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PUBLIC ACCO COMMITTEE (1985-86)

(EIGHTH LOK SABHA)

EXPANSION OF VIJAYAWADA TRUNK AUTO-MATIC EXCHANGE. ARREARS OF TELEPHONE REVENUE AND EXCESS BILLING. STD-BARRING AND TELEPHONE COMPLAINTS

MINISTRY OF COMMUNICATIONS (P & T BOARD)

[Action Taken on 1918t Report (Seventh Lok Sabha)]



Presented in Lok Sabha on 16 August, 1985 Laid in Rajya Sabha on 16 August, 1985

LOK SABUA SECRETARIAT NEW DELHI

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PUBLIC ACCOUNTS COMMITTEE

(1985-86)

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- 1. Shri K. H. Chhaya-Chief Financial Committee Officer.
- 2. Shri R. C. Anand—Senior Financial Committee Officer.

INTRODUCTION

- I, the Chairman of Public Accounts Committee, as authorised by the Committee do present on their behalf this 3rd Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 191st Report (7th Lok Sabha) relating to Expansion of Vijayawada Trunk Automatic Exchange, Arrears of Telephone Revenues and Excess Billing, STD—Barring and Telephone Complaints.
- 2. Commenting upon the lack of proper planning on the part of DGP&T to synchronise the expansion of Vijayawada TAX from 1200 lines to 2000 lines in May 1980 (when capacity utilisation was only 718) with the automatisation of local exchanges and commissioning of other trunk automatic exchanges in the country resulting in gross under-utilisation of Vijayawada TAX, the Committee had, in their earlier Report, recommended that both in the interest of fuller utilisation of the available capacity of Vijayawada TAX as also in the interest of better service to the subscribers of the outlying exchanges, immediate steps should be taken to provide the necessary equipment at The Ministry of Communications, in their Action Taken Note have stated that the number of circuits connected to Vijayawada TAX upto 30-6-1985 (after 8 years of its commissioning) was 1442 (72.10 per cent). Further utilisation of this Exchange depends upon import of MUX equipment which was, earlier, anticipated in 1984-85 but was now expected in 1985-86. Dissatisfied with this state of affairs, the Committee have expressed the view that such faulty planning is reprehensible when the resources and material are scarce in the country. Unutilised capacity results in blocking of capital and equipment which are badly needed at other places. The Committee have. therefore, directed the Department to take a realistic view and plan their expansions judiciously after examining the totality of the need. They have further desired that the installation of the equipment at Vijavawada and other TAXs in the country should be planned ahead so that no time is lost on making it operational on its receipt from abroad.
- 3. Drawing attention to the unsatisfactory performance of the Telephone Department in the matter of attending to telephone complaints and prompt removal of faults, the Committee in their earlier

Report had desired the Department to make all out efforts to reduce significantly the average time taken for the clearance of faults in all the telephone districts. In their reply the Ministry of Communications have merely stated that 'instructions have been issued to Heads of four metro telephone districts on 17-8-1984 for speedy clearance of telephone fault.' Taking exception to the casual approach of the Ministry to their specific recommendation, the Committee have desired that the Department should initiate concrete steps to reduce the average time taken for clearance of the complaints to the minimum and introduce a monitoring system to watch the performance towards that end.

- 4. The Committee considered this Report at their sitting held on 25-6-1985. The Minutes of the sitting form Part II of the Report.
- 5. For facility of reference and convenience, the recommendations observations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix to the Report.
- 6. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

New Delhi: August 6, 1985 Sravana 15, 1907 (S) E. AYYAPU REDDY Chairman, Public Accounts Committee.

PART I

CHAPTER I

REPORT

- 1.1 This Report of the Committee deals with the action taken by Government on the Committee's recommendations/observations' contained in their 191st Report (7th Lok Sabha) on para 16 of the Report of the Comptroller and Auditor General of India for the year 1981-82, Union Government (Posts & Telegraphs) relating to expansion of Vijayawada Trunk Automatic Exchange, Arrears of Telephone revenue and Excess Billing, STD-barring and Telephone complaints.
- 1.2 The Committee's 191st Report was presented to Lok Sabha on 27 April, 1984. It contained 22 recommendations observations. Action taken notes have been received from Government in respect of all the recommendations. These have been broadly categorised as follows:—
 - (i) Recommendations or Observations which have been accepted by Government:
 - S. Nos. 8, 10, 14, 15, 17, 18, 20, 21 and 22.
 - (ii) Recommendations or Observations which the Committee do not desire to pursue in the light of the replies received from Government:
 - S. Nos. 9, 11, 12, 13 and 16.
 - (iii) Recommendations or Observations replies to which have not been accepted by the Committee and which require reiteration:
 - S. Nos. 1-2, 6 and 19.
 - (iv) Recommendations or Observations in respect of which Government have furnished interim replies:
 - S. Nos. 3, 4, 5 and 7.
 - 1.3 The Committee expect that final replies to the recommendations and observations in respect of which only interim replies have been furnished so far will be made available to the Committee expeditiously after getting them vetted by Audit.

1.4 The Committee will now deal with the replies furnished in respect of some of the recommendations.

Unplanned expansion of Vijayawada Trunk Automatic Exchange

(Sl. Nos. 1-2 Para Nos. 1.36-1.37)

- 1.5 Commenting adversely on the hasty expansion of Vijayawada TAX twice without ensuring optimum utilisation of its initially installed capacity, the Committee in Paras 1.36 and 1.37 of their 191st Report had observed as follows:
 - "A trunk automatic exchange (TAX) with an equipped capacity of 1200 lines was installed at Vijayawada in October 1977. Based on an estimate made in October 1973, the first expansion of Vijayawada TAX by 800 lines (from 1200 to 2000 lines) was sanctioned by the P&T Board in January 1978 at a cost of Rs. 79.50 lakhs. The work on the expansion of the capacity was taken up in June 1978, and the expanded capacity was commissioned in May 1980. In May 1980, the TAX was loaded to the extent of 718 lines and even by November 1981 the total utilisation was 906 lines only. Even while the work on the first expansion was in progress (September 1978), the Department proposed further expansion of the capacity of the Exchange by 1000 more lines, i.e. from 2000 to 3000 lines. The project was sanctioned by the P&T Board in November 1979. By November 1981, equipment worth Rs. 102.88 lakhs for the second expansion had been received and the building in which the equipment for the expansion was to be installed had also been completed by December 1981 at a cost of Rs. 9.25 lakhs. However, due to anticipated traffic not coming equipment worth Rs. 102.88 lakhs expectation. received for the second expansion was not installed and the building with electric installations in which the confirment was to be installed, also remained vacant."

(Para 1.36)

"The Committee are distressed over the manner in which the P&T authorities had all along acted in this case. The capacity of a TAX is planned to cater to the requirements of two to three years from the date of commissioning. The Vijayawada TAX was installed in. October 1977 with a capacity of 1200 lines. In may 1980, i.e. two

and a half years after the date of its installation, the utilised capacity was only 718 lines, i.e. less than 60 per cent of the them installed capacity. Even by November 1981, i.e. more than four years after installation of TAX, the total utilisation was not more than 906 lines i.e. nearly 75 per cent of the initially installed capacity. It is not clear to the Committee why the Department should have rushed with the first expansion without optimum utilisation of the original capacity. Further, the Committee are unable to understand how the P&T Board in November 1979 sanctioned a further expansion 1000 lines (i.e. from 2000 to 3000 lines) when the actual utilisation of the Vijayawada TAX just one month before was no more than 718 lines which was below the original capacity. The redeeming feature of this repeated failure is that before installing the equipment received for the second expansion, the Department had a review made which showed that their calculations as to traffic demand had been highly overpitched, and equipment worth over a crore of rupees which was lying idle for over two years is now proposed to be diverted to different stations over the country. While the Committee are unhappy to note that due to highly unrealistic demand assessment and defective planning there is now no alternative but to divert the equipment, they desire that the whole process of diversion should be completed within a period of six months from the presentation of this Report."

(Para 1.37)

1.6 In their reply dated 16-10-1984, the Ministry of Communications (P & T Board) have stated:

"Out of 698 ABU Laines, 494 frames have been identified to be diverted to other projects. Instructions have been issued to concerned Heads of Circles for arranging the diversion vide letter No. 262-3/82-TPL (XK) dated 19-7-84 and subsequent clarification letter No. 262-3/82-TPL (XK) dated 17-8-84. Regarding remaining 204 frames, M|S III is being pursued to identify the projects where these equipments could be diverted. In view of the policy of the Department to introduce digital electronic equipment in the net-work, new orders for cross-bar TAX equipment are not being placed with Mis. ITI Consequently, diversion of the remaining equipment may take more

time." This has been seen by Audit vide their U.O. No. RRII|2(d)|2150|1320 dated 16-10-84. However, they desired details of utilisation of the building constructed at a cost of Rs. 9.25 lakhs. This will be done. They also desired the final report to be sent to CAG|Audit after completion of the process of diversion of equipment, since PAC wanted the diversion to be completed within 6 months i.e. by 26 October, 1984. The final report will be furnished after the diversion is completed."

At their sitting held on 25-6-85, the Committee desired to know the latest position about diversion of above frames. The Ministry of Communications in their letter dated 4-7-1985, have stated as under:

"The (present) position is as follow: (i) The frames at Vijava, wada TAX consisted of 3 categories, namely ABU frames, supervisory panel frames and power panel frames. The figure 963 is correct and the details are as given below :---No. of ABU frames No. of Supervisory frames 148 No. of Power Panel frames 117 963 Total (ii) Initially, M/S. ITI identified 740 frames for diversion. Subsequently, it was possible to increase this figures to 750 as detailed below; -No. of ABU frames . . . 494 No. of Supervisory frames . No, of Power panel frames . 114 Total 750 (iii) Out of the earmarked frames mentioned above, number of frames alread diverted from Vijsyawada are: No. of ABU frames 382 No. of Supervisory frames 134 No. of Power panel frames 109 Total 625

for diversion as detailed belo	750) I W:	frames	, M/S	ITI	has fi	irther	ident	ified 120	o fram
No. of ABU frames .									11
No. of Power panel frames					•	•		•	
		Т	otal						12
v). The remaining 93 frames yet to b	o ide	ntific	d for c	livers	ion as	on I-	7-198	500:	
No. of ABU frames .								•	8
No. of Supervisory frames							•		
No. of Power panel frames		•		٠	•		•		
		Г	otal					m-1"	9
	of	963	fran	ies a	avail	able	at	Vijaya	awad
ne following equipment out was proposed to be diverted,	of	963	fran	ies a	avail	able	at	Vijaya L to	awad varic
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- 1.8 The Committee was also then informed that 'the concerned units have been asked to complete diversion of the above equipment expeditiously. The case is being pursued with M|s. ITI to finalise the places to which the remaining 223 frames can be diverted'. . .
- 1.9 Based on this information the Committee had recommended that the whole process of diversion should be completed within a period of six months from the presentation of their Report on 27-4-84. However, from the action taken reply now furnished by the Ministry of Communications, the Committee are astonished to find schedule of diversion placed before the Committee has not been The Ministry have intimated that 494 out of 698 frames, 142 out of 148 Supervisory frames and 114 out of 117 Power Panel frames (total 750 out of 963 frames) have been identified to be diverted to other projects. Out of the earmarked 750 frames 382 ABU frames, 134 Supervisory frames and 109 Power Panel fragges (total 625) have already been diverted from the Vijayawada to other places. Necessary action is underway for diversion of the balance 125 frames out of the 750 frames identified for diversion. Regarding the remaining 213 frames, M/s. ITI have further identified 120 frames for diversion. Thus, not only 93 frames are still to be identified for diversion but actual diversion of 245 frames already earmarked by M/s. ITI is yet to take place. The Committee are Surprised at the above statement of the Ministry as the status of TTI is that of a manufacturer-cum-supplier and it should be for the Ministry to identify the needs of various places and rearrange or reallocate the sup-This only indicates lack of proper monitoring system at ministerial level and the Ministry seem to have abdicated their functions to the supplier. No reasons have been advanced by the Ministry for the change in their earlier schedule formulated in November 1983, of shifting the equipments to the various stations. brought out in the 191st Report (Para 1.34). The Committee demands an explanation for this state of affairs in the Ministry and the change in the schedule.
- 1.10 The Committee observe that the net result is that out of a total of 963 frames of various types purchased at a huge cost but lying unutilised with the Vijayawada TAX since November 1981, only 625 frames (65%) could be diverted till 30-6-1985 (after about 4 years of its receipt at Vijayawada). It shows that the information placed earlier before the Committee about diversion is not substantially true. The Committee takes a very serious note of it. They direct the Ministry of Communications to fix responsibility for this lapse.

