

**HUNDRED AND FIFTY-THIRD
REPORT**

PUBLIC ACCOUNTS COMMITTEE
(1982-83)

(SEVENTH LOK SABHA)

- I OPENING OF A NEW AUTOMATIC EXCHANGE AT
BAGH BAZAR, CALCUTTA
AND
II PROJECTS FOR INSTALLATION OF THREE TELEPHONE
EXCHANGES AT RAILWAYPURA, AHMEDABAD

MINISTRY OF COMMUNICATION
P & T BOARD



Presented in Lok Sabha on }
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INTRODUCTION

1. the Chairman, of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Hundred and Fifty Third Report on paragraphs 13 and 23 of the Report of the Comptroller and auditor General of India for the year 1980-81, Union Government (P&T) relating to "Opening of a new automatic exchange at Bagh Bazar' Calcutta" and "Projects for installation of three telephone exchanges at Railwaypura, Ahmedabad, respectively.

2. The Report of the Comptroller and Auditor General of India for the year 1980-81, Union Government (P&T) was laid on the Table of the House on 23 April, 1982.

3 In this report, the Committee have expressed concern over the enormous delay in the installation and opening of a new automatic exchange at Bagh Bazar Calcutta. The project was sanctioned in November, 1966 but could be commissioned only after about 9½ years. i.e., in March, 1976. The Committee have also observed that there have been delays at all the stages of the execution of the project, i.e., in the construction of building, installation of equipment, laying of cables and loading the exchange to the prescribed extent within the specified period. The Committee have desired that a thorough enquiry be conducted in the matter so as to find out the causes of the delay at various stages of the project with a view to fixing responsibility and taking action against the delinquent officials.

4. In another case, i.e., the installation of three telephone exchanges of Railwaypura, Ahmedabad, the Committee's examination has revealed that a plot of land, acquired by the P&T Department in March, 1966 for the construction of the telephone exchange building, was surrounded by private lands on all the four sides with no direct access to any public road. However, the Department did not bother to acquire alongwith the main site the essential portion of the land providing access to the telephone exchange building from the public road resulting in an extra expenditure of Rs. 1.32 lakhs in acquiring this land subsequently.

5. The public Accounts Committee (1982-83) examined the above paragraphs at their sitting held on 12 November, 1982. The Committee considered and finalised this Report at their sitting held on 21 April.

1983. The minutes of the sittings of the Committee form Part II* of the Report.

6. A statement containing conclusions and recommendations of the Committee is appended to this Report (Appendix-II). For facility of reference these have been printed in thick type in the body of the Report.

7. The Committee place on record their appreciation of the assistance rendered to them in the examination of these paragraphs by the Office of the Comptroller and Auditor General of India.

8. The Committee would also like to express their thanks to the officers of the Ministry of Communications (P&T Department) for the cooperation extended by them in giving information to the Committee.

NEW DELHI

April 28, 1983

Vaisakha 8, 1905(S)

SATISH AGARWAL

Chairman

Public Accounts Committee.

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

REPORT

CHAPTER I

OPENING OF A NEW AUTOMATIC EXCHANGE AT BAGH BAZAR, CALCUTTA

Audit Paragraph

1 1 To meet the growing demand of intending subscribers for new telephone connections in Bagh Bazar area (where an automatic exchange code 55 of 9800 lines was already functioning) a project estimate (cost Rs. 70.63 lakhs) was sanctioned (November 1966) for opening a new 3000 line cross bar exchange. The project comprised building (Rs. 5.36 lakhs), electric installation (Rs. 0.98 lakhs) lines, wires and cables (Rs. 25.91 lakhs) and apparatus and plants including air-conditioning (Rs. 38.43 lakhs).

Building : The new exchange building was to be provided by constructing an additional floor on the existing exchange building. The detailed estimate (cost : 4.67 lakhs excluding overheads) was sanctioned in July 1966. Tenders were invited in April 1967 and the work was awarded in July 1967 to a contractor. The additional floor scheduled to be completed in May 1968 was actually completed in August 1969, 15 months after the stipulated date, and taken over in May 1970 i.e. 9 months after its completion. The electric installation was completed in November 1973 i.e. about 3½ years after the building was taken over. There were no reasons on record for these delays.

Installation of equipment : The order for the exchange equipment was placed (March 1967) on the Indian Telephone Industries (ITI) and equipment (cost Rs. 40.17 lakhs) was received by the end of 1971-72 i.e. 5 years after the placement of the indent. Further stores (cost Rs. 34.94 lakhs) were received during 1972-73 to 1975-76. The installation work, though commenced in October 1972, remained suspended during April-November 1974 due to shortage of engineering staff and the exchange was commissioned in March 1976.

Cable laying : Out of 38 kms. of cable to be laid, only 17.5 kms. had been laid by March 1976 (month of commissioning) and in all 30 kms. were laid by September 1980. The General Manager, Telephones (GMT) Calcutta stated (May 1980) that delay in laying the cable was

due to heavy monsoons during 1976-77 and time lag between commissioning of an exchange and planning the subscribers cable network.

1.2 From the foregoing, it would be seen that there was delay in the construction of the building, installation of equipment and laying of cable although the Public Accounts Committee (PAC) in paragraphs 1.314 and 1.316 of its 145th Report (5th Lok Sabha 1974-75) and again in paragraph 1.82 of its 14th Report 1977-78 (6th Lok Sabha 1977-78) had stressed that the Department should issue suitable instructions to the effect that the persons entrusted with the execution of the projects would be held responsible for any loss of revenue to Government as a result of delay in the execution of the projects. No action for delay in completion of this project was taken against any official.

Air-conditioning : While the building was taken over by the Department in May 1970 and the installation of exchange equipment had commenced in October 1972, the indent for air-conditioning (AC) plant was placed on the Director General, Supplies and Disposals (DGSD) only in September 1972—just a month before the sophisticated instruments were unpacked. The DGSD placed an order on firm 'A' (November 1973) for supply, installation, commissioning and testing of AC plant at a cost of Rs. 4.40 lakhs. The target date was 30th June 1974, but was extended twice up to March 1975 because the plant room was not ready and the location of cooling tower had not been settled by the Department, AC plant was installed (May 1975), but it could not be commissioned for want of power and water supplies. Power was made available in March 1976 and the plant was commissioned in 1977. The summer and winter tests could not be conducted and were waived in May 1978. Departmental technical instructions require that sophisticated components of telephone equipment should be unpacked and taken out from plastic containers in air-conditioned rooms to avoid ingress of dust and humidity in them, which would adversely affect their performance. It would be seen that the exchange equipment in this case was without any air-conditioning from October 1972 to April 1977.

Utilisation of exchange capacity : According to departmental instructions (September 1970) 90 per cent of exchange capacity should be utilised soon after expansion (within 6 months) and 94 per cent about 6 months before the due date of commissioning of next expansion. Although the new 3000-line exchange (code 54) was commissioned in March 1976, it took the Department 3 years to load the exchange to the prescribed extent and the capacity of the two exchanges put together

remained largely unutilised as shown below. Had it been possible to utilise the capacity as envisaged, the Department could have earned revenue of about Rs. 44 lakhs during September 1976 to March 1980.

