding the squads as soon as the arrears are cleared. This has already been done in the case of M.P. Circle and three HOs of U.P. Circle and will shortly be done in Punjab Circle also, as also in other Circles, as soon as the arrears are cleared.

[Department of Communications (P. & T. Board) O.M. No. 5-68/68-SB, dated 4th July, 1969].

Statement showing the Progress in clearance of arrears of ledger agreement of circles where the squads have been sanctioned.

Name of Circle	No. of ledgers in arrears at the time of sanction of squad, in respect of the period ending 31-3-1967	No. of ledgers in arrears — (out of those in column 2) as on 31-8-68.	No. of ledgers in arrears — (out of those in column as on 31-3-69	Remarks
1	2	3	4	5
Punjab	518	234	60	
Madhya Pradesh	3151	88	..	
Bihar	11712	6173	5456	

1	2	3	4	5
West Bengal	15734	9344	7839	
Uttar Pradesh	15532	7131	5624	
Orissa	3570	2558	2528	
Delhi	1645	1645*	1645	
Assam	1492	1113*	1113	
	53,354	28,286	24,265	

*Squads not yet formed.

ANNEXURE—'A'

Statement showing position of ledger Agreement as on 31-3-1969.

Sl. No.	Name of Office	Name of Circle	No. of pending rounds as intimated by Audit Office in Ins. report 1966-67	No. of pending ledgers upto 1966-67 as on	
				31-7-68	31-3-69
1	2	3	4	5	6
1	Asansol	West Bengal	2,824	406	301
2	Gauhati	Assam	1,137	94	84
3	Saharsa	Bihar	474	109	77
4	Dibrugarh	Assam	780	78	78
5	Dherukanal	Orissa	894	114	91
6	Barpeta	Assam	260	..	..
7	Arrah	Bihar	1,398	214	99
8	Cooch Behar	West Bengal	720	..	..
9	Dhanbad	Bihar	2,393	320	273
10	Cuttack	Orissa	6,046	1,111	656

1	2	3	4	5	6
11	Calcutta	West Bengal	17,253	3,503	3125
12	Monghyr	Bihar	3,452	31	31
13	Bara Bazar	West Bengal	5,953	504	504
14	Burdwan	Do.	2,847	278	278
15	Tejpur	Assam	882	121	121
16	Dhubri	Do.	436	77	77
17	Sundergarh	Orissa	1,338	323	323
18	Baripada	Do.	1,593	42	42
19	Bhadrak	Do.	670	..	..
20	Phulbani	Do.	838	42	42
21	Balangir	Do.	788	156	25
22	Jeypore (KPT)	Do.	1,095	214	212
23	Bhawani Patna	Do.	454	111	111
24	Daltanganj	Bihar	916	147	147
25	Ranchi	Do.	2,284	453	360
26	Laheria Sare	Do.	3,434	745	660
27	Bhagalpur	Do.	1,976	326	326
28	Patna	Do.	3,117	526	526
29	Chaibasa	Do.	1,900	166	166
30	Hazipur	Do.	722	..	..
TOTAL			68,873	10,213	8,735

Recommendation

The Committee would also like to draw the Department's attention to the large number of wanting specimen signatures in Savings Bank accounts in Mehsana, Bulsar, Sangli and Jalgaon. All out efforts should be made to ensure that these signatures are collected as speedily as possible. The Department should also take special precautions against the occurrence of frauds in cases where specimen signatures are not on record.

[Sl. No. 52 of Appendix II Para No 6.25 of 40th PAC Report—(4th Lok Sabha)].

Action Taken

Efforts are being made vigorously to complete the wanting specimen signatures in the Head Post Offices in question and the position of wanting specimen signatures as on 31st August, 1968 and as on 31st March, 1969 is indicated below:—

Name of the Head Office	As on 31-8-68	As on 31-3-69
1. Mchsana	4,208	1,091
2. Bulsar	2,408	189
3. Sangli	861	21
4. Jalgaon	1,109	Nil.
TOTAL	8,586	1,301

Thus about 85 per cent of the work has been done. Efforts are being continued to complete the remaining position also.

2. As regards occurrence of frauds, it may be mentioned that the wanting specimen signatures in H.Os. generally relate to the accounts standing in S.Os. The Sub-Offices, where the withdrawals take place, have got the specimen signatures on records. In an exceptional case, where the specimen signature is not on record in a sub-office, identification is obtained before payment. Thus, there is hardly any chance of fraud taking place for want of specimen signatures.

[Department of Communications (P&T Board) O.M. No.
41-3/69-SB, dated 12-6-1969.]

CHAPTER III

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

Recommendation

The Committee note that one of the reasons given for delay in the supply of the blue bags is that the small-scale manufacturers on whom the orders were placed "could not make long-term arrangements for the procurement and storage of the material." The Committee would like Government to examine whether in the interest of saving extra freight spent on transport of heavier canvas bags, arrangements could not be made for the supply of blue bags by placing orders on a competitive basis with the manufacturers of blue drill.

[Sl. No. 38 (Para 3.21) of Appendix II to the 40th Report
(Fourth Lok Sabha).]

Action Taken

The item 'blue air mail bags' is not exclusively reserved for small-scale industries. Tenders are invited both from small scale and large-scale sectors. It is observed however, that quotations for this item are received mostly from small-scale industries. According to the existing procedure of purchase, competitive offers received from Small-scale Industries units cannot be passed over except in cases of operational demands.

The manufacturers of blue drill do not normally submit any quotations for the bags—presumably they have their own difficulties in the matter and do not want to enter into manufacturing contracts. Orders can be placed with the manufacturers of blue drill in case their offers are found acceptable on competitive basis.

[Ministry of Foreign Trade & Supply (Deptt. of Supply)
O.M. No. 13(1)/69-PI, dated 19-8-1969.]

CHAPTER IV

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

Recommendation

The Committee are perturbed over the continuing losses in the Postal Branch. The losses, which amounted to Rs. 1.28 crores in 1964-65, increased to Rs. 8.34 crores in 1966-67. The Committee find that approximately one-eighth of the loss in the year 1966-67 arose out of the operation of unremunerative post offices in rural areas. While the Committee recognise that such post offices provide an essential public service, they would like the Department to consider whether the existing policy of retaining losing post offices on trial for over ten years and on a permanent basis thereafter does not need review in the larger interests of the Department and economy. As pointed out by the P&T Tariffs Enquiry Committee, "such a long period of trial for post offices and their retention on a permanent basis at even higher losses after this period of trial, result in considerable cumulative losses to the Department. These continuing—losses sap the resources generated in other areas of the Department's activities", leaving little "for the development and expansion of (other) services even when justified by the needs of traffic." The Committee note the recommendation of the Tariffs Enquiry Committee that "normally a period of four years or so should be considered enough for assessing whether a post office has developed traffic" and that "if it has not, the conclusion is clear that such an office is not likely to justify its continuance and further expenditure on it can be hardly regarded as developmental expenditure....". The Committee would like Government to take an early decision on this important recommendation, bearing in mind the sound principle that the postal services as a whole should break even, as indeed is the case in many countries of the world. This would ensure that the development and expansion of other vital services, in particular tele-communications, is not hamstrung.

[Sl. 1 of Appendix II, para 1.19 of 40th Report—IV Lok
Sabha.]

implementation have also been issued. In some cases again, like Items 2, 4, 7, 8, 9, 10 of Annexure I (Postal), and Items 2(a), 2(b), 6(b) and 13 in Annexure I (Telecom.) work studies have been completed. In respect of Items No. 1, 3, 6 and 16 of Annexure I (Postal), also, studies have been completed. In regard to all these items the reports *inter alia* containing the recommendations are yet to be approved by the P.&T. Board after due examination. Studies are in progress in respect of the remaining items.