- 1.11 The inordinate delay in accomplishing this task is a sad commentary on the working of the telecom net-work in the country. The Committee would, therefore, like to reiterate that all the remaining surplus equipment should be diverted to other circles without further loss of time and the Committee informed of the position accordingly.
- 1.12 The building in which the equipment for the proposed second expansion of Vijayawada TAX from 2000 to 3000 lines was to be installed was completed in December, 1981 at a cost of Rs. 9.25 lakhs and it was proposed to utilise the same by shifting the Vijayawada Manual Trunk Exchange. The Committee would like to be informed as to when the shifting work was actually completed and what was the total cost of dismentaling, shifting and re-installation of the trunk exchange at the new building.

Under-utilisation of Vijayawada TAX (Sl. No. 6-Para 1.41)

1.13 Commenting upon the lack of proper planning on the part of DGP&T to synchronise the expansion of Vijyawada Tax with the automatisation of the local exchanges and commissioning of other trunk automatic exchanges in the country which resulted in gross under-utilisation of Vijayawada Tax, the Committee in Para 1.41 of their 191st Report have observed as follows:

"The Committee are unable to understand why the P&T Department should not have so planned the first expansion of the Vijayawada Tax from 1200 to 2000 lines that commissioning of this expansion should have synchronised with the automatisation of the local exchanges which would have been connected to the STD network and the commissioning of other trunk automatic exchanges in the country. his evidence before the Committee, Member (TD) conceded that the automatic total switching equipment and transmission equipment which should have been installed in 1979 before the commissioning of the first expansion of the Trunk Exchange was expected to be installed 1983. However, he pleaded in extenuation could not be done on account of inadequate availability of the equipment from indigenous sources. In the opinion of the Committee, it was a major planning failure on the part of the P&T Directorate not to have taken into account the supply position of the equipment so essential for the fuller utilisation of the capacity of the Vijayawada TAX. In his evidence before the Committee, the Secretary, Ministry of Communications conceded that there was lack of proper planning on the part of the Department which had resulted in the gross under-utilisation of the Vijayawada TAX thereby denying the subscribers of the facility of making calls for outstations. The Committee were informed in evidence that if the Department could add 756 circuits, the utilisation of the line capacity of Vijayawada TAX would go up from the present 1100 to 1730, giving a utilisation percentage of over 85. The Committee desire that both in the interest of fuller utilisation of the available capacity of Vijayawada TAX as also in the interest of better service to the subscribers of the local outlying exchanges, immediate steps should be taken to provide the necessary equipment at the earliest."

1.14 In their action taken note dated 16-10-84, the Ministry of Communications (P&T Board) have stated as under:

"Utilisation of Vijayawada TAX has gone up from 1138 lines in September 1983 to 1303 in May 1984.

Further utilisation of Vijayawada TAX depends upon availability of MUX equipment. 1200 groups of imported MUX equipment was earlier anticipated in 1984-85. This is now expected in 1985-86. Case for further import of 447 group of MUX equipment is under process."

In a further communication dated 4-7-1985 in response to Committee's desire to know the latest position about utilisation of Vijet awada TAX, the Ministry of Communications have stated as under:

"Capacity willisarion of Vilavawada TAX ump 30-5 95.

No. of circuits connected to Vijayawada TAX—1442 Personage utilisation of termination espacity—72.10%".

1.15 The Committee had earlier observed that due to faulty planning, Vijayawada TAX could not be fully utilised. The Committee were critical of expanding this Exchange without first ensuring adequate surply of equipment so essential for the fuller utilisation of the capacity of the exchange and had recommended to take immediate steps to arrange for the required equipment. From the information now furnished by the Ministry of Communications, the Committee find that the DGP&T still not able to arrange the necessary equipment indigenously or through import.

1.16 The progressive utilisation of the Vijayawada TAX from its installation in October 1977 (with an equipped capacity of v200 lines

and expanded to 2000 lines in May v980) till June v985 has been as under:

						C.p.city utilis tior	
						Capacity than do	per centage
Мау 1980 .	•	•		•	•	718	35
November 1981		•	•	•		906	45
September 1983	•					1133	56.9
May 1984 .				4		1303	65
June 1985 .						1 (.12	72

The above figures indicate that during the 5 years from May 1980 to June 1985, the increase in capacity utilisation was just 724 lines after about 8 years of its working leaving 28 per cent of the installed capacity unutilised.

- 1.17 The Committee are not averse to the creation of capacity a little ahead of the demand but are unhappy to note that at Vijayawada a large excess capacity has been created which has remained unutilised even after a lapse of about eight years. Such faulty plunning is reprehensible when the resources and materials are scarce in the country. Unutilised capacity results in blocking of capital and equipment which are badly needed at other places. The Committee would, therefore, direct the Department to take a realistic view and plan their expansions judicitated after a material and the part of the part.
- 1.18 The Committee are unhappy to note the failure in the procurement of MUX equipment, on which further utilisation of Vijayawada TAX depends. The supply of this equipment has been delayed by over two years. The Committee would like that the installation of the equipment at Vijayawada and other TAN's in the country should be planned ahead so that no time is lost on making it operational on its receipt from abroad.

Excess time taken in cleavance of relephone faults (Sl. No. 19—Para 4.20)

- 1.19 Commenting upon the time taken for the clearance of faults in telephone districts, the Committee in Para 4.20 of their 191st Report had observed as follows:
 - "So far as clearance of faults is concerned, the overall performance of the Telephone Department can hardly be considered to be satisfactory. But, among the four metropolitan cities, the best performance was that of Madra's which was

able to clear 91.4 to 96.6 per cent of the reported faults within two calendar days of the complaint. Delhi cama next having cleared 80.5 to 86.1 per cent of the reported faults within two calendar days of the complaints. Bombay having given a highly creditable performance of 94 per cent within two calendar days in 1981-82 came down to 78.1 per cent in 1982-83. The worst was Calcutta where only 66 to 67.2 per cent faults could be cleared within two calendar days of the complaint. There 7.3 to 16.7 per cent faults could not be cleared even within 7 days of the The reason given by the Department complaint. slower pace of clearance in Calcutta is higher percentage of cable break-down caused by thefts and damage by other utility agencies. Another noticeable aspect was that the fault clearance position by and large deteriorated in all the four metropolitan cities, although markedly in case of Bombay. The Committee would like the Telephoine Department to make all out efforts to reduce significantly the average time taken for the clearance of faults in all telephone districts.

1.20 In their action taken note dated 16-10-84, the Ministry of Communications (P&T Board) have stated as under:

"Instructions have already been issued to Head of four metrotelephone districts for speedy clearance of telephone faultvide letter No. 7-6/84-PHM, dated 17-8-84."

1.21 In their earlier Report, the Committee had drawn attention to the unsatisfactory performance of the telephone department in the matter of promptly attending to complaints about clearing faults and had desired the Department to make all-out efforts to reduce significantly the average time taken for the clearance of faults in all the telephone districts. In their action taken note, the Ministry of Communications have merely stated that 'instructions have already been issued to Heads of four Metro Telephone Districts on 17-8-84 for speedy clearance of telephone faults.' The Committee regret to note the casual reaction of the Ministry on a specific recommendation of the Committee. They find that their recommendation has not been treated with the seriousness it deserves. Not only the department charges the subscribers for wrong numbers but the calls for registering complaints are also metered. They also charge the rent for the period during which telephones remain dead. The department will not be doing justice to the subscribers if their complaints about faults are not attended to promptly. The Committee expected that the department would initiate concrete steps to reduce the

average time taken for clearance of the complaints to the minimum and introduce a system to enable them to watch the performance towards that end. This has not been done. The Committee would like them to do it now. They would also like to be informed of the present position of fault clearance in each of the four Metro Districts in order to judge as to how far the department have succeeded in reducing the time taken in clearing the faults, in the light of instructions issued by them on 17-8-1984.

CHAPTER II

RECOMMENDATIONS OR OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

The Committee observe that Vijayawada TAX is not the only TAX in the country with grossly under-utilised capacity. Out of 23 other TAXs in the country, there are as many as nine other TAXs with a line capacity utilisation of less than 60 per cent. Four of these have a line capacity utilisation of less than 40 per cent. It is indeed shocking that line capacities of these exchanges created at heavy cost should have remained so under-utilised. The Committee desire that the Ministry of Communications should analyse the causes of the under-utilisation of these TAXs and take corrective at the earliest. 191st report of PAC (7th Lok Sabha) 1983-84 on para 16 of C&AG Report of 1981-82 relating to expansion of Vijayawada TAX.

[S. No. 8 (Para 1.43) of Appendix V of 191st Report of PAC 7th Lok Sabha)].

Action Taken

Action has been initiated to import MUX equipment to enable increasing further utilisation of various TAXs. Instructions have also been issued to concerned Heads of Circles to monitor the utilisation of TAX capacity, and take coordinated action for the purpose.

This has been seen by Audit vide their U.O. No. RN III2(d)2150 1320 dated 16-10-84. However they desired that the Progress of utilisation of various TAXs from time to time may be intimated to them. This will be done.

[Ministry of Communications (P&T Board) O.M. No. 262-3/82-TPC (XK) dated 16-10-1984]

Recommendation

The Committee observe that an amount of Rs. 2.93 crores i.e. nearly 116th of the total outstandings as on 31-3-1982, was due from

Government subscribers. The Committee desire that the Secretary, Ministry of Communications should personally take up the matter with the concerned Secretaries Heads of Departments for early settlement.

[Sl. No. 10 (Para 2.22) of Appendix V of 191st Report of PAC (VII Lok Sabha)].