Code 54 and Code 55

As at end of month	Equipped capacity	Connectable capacity	Working connections	Spare capacity	Waiting list
September 1976	12800	11912	9301	2611	1881
March 1977	12800	11912	10481	1431	848
September 1977	12800	11912	10658	1254	829
March 1978	12800	11912	11590	322	421
September 1978	12800	11912	11563	349	603
March 1979	12800	11912	11817	95	448
September 1979	12800	11912	11290	622	562
March 1980	12800	11912	11562	350	569

Clearance of faults : The target fixed by the Department for average duration of faults for monitoring the performance of faults clearance was 5 hours during 1976-77, 2 hours during 1977-78, 5 hours during 1978-79 and 5 hours during 1979-80 respectively. Against this, the duration of faults in Calcutta was as under :—

Year	Average duration of faults in hours
1976-77	8.6
1977-78	14.5
1978-79	23.5
1979-80	16.9

The Department stated in reply (July 1981) "that a "Task Force" for up-grading the outdoor telephone net work at Calcutta was set up to

upgrade the external plant by executing various programmes such as pressurisation of cables, laying of cables in ducts, replacement of fault-prone cables, laying of cables in pipes across main roads, etc. It was expected that these protective works when completed would result in fewer faults and better fault repair service."

Summing up—The following points emerge :—

- There was lack of synchronisation between different stages of the project with the result that even though it was sanctioned in November 1966, it was completed and commissioned in March 1976 without any air-conditioning till April 1977.
- Contrary to recommendations of PAC in its 145th Report (5th Lok Sabha : 1974-75) and 14th Report (6th Lok Sabha : 1977-78), no action had been taken against any official for delay in execution of the project.
- The Department could have earned revenue of about Rs. 44 lakhs during September 1976 to March 1980 had the exchange capacity been utilised as envisaged.

[Paragraph 13 of the Report of the Comptroller and Auditor General of India for the year 1980-81, Union Government (P & T)]

Building

14 The Committee wanted to know the reasons for 15 months' delay in completion of the Exchange building. The Ministry of Communications (P & T Board) in a note have stated :—

"The reasons for delay in completion of building work are as follows :

- (i) Unforeseen difficulty was encountered during the course of execution of foundation for a portion of ground floor, due to filled up soil even below the depth of 8'. This necessitated revision of layout and structural design which took considerable period of time.
- (ii) Unprecedented rains during the period hampered the progress of building considerably particularly in the execution of the work after dismantling columns for vertical extension, as the ingress of rain water might have caused

considerable damage to the existing working equipment in the exchange room down below.

- (iii) Law and order situation prevailing specially in this period i.e 1968-69 in this locality and the State of West Bengal in general also contributed to some delay.
- (iv) There were a few additional works which had to be executed alongwith the main extension adding to the delay."

1.5 Explaining the reasons for delay in the completion of the exchange building, a representative of the P&T Department stated during evidence :

"The date on which the contract was awarded was 13th July, 1967. The stipulated date of completion was May 1968. The actual date of completion was January 1969. The delay was 236 days for which extension of time was granted to the contractor by the Officer concerned on the basis of the details which were explained by the Contractor, which were examined by the Office of the Superintending Engineer. Now, in case of the delays, which are not justified, there are two questions which arise. One is that if the delay was on the part of the Contractor, then we can recover compensation from him. The other clause says that if the delay is not attributable to the contractor, extension of time can be granted to him.....This was a special construction. The terracing could not be removed, the vertical columns could not be demolished because of the rainy season, otherwise the rains would have damaged the existing equipment. In case the same work was awarded in March, this thing would have been ready by the time the rain started and there would have been no stoppage of work. It so happened that the work was awarded when the rains were on. The contractor was asked not to remove the terracing and not to dismantle the columns. The delay on this account has been worked out as 55 days."

1.6 Asked whether the Department had verified to what extent the heavy rainfall and the law and order situation were responsible for the delay in this case, the Secretary, Ministry of Communications stated:

"All the replies given to you are not always put up to me. But I agree I am answerable, constitutionally speaking, for the lapses of my Department. That is why I told that comment

of unusually heavy rainfall was unwarranted. It was not based on data. About this, what they might have sought to mean was that it was due to lack of discipline inside the Department."

1.7 The Committee enquired about the reasons for delay in taking over the building after it was completed. The Ministry of Communications (P&T) have stated in a written submission :

"The delay in taking over the building was due to extra time required for provision of air-conditioning duct holes and grills, lightening arresters."

In this connection, a representative of the :

Department stated in evidence :

"I find from the record that there was a slight misunderstanding. A request came for construction of an air conditioning vertical duct which was originally not considered necessary. They waited until this duct was constructed, that duct could not be constructed immediately because the air-conditioning scheme was not ready. air-conditioning was being done by another wing. Unless they gave the details, the civil wing does not take up that work".

Installation of equipment

1.8 The Committee enquired about the reasons for delay in the supply of equipment for the exchange by ITI, the Ministry of Communications (P&T Board) have stated in a note :

"The delay in the supply of equipment was due to heavy slippage in the ITI's production programme."

1.9 Asked when the order was placed for supply of equipment for the new exchange, a representative from the Ministry of Communications stated in evidence :

"The order was placed on the ITI in March 1967 and the first consignment was received in August, 1970. The supply of entire equipment was completed in 1972."

In reply to further query, the witness added :

"The equipment came in small consignments. The first consignment came in 1970 ; cables were received in 1975, batteries in 1975, and some other items were received by December, 1975."

Regarding the delay in supply of equipment by ITI, a representative of the Department further stated :

“It (slippages in ITI’s production programme) came in adverse comment in the 14th Report of the PAC (Sixth Lok Sabha), Para 1.2 where the Chairman (III) explained the delay. After that there is balancing of the equipment and it takes three years to complete supply of equipment after ordering”

In this connection, Secretary, Ministry of Communications, added :

“This position used to be very much worse earlier. Now with more interaction between the P&T and the ITI the position has improved. There was previously very much more of slippage and imbalance in supplies (of equipment).”

1.10 Asked whether the equipment was installed in an uninterrupted manner, a representative of the Department replied :

“No. Because the equipment came in trickless the progress was only 1.6% upto March 1973. It was suspended for some time. Then the progress in 1974 was 20%. Then in 1975, it was 45% and the Exchange could commission only in March 1976.”

In this connection, the Secretary, Ministry of communications, stated further :

“This equipment is a complete assembly. Suppose initially the racks come, the whole process of receiving the equipment in parts and installation after the assembly was the reason for the interruption. The entire equipment was received in three years. The physical and financial progress are not same.”

1.11 The Committee enquired why installation of the equipment was suspended during April-November 1974. Secretary, Ministry of Communications, stated during evidence :

“There was some period when there was some shortage in the staff for installation.”

1.12 To the Committee’s query as to why the requirement of staff was not anticipated while preparing the project report, Secretary Ministry of Communications, stated :

“The proposals came, but in metropolitan cities every year several exchanges are being extended. new exchanges are being commis-

sioned. Mofussil areas are constituted into telecommunication/circles where such work is done by the GMG, while in the major and metropolitan telephone districts, the installation work is done by the district staff. They are to do it with the existing staff of the districts and if they require additional staff they send proposals which are examined separately in the Directorate. Therefore, there may be some inevitable time lag between the sanction of the posts and the actual positioning of the persons.'

1.13 Asked about the steps taken to obviate delays and to fix responsibility therefor, as recommended by the Committee in their earlier reports, a representative of the Ministry of Communications stated in evidence :

"On the basis of this recommendation, an officer on special duty, i. e. an one-member team, was appointed to go into the question of delays taking place in the execution of these projects. The officer started functioning in November 1978. He has given a report. Almost all the recommendations have been implemented. There is a regular coordination meeting held nowadays, and instead of 8 to 10 years, the time now taken is 4 to 5 years. In Calcutta, the 24.29 Exchange will be coming in hardly 3 to 4 years time, after the implementation of this Report."