(b) The Work Study Unit set up in the P&T Directorate cover the office of the P&T Directorate and all the field offices including Administrative and Operative offices on the Postal as well as Telecom. Wings of the P&T Department. The studies are mainly directed for the evolution of staff standards and for making suggestions for efficient methods of working and elimination of wasteful procedures.

(c) Main recommendations made by Work Study Unit in respect of some of the case-studies are enumerated below:—

(1) *Review of inspection schedule of cable PDs|PBX's|PAX's etc.*
(Serial 1-Annexure I—Telecom.)

The existing schedule was prescribed about 20 years back and has now been considerably revised keeping in view the technical developments and expansion of services. The revised schedule is likely to result in increase in the efficiency of services.

(2) *Revision of the standards for Lady Welfare Superintendents.*
(Serial—Annexure I—Telecom.)

The staff standards that have been evolved are flexible so as to cope with the expansion in the female operative staff in telephone exchanges. Its implementation is likely to result in the reduction of posts.

(3) *Sections in the P&T Directorate*
(Serial 25 of Annexure I—Directorate).

Review of the work and recommendations for staffing of the 25 sections of the Directorate have resulted in recurring saving.

(4) Standards for upgrading of Higher Selection Grade Post Offices to Gazetted Head Offices etc.

(Serial 3—Annexure I—Postal).

Standard relate to the 4 grades of Postmasters:—

- (i) Relating to upgradation of Lower Selection Grade to Higher Selection Grade Postmasters.
- (ii) Upgrading Higher Selection Grade to Gazetted Class II Postmasters.
- (iii) Upgrading of Class II Gazetted to Class I Postmasters.
- (iv) Gazetted Deputy Post Masters.

The standards have been recommended mainly on work hours and cash transactions, i.e. for the 3rd category, for example 5275 operative hours and cash transactions of 25 lakhs per month has been recommended. The case is under examination.

(5) Standards for the operative staff in the office of the Dy. Director, P.L.I., Calcutta.

(Serial 4—Annexure I—Postal).

Recommendations cover the various sections of the office. There are about 10 sections in the office, such as Issue, Reference, Payments, valuation, Accounts, etc.. for each of which standards have been recommended. For instance, for the Issue section 1 clerk for every 3,000 history sheets, in the Reference section one clerk for 21,000 new policies etc., for the Payment section 1 clerk for scrutiny of 14,000 sanctions per annum etc., for the Evaluation Section 1 clerk for 16,000 issue cards for new policies etc. A new section also has been recommended to be opened named Miscellaneous section. There are other recommendations regarding Sr. Accountants, Junior Accountants, use of totalling machines, etc.

In the Reference section of the office of Deputy Director, P.L.I., Calcutta, the record handling work was being carried out by L.D.C.'s. It has been suggested that the work could be easily entrusted to the Selection Grade daftries.

(6) Standards in respect of Foreign post.

(Serial 7—Annexure I—Postal)

The main recommendations are regarding the uniform pattern of work and a new manual of procedure. The work in the operating branch are recommended to be re-organised on the pattern of R.M.S. with a separate record office where record keeping, referencing, bag account etc. can be centralised.

(7) *To evolve modified procedure of duty credit to Overtime Allowance in the R.M.S.*

(Serial 8—Annexure I—Postal).

In this case a revised procedure for preparing O.T.A. claims has been suggested. Revised forms and statements have been drafted. Recommendations have also been made regarding the filling up and checking up of these forms. Rounding off to equated duty etc. have also been recommended.

This will lead to easy and simplified way of preparing and checking of O.T.A. bills, minimising mal-practices and manipulations, equitable distribution of O.T.A., unutilised staff hours can be used, claims settled more expeditiously, economy in staff hours and stationery also.

(ii) The studies entrusted to the S.I.U. are covered by the list attached—Annexure II. Of these, studies have been completed in respect of Items No. 1 and 2, where orders regarding implementation have also been issued. Studies in respect of Items No. 3 and 4 have been completed and are under examination in the Directorate.

The main recommendations made by the S.I.U. are for fixation of the standards on the basis of co-efficients per clerk. In respect of items 1 and 2 where implementation orders have issued some saving in expenditure may result but no assessment has yet been made.

(iii) The Postal Research Centre of the P. & T. Directorate is entrusted with the study of machines in use in the Postal Services of advanced countries, their adoption in this country and their indigenous manufacture.

The introduction of mechanical aids in the Postal Services can be considered under the following heads:—

- (a) Machines for use at the Post Office counters or lobbies for the convenience of the public like stationery vending machine and franking machines.
- (b) Machines for the use of the staff in Mail handling as Stamp Cancellation Machines, elevators and conveyors etc.

In the field of Postal Machinisation, ever since its inception, the Postal Research Centre has been actively exploring the scope for the introduction of primary mechanical aids (Postal Stationery Vending Machines, Stamp Emitters, Coin Changers Machines for issuing

franked labels, conveyors etc.) in the Postal services. After a survey of such machines used in foreign countries, attempts have been made to get the machines, which *prima facie* appeared to be suitable either by importing a few from abroad or by producing suitable prototypes indigenously. Whenever the machines have proved successful on field trial, the possibility of the indigenous manufacture of the machines is being explored so that the machines could be produced on a large scale and introduced in the Postal Services according to definite norms.

A brief account of the work done in the introduction of different mechanical aids is given below:—

(a) *Postal Stationery Vending Machines.*

With a view to minimising the rush at the Counters selling Postal Stationery and to provide better facility to the public including facilities of obtaining postal stationery during the closed hours of Post Offices, the idea of selling postal stationery through self service machines was first thought of in India in 1962 when the Postal Research Centre was formed. A combined Postal Stationery Vending suite consisting of three slot machines one for vending 15 paise embossed envelopes, the other for 10 Paise inland letter cards and the third for Post Cards was obtained from United Kingdom on sale or return basis. The machine was put on field trial at the Parliament Street Head Post Office and a close watch was kept with a view to judging the reaction of the public.

Consequent on the successful field trials conducted with the slot machines at the Parliament Street Post Office, 32 machines were imported from abroad and installed in the lobbies of different Post Offices as shown in Annexure III.

With a view to exploring the indigenous manufactures of these machines, 10 electrically operated slot machines for vending Post Cards were got manufactured through Calcutta firm and out of those 8 have been put on field trials in Post Offices of Calcutta as shown in Annexure IV.

The Public have been using these machines during and after the Post Office hours and the sale of stationery through the machines at some offices has gone upto 25 per cent of the total sale in the office. Experiments conducted by

the Postal Research Centre have indicated that these machines have provided a quick and elegant method to the public for obtaining the requirements of postal stationery during and after the post office hours. The public are also saved the waiting time at the counters as the required postal stationery could be obtained from the machines within five seconds. In view of the encouraging results obtained, a decision has been taken to introduce 1000 mechanically operated postal stationery vending machines during the next four years. These machines will be Produced indigenously.

(b) *Coin Changers*

Experiments conducted by the Postal Research Centre have indicated that the use of these machines in the stamp vending counters resulted in a saving of about 10 per cent to 15 per cent in the waiting time of the public. The Postal Research Centre has evolved a coin changer of a revised design. 105 coin changers of the revised design have been brought into use in the principal post offices in India. These coin changers besides providing quick method of giving small coins to the public also reduce the waiting time of the public. The equipment also takes much less space than the traditional methods used for keeping change.