Action Taken

The dues against the Government subscribers pertaining to the period ending on 31-3-82 which stood at Rs. 2.93 crores has been brought down to Rs. 1.34 crores by 31-3-84. In fact, Secretary (C) had already addressed D.O. references to all the Chief Secretaries and Secretaries of the Government Departments under 4-2|83-TR dated 30-1-84 requesting them for speedy settlement of telephone revenue arrears. The Units were also directed to have special liaison with the Government Departments and secure payment of outstanding bills. The reports received from the Units indicate that barring a few Units, the performance of the other Units has been fairly satisfactory. The Units which have heavy accumulation of arrears of Government subscribers are being addressed again to make special efforts and obtain the payments. The concerned Secretaries are also being addressed.

[Ministry of Communications (P&T Board) O.M. No. 23-24/84-TR dated 18-10-1984].

Recommendation

In their 64th Report, the Public Accounts Committee (1981-82) had desired the Telephone Department to make an indepth study of the billing system in the Department in order to identify the reasons for incorrect billing and take urgent steps to remove all loopholes and shortcomings in the system so that loss of revenue due to short-billing as also harassment to subscribers on account of wrong billings could be obviated. The Committee desire that the above study should be conducted without delay.

[Sl. No. 14 (Para 2.26) of Appendix V of 191st Report of PAC (VII Lok Sabha)].

Action Taken

The study of the billing system in the Department in order to identify the reasons for the short billing and non issue of bills which was undertaken in pursuance of the recommendations of the P.A.C. has been completed.

The study revealed that the existing procedure of telephone billing did not suffer from any serious inadequacies. Most of the cases of short billing non issue of bills had resulted due to clerical errors and failure to observe the existing provisions of the rules scrupulously.

The study team has recommended some modifications to the existing rules procedures besides reiterating the existing instructions in important spheres of billing. These recommendations are underexamination and suitable follow up action will be taken shortly.

It is however, requested that the incidence of short billing failure to issue bills may be viewed in the background of voluminous work involved in issue of more than one crore bills each year in respect of over 25 lakhs subscribers and the various stages through which the information necessary for billing has to pass through, resulting in cierical errors at some stage or other. It will kindly be appreciated that in a manual system of billing 100 per cent efficiency is not achievable, though all out efforts are being made towards it.

[Ministry of Communications (P&T Board) O.M. No. 23-28/84-TR dated 18-10-1984].

Recommendation

Apart from overbilling, another irritant which greatly disturbs the subscribers in the practice of sending bills to them in respect of old subscribers long after the transfer of the telephone number. During evidence, an instance was cited where a new subscriber was asked to pay arrears in respect of the old subscriber 4-5 years after the telephone number had been allotted to the new subscriber. The Committee desire that the Telephone Department should see to it that such instances do not recur.

[Sl. No. 15 (Para 2.27) of Appendix V of 191st Report of PAC (VII Lok Sabha)].

Action Taken

As the records of Telephone subscribers are maintained Telephone number-wise with the address of the subscribers concerned there will not generally be any instance of the present subscriber getting a bill for a period when the particular telephone worked for a different subscriber. Such an instance as cited in the report will not therefore occur in the manual system of billing and accounting. However in cases of computerised billing and accounting such mistakes are possible due to some deficiency/defect in the programme. Suitable

instructions have been issued to all the four Metropolitan Telephone Districts where computerisation is in vogue to review the existing programmes and ensure that there is no possibility of a new subscriber getting a bill for the pending dues of the previous subscriber. Once this is done, there is no possibility for the mistakes of the nature referred to by the Committee.

[Ministry of Communications (P&T Board) O.M. No. 23-29/84-TR dated 18-10-1984].

Recommendation

The Committee observe that there are in all a little more than 8 lakh telephones in the metropolitan cities of Bombay, Calcutta, Delhi and Madras, all of which have STD facility. But, at the request of subscribers, about 40 per cent of the telephones are STD-barred. In some cities, as in Vishakhapatnam, the percentage of STD-barring is still higher. While the committee note that STD barring has been requested for by some subscribers to prevent misuse of this facility by their servants and visitors, STD barring is in quite a substantial measure on account of overbilling by the Department or malpractices indulged in by others in collusion with corrupt Departmental employees. In evidence, the Secretary, Ministry of Communications cited the case of a city in which many subscribers got their STD facility barred but they continued to make STD calls in collusion with the employees of the Telephone Department through other means. But when their malpractices came to light, all of them asked for the restoration of the STD facility. According to a note furnished by the Ministry, similar instances at other places have also come to notice from time to time. In reply to a question whether there were some other modus operandi adopted by the subscribers in collusion with Departmental employees with the intent of evading telephone charges. the Ministry have stated that such malpractices "are of varied nature. The methods depend on the ingenuity of the subscriber and the employees involved. It is in fact a constant battle of wits between the Department and the culprits". The Ministry have also stated that although to prevent such malpractices supervision is being tightened and a number of technical and other measures have been taken, "it is almost impossible to totally prevent malpractices" being indulged in by subscribers in collusion with Departmental employees. The Committee are concerned over this situation. They need hardly observe that such malpractices not only result in loss of revenue to the Department but also tarnish the image of the Department in the public eve. The Committee feel that the malady is fairly deep-rooted and will

need much more efforts for its eradication than made hitherto. committee desire that an indepth study may be conducted by the Department to identify the causes for such heavy-STD barring, the modus operandi of various types of malpractices indulged in by the subscribers in collusion with the Departmental employees and the measures—technical. Departmental or penal—that may be necessary to effectively prevent such malpractices. The Committee note that one of the measures proposed to be taken by the Department is to revise the rules of the Department so as to treat such an offence as a cognizable one. The Committee feel that it is a step in the right direction. They would like the Department also to examine in consultation with the Ministry of Law whether with the same object in view it is necessary to amend any other law at present in force and if so to take necessary steps to that end. They also desire that flying squads set up in large cities to make surprise visits for checks of the telecommunications plants should be strengthened, and the feasibility of setting up similar squads in other cities considered.

[Sl. No. 17 (Para 3.7) of Appendix V of 191st Report of PAC (Seventh Lok Sabha)].

Action Taken

The study to identify the causes for heavy STD-barring and modus operandi of various types of malpractices indulged in by the subscribers in collusion with the Departmental employees has been conducted.

- 1.1 The reasons of a large number of subscribers getting their telephones STD-barred are:—
 - (a) Many Government offices and many business houses do not desire STD facility to be available on their office telephones and want this facility only for certain selected officers.
 - (b) Some individual subscribers probably do not need it at all or fear misuse of this facility by others, some times in their absence or without their knowledge.
 - (c) Psychological feeling amongst the subscribers that large number of calls might be recorded due to technical faults when they use STD facility.
 - (d) The possibility of diversion of line by some unscrupulous subscribers in collusion with or without the departmental employees.

- 2. With the introduction of subscriber trunk dialling in the country, complaints are received by the Department from subscribers regarding inflated bills. A subscriber, who receives a telephone bill more than his expectation, normally complains of excess metering alleging diversion of lines or tampering of his meter. There are possibilities of tampering which can be categorised under two areas:
 - (a) out-door equipment—temporary diversion of line.
 - (b) In-door equipment—tampering with subscriber's meter.

2.1 Temporary diversion of line

It is possible though very difficult in actual practice, to divert a telephone line either at the telephone exchange or at a cable network inter-connection points like the distribution box or at the pillar/cabinet. Such action could also involve collusion of departmental officials with the party deriving pecuniary advantage. To avoid detection, this would be done for short periods like a few hours, overnight or at the most a day.

2.2 Tampering of meters inside the exchange

There are certain points in the electro-mechanical telephone exchange which can be tampered with to make the meters inoperative. In strowger system, these points can be identified as uniselector circuit, Group selector circuit. I.D.F. and meter plates. In Crossbar exchanges the vulnerable points are at the TDF and meters.

Thus it is possible to divert a telephone line by unscrupulous elements resulting in registering of calls made by a person in the meter of the diverted line, although it is very difficult in actual practice. Inside the telephone exchange, it is possible to make unmeterd calls by creating faults. Hence calls made by a subscriber will not be registered at all.

3. Measures taken by the P&T Department to grevent the malpractices are indicated in the following paragraphs:—

3.1 Technical Measures

To minimise express metering due to technical faults, some of the important actions taken are:—

(a) Introduction of positive-battery metering in Cross-bar exchanges.

- (b) Reduction of forced release period on called subscriber held condition from 1-2 minutes to 10-20 seconds in case of STD calls.
 - (c) Provisions of automatic switch over of day and nights tariffs.
- (d) introduction of 500 milliseconds delay in trunk automatic exchanges for recognition of called subscriber answer condition.
- (e) STD barring arrangement provided in strowger exchanges, though technically sound, has been found to be ineffective in about 5 per cent of the attempts made. To improve the reliability, the component ratings have been increased. A solid state relay unit to replace the electromechanical relay used in the outgoing relay set is under field trial. This replacement will further enhance the reliability factor.
- (f) In course of time, more and more electro-mechanical type of exchanges will get replaced by electronic exchanges. In these exchanges, the metering function is done by a computer therefore, the possibility of tampering with the meter may be considerably reduced. The number of operational and maintenance staff required for an electronic exchange is quite small as compared to the electromechanical switching equipment. This may also reduce the alleged malpractices. Due to modular construction of the main distribution frame in the electronic exchange, tampering at that point may also be difficult.

3.2 Administrative Measures

The following steps have been taken to check the possibility of the alleged malpractices:—

- (a) Individual subscribers' meters located in the telephone exchange are seal-locked.
- (b) The meter room is kept loceked to prevent unauthorised entry.
 - (c) Entry to the main distribution frame room is restricted to only authorised persons.

- (d) The meter readings are recorded on fortnightly basis and any unusual variation in the calling pattern is examined by testing the meter and associated equipment.
- (e) Routine testing of subscribers' meters to detect any malfunctioning of meters.
- (f) Fortnightly meter readings can be supplied to desiring subscribers at nominal cost.
- (g) The distribution boxes are to be fixed at a high level on the telephone pole. Pillar & cabinet boxes are also to be kept locked.
- (h) Flying squads have been formed in Metropolitan Telephone Districts to carry out surprise checks of meters and associated equipment and outdoor equipments.
- (i) Vigilance staff has been posted in major and minor telephone districts as well as in telecom circles to carry out surprise visits and inspections.
- (j) Indian Telegraphs Act is being amended to make unauthorised diversion of lines a cognizable offence.
- (k) Line staff are issued photo identity cards and are to wear uniform while on duty. Anybody unauthorisedly diverting a line can be challenged by the public.

Disciplinary action is to be taken against erring person when such corrupt acts came to the notice of the management.

- 4. The whole question has been examined in consultation with the Ministry of Law and Bill to amend and enlarge the scope of certain provisions of the Indian Telegraphs Act has been passed by the Rajya Sabha on 30-7-1984. This is now to be considered by the Lok Sabha.
- 4.1 It is proposed in the Amendment Bill, among other things, to make diversion of telephone line a cognizable offence punishable with imprisonment for a term which may extend to three years or with fine or with both. It has also been proposed that the subscribe benefiting by such a diversion would be deemed to be primarily responsible for such diversion unless he proves otherwise.