Air-conditioning

1.14 The Committee enquired why the sophisticated components of Crossbar type-equipment were unpacked and installed without any air-conditioning arrangement in violation of the Departmental guidelines in this respect. In a written reply, the Department have stated :

"Although sophisticated Crossbar equipment conditioned unpacked in an air room, due to abnormal delay in installation of main A/c Plant it was necessary to unpack and install the equipment to avoid idle investment. However, reasonable precautions were taken for preventing ingress of dust and for providing proper ventilation.'

He added :

"There was already an exchange working in that building which was airconditioned and some space was available and to the extent possible, the part of the equipment that required to be kept in air-conditioned space was kept there.'

1.15 The Committee wanted to know the reasons for delay of 2 years in placing indent for airconditioning plant on DGS&D. The Ministry of Communications (P&T Board) have stated in a written reply :

“The delay in placing the indent on DGS&D for A/c plant was due to delay in obtaining heat load dissipation, water analysis report and other parameters for the estimation of the capacity of A/c Plant and finalising the specifications.”

1.16 Asked why A/c Plant room was not ready and the location of the cooling tower not settled by the Department in time, the Department have stated :

“The main cause for delay in completion of air-conditioning work had been the difficulty in co-ordinating various agencies involved in the work. The return air-ducting for the AC Plant was held up due to obstruction in the return air arrangement by some masonry work on the second floor. There was some delay due to carrying out the modification work in the AC Plant room to suit the technical needs.”

Delay in power/water supply

1.17 The Committee enquired why the power and water supply could not be made available by the Department in time. In reply, the Ministry of Communications (P&T Board) have stated :

“The delay in supply of power to the exchange was due to late commissioning of electrical sub-station. Since the electrical work was partly done by the contractor, it took considerable time for P&T electrical Division to reorganise and complete the balance work. Water supply arrangement had to be done through a tubewell which was possible only after completion of electrical sub-station.”

1.18 The Committee wanted to know the reasons for delay in completion of electric installation. In reply, P&T Department have stated :

“The internal electric installation work was awarded to a contractor during December, 1967 by the G.M. Phones. After completion, of the bulk of the job, the work was suspended for some time due to non-availability of electrical fittings and accessories to be supplied by the Department. On supply of

of the materials in February, 1971, the contractor was not prepared to execute the job at old rates. This was not accepted. After protracted correspondence negotiations, the balance work had to be entrusted to the newly/P&T Electrical Division, who then completed the same in November, 1973.'

Cable laying

1.19 The Committee desired to know the reasons for the extremely slow progress in cable laying work till the date of commissioning of the project. In reply, Ministry of Communications (P&T Board) have stated :

'17.5 kms, out of a total of 38 kms. of under ground cable was laid by March, 1976, thereby completing essential (primary and secondary) cable network. The unusually heavy rains during 1976-77 caused a large number of faults in cable network at Calcutta and hampered the progress of cable construction. Even otherwise, the fair season for underground work in Calcutta. is restricted from November to March by the municipal authorities. There was also some difficulty in securing the services of contractors as well as suitable labour for cable work.'

1.20 Audit has pointed out that according to the General Manager Telephones (Calcutta), the delay in laying the cable was also due to the time lag between commissioning of the exchange and Planning the subscribers cable network. The Committee enquired why planning of the subscribers cable network could not be made earlier. In reply, the Department have stated :

'The distribution of subscribers cable network is normally planned for 9 years requirement. But due to acute shortage of small size cables, provision could be made only to meet immediate requirement.'

1.21 The Committee desired to know the present position regarding the laying of the remaining cables (8 kms.). In reply, Ministry of Communications (P&T Board) have stated :

'On review of cable requirement it was found that laying of remaining 8 kms. of cable was not necessary.'

Utilisation of exchange capacity

1.22 On his attention being drawn to the audit observations that it took the department more than three years to lead the exchange with 2000 lines to the prescribed extent as resulting in loss of revenue to extend of about Rs. 44 lakhs to the Department. The Secretary, Ministry of Communications stated in evidence :

“There was avoidable delay in the matter. It takes some months to lead the exchange to the stipulated capacity. Our norm says that within a period of six months we should lead it to 90 per cent capacity. In this case, there was delay.”

1.23 The Committee wanted to know the reasons for reduction in the number of working connections from 11, 817 in March 1979 to 11,290 in September, 1979 and 11,562 in March, 1980. The Ministry have attributed the following reasons in a note:

“The reasons for reduction in the number of connections from 11,812 in March, 1979 to 11,290 in September, 1979 and 11,562 in March, 1980 are primarily due to connections being closed pending shift, and a few due to non-payment.”

1.24 Asked about the connectable capacity vis-a-vis working connections as on 30th September and 31st March, 1980-81 and 1982, the Department have stated in a written reply:

“The connectable capacity vis-a-vis working connections at Bagh Bazar exchange (54 & 55) are given below:

Date	Connectable capacity	Working connections
31.3.80	12,082	11,562
30.9.80	12,082	11,571
31.3.81	12,082	11,682
30.9.81	12,082	11,618
31.3.82	12,364	11,648
30.9.82	12,364	11,495

The reduction in working connections during the periods ending on 30.9.81 and on 30.9.82 was due to connections being closed pending shift or for non-payment.”

1.25 The Committee enquired whether responsibility had been fixed for loss of revenue due to non-leading of the exchange to the prescribed extent. In a written reply, it has been stated:

“In March, 1976 the exchange was commissioned with 47 working connections and 2661 on the waiting list. Work orders were issued for the entire valid applications on the waiting list without any delay. The connections were actually provided as and when the cable work got completed. This work was handicapped because of extremely short working season for trenching operations (November to March). The cable are permitted to be laid by the local authorities only during this period. There have also been difficulties in securing the services of contractors suitable labour for cable work in Calcutta. This matter was discussed at the highest level in the P&T Board and a special Task Force under an Additional General Manager has been formed to improve the working of external plant. The utilisation of capacity in the exchange at Bagh Bazar (54) at present is nearly 85%. The loss of revenue is only hypothetical and it is difficult to ascribe the lapses to any particular individuals”

Clearance of faults

1.26 Audit have pointed out that the duration of faults during 1976-80 in Calcutta *vis-a-vis* the target fixed by the Department was as follows.:

<u>year</u>	<u>Target</u>	<u>Average duration of faults</u>
	(Hours)	(Hours)
1976-77	5	8.6
1977-78	2	14.5
1978-79	5	23.5
1979-80	5	16.9

1.27 The Committe wanted to know the action taken by the Department to rectify faults and keep their number to the minimum. In reply the Department have stated :

“It is reiterated that special Task Force has been set up for Calcutta since March, 1981 to get into various problems relating to external plant and to improve the cable network to

ensure utilisation of exchange capacities and speed of provision of new connections. Ducting and pressurisation of cable has also been started in a big way to increase the reliability of service. With these measures, the service subscriber is likely to be improved substantially."