(c) *Stamp Emitters*

The purpose of these machines which could be fitted to the counter of the stamp vendors, is to save the stamp vendor the trouble of having to turn the leaves of a stamp register, which is cumbersome and which results in avoidable waste of time. Each stamp emitter is intended to issue stamps of particular denomination on pressing a lever and is required to be operated by the Post Office staff selling stamps. All that the stamp vendor has to do is to press a lever and outcomes the stamp. This would involve the preparation of stamps in rolls instead of in sheets as at present. So far 15 stamp Emitters have been imported from abroad and have been put on field trials in some of the important Head Post Offices. Although the initial reaction is quite encouraging, it would take some time before indigenous sources of supply could be located and the machines introduced in large numbers.

(d) *Bundle Tying Machines*

The need for a suitable machine which could tie up letters into bundles is too well known to be emphasised. The Postal Research Centre took up the study of the characteristics of different types of bundle tying machines and on the basis of this study imported 36 bundle tying machines from abroad and put them on field trial in the different sorting offices as shown in Annexure V. From the trials so far undertaken it is now confirmed that this machine is capable of tying letters into bundles more speedily than the manual process resulting in saving of time to the extent of 10 to 18 per cent. The bundles are also tied more firmly than in manual tying.

The Postal Research Centre has located indigenous sources for the tying materials required for these machines. Efforts have also been made for the indigenous manufacture of these machines in collaboration with National Physical Laboratory, New Delhi.

(e) *Stamp Cancellation Machines*

There are 200 such machines in the various Post & R.M.S. Offices in India. These machines are found eminently suitable for cancellation of letters in sorting and Post Offices. The trend of work in the cancellation of letters is such that very large number of letters are to be cancelled within a very short time and the stamp cancelling machines provide the most effective means of defacing the letters especially during the peak pressure period. In view of the utility of the machines, a case is being processed for the import of 64 machines. Efforts are also being made to develop indigenous sources of manufacture of these machines.

(f) *Machines for issuing franked Postage Labels*

The purchase and affixing of stamps involves some time, especially in regard to the booking of a registered letter or a parcel. In the case of a parcel, several stamps have to be affixed to make up the required postage. With a view to saving the time taken in these operations as well as effecting saving in Postage Stamps and thus conserving Foreign Exchange used in the import of the gummed paper required for the manufacture of Postage stamps,

studies were undertaken by the Postal Research Centre. On the basis of these studies, several machines have been introduced for franking the postage on the following classes of articles:—

- (i) Un-registered articles of letter mail.
- (ii) Registered articles of letter mail.
- (iii) Unregistered parcels.
- (iv) Registered parcels.

The machines include 19 taxo graph machines imported from abroad. These machines also issue the receipt for registered articles.

(g) *Installation of Postal Conveyor in Delhi Air Sorting Office and Delhi R.M.S.*

By far—the most important scheme implemented in the field of modernisation of the postal services is the installation of “Belt Conveyor” system first in Delhi Air Sorting Office and then in Delhi R.M.S. The equipment and fittings necessitated by the installations of these conveyors as well as the layout were planned by the Postal Research Centre. The salient features of the plan are:—

- (i) Clockwise flow of mails with a minimum of cross traffic.
- (ii) Better arrangements for the sorting of letters ensuring a less congested operation.
- (iii) Location of the stamping tables and the stamp cancelling machine close to the facing table and the preliminary sorting cases.
- (iv) Provision for taking out a larger number of septations at the preliminary sorting stage with a view to reducing the double handling of mails.

Operational Research Schemes

The operational Research Schemes undertaken by the Postal Research Centre have their object the application of work study methods to Postal operations with a view to achieving economy and efficiency.

The work done in this regard by the Postal Research Centre has been highlighted in the U.P.U. Journal by the Publications of two papers—one on proper location of sections in a sorting office and the

other on the examination of the variation of the speed of sorting in relation to the number of selections in a sorting case and the planning of the sorting system with a view to attaining overall efficiency. This paper was published in Union Postale of September, 1968. These two papers were highly commended by the U.P.U. Authorities. The findings have been put into practice resulting in speedier disposal of traffic.

In the field of operational research, the centre is currently engaged in striking a balance between man power distribution and traffic in sorting offices and on the possibilities of evolving a national postal code for addresses in India.

[Department of Communications (P&T Board) O.M. No.
19-1/69-PRP, Dated 11-11-1969]

ANNEXURE I

Items of study as approved by P&T Board for the Internal Work Study Units

Postal

1. To lay down the Standards for Postmen.
2. Study and analysis of M.O. Complaints.
3. Standards for upgrading HSG Offices to Gazetted Offices and for creation of HSG Offices, sanction of Dy. P.Ms. in the Gagetted and HSG grades, upgrading of Class II to Class I P.Os.
4. Standards for the operative staff in the office of the Dy. Director, PLI, Calcutta.
5. Method Study in respect of Forms Store.
6. Standards for Class IV (Postal)
7. Standards in respect of certain items of work in the Foreign Post not covered by Das Gupta Time Test.
8. To evolve modified procedure for calculation of duty credit in R.M.S.
9. To fix time factor for registration of abbreviated address in combined P.Os.
10. To fix time factor for booking telegrams on Deposit Account and Guarantee system in combined P.Os.
11. Standards for the operative Posts in the R.L.O.
12. Laying down the standards for Supervisory posts in R.L.O.

13. Opening of small mail offices without record offices.
14. To lay down standards for the I.P.Os.
15. The Work Study of Postal stock Depot for evolving standards.
16. Justification for the post of I.P.Os. (S.B.).

Telecom.

1. Time factor for inspection of cable DP's&PB.X's.
2. (a) Lineman (Telegraphs).
(b) Lineman (Telephones)
3. Time factors for labour as mentioned Engg. 3 Estimates Form.
4. Clerical staff in CTOs/DTOs in Administrative and Accounts Branches.
5. Laying down standards for ESP/EST for construction purposes in Engineering Divisions.
6. (a) Telephone Operators for Trunk Exchanges.
(b) Reviewing standards for evaluation of T.C. Tickets in Trunk Exchanges.
7. Laying down standards for the Engineering Supervisor (Mtce) of small Auto Exchanges (200—500) Lines.
8. Laying down standards for the posts of DEST/P, SDOs T/P.
9. Clerical staff for compilation of Hindi Directory.
10. Telephone Operators for running/ring back position.
11. Laying down standards for all non-gazetted cadres in Administrative Offices, etc. of Telephone Distt. at New Delhi, Calcutta, Bombay and Madras.
12. Work standards for Sr. Accountant & Accounts Officer in TRA Branch of Delhi Telephone District.
13. Reviewing standards for evaluation of T.C. Tickets in Trunk Exchanges & TRA Offices.
14. Clerical staff in the office of CAO Telecom. Stores, Calcutta.
15. Standards for E.S. (Group Exchanges).
16. Standards for women attendants (Ayahs).
17. Standards for lady welfare Superintendents.

18. Laying down standards for the posts of Directors of Telegraphs.

19. Telephone Operators for Fault Control Centres.

20. Staff for the offices of GM (Workshops) and Managers (Workshops).

21. Posting of telegrams in New Delhi CTO, UP, Bihar Circles.

22. Standards for E.S. Cables in Districts.

23. (a) Cable jointers in Circles.

(b) Cable jointers in Districts.

24. Metering clerks.

Directorate.

25. Sections in the Posts and Telegraphs Directorate.

ANNEXURE II

Items of Study Entrusted to the SIU.