- 5. Flying squads have been set up in four metropolitan cities to make surprise visits and checks of the telecommunication plants. The following squads are functioning:—
 - (i) Bombay-4 squads
 - (ii) Calcutta—3 squads
 - (iii) Delhi-3 squads
 - (iv) Madras-1 squad
- 5.1 Each squad is headed by a Group 'B' officer and they carry out random checks of subs' meters, check indoor equipment points prone to malpractices, check outdoor plant points etc.
- 5.2 There is a proposal for creating similar vigilance squads in major telephone districts i.e. Kanpur, Hyderabad, Bangalore, Ahmedabad and Pune and augmenting the existing flying squads in metro districts. The case could not be further pursued due to general ban on creation of new posts imposed by the Government till September, 1984. The case will be again taken up after lifting of the ban.
- 5.3 For minor telephone districts i.e. for Agra, Amritsar, Baroda, Calicut, Chandigarh, Coimbatore, Ernakulam, Gauhati, Indore, Jaipur, Jalandhar, Lucknow, Ludhiana, Madurai. Nagpur. Patna, Rajkot, Surat, Trivandrum. Varanasi and Vijayawada, there are no proposals for having exclusive vigilance squads at present. However one post of Assistant Engineer (Vigilance) has been created in each Minor District and they are authorised to carry out random checks of telecommunication plants. They make use of existing maintenance staff and vehicles. In Telecom Circles also, the existing vigilance staff is authorised to carry out random checks and surprise visits.
- 6. It is hoped that with the above mentioned measures and steps, the Department will be able to contain the alleged malpractices to a greater extent.

[Ministry of Communications (P&T Board) O.M. No. 27-3/84-PHB dated 16-11-1984].

Recommendation

The efficiency of the Telephone Department is judged by the number of complaints it receives and the time it takes to clear a fault reported to it. The Committee regret to observe that judged from these criteria, the working of the Indian Telephone Department does not present a bright picture. As they note, for a little over 8 lakh

telephones in the four metropolitan cities of Bombay, Calcutta, Delhi and Madras, over 42 lakh fault complaints were received during the year 1982-83. The largest number of complaints were in Delhi which with about 2.30 lakh telephones, accounted for over 17 lakh complaints. Bombay came next, with about 3.24 lakh telephones, it accounted for nearly 13.60 lakh complaints. The number of fault complaints per hundred telephones per month were 62.20 in Delhi followed by 43.2 in Madras, 35.7 in Calcutta and 34.9 in Bombay. Although the numebr of fault complaints per hundred telephones per month was the lowest in Bombay in 1982-83, the position had deteriorated in that city during period 1980-81 to 1982-83, the faults per hundred telephones per month having increased from 30.7 in 1980-81 to 34.9 in 1982-83. The position in Madras had also deteriorated during the same period—the number of hundred telephones per month having increased 37.9 in 1980-81 to about 43.2 in 1982-83. Of the four metropolitan cities, Calcutta is the only city which has recorded a significant improvement in this regard the number of faults per hundred telephones per month having come down from 58.9 in 1980-81 to 35.7. Delhi has also recorded an improvement, but a negligible one—from 67.7 in 1980-81 to 60.2. The above figures show that the Indian Telephone System is highly fault-prone. The Committee would like the Ministry of Communications to make determined efforts to tone up the telephone system with a view to bringing down the number of faults in each telephones district to the barest minimum.

[Sl. No. 18 (Para 4.19) of Appendix V of 191st Report of PAC (7th Lok Sabha)].

Action Taken

The following steps have been/are being taken to tone up the telephone system with a view to bringing down the number of faults in each metro telephones district.

- (i) As pointed out in the Report that there is improvement in the working of Delhi and Calcutta Telephones, this has been achieved due to completion of task force which were set up three years ago to tone up the telephone system of these districts. Though there has been improvement in these two districts, the improvement is not upto the expectation because of
 - -Non-available of materials
- -Paucity of adequate funds

- (ii) Similar approach in respect of Bombay and Madras telephones system also is required to improve functioning of these telephone systems.
- (iii) Implementation of the recommendation of the Committee on Telecommunications in the following areas is as under:
 - —Provision of drop wire in place of bare iron wire in the congested localities.
 - —Replacement of aluminium wire in the subscriber's premises by Copper wire.
 - -Replacement of telephone older than 10 years.
 - -Rehabilitation of distribution points.
 - -Replacement of overhead alignments by underground cables.
 - —Pressurisation of under-ground cables as preventive measure.
 - —Construction of ducts for laying underground cables to provide adequate protection from external damages.
- (iv) Consolidated and revised instructions for cable construction works have been issued.
- (v) Various motivational schemes have been implemented in the form of "Sanchar Doot Award" at national level and other awards at circle and district levels.
- (vi) Introduction of computers in the managements of information system, material management, personal management, records etc. are under way.

[Ministry of Communications (P&T Board) O.M. No. 20-4/84-PHM dated 15-2-1985].

Recommendation

From a note furnished by the Ministry, the Committee note that there are detailed instructions for linking repeat faults and special procedure has been prescribed for their clearance. However, the Committee observe that as conceded by the Secretary, Ministry of Communications, in actual practice, repeat complaints are not unoften "linked up". When asked whether he was aware of cases in Calcutta

where in spite of repeated complaints for the same fault, neither the fault was rectified nor the repeat complaints were linked up, with the result that the subscriber, in sheer disgust, came to the conclusion that there was no point in pursuing the complaints, the Secretary, Ministry of Communications conceded by saying "Calcutta is one city where this has been happening. It is not the case with all the cities". This is a sad commentary on the functioning of the Telephone Department. The Committee desire the Telephone Department to make resolute efforts to improve the position in this regard. In particular, the Department should ensure that repeat complaints are cleared at the earliest and the Departmental instructions in this regard are followed by the lower formations in letter and spirit. The Committee were informed in evidence that telephone fault control system was proposed to be computerised. A beginning would be made with the four metropolitan cities and it would be made with the four metropolitan cities and it would be later extended to other cities. The Committee desire that this should be done without delay.

ISI. No. 20—(Para—4.21) of Appendix V of 191st Report of PAC (7th Lok Sabha)].

Action Taken

Detailed instructions for linking the repeat faults and special procedure has already been prescribed by the Department for their clearance. In order to exercise further check on repeat faults, the Department is taking action to computerise the fault control system. The Department of Electronics has recently cleared the project for installation of such computers in the four metropolitan cities of the country. It will take approximately two years to instal these computers.

[Ministry of Communications (P&T Board) O.M. No. 20-4'84-PHM dated 11-12-1984].

Recommendation

As to the overall performance of the Telephone Department in the country as a whole, the Secretary, Ministry of Communications conceded in evidence that "in many cases the system is deteriorating and it is a failure". When asked whether it was a fact that in Delhi some time it takes more than two hours to get a telephone number, the witness stated, "I am in no position to delay these allegations". The Committee would not like to add anything in view of the very straight forward admission made by the Secretary, Ministry of Communications. They would only like the Department to make persistant and determined efforts to improve the position. After all, in the recent ASIAD and NAM, the Telephone Department had given a very good

account of itself. The Committee expects constant vigit to ensure sustained good performance at all times and not only on special occasions.

[Sl. No. 21 (Para 4.22) of Appendix V of 191st Report of PAC 7th Lok Sabha)].

Action Taken

Tasks of personnel at various levels dealing with maintenance of external plant, frequency of inspection and implementation have been specified and are under issue to the field units.

'Service information network' has been established to receive the report on parameters of services from various telephone districts and other state capitals. The report is constantly monitored and necessary follow up action is being taken. This service information network is being augmented further by introduction of computerised system.

However, it may not be out of place to mention that instances of excellent performance of P&T Department during NAM. GHOGAM and ASIAD etc. are primarily due to making all the inputs required available without any delay. This situation does not exist in the normal functioning of the Department.

[Ministry of Communications (P&T Board) O.M. No. 20-7 83-PHM (Pt.) dated 30-11-1984].

Recommendation

Replies to Audit Paragraphs are to be given within a period of six weeks. The Committee regret to observe that in spite of assurance given by the Secretary, Ministry of Communications, replies to most of the audit paragraphs were not given within the prescribed period. Such delays should be avoided in future.

[Sl. No. 22 (Para 5.5) of Appendix V of 191st Report of PAC (7th Lok Sabha)].

Action Taken

Instructions are noted. In most cases information has to be obtained from field units and this takes sometime. However, suitable instructions have been issued to all Heads of Circle to avoid delay in

replying draft audit paragraphs. A copy of the latest circular issued in this regard is enclosed.

[Ministry of Communications (P&T Board) O.M. No. 28-1 84-B dated 5-11-84]

V. Devarajan Member (Finance) D.O. No. 28-1 84-B

O o the Director General Posts and Telegraphs New Delhi-110 001 Dt. 10-7-1984

My dear---

The importance of Draft Audit paras and the need to send the full information to the Directorate on the Draft Audit paras received by the Circle has been emphasized time and again. Even last year Shri T. S. Subramaniam, Member (TD) wrote to all heads of Circles vide his D.O. No. 801-182-TPS dated 22nd January, 1983. Inspite of these instructions, information on draft Audit paras is not received in time in all cases with the result that the Directorate's reply could not be sent within the specified period.

During the last two years, the Public Accounts Committee has been particularly critical of the delay in replying to draft Audit paras, I would, therefore, request you to immediately review whether there are any draft Audit paras pending in your office and if so, have them replied immediately. You may also take appropriate measures to ensure that the draft Audit Paras are handled on priority at each stage.

Yours sincerely, Sd|-(V. DEVARAJAN)

Shri----

CHAPTER III

RECOMMENDATIONS OR OBSERVATIONS WHICH THE COM-MITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM GOVERNMENT

Recommendation

In their successive Reports, the Public Accounts Committee have expressed concern over heavy arrears of telephone revenue. In their 64th Report (Seventh Lok Sabha), they had regretted to observe that inspite of their recommendations and the claim made by the P&T Board that the Departmental procedures for periodical and systematic review of outstandings at various levels, the position was deteriorating. against arrears for more than three months amounting to Rs. 18.26 crores as on 31-3-1980, and Rs. 18.42 crores as on 31-3-81, arrears upto December, 1981 as amounted to Rs. 17.01 crores. the arrears as on 31-3-1982 Rs. 5.80 crores related to bills issued during April 1981 to December, 1981 and Rs. 11.21 crores to bills issued upto and including 1980-81. Thus there has been no tangible improvement in the position. The Committee take a serious view of the old arrears, some of which date back to the year 1972-73. Departmental procedure demands that telephones should be disconnected for non-payment of dues, between 30th and 35th day from the date of issue of the bill, after reminding the subscriber. The Committee therefore, wonder why there should be such a huge accumulation of dues. It is more than two years since the Committee had recommended that to deal with the problem of arrears on a continuous basis, a separate cell should be set up in each telephone districts. Although this was accepted by Government, the Ministry of Communications are yet to place the matter before the Cabinet for approval. The Committee hope that the Cabinet will soon accord its approval to the proposal. The Committee desire that the Department should tackle the problem of arrears, particularly old enes, with vigour and determination and Equidate the arrears under a time bound programme. The Committee desire that Heads of Circles Districts should be made personally responsible for ensuring this.

[Sl. No. 9 (Para 2.21) of Appendix V of 191st Report of PAC (7th Lok Sabha)].

Action Taken

It is true that in absolute terms the 3 months old telephone revenue arrears had increased from Rs. 18.26 crores on 30-6-80 to Rs. 18.42 crores on 30-6-81.