1.28 Asked to indicate the steps taken to improve the efficiency of the Calcutta Telephone system, the Secretary, Ministry of Communications stated in evidence :

"The Calcutta Telephone system is now out of all the metropolitan systems admittedly the worst telephone system. In 1965, it was the best such telephone system in the country. Thereafter, for various reasons, it went on sliding down and so much so that at present; or say after 1979-80...it has been functioning with about 33 per cent efficiency. So in 1980 we appointed a special Task Force to study the deficiencies in the Calcutta Telephone system and to make recommendations to the Ministry thereafter. They did submit their report. This was examined in the Ministry and in pursuance of their recommendations we sanctioned projects outside the plan. In regard to other recommendations involving a total expenditure of Rs 2 crores approximately, we also sanctioned additional staff. A special Task Force has been operating for the implementation of the recommendations. The position, during the last two years has improved considerably, but still the position has not reached a satisfactory level which obtains, say, in Madras which is the best Metropolitan Telephone district in the country. Complaints are not much more than the billing complaints we received from other States. On the average, it is about one per cent of the total number of telephones. We will go into it in more details after we have got the recommendations of the Task Force and further steps will be taken in the course of the next two years to rehabilitate the Calcutta Telephone system."

In response to a further question, the witness stated :

"In regard to billing complaints, we are exploring the possibility of evolving a system of automatic message accounting which will be installed in the exchanges and it will not be liable to manipulation."

A representative of the P&T Department further stated :

“One of the problems mentioned during the discussions was the power shedding in Calcutta. To meet this problem of power shedding, because it affects our working very badly, we have asked for direct feeder lines from the Calcutta Electric Company, and we have succeeded in the last two months in obtaining direct feeder lines for all exchanges except a few. So except in a few exchanges we are getting continuous power supply.....The second problem in Calcutta is about a lakh of exchange lines are about 25 or more years' old and they are due for replacement. We could not replace them earlier because we were short in supply of new equipment but over the next three years we will be replacing about 40,000 of these exchange lines. This will definitely improve the system..... The third problem that we face in Calcutta is with the external plant. The external plant is damaged due to widespread road digging. Digging affects our cablesAbout 1400 (cabinets and pillars for cable network) are required about 600 have been provided by now. We have planned this work and we hope to complete it in the next two years time. This will give a lot of relief as far as providing new telephone connections is concerned, and while rectifying the faults also. Then 18 kms. of cable have been badly damaged. Action has been taken for the next about 6 months' time. We have to divert a few kms. of cables which work will also be completed in about 8 months' time. Then, to improve our junction network, we have taken special steps There are about 26,000 junctions provided in Calcutta and our check up shows that the performance of the junctions was not at all upto the mark and so we have provided, what is called, PCM systems. About 900 channels have been commissioned and about 1080 more will be commissioned in another year's time. Similarly, to connect the outstations, we are providing microwave digital systems on five routes. The other problem is that we get a number of faults everyday. For example as on date, I have got about 6,000 faults pending for more than a week. We have taken action to improve upon our fault rectification of the cables and hope that in the next few years' time, we will be able to improve the fault rectifying system... ..We hope by 1984, we will be able to improve the service quite substantially in the city of Calcutta.”

1 29 The committee enquired above the progress made in the programme for cable pressurisation and providing ducts over underground cables. The Ministry have stated in a written reply :

“It is proposed to pressurise all new Junctions, Primary and Secondary underground cables. Similarly, cables already laid are also being pressurised progressively. New underground cables (Junction, Primary and Secondary) will be laid in PVC ducts in Telephone Districts.”

Asked about the targets fixed in that regard during the Sixth Plan and the progress made so far, the Ministry have stated :

“Targets for ducting and pressurisation during the Sixth Plan :

Ducting : 513 kms. Pressurisation : 18,685 kms.

Progress up to date :

Ducting : 52 kms. (September, 1982)

Pressurisation : 9128 kms. (June, 1982)”

1.30 The execution of the project for installation of a 3000 lines cross bar type telephone exchange at Bagh Bazar, Calcutta, provides yet another example of indefensible lack of planning and coordination resulting in enormous delay in its completion. The project was sanctioned in November, 1966 but could be commissioned only after about 9-1/2 years i. e., in March, 1976.

1.31 In the first instance, the work of constructing additional floor on the existing telephone exchange building for installing the new telephone exchange, though sanctioned in July, 1965, was awarded in July 1967 i.e, one year after the detailed estimate was sanctioned. One whole working season-November-March was thus lost on this account. The building work was also delayed by about 15 months. The arguments put forth by the Department that the unprecedented rains and the law and order situation, prevailing, in Calcutta during the period in question, hampered the progress of building considerably were discounted by the Secretary, Ministry of Communications himself in his evidence before the Committee. He stated: “the comment of unusually heavy rainfall was unwarranted. It was not based on data. About this (the law and order problem) also, what they (P&T Department) sought to mean was that it was due to lack of discipline inside the department.” The Committee would like to express their serious displeasure over the casual manner in which the Committee’s queries in the case have been replied to by the Department. The Committee expect that more care would be observed in future.

1.32 The Committee observe that the delay in awarding the work of construction of the building and in getting the work executed as per

schedule was due to factors within the control of the Department. The delay, therefore, is highly regrettable. The Committee consider that with better planning, the delay in this case could be obviated or at least minimised considerably.

1.33 The Committee further observe that the supply and installation of the equipment for the exchange took 9 long years from March 1967, when the order for equipment was placed, till March, 1976, when the exchange was commissioned. The manufacture and supply of the equipment by the Indian Telephone Industries (ITI) took more than 5 years. Although the first consignment of the equipment was received from the ITI in August, 1970, the supply of the entire equipment should be completed by ITI only in 1972. The representative of the Ministry assured the Committee in evidence that "there is now more interaction between the P&T Department and ITI" and as a result "there is balancing of the equipment and it takes three years to complete supply of equipment after ordering". The Committee would like strict watch to be kept by the P&T Directorate to ensure that there is proper synchronisation in the placing of order on the ITI, the construction of the exchange building and receipt of the equipment in such cases.

1.34 The Committee find that it took 41 months from October 1972 to March 1976 for the equipment to be installed. Although the building was taken over by the Department in May 1970, the installation of the equipment commenced only in October 1972. The delay is attributed to receipt of equipment in trickles from the ITI. Besides, the equipment installation work remained suspended for 8 months between April to November 1974 due to shortage of engineering staff.

1.35 It is regrettable that the requisite staff could be positioned only by November 1974. As the project was sanctioned as early as November, 1966, i.e., 8 years earlier, the Committee fail to understand why advance action could not be taken in the matter and timely positioning of requisite staff ensured. This is again indicative of utter lack of planning in this case. The Committee would like the reasons for this delay to be investigated thoroughly with a view to fixing responsibilities and taking necessary remedial measures for the future.

1.36 The Committee note that Departmental technical instructions require that sophisticated components of telephone equipment should be unpacked and taken out from plastic containers in air conditioned rooms to avoid ingress of dust and humidity, which would adversely affect their performance. The Committee, however, learn that the components of the telephone exchange in the instant case were unpacked and installed without facility of air-conditioning, "to avoid idle investment."

1.37 The Committee are distressed to note that by the time the building was constructed and taken over in May 1970, even the specifications for the Air-conditioning (AC) plant were not finalised by the P&T Department though the plant was required to be installed in the building before commencement of installation of the equipment. It took the Department two years to place indent on the DGS&D for the air-conditioning plant on account of delays in obtaining heat/load dissipation, water analysis report and other parameters. The indent for the AC plant was placed on the DGS&D only in September, 1972 i.e., barely a month before the sophisticated components of equipment were unpacked and installation of exchange equipment commenced in October 1972. It took another 14 months for the DGS&D to place the order on the firm concerned. This needs to be explained.