1. Standards for administrative etc. office staff in Telegraph Engg. Divisions.

2. Standards for clerical staff in the Circle Offices.

3. Standards for Supervisory posts and officers in the Circle Offices.

4. Standards for Postal Divisions.

5. Study in respect of Crossbar planning and Railway Electrification Organisation including Gazetted personnel.

6. Work study of the posts of Regional Traffic Superintendents in Telephones Traffic Regions.

7. Telecom. Accounts Offices.

ANNEXURE III

Postal Stationery Vending Machines :

	Postcard vending	Inland letter card vending	Aero- gramme	Envelope vending	Total
	1	2	3	4	5
DELHI CIRCLE					
1. Delhi G. P. O.	1	1	..	..	2
2. New Delhi H.O..	1	1	..	..	2
3. Parliament St. H.O.	1	1	1	1	4
4. Eastern Court S.O.	1	1	1	..	3
5. Ashoka Hotel . . . . .	..	..	1	..	1
6. Janpath Hotel . . . . .	..	..	1	..	1
MAHARASHTRA CIRCLE					
1. Bombay G.P.O.	1	1	1	..	3
TAMIL NADU CIRCLE					
1. Mount Road H.O.	1	1	1	..	3
2. Park Town P.O.	1	1	1	..	3
WEST BENGAL CIRCLE					
1. Calcutta G.P.O.	1	1	1	..	3
ANDHRA CIRCLE					
1. Hyderabad G.P.O.	1	1	1	..	3
MYSORE CIRCLE					
1. Bangalore G.P.O.	1	1	1	..	3
GUJARAT CIRCLE					
1. Ahmedabad G.P.O. . . . .	..	1	..	..	1
TOTAL	10	11	10	1	32

ANNEXURE IV

Electrically operated Postal Card Vending Machine Indigenously manufactured).

WEST BENGAL CIRCLE

1. Ballygunge P.O.	I
2. Howrah H.O.	I
3. Kalakar Street P.O.	I
4. New Alipore P.O.	I
5. Rash Behari Avenue P.O.	I
6. New West Bengal Sectt. P.O.	I
7. New Market P.O.	I
8. Sealdah R.M.S.	I
TOTAL	<u>8</u>

ANNEXURE V

Bundle Tying Machines

Delhi Circle.

1. Delhi R.M.S.	3
2. R.M.S. Bhawan	2
3. Delhi Air Sorting	7

West Bengal Circle

1. Dum Dum Airport Sorting	2
2. Howrah R.M.S.	I
3. Calcutta R.M.S. TD.	I
4. Calcutta Letter Sorting.	I

Maharashtra Circle

1. Bombay R.M.S.	4
2. Bombay Airport Sorting	4

Tamil Nadu Circle

I. Madras Airport Sorting	7
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Andhra Circle

I. Hyderabad R.M.S.	2
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Mysore Circle.

I. Bangalore R.M.S.	2
TOTAL	<u>36</u>

Recommendation

The Committee are also distressed to note that the expenditure on medical reimbursement, overtime allowance etc. in the Postal Branch has increased four-fold since 1962-63. They note that a number of malpractices have come to the notice of the Department in connection, particularly, with the scheme for reimbursement of medical charges and that Government are considering how best such malpractices could be eliminated. The Committee trust that, as a result of the efforts of the Study Group which is now examining the working of the medical reimbursement schemes, ways and means of eliminating these abuses will be found and effectively implemented.

[Sl. No. 3 of Appendix II para 1.21 of 40th Report 1968-69.]

Action Taken

The matter is under active study by the Efficiency Bureau of the P. & T. Department as well as by the Study Group. Ways and means of eliminating the abuses and malpractices in this regard will be found and effectively implemented after the results of the aforesaid studies are available.

[Department of Communications (P. & T. Board) O.M. No. 9/11/69-PAP, Dated 18-8-1969].

Further Information

Please state on what lines the P. & T. Department and the Ministry of Health are tackling the question of malpractices noticed in the working of the medical reimbursement scheme.

(Further Information sought by Committee.)

Reply given

The Study Group constituted in the Ministry of Health to suggest measures to prevent abuses of the system of reimbursement of medical expenses under the C.S. (MA) Rules has in its various meetings taken decisions on a number of suggestions put forward before it. Some of the measures recommended by the Study Group in its earlier meetings and on which the Government have issued orders are:—(1) reduction in the time limit of one year for submission of medical claims from the date of completion of treatment to three months, (2) introduction of C.G.H.S. Scheme at Allahabad with effect from 25th March, 1969 and (3) to have a separate modified C.G.H.S. Scheme for Calcutta by drawing up a panel of registered private practitioners by the Central Government.

2. Besides the measures enumerated above, the Study Group has also endorsed the Government's earlier decision to restrict the number of authorised medical attendants as also the number of chemists at various stations. In this direction the Government have already appointed restricted number of authorised medical attendants in Maharashtra, Bihar, Orissa, and the Union territory of Chandigarh. Further the chemists have also been specified, in certain areas of the States of Andhra Pradesh, Madras, Mysore, Rajasthan, Gujarat, Kerala and U.P. and the Union territory of Chandigarh. At stations where the chemists have not so far been specified, the officials are required to purchase medicines from the Government Co-operative Stores etc., if functioning within a radius of two kilometres from the residence of the official.

3. Further steps are being taken by Government to amend the C.S (MA) Rules on the recommendations of the Study Group so as to empower any Department of the Central Government to designate an authorised medical attendant in respect of any Government servant. A suggestion which had come up for consideration before the Study Group related to fixing of ceiling on reimbursement of medical expenses. This was left over for detailed consideration pending receipt of recommendations in this regard from the Administrative Reforms Commission.

4. Apart from the various measures stated above, the Efficiency Bureau set up in the P. & T. Department, to look into besides other issues the problem of mounting expenditure on medical reimbursement in the P. & T. Department and to suggest remedial measures, has since submitted its report. It has suggested various measures

Committee need hardly point out that the experience of advanced countries clearly indicates that telegraph services lose ground to the extent that postal service become more efficient and the use of telephones gains popularity and it is imperative, therefore, that any expansion programme, involving a considerable outlay for a service which is already incurring losses, should be undertaken only after making sure of the financial implications.

1.31. The Committee also agree with the Tariff Enquiry Committee that deficits in the Telegraph Branch should not be indefinitely borne by the Telephone Branch, irrespective of the amount and the circumstances. The Committee suggest that the Efficiency Bureau of the P. & T. Department should undertake an intensive study of the working of the Telegraph Department with a view to suggest concrete measures to improve efficiency, effect economy and reduce losses.

[Sl. Nos. 4 to 6 of Appx. II and paras 1.29 to 1.31 of 40th Report—IVth Lok Sabha].

Action Taken

The P. & T. Board has since set up a Departmental Committee to make a detailed study of the working of the Telegraph Branch with a view to devising measures for bringing about:

- (i) Economies consistent with efficiency, and
- (ii) Reduction in the costs by improved methods of working and application of technological advancements.

A copy of the order setting up the Telegraph Operations Economies Committee is enclosed.

2. A Costing Cell has recently been set up in the P. & T. Directorate for making a scientific study of the costs incurred by the Department in operating the several Postal and Telecommunication services including the Telegraph service. As a part of its function, the Costing Cell is now reviewing the cost per message handled from year to year. The review has been completed upto 1967-68. In order to enable the Department to closely watch the cost of existing telegraph service it may be mentioned that 'Commercial Accounting' and Performance Budgetting have recently been introduced in the Department. These measures are intended to indicate the economic and financial situation in various Telecommunication services operated and maintained by the Department. This will also enable the management to make suitable steps in committing scarce resources to expansion of various arms of services in the Department. From a Commercial angle efficiency and economy are always given

consideration while formulating new schemes for expansion and modernisation of Telegraph services. The telex service which forms an important part of telegraph services has been bringing handsome returns to the Department and its expansion is justified from the point of view of economy, modernisation and service to business, commerce, industry and administration.

[Department of Communications (P. & T. Board) O.M. No. 111-1/69/T-2, dated 19-7-1969].