In this connection, it is submitted that the magnitude of the arrears has to be viewed in the background of huge amounts of bills issued during each year. The arrears reported represent the cumulative arrears in respect of the bills issued ovr decades. For xample, during the period from 1-4-70 to 31-3-82, the department had issued bills to the extent of 4078.24 crores and the 3 months old arrears pending recovery out of the bills issued was only 21.28 crores as on 30-6-82. This works out to only 0.52% of the bills issued.

The progress of issue of bills, collections and recoveries thereafter are indicated below:—

Rs. in Crores Among a of bill issaed from 1-4-70 Amount Premit ge of g months old greens son gothe of g on 2 Or Wards Jun following Upto 1979-80 . . 20,45,38 10-26 . . Upto 1980-11 . 37,07,59 18 42 0.54 Upto 1981-82 40,78,94 21:20 Up o 1992-89 . . 26·06 48,85,74 57,83,97 C: 38 Upto 1983-84 . 55 - 11 (s o) 31-3-1984)

The above figures will clearly establish that the Department has been able to recover more than 99% of the bills issued over the years. This is despite the fact that during the recent years, the amount of bills issued has gone up considerably. From Rs. 124 crores in the year 1970-71, the value of bills issued has risen sharply to Rs. 898 crores during the year 1983-84.

The amount billed year-wise since 1979-80 till 1983-84 is given below:—

							3	Rs. in crores
1979-80				ė				508.69
1 98 0-81 .			*					5 61.94
1981-82				-				670.65
1982-83	,		,					80 7.5 0
1983-84 .					•			898.23
		W 44 100				-		·

It will be appreciated that inspite of this substantial rise in the amount billed, the same percentage of collection efficiency has been maintained by the Department. It is a fact that a small percentage of the amount billed remains outstanding in respect of each year. In this connection, it is pointed out that the department renders service first and collects the charges later. In this process a certain percentage of the dues remain unrealised due to various factors such as disputes in the bills, litigations or the firms going under liquidation or ceasing to exist or disputes by Political parties about the liability etc. Once the telephone is disconnected for non-payment, the department has no means of recovery except by way of persuasion and personal contacts. Litigation as a means of recovery of dues is not only slow but also not always feasible nor successful.

It may be pointed out that the telephones are provided to subscribers without taking any security from them except by way of a small amount as advance rental but on the other hand, unlimited credit to subscribers is extended by permitting the subscribers to book any number of foreign calls, foreign phonograms, trunk calls and also make unlimited number of local calls and STD calls.

The department, therefore, suffers from a handicap. We have no means of becoming aware of the closure of the firms till it becomes too late and the realisation of dues from closed firms even by legal action has not been possible. A number of instances where the subscribers abscond after beoming defaulters has also occurred. In spite of all these odds, the fact that we have been able to recover more than 99% of the bills issued goes to show the efficacy of the collection machinery. It may not be out of place to mention that even the best organised commercial firms provide for 2% bad debts whereas the percentage of dues remaining unrealised is much less than this. The department considers all dues as recoverable till they are realised or written off as a last resort.

The Committee has expressed the view that because the departmental rules provide for disconnection of telephones for non-payment by the 35th day from the date of issue of the bill, there should be no hear accumulation of arrears. As explained above, the department uses disconnection of telephones only as a means to expedite payments, but it may be appreciated that disconnection by itself will not realise the dues. Once the line has been disconnected, we have no hold on the subscriber if he does not want to get his telephone restored. Personal contacts with the subscribers after disconnection do help in realising the dues, but only to a very small extent. Litigation also is not always feasible. The department therefore, has to allow for a percentage of dues remaining

unrealised. Our efforts have always been to keep this percentage at a low a level as possible. The arrears brought out in the report represent the cumulative arreas in respect of the bills issued over decades. Viewed in this perspective, the performance of the department in the collection of telephone revenue cannot be considered as bad.

The recommendation of the PAC for creation of cells in the Telphone Districts to monitor the liquidation of arrears continuously was
accepted and the proposals were also got approved by the Minister
(Communications), but unfortunately they could not be processed because of the Govts, ban on creation of new posts. However, the case is
being sent to the Cabinet now for consideration along with an extract
of PAC's observations thereon. As soon as the sanction for the posts
is received, the Cells will be created.

[Ministry of Communications (P&T Board) O.M. No. 23-23 84-TR dated 18-10-1984].

Recommendation

The Committee observe that as in the past Delhi accounts for the largest amount of telephone outstandings followed by two other metropolitan cities—Bombay and Calcutta. The up-to-date telephone arrears of Delhi metropolitan city as on 31-3-1982 amounted to Rs. 1174.36 lakhs as against telephone arrears of Rs. 564.80 lakhs and Rs. 520.41 case of Bombay and Calcutta metropolitan cities, lakhs in respectively. What particularly disturbing about the 18 phone outstandings of Delhi is that an overwhelming proportion of it is more than one year old. One of the main reasons given by the Department for the heavy outstandings in Delhi is that for some time before 1978 the Department faced the problem of obtaining computer service for preparation of telephone bills, with the result that not only billing, but even accounting and recovery got into heavy arrears. The Committee are surprised at this explanation for, as they find from the Ministry's note, the issue of bills stabilised with the Department's entering into a contract with a private agency for telephone billing and accounting work in February 1978 and the arrears are claimed to have been "pulled up in a phased programme by March 1979". As the Committee observe, five years have since elapsed and it should have been possible for the Department by now to collect the telephone arrears which had got accumulated due to delay in inssuance of bills caused by non-availability of computer service for some time before 1978.

[Sl. No. 11 (Para 2.23) of Appendix V of 191st Report of PAC (7th Lok Sabha)].

Action Taken

It is true that the telephone revenue arrears in Delhi Telephone District continue to be more than the arrears in other Metro Districts. On account of special efforts made by the department including creation of special cells to monitor the arrears for sometime the increasing trend in the arrears has been arrested and it is now on the decline. The 3 months old telephone revenue arrears as on 1-7-82 in Delhi District amounted to Rs. 9.21 crores which declined to Rs. 7.84 crores on 1-7-83. On 31-3-84, the 3 months old arrears have been reduced further to Rs. 7.50 crores.

- 2. As recommended by the PAC, proposal for creation of cells for continuous monitoring of the arrears in each of the areas of Delhi and other metro districts is being processed for submission to the Cabinet for approval. It is hoped that with the creation of the cells the arrears in Delhi will be liquidated as early as possible.
- 3. As regards the arrears which got accumulated due to non-availability of computer time in 1976-77, it is pointed out that by March, 79, the billing and accounting work which fell into arrears was pulled up. By putting in special efforts, the arrears in respect of bills issued for the period from 1976-77 to 1978-79 have been reduced to 1.32% of the amount billed for, as shown below. The recovery of revenue has been to the extent of 98.68%.

Rupees in crores

• Marin marin marin	Year						Amormi billed	Amount outstand-ing as on 31-3-1984.	amount
1976-77	,		- 				g7-8g	0.46	nder of completions of the China State 1
1977-78							34.23	$\alpha \cdot 67$	
1978-79	•			•		•	56-55	o·63	1:32%
							F33·61	1.76	

The above figures will show that Delhi Telephones has been able to settle more than 98% of the bills issued, but it takes a little longer time than metro districts, because most of the arrears pending in Delhi Telephones are in respect of closed connections and recovery of such

arrears is generally slow and time consuming. However, the performance of Delhi Telephones is being closely watched.

[Ministry of Communications (P&T Board) O.M. No. 23-25 84-TR dated 3-8-1984]

Recommendation

2.24 Another aspect to which the Committee would like to draw attention is that although the decision of computerise the billing in metropolitan cities was taken in 1974 and although lakhs of telephone bills are issued in the metropilitan cities of Delhi, Bombay, Calcutta and Madras, the Department has all along depended upon computers of outside agencies for preparation of such bills. From a note furnished by the Ministry in the context of inventory control, the Committee observe that in 1974 the Department had appointed a private company of Bombay consultants to undertake a feasibility study of the computer requirements of the Department. The consultants submitted their report in February, 1976 listing out the areas which deserved to be considered for computerisation on highest priority. Telephone billing was one of the areas meriting highest priority. The Committee regret to observe that although more than eight years have elapsed since the consultants gave the report, the Department is still lost in procedural formalities. After the receipt of the report of the consultants, the Department had taken five years to get Cabinet approval for the installation of In-house computer system for the four metropolitan districts, and even after th. opening of the tenders for computers in January 1982, matter is still at consideration stage-now under the consideration of the Technical Evaluation Committee of the Department of Electronics. The lackadisical manner in which the Telephone Department had acted in this case is sad commentary on the functioning of the Department which is supposed to be run on commercial lines. The Committee desire that the matter should now be finalised without any further delay so that the Department become self-reliant in this field and chances of recurrence of the types of situations which occurred in Delhi in the 70s may be obviated.

[St. No. 12 (Para 2.24) of Appendix V of 191st Report of PAC (7th Lok Sabha)]

Action Taken

1. Telephone billing has been computerised in all the Metro Districts and Telephone bills are at present issued by utilising computers of outside agencies.

- 2. The P&T Board approved the installation of In-house computer systems in the four Metropolitan Telephone Districts of Bombay. Calcutta, Delhi and Madras in 1978. However, before commencing the project the clearance of the Ministry of Labour had to be obtained due to likely impact on future employement of staff. The clearance of Public Investment Board and finally of the Cabinet had to be obtained as the project exceeded the financial powers of the P&T Board. The approval of the Cabinet was received in July 1981. The import of computers is required to be processed through Department of Electronics.
- 3. The Department of Electronics (D.O.E.) have to follow the following procedure before approving the computer for any organisation. Global tenders are called for and the tenders are first evaluated by Technical Evaluation Committee (TEC) constituted by DOE taking into account the Hardware and Software requirements of the organisation. The final recommendations of the TEC has to be approved by an Approval Committee. In the present case the global tenders were floated in November 1981, opened in January 1982 and TEC have given their final recommendations to DOE on 5-4-83. The Department of Electronics has now only accorded clearance for the import of ICL-2953 computer systems vide letter No. 7(7) 83-Computer dated 21 23-6-84.

Thus it may be seen that the delay is not procedural but due to the different steps to be taken before introduction of a new technology. The P&T Department has all along acted with a sense of urgency; but the progress has been somewhat slowed down by the delay on the part of D.O.E. to communicate the clearance.

Now every effort will be made for the speedy implementation of the project.

[Ministry of Communications (P&T Board) O.M. No. 5-5 84-Computer (Pt) dated 6-9-84].