1.38 The Committee find that the target date for commissioning/testing the plant had to be extended twice as the AC plant room was not ready and the location of the cooling tower had not been settled by the Department. The AC Plant could be installed only in May 1975 against the target date of 30th June, 1974. Even thereafter, the plant could not be commissioned till 1977 for want of water and power supply. The Committee regret to observe that according to Department's own admission, the delay was mainly due to difficulty in coordinating various agencies involved in this work. Apparently, planning at the micro level was totally absent, with the result that the exchange equipment remained exposed to dust and humidity for nearly 4-1/2 years from October 1972 to April 1977.

1.39 Yet another unfortunate aspect of the matter is that due to inordinate delay in installation and commissioning of the air-conditioning system, the summer and winter tests could not be conducted before commissioning the AC Plant and these were subsequently waived in May 1978. The Committee consider that had the Department taken timely steps to finalise the parameters for the air-conditioning plant, much of the delay could have been avoided. The Committee, therefore, recommend that responsibility should be fixed in the matter so that such lapses are obviated in future. The Committee would like to be informed of the action taken in the matter.

1.40 The Committee need hardly point out that such long exposure of costly and sophisticated equipments to dust and moisture is bound to affect its efficiency. The Committee would, therefore, like the Department to ensure that in future the air-conditioning plant is installed tested and pressed into service to synchronise with the commissioning of telephone exchange.

1.41 The Audit para has pointed out that out of 38 kms, of cables to be laid, barely 17.5 kms. had been laid till the project was commissioned in March, 1976 and another 12.5 kms. were laid by September 1980 i.e., during 4-1/2 years after commissioning of the project. The Committee are distressed to find that slow progress in cable laying was due to the failure on the part of the Department to properly plan the subscribers' cable network which is normally planned to meet 9 years' requirements. It has been stated that due to acute shortage of small size cables, provision could be made only to meet immediate requirements. The abnormal delay in laying the subscriber's cable network resulted in delay in providing new telephone connections and consequent loss of revenue to the Department.

1.42 The Committee regret to note that the departmental instructions of utilising ninety per cent of the exchange capacity by release of new telephone connections soon after the expansion or in any case, not later than six months of such expansion, were not followed on the commissioning of the expanded capacity for 3000 lines in March 1976. Although there were 2661 applicants on the waiting list for new connections in March 1976, when the exchange was commissioned and 1881 applicants in September 1976 i.e., after 6 months of commissioning of the exchange it took the Department 3 years to load the exchange, to the prescribed extent. The Secretary, Ministry of Communications conceded in evidence that "there was avoidable delay in the matter". The Committee are concerned to note that due to not loading the exchange according to the existing departmental instructions, the Department lost a potential revenue of about Rs. 44 lakhs between September 1976 and March 1980.

1.43 The above paragraphs clearly bring out that there have been inordinate delays at all stages of the execution of the project i.e., in the construction of the building, installation of the equipment, laying of cables and loading the exchange to the prescribed extent within the specified period. In their earlier Reports*, the Committee have been emphasising the need for fixing responsibility for delays and loss of revenue to Government in such cases. Here is another instance of indefensible delay practically at every stage of the project. The Committee, cannot therefore, but reiterate their earlier recommendations. The Committee desire that a thorough enquiry be conducted in the matter to find out the causes of delay at various stages of the project with a view to fixing responsibility and taking action against the officials concerned. The Committee would like to be informed of the action taken in the matter in six months' time.

* 145th Report (5th Lok Sabha)-paras 1.314 & 1.316

14th Report 6th (Lok Sabha)-para 1'82

1.44 The instant case provides a typical example of utter lack of project planning and absence of coordinated action during execution of the project as well as after commissioning of the exchange. The Committee trusts that the Ministry of Communications would review the entire case in all its aspects and devise a suitable system for ensuring that modern concepts of project formulation and implementation are given concrete shape in future projects of this nature. The Committee consider that a PERT Chart should be drawn up plotting out all the activities and processes in an integrated manner before according sanction to such projects and it should be ensured that the progress of the work is constantly monitored with reference to the PERT Chart so that shortfalls, if any could be spotted and remedial action taken well in time.

1.45 The Committee find that the average duration of faults during the years 1976-80 in Calcutta Telephone System was far in excess of the target fixed by the P&T Department from time to time. As against the target of 5 hours in 1976-77, 1978-79 and 1979-80, actual average duration of faults was 8.6, 23.5 and 16.9 hours in the respective years. In 1977-78, the actual duration was 14.5 hours against the target of 2 hours. The secretary, Ministry of Communications, conceded in evidence that out of all the metropolitan systems, Calcutta Telephone system is the 'worst'. He added : 'It has been functioning with about 33 per cent efficiency.' It is a scandalous state of the affairs.

1.46 The Committee understand that a task Force appointed by the Department has since identified the factors affecting the telephone system in Calcutta and has suggested certain remedial measures viz., continuous power supply, replacement of old exchange lines, providing ducts to cables to protect them, gas pressurisation of cables, etc. The Department is now stated to have set up another Special Task Force under an Additional General Manager to implement the recommendations of the earlier Task Force. The committee trusts that these measures would be implemented under a time bound programme so as to ensure that the Calcutta Telephone system is able to provide efficient service to the hitherto much harassed subscribers. The Committee would like to be apprised of the steps taken and results achieved within six months' time.

CHAPTER II

PROJECT FOR INSTALLATION OF THREE TELEPHONE EXCHANGES AT RAILWAYPURA, AHMEDABAD

Audit Paragraph

In order to meet the increasing demand for new telephone connections in the area served by Central Telephone exchange Ahmedabad the Director General, Posts and Telegraphs (DGPT) accorded sanctions (including revised sanctions) aggregating Rs. 1412.05 lakhs (details below) in different phases for the purchased of land and construction of a telephone exchange building consisting of a basement and four floors. Each floor was designed to have a technical block with a height of 16 feet to accommodate 10,000 line cross bar exchange equipment manufactured by the Indian Telephone Industries (ITI) together with an administrative block of height 12 feet. However, the building was after issue of revised sanction, constructed for the installation of 10,000 strowger type equipment in the ground floor. The details of the various projects sanctioned and executed were as under :

Name of the Project	Date of sanction	Amount sanctioned	Actual date of completion	Actual expenditure
	Date of revised sanction	(Rs. in lakhs)		(Rs. in lakhs)
1	2	3	4	5
Purchase of land	August 1960	10.66	March 1966	10.11
3 storeyed building Phase-1	May 1967	29.72	August 1968	21.18
Vertical extension of 2 storeyed building phase I (Phase II)	February 1973	23.24	August 1975	18.52

1	2	3	4	5
Ground Floor				
Railway pura exchange-I (a) 3000 cross bar ITI	September 1968	120.77	---	---
(b) The above project was revised to 3000 strowger	September 1970	120.14	November 1972	123.31
(c) Expansion of strowger 3000 to 10,000 lines	September 1970	196.04	November 1973	214.00
First Floor				
1300-line micro-wave Trunk Tandem Exchange	May 1973	70.98	May 1977	118.66
Second Floor				
Railway pura exchange II, 3000 ITI cross-bar equipment.	June 1972	126.46	November 1977	214.80
	March 1976	235.25		
Third Floor				
Railway pura III imported cross-bar equipment 10,000 lines	October 1975	726.02	March 1978	804.07
TOTAL :		1.412.05		1,524.65

2.2 A review in audit during May-June 1981 of the projects for the installation of the above exchanges as well as their performance for the last 3 years from 1978-79 to 1980-81 revealed the following points,

- (1) **Land**—The site for construction of the building was selected in March 1962 in Railwaypura (Ahmedabad) and the acquisition proceedings were initiated in November 1962. The plot acquired in March 1966 was surrounded by private land on all the 4 sides with no direct access to any public road. A portion of the plot measuring 397.19 sq. metres providing direct access to the main public road was not included in the acquisition proposal on the ground that this portion would be taken over by the Municipal Corporation, Ahmedabad (MCA) under its road-widening programme, in respect of which no notification was on record. However, the MCA suggested to the Department (March 1963) that the land falling within the alignment of road-widening programme should also be acquired by the Department till it was required by the MCA so that Department might not remain without any access road. Nevertheless, this plot was not acquired by the Department as it appeared certain to the Department that the scheme of road widening by the MCA would come through within 2 to 3 years. In September 1970, a fresh proposal for urgent acquisition of another corner plot measuring 185.08 sq metres leading to the public road was initiated. But the acquisition notice issued in October 1971 for this purpose failed in July 1975 following a court decision (July 1975) on a suit filed by the owner.