INDIAN POSTS & TELEGRAPHS DEPARTMENT

OFFICE OF THE DIRECTOR GENERAL POSTS & TELEGRAPHS
No. 126-1/69/T2 dated, at New Delhi-1, the 11th March, 1969.
Subject:—Setting up a Telegraph Operation Economies Committee.

The Telegraph Branch of the P. & T. Department has been incurring losses every year from 1964-65 onwards. While examining this aspect, the Tariff Enquiry Committee observed (*vide* para 3.95 of their Report) that "increasing staff costs have substantially contributed towards making the telegraph service unremunerative. The feasibility of making this service viable has to be examined thoroughly. Besides the revision of tariffs, rigorous economy consistent with efficiency and reduction in costs by improved methods of work and application of technological developments, should also be given due weight".

2. In order to look into the aspect of economies which could be effected in the telegraph branch, it has been decided to set up a Committee consisting of the following, namely:

1. Shri Marcus Delima	DDG(T)	Chairman
2. Shri Rama Kant	DDG(EB)	Member
3. Shri R. K. Agarwal	DDG(F)	Member
4. Shri C. B. Asija	CVT	Member
5. Shri B. S. Bengali	DTR	Member
6. Shri F. A. E. Nash	ADG(T)	Member-Secretary

3. The Chairman and the other Members of the Committee, including the Member-Secretary, will serve in the Committee, in addition to their normal duties.

4. The Committee will make a detailed study of the working of

the telegraph branch with a view to devising measures for bringing about:

- (i) Economies consistent with efficiency, and
 - (ii) Reduction in the costs by improved methods of working and application of technological advancements.
5. The Committee may visit such centres in the country as necessary for making on the spot study of the problems.
 6. The Committee will make a full report within three months.

Sd./-

Senior Member (Telecom. Operations).

Copy to:

1. Chairman. P. & T. Board.
2. All Members of the P. & T. Board.
3. All DDGs of the P. & T. Dte.
4. All Heads of Circles/GMT. New Delhi.
5. All Members of the Committee.
6. All Sections of the Dte.

Further Information

Please furnish a copy of the Report of the Telegraph Operations Economies Committee set up on the 11th March, 1969 under the Chairmanship of Shri Marcus Delima.

Please also state the cost of message upto 1967-68 as worked out by the Costing Cell.

(Further Information sought by the Committee).

Reply given

The term of the Telegraph Operations and Economies Committee set up on 11th March, 1969 has since been extended upto 31st December, 1969 (copy enclosed). Shri D. N. Ramchandani has since been nominated as the Chairman of the Committee *vice* Shri Marcus Delima, who has accepted a foreign assignment. The report of the Committee, when ready, will be furnished.

2. The cost of a Telegraph message is estimated at:—

- (i) Non-Press message of minimum length of 8 words.

Rs. 2.18

(ii) Press message of minimum
length of 50 words.

Rs. 4.21

[Department of Communications (P. & T. Board) O.M. No.
111-1/69-T-2, dated 31-10-1969].

INDIAN POSTS & TELEGRAPHS DEPARTMENT

OFFICE OF THE DIRECTOR GENERAL POSTS & TELEGRAPHS

No. 126-1/69/T-2. dated New Delhi, the 30th September, 1969.

Subject:—Extension of the period of Telegraph Operations & Economics Committee.

In continuation of this office memo. No. 126-1/69/T-2, dated the 11th March, 1969 and 14th July, 1969 the term of the Telegraph Operations & Economics Committee has since been extended for another three months with effect from 1st October, 1969. The Committee is supposed to finalise its work and submit final recommendations by 31st December, 1969.

2. In addition to the terms of reference mentioned in the letters referred to above, the Committee shall also examine the questions referred to them from time to time with respect to telegraph service for detailed study and recommendations.

Sd./-

Senior Member (T.O.)

Copy to:—

1. Chairman, P. & T. Board.
2. All Members of the P. & T. Board.
3. All DDGs of the P. & T. Directorate.
4. All Heads of Circles/GMT. New Delhi.
5. All Members of the Committee.
6. All Sections of the P. & T. Directorate.
7. All GMT/DMTs.

Recommendation

The Committee note that as much as 13 per cent of the connectable capacity of telephone exchanges in the country with 1,000 lines

or above remained unutilized as on 30th June, 1968, due primarily to a shortage of cables. They further note that the shortage of cables has assumed such proportions that the Department anticipate as much as two-thirds of their requirements of cables remaining unfulfilled as at the end of 1968-69, with no assured prospect of any foreign aid for the import of cables to meet at least a part of the pressing demand. It is strange that in the face of such a glaring shortage, Government have still not come to a decision on a proposal made by a Working Group of the Planning Commission as early as September, 1962 for setting up a new unit for the manufacture of cables. The Committee cannot help feeling that the proposal has been processed in a very leisurely fashion. How leisurely the process of examination has been would be evident from the fact that Government took over four years after the submission of the report of the Working Group to come to a decision on the location of the project. Two years after this decision, the project still remains "under consideration." The Committee would urge that a decision on the project be taken without delay.

[Sl. No. 27 of Appendix II—Para 2.35 of Fourtieth Report].

Action Taken

In the paragraph above the Public Accounts Committee have commented on the following points:—

- (i) that as much as 13 per cent of the connectable capacity of telephone exchanges in the country remained unutilized as on 30th June, 1968 due primarily to shortage of cables.
- (ii) as against the shortage of cables and no assured prospect of any foreign aid for the import of cables the Government have still not come to a decision on a proposal for setting up a new unit for manufacture of cables.
- (iii) A decision on the project be taken without delay.

Regarding item (i) on a recent review based on information as on 31st March, 1969 it was found that the percentage of unutilized connectable capacity of exchanges of 1,000 lines and above in the country was 14 per cent. The unutilized capacity was primarily due to shortage of telephone cables.

Regarding item (ii) the Department has recently negotiated a loan/credit from the World Bank I.D.A. for 55 million U.S. dollars

and a bilateral credit to the tune of 33 to 36 million U.S. dollars from Canada is in an advanced stage of finalization. Against these credits it is proposed to import telephone cables worth 30 million U.S. dollars during the next 3 to 4 years.

In the meantime orders have already been placed for import of 1115 LKMs of telephone cables based on bilateral credits and it is expected that these cables might be available during the course of this year.

As regards the delay in taking decision regarding the proposal to set up the new unit, the matter was taken up with the Ministry of I.D.I.T. & C.A. who are in control of M/s. Hindustan Cables Ltd. In their reply the Ministry of I.D.I.T. & C.A. have explained the various causes for delay as under:

- (i) Considerable amount of time had to be taken to decide the choice of the site which had to be made out of nearly 30 sites lying in six states.
- (ii) The proposal had to be examined very carefully in view of the huge investment of nearly Rs. 10 crores involved in the project.
- (iii) The original estimates made in early 1962 as well as the production pattern had to be reviewed due to the lapse of time till the site was selected finally in December, 1966.
- (iv) The need to prepare a fresh project estimate after taking into account the revised cost figures and requirements pattern.
- (v) The revised project estimate was submitted in April, 1968 which was again revised in June, 1968.
- (vi) The need to examine the establishment of this factory after taking into account the likely resources to be made available to P. & T. during the Fourth Plan.
- (vii) The necessity to take into account the representations received from private cable manufacturers for manufacture of telecommunication cables.