Recommendation

The Committee observe that bills under dispute generally emanating from over-billing represent one of the most factors responsible for telephone arrears. The Committee do not have break--up of the data as to how much of the total outstandings of Rs. 17.01 crores upto December 1981 related to bills under dispute. But, from a statement of telephone bills each of Rs. 50,000 and above outstanding in Delhi as on 30-9-1983, the Committee observe that almost the entire amount of outstandings of Rs. 58.42 takhs is on account of disputed bills (including cases taken to courts) or bills under correspondence. This is true of all categories for which

information has been furnished, viz. (i) Government, (ii) private business, (iii) public sector undertakings, (iv) roleign embassies and (v) individuals. During the year 1981-82, as many as 39,105 complaints of overbilling were received by the Department. figure does not include the complaints received from Dellu, Bengal, North-East Gauhati, Tamil Nadu, Agra and Bangaiore Telecommunication circles Telephone Districts. The above figures indicate that the problem of overbilling has assumed serious proportions. Apart from the fact that it is one of the most important factors responsible for heavy arrears of telephone revenue, it has involved the Department in a large number of cases of litigation, leading to unnecessary waste of Government time and money. As on 1-7-1982, there were as many as 1076 cases under litigation involving an amount of Rs. 67.86 lakhs as against 909 cases involving an amount of Rs. 54.00 lakhs as on 1-7-1981. In the opinion of the Committee, it is of paramount importance for the Department to ensure correct billing. From a note furnished by the Ministry, the Committee observe that an equipment for Automatic Message Accounting System (AMAS) has been jointly developed by the Telecommunication Research Centre and a private firm of Bangalore. This equipment gives full details of STD calls made by a subscriber who wants such a facility. According to the Ministry, the field trials successfully conducted in a telephone exchange at have been Bangalore and action has been taken to order 20 units of the equipment for using in 10 Crossbar and 10 Strowger exchanges. equipment is expected to be commissioned progressively during a period of about two years after placement of orders. The Committee would like to watch the working of the Automatic Message Accounting Sistem. In addition, the Committee would like the Telephone Department to rigorously enforce the existing measures to prevent malpractices leading to excess billing complaints, such as, sealing of meters, locking of distribution points and formation of mobile vigilance squads. If in spite of these measures, any complaints of excess billing are received, it should be the duty of the Department to attend to them with all despatch, and wherever warranted, to afford immediate relief.

TSI. No. 13 (Para 2.25) of Appendix V of 191st Report of PAC (Seventh Lok Sabha)].

Action Taken

The disputes in the bills are made by the subscribers when they feel that the number of calls charged in the bills are more than they

had anticipated. The percentage of the excess metering complaints is less than 1 per cent of the bills issued as may be seen from the figures given below.

Year					No. of bills issued	metering	Percent: ge of complaints
1979-85		•			1,80,97,000	1,35,000	0.75
1980-81					1,87,19,000	1,34,000	0.72
1981-82	٠.				1,97,85,000	1,87,000	0.95
1932-83				•	1,38,01,095	80,009	0.58
1983-84				•	1,48,52,205	1,07,284	0.72

- 2. The bills are issued for the actual number of calls metered on the subscriber's meter as intimated by the exchange.
- 3. Though all complaints received on excess metering are thoroughly examined and rebate relief wherever found justified allowed, the department cannot possibly prevent the subscribers going to the court. As the court cases take a long time to settle, the recovery of dues is also held up till the final decision of the court is received.
- 4. The units have been instructed to exercise great care in preparation of bills to avoid clerical errors leading to wrong billing of subscriber. Cases where such errors are found to be due to negligence of any official, serious view is taken and delinquent official pulled up.

5. Automatic Message Accounting (AMA).

Equipment has been under development and orders were placed for fitting six exchanges in the country with the AMA for extended field trial and evaluation of its efficacy in practice. Their commissioning and functioning will be monitored with a view to extend it to 14 more exchanges and finally to as many as exchanges possible on successful completion of the tribals.

Instructions in respect of dealing with the excess metering complaints have already been issued to the field units vide DGP&T letter No. 11-5'79-PHM(Pt) dated 16-4-80. However, vide DGP&T letter No. 20-7'83 PHM dated 26-7-84, the field units have once again been asked that these instructions should be adhered to strictly so that the mal-functioning leading to excess billing compplaints can be prevented.

[Ministry of Communications (P&T Board) O.M. No. 23-27 84-TR dated 30-11-84].

Recommendation

The Committee note that at present there is no time limit for sending bills in respect of old arrears. The Committee would like the Ministry to examine whether, in the interest of both efficient working of the Department as also early clearance of arrears, a time limit for sending bills of old arrears could not be imposed.

[Sl. No. 16 (Para 2.28) of Appendix V of 191st Report of PAC (Seventh Lok Sabha)]

Action Taken

The recommendation of the Committee for fixing time limit for sending bills in respect of old arrears has been carefully examined. The bills for the services provided are sent to the subscribers on prescribed due dates. It is possible that some subscribers do not receive the bills either due to loss in Postal transit or due to shifting of the premises before the intimation of shifting reaches the billing department. Sometimes the bills could also be misplaced by the subscriber and forgotten. In such cases, if the bills continue to remain outstanding duplicate bills are supplied to the subscribers on their requests. Therefore, the furnishing of duplicate copies of bills for pending old arrears cannot be construed as belated preferment of the claims.

Instances are also there when due to some administrative lapses, the information regarding the provision of telephones or other services do not reach the billing department. They come to light during internal checks or audit checks. Though we take steps to ensure that omissions to issue bills do not occur, in a large organisation like P&T Department some slippages or human failures at some stage or other occur despite the various safeguards inbuilt in the system. It will not be possible to predict the time limit within which such errors can be detected. It will, therefore, be difficult to prescribe a time limit for preferring of the claims.

However, to ensure that delays do not become a routine affair, we are issuing instructions to all the Units that any claim which has not been preferred on the party for 3 years from the date of its be-

coming due a report should be made to Heads of Circles Districts explaining the circumstances under which the bills could not be sent to the party in time and also the action taken against the officials at fault. Such cases will be examined carefully by the Heads of Circles Districts and procedural defects if any will be rectified. By this we hope to reduce the incidence of belated claims if not eradicate it altogether.

[Ministry of Communications (P&T Board) O.M. No. 20-30|84-TR dated 18-10-84)].

CHAPTER IV

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

Recommendation

A trunk automatic exchange (TAX) with an equipped capacity of 1200 lines was installed at Vijayawada in October 1977. on an estimate made in October 1973, the first expansion of Vijayawada TAX by 800 lines (from 1200 to 2,000 lines) was sanctioned by the P&T Board in January, 1978 at a cost of Rs. 79.50 lakhs. work on the expansion of the capacity was taken up in June, 1978, and the expanded capacity was commissioned in May, 1980. May, 1980, the TAX was loaded to the extent of 718 lines and even by November, 1981 the total utilisation was 906 lines only. Even while the work on the first expansion was in progress (September, 1978), the Department proposed further expansion of the capacity of the Exchange by 1000 more lines, i.e. from 2000 to 3000 lines. The project was sanctioned by the P&T Board in November, 1979. By November 1981, equipment worth Rs. 102.88 lakhs for the second expansion had been received and the building in which equipment for the expansion was to be installed had also been completed by December, 1981 at a cost of Rs. 9.25 lakhs. due to anticipated traffic not coming upto expectation. equipment worth Rs. 102.88 lakhs received for the second expansion was not installed and the building with electric installations, in which the equipment was to be installed, also remained vacant.

[Sl. No. 1 (Para 1.36) of Appendix V of 191st Report of PAC (Seventh Lok Sabha)].

Action Taken

Out of 698 ABU frames, 494 frames have been identified to be diverted to other projects. Instructions have been issued to concerned Heads of Cricles for arranging the diversion vide letter No. 262-3|82-TPI(XK) dated 19-7-84 and subsequent clarification letter No. 262-3|82-TPL(XK) dated 17-8-84. Regarding remaining 204 frames, M/s. ITI is being pursued to identify the projects where these equipments could be diverted. In view of the policy of the Deptt, to introduce digital electronic equipment in the net-work.

new orders for cross-bar TAX equipment are not being placed with M|s. ITI. Consequently, diversion of the remaining equipment may take more time.

This has been seen by Audit vide their U.O. No. RRII|2(d) 2150|1320 dated 16-10-84. However, they desired details of utilisation of the building constructed at a cost of Rs. 9.25 lakhs. This will be done.

[Ministry of Communications (P&T Board) O.M. No. 262-3|82-TPC (XK) dated 16-10-84].

Recommendation

The Committee are distressed over the manner in which the P&T authorities had all along acted in this case. The capacity of a TAX is planned to cater to the requirements of two to three years from the date of commissioning. The Vijayawada TAX was installed in October 1977 with a capacity of 1200 lines. In May 1980, i.e. two and a half years after the date of its installations, the utilised capacity was only 718 lines, i.e. less than 50 per cent of the then install led capacity. Even by November, 1981, i.e. more than four years after the installation of TAX, the total utilisation was no more than 906 lines, i.e. nearly 75 per cent of the initially installed capacity. It is not clear to the Committee why the Department should be ve rushed with the first expansion without ensuring optimum utilisation of the original capacity. Further the Committee are unable to understand how the P&T Board in November, 1979 sanctioned a further expansion by 1000 lines (i.e. from 2000 to 3000 lines) when the actual utilisation of the Vijayawada TAX just one month before was no more than 718 lines which was below the original capacity. redeeming feature of this repeated failure is that before installing equipment received for the second expansion, the Department a review made which showed that their calculations as to traffic demand had been highly overpitched, and equipment worth over a erore of rupees which was lving idle for over two years is now proposed to be diverted to different stations all over the country. While the Committee are unhappy to note that due to highly unrealistic demand assessment and defective planning there is now no alternative but to divert the equipment, they desire that the whole process of diversion should be completed within a period of six months from the presentation of this report.

[Sl. No. 2 (Para 1.37) of Appendix V of 191st Report of PAC 7th Lok Sabhall.

Action Taken

Out of 698 ABU frames, 494 frames have been identified to be diverted to other projects. Instructions have been issued to concerned heads of Circles for arranging the diversion vide letter No. 262-3|82-TPL (XK) dated 19-7-84 and subsequent clarification letter No. 262-3|82-TPL(XK) dated 17-8-84. Regading remaining 204 frames, M/s ITI is being pursued to identify the projects where these equipments could be diverted. In view of the policy of the Department to introduce digital electronic equipment in the net-work, new orders for cross-bar TAX equipment are not being placed with M|s. ITI. Consequently, diversion of the remaining equipment may take more time.

This has been seen by Audit vide their U.O. No. RRII 2(d) 21501320 dated 16-10-84. However, they desired the final report to be sent to PAC Audit after completion of the process of diversion of equipment, since PAC wanted the diversion to be complete within 6 months i.e. by 26th October 1984. The final report will be furnished after the diversion is completed.

[Ministry of Communications (P&T Board) O.M. No. 262-3'82-TPC (XK) dated 16-10-84].

Recommendation

"The Committee are unable to understand why the P&T Department should not have so planned the first expansion of the Vijayawada TAX from 1200 to 2000 lines that commissioning of this expansion should have synchronized with the automatization of the local exchanges which would have been connected to the STD net-work and the commissioning of other trunk automatic exchanges in the country. In his evidence before the Committee, Member (TD) conceded that the automatic total switching equipment and transmission equipment which should have been installed in 1979 before commissioning of the first expansion of the Trunk Exchange expected to be installed in 1983. However, he pleaded in extenuation that this could not be done on account of inadequate availability of the equipment from indigenous sources. In the opinion of the Committee, it was a major planning failure on the part of the P&T Directorate not to have taken into account the supply position of the equipment so essential for the fuller utilisation of the capacity of the Vijayawada TAX. In his evidence before the Committee, the Secretary, Ministry of Communications conceded that there was lack of proper planning on the part of the Department which had resulted in the gross under-utilisation of the Vijayawada TAX thereby denying the subscribers of the facility of making calls for outstations. The Committee were informed in evidence that if the Department could add 756 circuits, the utilisation of the line capacity of Vijayawada TAX would go up from the present 1100 to 1730, giving a utilisation percentage of over 85. The Committee desire that both in the interest of fuller utilisation of the available capacity of Vijayawada TAX as also in the interest of better service to the subscribers of the local outlying exchanges, immediate steps should be taken to provide the necessary equipment at the earliest."