As acquisition of the corner plot was thus held up, consent of the owner of the main site was obtained in July 1972 for free use of the other plot of land 397.19 sq. metres) (referred to earlier) subject to the condition that an agreement for this purpose, which would be valid till the land was acquired by the MCA, would be entered into with the owner. No such agreement was however, entered into as the widening of the road was expected then to take a long time and the owner was not prepared to allow use of the land without compensation. The owner withdrew his consent in July 1975 for free use of the land, insisting on its outright purchase by the Department at the market rate prevailing in 1971. It was finally decided in December 1975 to acquire this piece of land of 381.55 sq. metres excluding a small portion in which there was a shop and an acquisition notification was issued for the purpose in May 1976. The land, however, had not been acquired so far (December 1981).

Against the rate of Rs. 372.39 per sq. metre paid for the main site in March 1966, the compensation payable even at the 1971 rate for the additional area of 381.55 sq. metres was Rs. 717.53 per sq. metre as assessed provisionally by the Land Acquisition Officer subject to final fixation at the time of actual acquisition and payment of compensation thereof. The Department would thus be incurring an extra expenditure of about Rs. 1.32 lakhs.

- (2) **Building**—Phase I of the Railwaypura telephone exchange building with two technical floors (ground and first floors), based on the drawings finalised in April-May 1967, was designed to accommodate 10,000 lines (ITI cross-bar) on each floor of about 1240 sq. metres. However, a strowger type exchange of 10,000 lines was installed on the ground floor.

As per approved schedule of accommodation for technical buildings for installing telephone exchanges, common services like Main Distribution Frame (MDF), power rooms, batteries, air-conditioning plants, etc. for the entire building proposed are to be provided in the basement only. It was, however, noticed in audit that such provision was made on each floor resulting in excess accommodation for this purpose of 173 sq. metres each on the first, second and third floors. Due to installation of exchange equipment on these floors, other than the proposed cross-bar equipment of 10,000 lines, only 1906 sq. metres of area had been utilised against 3720 sq. metres of area available on first to third floors.

The surplus technical accommodation (1814 sq. metres : cost Rs. 9.51 lakhs) created on the three floors has not been put to any use so far (December 1981).

- (3) **Air-conditioning plant** : Air-conditioning of the 4 technical floors (excluding basement) was done in 2 phases (air-conditioning plants I and II). While plant I of 160-ton capacity covering the ground and first floors, for which order was placed in December 1972, was commissioned in March 1974 (cost : Rs. 10.02 lakhs), plant II of the same capacity serving the second and third floors was commissioned in November 1976 (cost : Rs. 10.05 lakhs) against an order placed in February 1974. The total area air-conditioned on the 4 floors was 3959 sq. metres. Area

required to be air-conditioned for installation of 3 exchanges was however, 2657 sq. metres only, resulting in unnecessary air-conditioning of the balance area (1302 sq. metres).

Orders for both the air-conditioning plants I and II were placed by the DGSD, on the recommendations of the Department, on firm 'A', whose offer was the highest in rate as well as capacity on both the occasions, on the ground that the other lower tenders were not technically acceptable to the Department excluding the lowest offer of firm 'F' for plant II which was rejected for the reason that it did not have a service department the next offer was from firm 'E' for Rs. 7.80 lakhs against which the highest offer of firm 'A' for Rs. 9.62 lakhs was accepted without seeking clarifications on technical data from firm 'E'.

In its quotation of September 1973, firm 'A' had specified that the rates quoted were inclusive of excise duty at 75 per cent and that would be a reduction of Rs. 0.4 lakh in its offer if the excise duty concessional certificate (C.T. 2 certificate) was furnished by the Department to enable the firm to clear the exciseable items at a concessional rate of duty of 50 per cent of what was charged. The prescribed certificate was, however, not issued by the Department due to oversight, resulting in an avoidable expenditure of Rs. 0.47 lakh.

Against the order placed by the Department in November 1968 for 3,000 lines of strowger exchange for Railwaypura I, the equipment started coming from January 1969 and the installation work commenced from March 1969. The exchange was commissioned in November 1972 and the expansion of the exchange to 10,000 lines was also cut over in November 1973. The indent for the air-conditioning plant I was however, placed on the DGSD only in December 1972. reasons for the delay were awaited from the Department (January 1982). The plant was commissioned in March 1974, but the prescribed first test was conducted successfully only in December 1976 against the due date of July 1973 stipulated in the contract. Thus, the exchange functioned without any air-conditioning facility for 3 to 4 years upto December 1976.

Both the air-conditioning plants I and II (having in all 4 compressors), which passed the first successful tests in December 1976.

and November 1976 respectively. were taken over finally by the Department in September 1977 after rectification of certain other defects noticed in the tests. Since then the plants have noté been giving satisfactory performance. The number of days for which the plants remained inoperative (after incurring expenditure of Rs. 2.33 lakhs during 1979-80 and 1980-81) during April 1978 no March 1981. was as under :

Year	Air-conditioning Plant I		Air-conditioning Plant II	
	Compres- sor I (days)	Compres- sor II (days)	Compres- sor I (days)	Compres- sor II (days)
1978-79	215	112	278	148
1979-80	286	209	253	272
1980-81	253	222	272	300

The 4 exchanges, thus, functioned without any regular air-conditioning thereby affecting the life of the equipment, besides providing ineffecient service to the subscribers.

(4) (i) **Cables** - Against sanctioned cost (October 1975) of the cable work (Railwayपुरा III exchange) of Rs. 190 lakhs (excluding overheads), the actual expenditure was Rs. 259.42 lakhs. Out of 60 completion reports 57 were released mostly between January 1981 and April 1981. A test-check in audit of 39 of the detailed estimates for which completion reports were released, revealed that there was no proper account of the cables received and utilised and the balance left unutilised. The following irregularities about cables and accessories worth Rs. 89.49 lakhs were noticed :

- (a) In 22 estimates, the entire receipt of different sizes of cables valued at Rs. 41.34 lakhs (received either directly from the store depot or other estimates) was diverted to other estimates through adjustments carried out from April 1980 to March 1981. A check of the relevant estimates indicated that there was no provision in them for indenting of cables but cables were shown as indented and were received against these estimates. They were further shown as diverted to some other estimates with the result that there was no authentic account of the cables received from time to time and their ultimate utilisation against a particular estimate. This indicated that the stores were either wrongly

indented for and received or were wrongly shown under the estimates, to which they did not belong.