To consider the question of meeting the future requirements of telephone cables by establishment of a second cable factory and/or manufacture of telephone cables in the private sector, a couple

of meetings were convened last year by the Planning Commission. In pursuance of the decisions taken in these meetings, a technical team comprising of representatives from the D.G.T.D., HCL & P. & T. Directorate has been constituted to visit M/s. Traco (A Government of Kerala Undertaking) and other private power sector units to assess their ability/capacity to manufacture telephone cables as also additional equipment and foreign exchange needed by these units. This team has since submitted its report on M/s. Traco and it has been decided in a meeting taken by Minister I.D.I.T. & C.A. on 24th May, 1969 to immediately allow this undertaking to set up capacity to manufacture 1,000 LKMs of Telephone cables annually and it is expected that M/s. Traco's would take about two years to establish the manufacture of the cables. The technical team has also been advised to visit the other units and expedite its report on the possibilities of the manufacture of telephone cables by these units. The report when received will be examined by the Ministry of I.D.I.T. & C.A. on an urgent basis and submit the same to the P.P.E. Committee of the Cabinet for a decision.

[Department of Communications (P. & T. Board) O.M. No. 97-5/67-TPS, dated 18-8-1969.]

Recommendation

The Committee note that Government have also embarked on a project for expansion of the capacity of Hindustan Cables Ltd. and that trial production is expected to start during 1969-70. They hope that the project will proceed according to schedule.

[Sl. No. 28 of Appendix II—Para 2.36 of Fortieth Report].

Action Taken

As M/s. Hindustan Cables Ltd. is under the control of the Ministry of I.D.I.T. & C.A. the matter has been taken up with that Ministry who have replied that satisfactory progress is being maintained by M/s. Hindustan Cables Ltd. in adhering to the schedule. In a meeting recently convened by the Ministry of I.D.I.T. & C.A. it has been indicated that this expansion programme of M/s. HCL will take at least two years to be completed.

[Department of Communications (P. & T. Board) O.M. No. 97-5/67-TPS-I, dated 18-8-69].

Recommendation

The Committee also observe that the Department have proposed a tentative target of 15 lakh telephone connections for the Fourth Plan and that the requirements of cables for such a programme would amount to 80,000 KMs of which only 48,000 KMs will be met by Hindustan Cables and the proposed new unit. In view of the large gap thus left and the current indications regarding non-availability of foreign assistance for imports, the Committee would like Government to consider how best the gap could be bridged indigenously by encouraging private manufacturers to undertake the manufacture of cables. The Committee would like a speedy decision to be taken by Government on requests already stated to have been received from some units in the private sector for permission to manufacture these cables by utilization of spare capacity.

[Sl. No. 29 of Appendix II—Para 2.37 of Fortieth Report.]

Action Taken

In this para the Committee have observed as under:—

- (i) For a tentative target of 15 lakh telephone connections for the Fourth Plan, requirements of cables would amount to 80,000 KMs of which only 48,000 KMs will be met by M/s. Hindustan Cables Ltd. and the proposed new unit.
- (ii) Speedy decision to be taken by Government on requests already stated to have been received from some units in the private sector for permission to manufacture these cables by utilisation of spare capacity.

As regards (i) above it may be clarified that the P. & T. has been finally allotted an amount of Rs. 467.75 crores only for development of telecommunications during the Fourth Plan which would permit only an addition of about 7.6 lakhs of telephones (and not 15 lakhs as per the original Fourth Plan for Rs. 846 crores). The requirements of telephone cables for the revised plan is now estimated at 53,000 KMs.

As regards (ii) above the position has already been explained in our reply to para 2.35 of the PAC recommendation.

[Department of Communications (P. & T. Board) O.M. No.

97-5/67-T.P.S.II dated 12.2.67]

Further Information

Please state:—

- (i) Whether the negotiations with the World Bank/IDA for a Loan/Credit for 55 million dollars and a bilateral credit to the tune of 33 to 36 million U.S. Dollars from Canada has been finalised. If so, what is the outcome?
- (ii) the present position of the orders already placed for import of 1115 KMs. of telephone cables based on the bilateral credit.
- (iii) the present position of the Report of technical team regarding other units and the Government's decision thereon.
- (iv) whether a final decision has been taken that a second unit need not be set up in public sector for manufacture of cables.
- (v) whether with the expansion of capacity of Hindustan Cables and other existing Units as well as contemplated imports, the assessed requirements of 53,000 KMs. of cables will be fully met.

(Further Information sought by Committee).

Reply given

The above information is furnished below seriatim:—

- (i) Yes. A World Bank loan of 27.5 million U.S. Dollars and an I.D.A. credit of equal amount have been signed on 18th June, 1969 and have become effective from 14th July, 1969.

A Loan agreement for 40 million Canadian Dollars has also been signed on 30th September, 1969, with Canadian International Development Agency.

Under the above agreements, it is proposed to import about 15,000 to 20,000 Standard KMs. of telephone cables valued at roughly 30 million U.S. dollars. The actual quantities to be imported will however, depend upon the tender prices and the imports will be restricted to the amounts available in the loans.

- (ii) Supplies on orders already placed for 1115 KMs of Cables under bilateral credits, have commenced and are expected to be completed by March, 1970.
- (iii) & (iv). These issues are being dealt with by the Department of Industrial Development in the Ministry of Industrial Development, Internal Trade & Company Affairs. It is understood that the report of the Technical Team has been received and is under consideration by the Department of Industrial Development.
- (v) The total requirements of 53,000 KMs. of Cables for the Fourth Plan period are proposed to be met as follows:—
- (a) From indigenous sources : 30,000 to 38,000 SKMs. (Out of this, about 30,000 SKMs are the expected supplies from M/s. HCL as per the latest indications of the Department of Industrial Development).
- (b) By direct imports . . . 15,000 to 20,000 SKMs. (Reference Reply at item (i) above).

Of the above, the quantities under imports are likely to materialise. As regards indigenous production, the department of Industrial development feels that there should not be any great difficulty in meeting the requirement.

[Department of Communications (P. & T. Board) O.M. No. 97-5/67-TPS, dated 1-11-69].

CHAPTER V

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

Recommendation

The resume given in pages 56—59 would indicate that there is strong case for Government to examine carefully the proposal for the conversion of the Telecommunications Branch into a Statutory Corporation.

[Sl. No. 9 of Appendix II, para 1.56 of Fortieth Report
Fourth Lok Sabha].

Action Taken

The Working Group has submitted its report to the Administrative Reforms Commission on 8th May, 1968. The recommendations of the Reforms Commission are awaited. Final decision will be taken in the matter on receipt of the Commission's recommendation and the same will be communicated to the Public Accounts Committee in due course.

[Department of Communications (P. & T. Board) O.M. No.
43/23/67-PE.I Dated, the 29th April, 1969].

Recommendation

It is, however, evident that there is in any event an imperative need to ensure that Telephone Services, which constitute an essential part of the infrastructure for the development of the economy are provided on an adequate scale and serviced efficiently. There is also the over-riding need for ensuring that the resources generated by the Telecommunications Branch are no longer diverted for subsidising the Postal Branch which should more appropriately look to the General Revenues for any assistance that may be considered desirable as justifiable social overhead.

[Sl. No. 9 of Appendix II Para 1.57 of Fortieth Report—
Fourth Lok Sabha].

Action Taken

Government share the view of the Public Accounts Committee that the telephone services constitute an essential part of the infrastructure for the development of the economy and must be provided on an adequate scale and serviced efficiently. Within the limitations of the over-all resources available, every attempt is being made to increase the Capital investment for the development of the Telephone services. The financial relationship between the Postal and Telecommunications Branches will be examined together with the administrative relationship in the light of the recommendations of the Administrative Reforms Commission when received by Government, and in the light of the recommendations of the Tariff Enquiry Committee.

[Department of Communications (P. & T. Board) O.M. No. 1-23/69-B, dated 4-7-69].