[Sl. No. 6 (Para 1.41) of Appendix V of 191st Report of PAC (7th Lok Sabha)].

Action Taken

"Utilisation of Vijayawada TAX has gone up from 1138 lines in September, 1983 to 1303 in May 1984.

Further utilisation of Vijayawada TAX depends upon availability of MUX equipment. 1200 groups of imported MUX equipment was earlier anticipated in 1984-85. This is now expected in 1985-86. Case for further import of 4671 groups of MUX equipment is under process."

[Ministry of Communications (P&T Board) O.M. No. 262-3182—TPC (XK) dated 16-10-84].

Recommendation

So far as clearance of faults is concerned, the overall performance of the Telephone Department can hardly be considered to be satisfactory. But, among the four metropolitan cities, the best performance was that of Madras which was able to clear 91.4 to 96.6 per cent of the reported faults within two calendar days of the complaint. Delhi came next having cleared 80.5 to 86.1 per cent of the reported faults within two calendar days of the complaints. Bombay, having given a highly creditable performance of 94 per cent within two calendar days in 1981-82 came down to 78.1 per cent in 1982-83. The worst was Calcutta where only 66 to 67.2 per cent faults could be cleared within two calendar days of the complaint. There 7.3 to 16.7 per cent faults could not be cleared even within 7 days of the complaint. The reason given by the Department for slower pace on clearance in Calcutta is higher percentage of cable breakdowns caused by thefts and damage by other utility agencies. Another noticeable aspect was that the

fault clearance position by and large deteriorated in all the four metropolitan cities, although markedly in case of Bombay. The Committee would like the Telephone Department to make all out efforts to reduce significantly the average time taken for the clearance of faults in all telephone districts.

[Sl. No. 19 (Para 4.20) of 191st Report of PAC (7th Lok Sabha)].

Action Taken

Instructions have already been issued to Heads of four metro telephone districts for speedy clearance of telephone faults vide letter No. 7-6|84-PHM, dated 17-8-84.

[Ministry of Communications (P&T Board) O.M. No. 20-4|84—PHM dated 16-11-84].

CHAPTER V

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

Recommendation

The Committee observe that as against the 2000 lines capacity available at Vijayawada TAX since May, 1980 and 2000 line capacity planned under the second expansion, only 1100 lines have so far been utilised. The explanation of the Ministry of Communications for the gross under-utilisation of capacity of the Vijayawada TAX is that the P&T Department's traffic forecast was dependent upon automatisation of the local exchanges, which would have been connected to the STD network and commissioning of the related trunk automatic exchanges in the country. Due to inadequate availability of both local and trunk automatic switching equipment from indigenous the net work of trunk automatic exchanges could not be planned. Reliable transmission system like microwave co-axial UHF associated multiplexing equipment have been in short supply indigenous sources and therefore the various routes could not commissioned with adequate number of transmission circuits. According to the Ministry another reason for under-utilisation of the capacity of Vijayawada TAX was that requests for STD barring from subscribers have been far more than expected, resulting in materialisation of loss demand than anticipated. It is apparent to the Committee from the facts of the case that there was, one the one hand, unrealistic estimation and on the other, lack of proper planning.

[Sl. No. 3 (Para 1.38) of Appendix V of 191st Report, of PAC (7th Lok Sabha)].

Action Taken

The points brought out in these paras relating to the shortcomings in the traffic forecast and lack of organisational set up in the P&T Directorate for carrying out traffic projections based on updated data and periodical reviews indicate the factual position. In order to overcome this deficiency a proposal to strengthen the traffic forcasting cell

in the P&T Directorate has been drawn up and efforts are being made to get this proposal approved and implemented as early as possible. While some adjustment in the assumptions for forecasting has been made based on the recommendation of the Trunk planning group, more detailed review of the assumptions for forecast for future traffic would be possible after the proposed strengthening of the traffic cell of the P&T Directorate.

"This has been seen by Audit vide their U.O. No. RR.II 2(d)2150 1320 dated 16 10 84. However, they desired that details of strengthening the traffic forecasting cell of the P&T Directorate may be furnished. This will be done when finalised".

[Ministry of Communications (P&T Board) O.M. No. 262-3 82--PTC(XK) dated 16-10-84].

Recommendation

As to the demand assessment for the first expansion (from 1200) to 2000 lines), the Committee observe from a note furnished by the Ministry that it was based on the data collected in January 1972 and projected to 1978. This gave terminating capacity of 1843 circuits for parenting seven stations to Vijaywara TAX. The demand assessment for the second expansion (from 2000 to 3000 lines) was based on traffic data collected in 1978 and projected to 1982 for parenting 12 stations to Vijayawada TAX. The projection was inter-alic based on the assumption that there would be full inter dialling between all stations to be connected to the TAX network and that all the subscribers would avail themselves of STD facility. How wrong the P&T authorities were in their assumption can be seen from the fact that as against the provisions of 'Zero' per cent STD barring under the system of traffic load estimation made by the P&T Department, there was as high as 48.8 per cent STD barring in one of the stations parented to Vijayawada TAX, viz. Visakhapatnam. In Vijayawada itself, the percentage of STD barring was 20.8. The traffic assessment system followed by the Forecasting Cell of the Directorate suffers from another defect also. The traffic projection which is made on the traffic data collected several years before the start of a work is not reviewed in the light of actual traffic growth. In fact, there is no organisational set-up in the Directorate for carrying out such reviews. Nor is there any system of continuous monitoring o traffic growth. With a demand forecasting system based on very old data, unreviewed in the light of actual demand growth, together with highly unrealistic assumptions, the wide variations between traffic demand assessments made by the Forecasting Cell and the actual traffic materialisation should hardly cause any surprise.

[Sl. No. 4 (Para 1.39) of Appendix V of 191st Report of PAC 7th Lok Sabha)].

Action Taken

The points brought out in these paras relating to the shortcomings in the traffic forecast and lack of organisational set up in the P&T Directorate for carrying out traffic projections based on up dated data and periodical reviews indicate the factual position. In order to overcome this deficiency a proposal to strengthen the traffic forecasting cell in the P&T Directorate has been drawn up and efforts are being made to get this proposal approved and implemented as early as possible. While some adjustment in the assumptions for forecasting has been made based on the recommendation of the Trunk planning group, more detailed review of the assumptions for forecast for future traffic would be possible after the proposed strengthening of the traffic cell of the P&T Directorate.

This has been seen by Audit vide their U.O. No. RRII 2(d) 2150[1320 dated 16-10-84. However, they desired that the final outcome about future forecasting system may be intimated to them. This will be done when finalised.

[Ministry of Communications (P&T Board) O.M. No. 262-3'82-TPC (XK) dated 16-10-84].

Recommendation

In a note furnished to the Committee, the Ministry have now conceded that as far as possible, the capacity of a TAX to be installed or expanded should match with the actual growth in demand to avoid either under-provisioning or over-provisioning. This is possible by continuous monitoring and review of forecast in the light of actual traffic growth. The Ministry have stated that this is a complex exercise, considering the size, complexity and the rate of growth of the country's network. The Trunk Planning Group of the Directorate is reviewing the norms used at present for trunk traffic forecast. The Committee trust that the shole drill will be completed at an early date and the estimation norms and parameters suitably revised so as to enable the Department to make realistic estimates in future. The Committee desire that the Department should not remain content

with mere refinements of estimation techniques and parameter; they should continuously monitor the traffic growth and periodically review the demand forecast in the light of actual traffic growth.

ISI. No. 5 (Para 1.40) of Appendix V of 191st Report of PAC (7th Lok Sabha)].

Action Taken

The points brought out in these paras relating to the shortcomings in the traffic forecast and lack of organisational set up in the P&T Directorate for carrying out traffic projections based on updated data and periodical reviews indicate the factual position. In order to overcome this deficiency a proposal to strengthen the traffic forecasting cell in the P&T Directorate has been drawn up and efforts are being made to get this proposal approved and implemented as early as possible. While some adjustment in the assumptions for forecasting has been made based on the recommendation of the Trunk planning group, more detailed review of the assumptions for forecast for future traffic would be possible after the proposed strengthening of the traffic Cell of the P&T Directorate.

This has been seen by Audit vide their U.O. No. RRII]2(d) 2150 1320 dated 16-10-84. However they desired that the final outcome about future forecasting system may be intimated to them. This will be done when finalised.

[Ministry of Communications (P&T Board) O.M. No. 262-3 82-TPC (XK) dated 16-10-84)]

Recommendation

In a note furnished to the Committee, the Ministry have stated that the extra expenditure involved in diverting the 1000-line equipment from Vijayawada to other places is likely to be approximately Rs. 24,000.— In the opinion of the Committee, while calculating the waste caused by unrealistic demand assessment as also defective planning on the part of the Department, not only transportation charges for carriage of equipment from Vijayawada to other Stations should be taken into account but also the loss represented by interest charges on the locked up capital. As the equipment worth over a crore of rupees ordered for the second expansion had remained idle for over two years at Vijayawada, the loss on the basis of 10 perent per annum would come to over Rs. 20 lakhs. Besides, as a result of underutilisation of the existing capacity of Vijayawada TAX there had been

a shortfall in revenue. Based on actual traffic carried in March, 1983 the revenue comes to Rs. 368 lakhs as against the anticipated revenue of Rs. 492 lakhs on the basis of full utilisation. The Committee trust that the Department will draw upon their experience in the present case and take care to avoid such costly lapse in future.

[Sl. No. 7 (Para 1.42) of Appendix V of 191st Report of PAC (7th Lok Sabha)].

Action Taken

The department has taken note of the circumstances that led to under-utilisation of Vijayawada TAX. Action has been initiated for strengthening the trunk traffic cell which will enable continuous monitoring and analysis of trunk traffic which is expected to help in reducing to the minimum the over-provisioning under-provisioning of equipment.

[Ministry of Communications (P&T Board) O.M. No. 262-3|82-TPC (XK) dated 16-10-84)]

New Delhi: August 6, 1985 Sravana 15, 1907 (5) E. AYYAPU REDDY Chairman, Public Accounts Committee.

PART II

MINUTES OF THE 4TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 25 JUNE, 1985 (FN)

The Committee sat from 1000 hrs, to 1340 hrs.

PRESENT

Shri E. Ayyapu Reddy-Chairman

MEMBERS

Lok Sabha

- 2. Shri Amal Datta
- 3. Shri Ranjit Singh Gaekwad
- 4. Shrimati Prabhawati Gupta
- 5. Shri Vilas Muttemwar
- 3, Shri G. Devaraya Naik
- 7. Shri Rojmangal Pande
- 8. Shrimati Jayanti Patnaik
- S. Shri Simon Tigga
- 10. Shri Girdhari Lai Vyas

Rajya Sabha

- 11. Shrimati Amarjit Kaur
- 12. Shri Nirmal Chatterjee
- 13. Shri K. L. N. Prasad
- 14. Shri Ramanand Yadav

(Secretariat

- 1. Shri K. H. Chhaya-Chief Financial Officer.
- 2. Shri R. C. Anand-Senior Financial Committee Officer.