- (b) In one estimate, where no cable-laying work was actually involved, cables costing Rs. 34.14 lakhs were shown as received from other estimates (Rs. 33.23 lakhs from March 1980 to January 1981) and directly from the store depot (Rs. 0.91 lakh). The entire quantity was later shown as diverted to other estimates, including to those estimates from which they were initially transferred by adjustments from January 1981 to March 1981.
- (c) In another case, in which no work was carried out and which was ultimately cancelled in April 1981, cables and other accessories worth Rs. 8.78 lakhs were shown as received from ether estimates by adjustments made from March 1980 to September 1980, besides cables valued at Rs. 2.12 lakhs directly received from stores depot (total value : Rs. 10.90 lakhs). All these cables and accessories were shown in April 1981 as transferred to other estimates of the same project (Rs. 9.21 lakhs) and also the maintenance estimates (Rs. 1.69 lakhs).
- (d) Out of cables received against 2 estimates, materials valued at Rs. 3.45 lakhs were shown as transferred to the maintenance head in March Supplementary 1981 accounts, stating that the stores were in the custody of the Assistant Engineer, Stores, for being utilised on maintenance. Except cables worth Rs. 0.34 lakhs, no other cables were received by the Assistant Engineer, Stores during 1980-81 from the construction officers who executed the project and no other details were on record regarding the return of the remaining cables costing Rs. 3.11 lakhs.
- (ii) There was non-accountal and possible loss of Rs. 10.79 lakhs on account of unutilised cables omitted to be accounted for in any of the connected estimates, as indicated below :
- (a) While releasing the completion reports of 8 estimates, cables valued at Rs. 9.89 lakhs were shown as transferred to other estimates in which these were not accounted for.
- (b) In one estimate due to not correctly closing the cable account, unutilised cables costing Rs. 0.51 lakhs were

omitted to be accounted for before releasing the completion report.

- (c) Cables received from the store depot were omitted to be included in the cable account of concerned estimates with the result that there was short accounting of cables worth Rs. 0.39 lakh.
- (d) In respect of one estimate connected with the project, old cables already existing (value : Rs. 1.60 lakhs) were treated as abandoned without being recovered for re-use.

(5) Utilisation of exchange capacity :-

Railway pura II (3,000 lines cross-bar) and Railway pura III (10,000 lines cross-bar) exchanges were cut over in November 1977 and March 1978 respectively, besides Railway pura I (10,000 lines Strowger) already functioning in the same building from November 1972. The operation of the three exchanges situated in the same building was required (September 1977) to be governed by "demarcated area cable system" according to which each exchange had its own area to be served. The commissioning of Railway pura II and III exchanges necessitated redemarcation of the area served by Railway pura I and the other two (both Strowger) exchanges involving transfer of working connections from the existing exchanges to the two new exchanges, leaving spare capacity in the exchanges from which transfers were effected.

The void created by the transfer of working connections from the three old exchanges to the new Railway pura II and III exchanges was not fully filled by providing fresh connections to persons in the waiting list for the three old exchanges and there was prolonged delay in loading them to their permissible limit (94 per cent of equipped capacity). The potential revenue lost by the three old exchanges during September 1978 to March 1981, due to non-utilisation of the permissible capacity, was Rs. 23.32 lakhs (Railway pura-I Rs. 16.79 lakhs, Raipuragate Rs. 3.60 lakhs and Central Rs 2.93 lakhs).

6. Performance

(i) The Management Information System (MIS) in force facilitates the management in reviewing the working of each exchange and taking effective remedial action. The data relating to the 3 exchanges of Railway pura-I (10,000 line strowger), Railway pura-II (3,000 line cross-bar) and Railway pura-III (10,000 line imported cross-bar)

for the period from April 1978 to March 1981 revealed that the functioning of all the 3 exchanges was far from the desired efficiency.

2.3 The following table shows the average duration of fault in hours (per fault) and the average number of faults and complaints per 100 Departmental Exchange Lines (DELs) per month in all these 3 exchanges :

Details	Target	Control limit	Railway-pura-I	Railway-pura-II	Railway-pura-III
Average duration of fault (per fault) (in hours)					
1978-79	2.5	3	15.46	16.59	13.52
1979-80			19.22	17.75	10.92
1980-81			26.05	29.24	14.11
Average number of faults per 100 DELs per month					
1978-79	37.5	42.5	59.82	69.74	43.22
1979-80			65.41	68.01	42.70
1980-81			52.51	56.92	36.60
Average number of complaints per 100 DELs per month					
1978-79	55	65	88.00	93.58	61.16
1979-80			87.17	83.76	52.70
1980-81			78.50	76.54	48.18

The average duration of fault during the 3 years was much higher in all the 3 exchanges than the desired target of 2.5 hours and control limit of 3 hours. The average duration of fault progressively increased in Railwaypura I and II during these years, whereas it improved in Railwaypura III in 1979-80 over 1978-79, but again slipped back in 1980-81 even compared to 1978-79. It was noticed (May-June 1981) that the duration of faults was longer even in non-monsoon

months of the 3 years when ordinarily a better performance was expected. During the three years, the average number of faults and complaints per 100 DELs per month was also high with the result that all the 3 exchanges suffered a high percentage of idle (telephone) hours with consequential loss of revenue.

(ii) The percentage of junction call failures (inter-exchange) in the three exchanges during 1978-79 to 1980-81 are given in the table below :

Year	Target	Control limit	Railway-pura-I	Railway-pura-II	Railway-pura-III
(Percentages)					
1978-79	2.5	3.5	4.3	7.8	4.5
1979-80	2.0	3.0	9.4	8.0	8.8
1980-81	2.0	3.0	18.6	20.6	15.2

The performance of all the three exchanges was not satisfactory as compared to the targets and control limits.

(iii) The average percentages of failure of STD (Subscriber Trunk Dialling) call of the 3 exchanges during the years 1979-80 to 1980-81 were as follows :

	Railway-pura-I	Railway-pura-II	Railway-pura-III
(Average percentages of failure of STD calls)			
1978-79	47.21	27.69	23.22
1979-80	74.92	62.64	49.42
1980-81	73.83	65.23	62.72

The target and control limit for this for all the 3 years were 40 per cent and 47.5 per cent respectively. While all the exchanges functioned within the control limit in 1978-79, their performance deteriorated during 1979-80 and 1980-81.

While admitting the above facts and figures, the Department stated (December 1981) that action had been initiated to arrest the deteriorating trend.

(iv) A part from providing inefficient service to the public, the potential loss of revenue to the Department on account of abnormal delay in fault clearance and also high rates of different failures (beyond the control limit envisaged by the Directorate) during the 3 years 1978-79 to 1980-81 amounted to Rs. 248.11 lakhs as shown below :

	Railway- pura-I	Railway- pura-II	Railway- pura-III
	(Rupees in lakhs)		
Faults and fault attendance	7.35	3.49	3.42
Junction failures	13.91	6.31	13.40
STD failures	146.87	18.85	34.51
	168.13	28.65	51.33
Grand Total :	Rs. 248.11 lakhs		

Other points of interest :—

2.4 In the sanction accorded in May 1967 for the construction of phase I of the telephone exchange building, there was a provision for erection of one goods lift to serve the basement, ground and first floors. Order for supply and installation of one goods lift of 1.5 ton capacity was placed on a through the DGS&D in January 1970 at a cost of Rs 0.57 lakh, against which the equipment was supplied by the firm in April 1971. The erection of a lift covering 2 more floors necessitated modification (cost : Rs. 0.20 lakh; November 1974) to the lift received in April 1971. The goods lift was finally installed and commissioned in February 1978, by which time installation of the Trunk Tandem and Railway pura-II exchange in the first and second floors was completed (May 1977 and November 1977) and installation of Railway pura-III exchange on the third floor was nearing completion (cut over lift including expenditure of Rs. 0.30 lakh on civil works was Rs. 1.07 lakhs).