Recommendation

The Committee also note that Government have set up a committee under the Chairmanship of the Minister of State for Communications to evaluate the existing billing, collection and accounting techniques in the Department and to suggest ways and means of making them efficient. They hope that this Committee's Report would become available within the prescribed period of six months and would provide practical guide-lines to the Department for improving the speed and accuracy of billing and collection of revenue.

[Sl. No. 23 of Appendix II—Para 2.13 of Fortieth Report—
Fourth Lok Sabha].

Action Taken

Shri I. K. Gujral, on relinquishing charge of the Office of Minister of State for Communications on 14th February, 1969 resigned from the Membership of the Committee. Government has appointed Shri S. K. Kanjilal, Retired Senior Member (Telecom. Operations), as the Chairman of this Committee. Since the work of the Committee could not be completed within the initial period of six months, an extension of three months has been given to it. The Committee has made a detailed study of the billing and accounting procedures for the small and medium sized telephone units and it is expected that its report for such units will be received within the extended period of three months. The laying down of staff standards and the computerisation/mechanisation of major Telephone

Districts of Bombay, Calcutta, Delhi and Madras are, however, expected to take some more time and for this purpose the life of the Committee will have to be extended.

[Department of Communications (P. & T. Board) O.M. No. 23-4/69-TR(4), dated 28-7-1969].

Recommendation

The Committee note that the DGS & D has been unable to arrange for the timely supply of bags indented by the P. & T. Department, owing to defaults on the part of firms with whom orders were placed or delayed deliveries. In this connection, they observed that a sum of Rs. 7.42 lakhs has been assessed as recoverable from the defaulting parties and that arbitration proceedings are contemplated for the bulk of the recovery amounting to Rs. 7.02 lakhs. A sum of Rs. 13,700 has also been assessed as due by way of liquidated damages from some of the firms who delayed delivery. The Committee would like to be apprised of the progress with the recovery of these amounts.

[Sl. No. 37 (Para 3.20) of Appendix II to the 40th Report (Fourth Lok Sabha)]

Action Taken

A statement showing the progress made in effecting the recoveries is enclosed. It will be seen therefrom that the total amount of liquidated damages recoverable is only Rs. 10,600 and the extra cost involved in risk purchase is Rs. 1,84,926. The total recovery amounts to Rs. 1,95,526. Out of this, liquidated damages amounting to Rs. 2,400 and extra expenditure amounting to Rs. 1,047 have been recovered leaving a balance of Rs. 1,92,079 to be recovered.

2. The figure of Rs. 7.42 lakhs mentioned in the recommendation has presumably been arrived at, as indicated below, on the basis of the particulars given in the statement forwarded with the D.G.S.&D. letter No. DDG(D)/P&T(Para-68), dated 19th December, 1968 in reply to Lok Sabha Sectt. letter No. 252/68/PAC, dated 19-11-1968.

A/T No.	1001	.	.	.	.	.	5,140.00
"	"	.	.	.	.	.	5,140.00
"	558	.	.	.	.	.	1,38,717.20
"	558	.	.	.	.	.	1,38,717.20
"	"	.	.	.	.	.	1,38,717.20
"	"	.	.	.	.	.	1,38,717.20
"	"	.	.	.	.	.	1,38,717.20
"	"	.	.	.	.	.	1,047.00

A/T No. 402	.	.	.	.	.	2,491.00
„ 712	.	.	.	.	.	16,307.000
„ 398	.	.	.	.	.	19,178.60
						7,42,889.60

3. It will be seen from the above that against A/T No. 1001, a sum of Rs. 5,140 has been taken into account twice and similarly against A/T No. 558, the sum of Rs. 1,38,717.20 has been taken into account five times instead of once. The remarks under the column "Recovery of liquidated damages/extra expenditure incurred in risk purchase" in respect of these A/Ts as given in the statement forwarded with the letter dated 19th December, 1968 referred to in para 2 above, were intended to cover the respective A/Ts as a whole only once. The correct figure would therefore work out to Rs. 1,82,880.80, i.e. Rs. 7,42,889.60 minus Rs. 5,60,008.80.

4. From the statement now furnished, it will be seen that against A/T No. 398, the amount of risk purchase should be Rs. 21,224 instead of Rs. 19,178.60 as indicated earlier. Therefore, the net amount to be recovered towards extra expenditure comes to Rs. 1,84,926.20 i.e., Rs. 1,82,880.80 plus Rs. 2,045.40 (difference between Rs. 21,224 and 19,178).

5. Similarly, while calculating the amount of liquidated damages, the Committee presumably arrived at the following figures:—

Recovered		Not recovered	
A/T 768	Rs. 200.00	A/T 536	Rs. 4,600.00
A/T 768	Rs. 2,000.00	A/T 536	Rs. 4,600.00
		402	Rs. 1,600.00
		999	Rs. 2,500.00
		1302	Rs. 15,00.00
			500.00
		1304	Rs. 400.00
			Rs. 13,700.00

6. From the above it will be seen that Rs. 2,000 has been taken into account twice against A/T No. 768, Rs. 4,600 twice against A/T No.

536 and a sum of Rs. 500 against A/T No. 1302. If these are omitted, the correct figure would work out as follows:—

Recovered	Not recovered
Rs. 2,000	Rs. 8,6000

7. It will be seen from the statement now furnished that a sum of Rs. 400 has been recovered against A/T No. 1304. As such the figures work out to:—

Recovered	Not Recovered
Rs. 2,400/-	Rs. 8,200/-

[Ministry of Foreign Trade & Supply (Deptt. of Supply)
O.M. No. P III-13(1)/69, dated 19-8-1969].

Statement Showing the Position of Recoveries due from firms for Supply of Air Mail Bags against indents received from DGP&T New Delhi.

Indentor's Indent No.	A/T No. & date, Name of the firm	Amount due for recovery by way of			Amount recovered	Balance still due	Remarks
		Liquidated damages for late delivery	Extra cost of re-purchase	Total			
1	2	3	4	5	6	7	8
		Rs.	Rs.	Rs.	Rs.	Rs.	
1-3-19/62 M-II dt. 18-10-63	768 dt. 2-5-64 M/s. Modern Hosiery Works	2,000/-	1,047/-	3,047/-	3,047/-	Nil	Amount recovered in full
	(2) 1001 dt. 30-5-65	Nil	5,140/-	5,140/-	Nil	5,140/-	5% bills amounting to more than 3,000 available against A/T No. 50 dt. 18-1-65 L/D against this A/T pending for want of consignee's report regarding loss.
	(3) 536 dt. 29-4-66 M/s. Shubkarandas Chiranjilal	4,600/-	Nil	4,600/-	Nil	4,600/-	Case referred to arbitration.
	(4) 402 dt. 18-3-65 M/s. Universal Tent Fy.	1,600/-	2,491/-	4,091/-	Nil	4,991/-	Firm appears to have been taken over under orders of insolvency judge, Kanpur, Matter referred to Dist. Magistrate Kanpur.
2/1(64M-II(I) 1-5-64	(5) 999 dt. 30-6-63 M/s. N. K. Textiles	500/-	Nil	500/-	Nil	500/-	Position of recovery being ascertained from Pay and Accounts Officer, New Delhi.
		C.F. 8,700/-	8,678/-	17,378/-	3,047/-	14,331/-	

1	2	3	4	5	6	7	8
2-1(64)M-II (1) dt. 1-5-64	(6) 558 dt. 6-5-66 M/s. R.M.I. Industries Madras.	Nil	1,38,717/-	1,38,717/-	Nil	1,38,717/-	On a reference made to the Min. of Law they have confirmed that our claims or the recovery of additional expenditure incurred in risk purchase is legally leviable. Further action to enforce recovery is under consideration.
2-1(65)M-II dt. 28-5-65	(7) 1302 dt. 24-10-66 M/s. Industrial Enterprises	1,500/-	Nil	1,500/-	Nil	1,500/-	Position of recovery being ascertained from P&AO, New Delhi
	(8) 1304 dt. 24-10-66 M/s. S.P. Industries	400/-	Nil	400/-	400/-	Nil	Amount recovered in full.
■/1/66/M-II (III) dt. 30-7-66	(9) 712 dt. 26-7-67	Nil	16,307/-	16,307/-	Nil	16,307/-	Same remarks as in S. No. 4 above.
	(10) 398 dt. 2-5-67 M/s. Universal Tent Fy.	Nil	21,224/-	21,224/-	Nil	21,224/-	Do.
		10,600/-	1,84,926/-	1,95,526/-	3,447/-	1,92,079/-	

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Sd/-
Asstt. Director of Supplies.