REPRESENTATIVES OF THE OFFICE OF C&AG

1. T. M. George—Additional Deputy Committee and Auditor-General of India.

- 2. Shri M. Parthasarathy-Director of Audit Defence Service.
- 3. Shri Harbans Lal—Director of Audit (CW&W).
- 4. Shri C. V. Srinivasan—Director of Audit (Air Force and Navy).
- 5. Shri S. Satyamoorthy—It. Director (Reports) Office of the C&AG of India.
- 6. Shri Gopal Singh—It. Director of Audit (P&T).
- 7. Shri B. S. Gill-Jt. Director of Audit, Defence Service.
- 8. Shri V. S. Jakhmola—Jt. Director of Audit (CW&M).
- I. Consideration and adoption of draft Action Taken Report

The Committee considered the following draft Action Taken Report and adopted the same with certain modifications/amendments as shown in Annexure I.—

(i) Action Taken on the recommendations contained in 191st Report (7th Lok Sabha) relating to Expansion of Vijayawada Trunk Automatic Exchange, arrears of telephone revenue and excess billing, STD-barring and telephone complaints.

Regarding Para 1.9 (page 6) of the draft Action Taken Report at (i) above, the Committee desired that the Secretary, Ministry of Communications may be asked to clarify the contradiction in the figures of frames (963) available at Vijayawada for diversion to other exchanges as contained in Paragraph 1.34 of 191st Report and figures (698) now supplied by the Ministry in their action taken note on the recommendation contained in Para 1.37 and to also furnish the capacity utilisation of Vijayawada TAX as on 30-6-1985. The Committee authorised the Chairman to finalise paras 1.9 and 1.15 of the Report on receipt of this information.

The Committee also authorised the Chairman to finalise the Report in the light of modifications/amendments suggested by Audit as a result of factual verification and present the same to the House.

The Committee then adjourned.

ANNEXURE I

List of modifications amendments made by the public Accounts Committee in the Draft action Taken Report on 191st Report (7th Lok Sabha) relating to expansion of Vijay wada Tax

Page	Para	Line	Modific tion/Amendment
1 [C	tegory (i)]	8	Dilete S. Nov. 3, 4, 5, 7
1 [C	tegory (iv)]	22	For NIL Read 3.4.5 and 7.
I		_	Before para 1.3 Aid the following new para 18 No. 1.3 and renumber the existing para 1.5 to 1.20 as para 1.4 to 1.21
			"The Committee expect that fire I replies to those recommendations and observations in respect of which only interim replies have been furnished so for will be made a villable to the Committee expeditionally after getting them, vetted by Audit."
6	3. 1	9	For 'ware requested' Read 'w, s bong requested'
6	3.1	13	For 'ne nufactures and a supplier' Read 'manufactures cur-supplier'
6	1.0	(from bottom)	For 'Committee on s' Read 'Committee demands.'
7	1.α	2 -4	For the scartice It shows that the facts placed earlier before the Committee about diversion were not well conceived.
			Read 'It shows that the information placed earlier before the Committee about diversion is not substantially true.'
7	1.10	5	For they would like? Read they direct
**	1.11	10 - 11	For the Committee are perturbed to find' Read the Committee find'
0	1.15	7	For 'November 1983' Read 'November 1981'
I	1.16	6-10	For 'Such faulty planning is reprehensible when the resources and materials are scaled in the country as the creation of huge unutilised capacity results in blocking of c pit I and equipment which are bidly needed at other places.'
	* .	4	9

ı	2	3	4
			Read 'Such foulty planning is reprehensible when the resources and materials are scarce in the country. Unutilised c petity results in blocking of capital and equipment which are badly needed at other places.'
11	1.16	1 1	For 'urge' Read 'direct'
11	τ.16	14-15	Put full stop (.) after 'necd'; nd delete subsequent words; 'notwithst riding the provision for such expansions in the Five Year Plans of the Department.'
1 1	1.17	2	For 'slippige' Read 'failure'
I	1.17	5 - 9	For the septence 'The Committee would like that the installation of this equipment should be planned abend so that ne time is lost on making it operational after its receipt by import.'
			Read 'The Committee would like that the installation of this equipment of Vijay, wide and other TAX's in the country should be planned thead so that no time is lost on making it operational or its receipt from abroad.'
3	1,20	14	For 'they feel'; Read 'they find'
3	1.20	16	For 'The Department not only' Read 'Not only the Department'
3	1.20	25	For 'minimal' Real 'minimum'

Sl. No.	Para N o.	Min./Deptt. concerned	Recommendations/observations						
I	2	2	2	2	2	2	2	3	4
1	1.3	M/O. Communications (P&T) Board)							
?	1.7	do	The Committee had earlier been informed on 3-11-1983 that the following equipment out of 963 frames available at Vijayawada was proposed to be diverted, in consultation with M/s ITI, to various places as indicated below:						
			1. B'rogind TAX (Main)						
			c Siligari TAX (Exm.)						
			3 Stilling to TAX (Main)!						
			4. Trichur Exch. Exp.						
			5. Mysor Exch. Extu.						
			6. Bombay Thana Exch. Exm.						
			7. Bomb sy Found in Exch. Exch.						
		the column to the same of a passenger of the first owners of the same of the s	7						

	2	3	4	
			8. Pune Swargate Exch. Extn.	
			9. Patuaj Rajendranagar Exch. Extn.	7
			to. Bombay Borivili Exch. Extn	1
			tr. Salem TAX (M in)	2.1
			12. Triv adrum TAX Exta.	3
			Tot.1	740
3	1.8	M/O Communications (P&T Board)	The Committee was also then informed that 'the concerned have been asked to complete diversion of the above equipme	
3	8.1	M/O Communications (P&T Board)	The Committee was also then informed that 'the concerned have been asked to complete diversion of the above equipme peditiously. The case is being pursued with M/s ITI to final places to which the remaining 223 frames can be diverted'.	nt ex

diverted to other projects. Out of the earmarked 750 frames, 382 ABU frames, 134 Supervisory frames and 109 Power Panel frames (Total 625) have already been diverted from the Vijavawada TAX to other places. Necessary action is underway for diversion of the balance 125 frames out of the 750 frames identified for diversion. Regarding the remaining 213 frames, M/s ITI have further identified 120 frames for diversion. Thus, not only 93 frames are still to be identified for diversion but actual diversion of 245 frames already earmarked by M/s ITI is yet to take place. The Committee are surprised at the above statement of the Ministry as the status of ITI is that of a manufacturer-cum-supplier and it should be for the Ministry to identify the needs of various places and rearrange or reallocate the supplies. This only indicates lack of proper monitoring system at the ministerial level and the Ministry seem to have abdicated their functions to the supplier. No reasons have been advanced by the Ministry for the change in their earlier schedule formulated in November 1983, of shifting the equipments to the various stations, as brought out in the 191st Report (Para 1.34). The Committee demands an explanation for this state of affairs in the Ministry and the change in the schedule.

The Committee observe that the net result is that out of a total of 963 frames of various types purchased at a huge cost but lying unutilised with the Vijayawada TAX since November 1981, only 625 frames (65 per cent) could be diverted till 30-6-1985 (after about 4 years of its receipt at Vijayawada). It shows that the information placed earlier before the Committee about diversion is not substan-

ı	2	3	4
سيرون			tially true. The Committee takes a very serious note of it. They direct the Ministry of Communications to fix responsibility for this lapse.
6	1.11	M o Communication (P & T. Board)	The inordinate delay in accomplishing this task is a sad commentary on the working of the telecom net-work in the country. The Committee would, therefore, like to reiterate that all the remaining surplus equipment should be diverted to other circles without further loss of time and the Committee informed of the position accordingly.
7	i.12	·Do	The building in which the equipment for the proposed second expansion of Vijayawada TAX from 2000 to 3000 lines was to be installed was completed in December 1981 at a cost of Rs. 9.25 lakhs and it was proposed to utilise the same by shifting the Vijayawada Manual Trunk Exchange. The Committee would like to be informed as to when the shifting work was actually completed and what was the total cost of dismentaling, shifting and re-installation of the trunk exchange at the new building.
8	1.15	Do -	The Committee had earlier observed that due to faulty planning, Vijayawada TAX could not be fully utilised. The Committee were critical of expanding this Exchange without first ensuring adequate supply of equipment so essential for the fuller utilisation of the capacity of the exchange and had recommended to take immediate steps

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The progressive utilisation of the Vijayawada TAX from its installation in October 1977 (with an equipped capacity of 1200 lines and expanded to 2000 lines in May 1980) till June 1985 has been as under:

			Ca	pacity utilisation	p ercentage	
M ay 1980 .	•	•	٠.	718	35	
November 1981				906	45	
September 1983				1138	56.9	Cu Cu
May 1984 .				1303	65	
June 1985 .				1442	72	

The above figures indicate that during the 5 years from May 1980 to June 1985, the increase in capacity utilisation was just 724 lines after about 8 years of its working leaving 28 per cent of the installed capacity unutilised.

The Committee are not averse to the creation of capacity a little ahead of the demand but are unhappy to note that at Vijayawada a large excess capacity has been created which has remained unutilised even after a lapse of about eight years. Such faulty planning is reprehensible when the resources and materials are scarce in the

3 country. Unutilised capacity results in blocking of capital and equipment which are badly needed at other places. The Committee would, therefore, direct the Department to take a realistic view and plan their expansions judiciously, after examining the totality of the need. 1.18 11 M/O Communications The Committee are unhappy to note the failure in the procure-(P&T Board) ment of MUX equipment on which further utilisation of Vijayawada TAX depends. The supply of this equipment has been delayed by over two years. The Committee would like that the installation of the equipment at Vijayawada and other TAXs in the country should be planned ahead so that no time is lost on making it operational on its receipt from abroad. - Do-12 1.21 In their earlier Report, the Committee had drawn attention to the unsatisfactory performance of the telephone department in the matter of promptly attending to complaints about clearing faults and had desired the Department to make all-out efforts to reduce ignificantly the average time taken for the clearance of faults in all the telephone districts. In their action taken note, the Ministry of Communications have merely stated that 'instructions have already been issued to Heads of four Metro Telephone Districts on 17-8-84 for speedy clearance of telephone faults.' The Committee regret to gote the except reaction of the Ministry on a specific recommendation of the Committee. They find that their recommendation has not been treated with the seriousness it deserves. Not only the department charges the subscribers for wrong numbers but the calls for registering complaints are also metered. They also charge the rent for the period during which telephones remain dead. The department will not be doing justice to the subscribers if their complaints about faults are not attended to promptly. The Committee expected that the department would initiate concrete steps to reduce the average time taken for clearance of the complaints to the minimum and introduce a system to enable them to watch the performance towards that end. This has not been done. The Committee would like them to do it now. They would also like to be informed of the present position of fault clearance in each of the four Metro Districts in order to judge as to how far the department have succeeded in reducing the time taken in clearing the faults, in the light of instructions issued by them on 17-8-1984.

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