NEW DELHI;

22nd December 1969/1st Pausa 1891 (Saka)

ATAL BIHARI VAJPAYEE

Chairman,
Public Accounts Committee.

APPENDIX

Summary of main conclusions recommendations

Sl. No.	Para No.	Ministry/Deptt. Concerned	Conclusions/Recommendations
1	2	3	4
1.	1.3	Deptt. of Communications (P&T Board) Planning Commission	The Committee hope that final replies in regard to those recommendations to which only interim replies have so far been furnished will be submitted to them expeditiously after getting them vetted by Audit.
2.	1.8	Deptt. of Communications (P&T Board)	The Committee are exercised to find that the losses in the working of the Postal Branch have been progressively increasing. The losses amounted to Rs. 1.28 crores in 1964-65, Rs. 8.34 crores in 1966-67 and Rs. 14.12 crores in 1967-68. This deteriorating position suggests the need for urgent and concrete steps to arrest the losses. In this context, the Committee are unhappy over the delay in taking a decision on the important question raised by the P. & T. Tariffs Enquiry Committee as to how long losing post offices should be retained on trial basis.
3.	1.13	Deptt. of Communications (P&T Board)	As part of the measures to control losses on the Postal Branch, it is essential that various operations should be standardised and the standards evolved rigorously enforced. As the Postal Department is

labour-intensive, particular emphasis should be laid on labour-saving techniques. The Committee note that two teams of Work Study Unit are conducting studies in the field offices and the Directorate with a view to examining what economies are possible. The Committee would like the work in this regard to be phased properly, in accordance with a scheme of priorities, and completed expeditiously.

The Committee note from the information furnished that apart from the Work Study Teams, the Staff Inspection Unit of the Ministry of Finance as well as the Postal Research Centre are engaged on the work of evolution of norms in certain fields of work. As it would appear that there are several agencies engaged on the question of standardisation of operations and prescribing of norms, the Committee trust that there would be no duplication or overlapping of functions and the most competent available agency would be entrusted with the work of achieving economy in the field in which it has specialised.

4.

1-17

Deptt. of Communications
(P&T Board)

The Committee hope that as a result of steps now initiated, it will be possible for Government to control effectively the expenditure of the Postal Branch on reimbursement of medical charges and eliminate abuses noticed by way of fraudulent or bogus claims. A close watch will have to be kept on the working of P. & T. dispensaries which are being progressively opened at various places to dispense

medicines to the staff. It will have to be particularly ensured that these dispensaries do not run up huge bills for stocking medicines which are disproportionate to the genuine requirements of the staff over a specific period. In places where the old practice of reimbursement of charges of medicines purchased from approved dispensaries continues, the expenditure should be closely watched by controlling officers and dubious claims quickly investigated and delinquents firmly dealt with.

The Committee also note that Government are considering a proposal to give a flat rate of medical allowance to the staff to eliminate complications involved in the working of the existing scheme. As this might simplify matters, the Committee would like Government to come to an early decision on this proposal.

5. 1.21 Deptt. of Communications
(P&T Board)

The Committee observe that Government have set up a Departmental Committee to make a detailed study of the working of the Telegraph Branch and devise measures for reducing cost and effecting economies. The Committee would like the Study to be expeditiously completed and action initiated on their recommendations. As part of the machinery for controlling cost in the Telegraph Branch, a costing cell has also been set up in the P. & T. Directorate. It is imperative that this cell should at periodical intervals systematically and meaningfully analyse and report to the higher management on the cost of messages, so that timely steps could be taken to control the costs and make the service progressively more and more self-supporting.

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6. 1-26 Deptt. of Communications
(P&T Board)

The Committee see little justification for the inordinate delay of over 7 years in processing the proposal for setting up a second unit for manufacture of cables. The proposal was mooted as early as 1962. Even if, as argued by Government, the proposal had to be examined very carefully, in view of the substantial investment (Rs. 10 crores) involved, it should have been possible for Government to have come to a decision by now. The data furnished to the Committee show that, as on 31st March, 1969, as much as 14 per cent of connectable capacity of telephone exchanges of 1,000 lines and above remained unutilised due to shortage of cables. The shortage is so acute that out of the requirements of 53,000 Standard Kilometers of cables anticipated during the Fourth Plan period, nearly two-fifths are proposed to be met by imports. The Committee are constrained to note that 15,000 to 20,000 Standard Kilometers of telephone cables valued at roughly 30 million U.S. dollars are to be imported as indigenous capacity (both in the public and private sectors) which is capable of producing quality goods has not been expanded/allowed to expand to meet the home demand. The Committee need, hardly emphasise the need to step up indigenous production of cables in the interest not only of conserving foreign exchange but also of ensuring full utilisation of the capacity of the telephone exchanges, so that pending demands for connections could be met. The Committee would like Government to come to a decision, without further delay, on the

question of expanding indigenous production of cables in the appropriate sector.

7. 1.27 Deptt. of Communications
(P&T Board)

A substantial proportion of the anticipated demand for cables (i.e. about 30,000 Standard Kilometers) is to be met by the existing public sector unit at Rupnarainpur which is stated to be undertaking an expansion programme for this purpose to be completed over a period of two years. The Committee trust that a close watch will be kept by Government to ensure that the programme gets completed according to schedule.

Sl. No.	Name of Agent	Agency No.	Sl. No.	Name of Agent	Agency No.
DELHI					
24.	Jain Book Agency, Connaught Place, New Delhi.	11	33.	Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi—1.	68
25.	Sat Narain & Sons, 3141, Mohd. Ali Bazar, Mori Gate, Delhi.	3	34.	People's Publishing House, Rani Jhansi Road, New Delhi.	76
26.	Atma Ram & Sons, Kashmir Gate, Delhi-6.	9	35.	The United Book Agency 48, Amrit Kaur Market, Pahar Gazi, New Delhi.	88
27.	J. M. Jaina & Brothers, Mori Gate, Delhi.	11	36.	Hind Book House, 82, Janpath, New Delhi.	95
28.	The Central News Agency, 23/90, Connaught Place, New Delhi.	15	37.	Bookwell, 4, Sant Narakart Colony, Kingsway Camp, Delhi-9.	96
29.	The English Book Store, 7-L, Connaught Circus, New Delhi.	20	MANIPUR		
30.	Lakshmi Book Store, 42, Municipal Market, Janpath, New Delhi.	23	38.	Shri N. Chaoba Singh, News Agent, Ramlal Paul High School Annex, Imphal.	77
AGENTS IN FOREIGN-COUNTRIES					
31.	Bahree Brothers, 188 Lal-patrai Market, Delhi-5	27	39.	The Secretary, Establishment Department, The High Commission of India, India House, Aldwych, LONDON W.C.—2.	59
32.	Jayana Book Depot, Chaparwala Kun. Karol Baga New Delhi.	66			

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