The lift having been commissioned in February 1978 (and being of smaller size), the Department had to carry the equipment of all the 3 exchanges installed in first, second and third floors of the building with the use of hoists or manually. The expenditure incurred for manual lifting of the equipment for incoming trunk tandem exchange (to the first floor) alone was Rs 1.01 lakhs (expenditure for carrying the equipment of Railwaypura-II and III exchanges to second and third floors was not available).

Thus, the goods lift erected in the building in February 1973 at a cost of Rs. 1.07 lakhs did not service much purpose in respect of any of the exchanges already installed on the first, second and third floors of the building, nor would it be useful for the proposed Railway-pura IV exchange with 10,000 lines imported cross-bar to be installed in the third floor as the lift was not fit to carry either the ITI or imported cross-bar exchange equipment. The Department stated (December 1981) that it was not possible to take care of all eventualities like the increased rack sizes of the equipment introduced with the systems later on.

2.5 *Summing up*—The following main points emerge :

- The Department did not acquire, alongwith the main size, the essential portion of the land providing access to the telephone exchange building from the public road, resulting in an extra expenditure of Rs. 1.32 lakhs on acquiring this land subsequently.
- As a result of planning excessive technical area (with 16 feet height), than actually required, on the 3 floors of the building (excluding ground floor) and also installing exchanges other than those contemplated in the original design, the telephone exchange building had a surplus technical area of 1814 sq. metres (cost : Rs 9.51 lakhs), which had not been put to any use so far (December 1981).
- By accepting the highest tender of the firm 'A' for plant II, extra cost of Rs. 1.82 lakhs was incurred. Due to failure to obtain concessional excise duty by producing the prescribed concessional duty certificate there was an extra cost of Rs. 0.47 lakh.
- As a result of delay in placing orders for installation of air-conditioning plant I, Railway-pura-I exchange (cut over in November 1972) functioned without any air-conditioning for 4 years up to December 1976.
- Both the air-conditioning plants installed at a total cost of Rs. 20.07 lakhs and taken over in September 1977 did not function for a major part of the last 3 years, despite spending an amount of Rs. 2.33 lakhs on repairs and maintenance.

- There was loss of unutilised cables valued at Rs- 10.79 lakhs and there was diversion of stores valuing Rs. 89.49 lakhs to other projects.
- Old re-usable cables worth Rs. 1.60 lakhs were abandoned without recovery while laying a new set of cables.
- There was potential loss of revenue to the extent of Rs 23.32 lakhs from September 1978 to March 1981 due to under-utilisation of the capacity of the exchanges.
- During 1978-79 to 1980-81 all the 3 exchanges functioned far from the desired efficiency. Due to undue delay in fault clearance and also heavy failure rates, the total loss of revenue from 1978-79 to 1980-81 amounted to Rs. 248.11 lakhs.
- Goods lift of a smaller size than that provided for, erected at a cost of Rs. 1.07 lakhs after installation of the 3 exchanges on the first, second and third floors did not serve the purpose for which it was intended. Expenditure of Rs. 1.01 lakhs had to be incurred on lifting manually the equipment of trunk tandem exchange alone.

[Paragraph 23 of the Report of the Comptroller and Auditor General of India for the year 1980-81 Union Government (P&T)]

Land

2.6 The Committee desired to know the reasons for not including the portion of the plot measuring 379.19 sq. meters which provided direct access to the main public road in the original acquisition proposals for the land, despite the suggestions made by Ahmedabad Municipal Corporation. In reply, the Ministry of Communications (P & T Board) have stated :

“Plot measuring 475 sq. yards (379.19 sq. mts.) was not considered for acquisition because it was affected by road widening scheme of the Municipal Corporation and could not be put to any effective use.”

2.7 During evidence, a representative from the Ministry of Communications further clarified :

“Initially when this land was purchased, it was known that the Municipal Corporation was going to widen the road. Road widening programme was proposed. According to that, no additional land was required because the entry to the exchange premises would have been available through the widened road itself.....Suppose we had taken the land as it was anticipated and suppose the Municipal Corporation had gone ahead with the road-widening programme, then the loss would have been much more. At that stage, nobody was aware as to when the road widening programme would come up.’

The Secretary, Ministry of Communications, added :

“We wanted to be clever. It would have been acquired by the Municipality for road widening, if we had not taken this land. But ultimately, the events proved that we were not as clever as we thought ourselves to be.”

2.8 The Committee pointed out that the Department would have had to pay such more had the court not given a judgement ordering payment of compensation for this land at the rate prevailing on 25 October, 1971. The Secretary, Ministry of Communications replied :

“That is true.”

2.9 The Committee enquired how the access to the proposed building was planned by the Department when the proposed main plot was surrounded by private land on all the four sides with no direct access to any public road. In a written reply, it is stated :

“To have access to the proposed Telephone Exchange building a plot measuring 222 sq. yards in the adjacent survey No. 608 was considered suitable and action was initiated for its acquisition. Unfortunately, this proposal was contested in the court of law by the owner and acquisition of this plot could not mature. There was no alternate but to initiate proceedings for requisition of this front portion of 475 sq. yards.”

2.10 The Committee pointed out that the owner of the main plot had given consent for use of the entire piece of land in front of the building giving access to the public road free of cost subject to the execution of an agreement for this purpose till the land was acquired by the Municipal Corporation. Asked why no such agreement was entered

into with the owner, the Ministry of Communications (P & T Board) stated :

“The suggestion for entering into a temporary agreement was made to the Secretary of the Trust (owners) by the department to permit passage through the land free of cost. In the terms of agreement the Trustees proposed that the department should not have any claim over the compensation to be paid for this land by Municipal Corporation to the trust, and that the department must pay for the use of the land as the road widening was likely to take a long time. These conditions were not acceptable to the department as there was fare change of acquiring adjoining land of 222 sq. yards for access. Also the access to the exchange remained available through front plot without any liability. It was, therefore, not considered necessary to enter into any formal agreement with the Trustees.”

2.11 In this connection, a representative of the Ministry stated during evidence :

“Later on it was known that there was a delay in the road-widening programme. In the situation, where neither road-widening has taken place nor the land was available to the exchange compound, action was initiated for taking land adjoining to the exchange plot. It was initially on the side of the exchange plot. When this case was taken up, the party went to the court and when the matter was being discussed in the court, the court said that the two portions which are shown in the map ‘C’ and ‘D’ could not be acquired because there was some construction in that portion of the land. But the court suggested that we could go in for the acquisition of land in the front of that portion of the exchange land. On that basis acquisition proceedings were started. The party, the trust, agreed to the land being utilised, till such time the acquisition proceedings were over. Though they initially agreed to enter into an agreement, later on they did not enter into an agreement. But the fact remains that the Department has been utilising this land free of cost ”

2.12 The Committee desired to know the reasons for holding up the acquisition of the land till now. The P & T Department have stated in a note :

“The site is still under acquisition and declaration of award by the Land Acquisition Officer is awaited.”

In this connection, a representative of the Ministry of Communications stated in evidence :

“the Acquisition Officer would do the work of valuation of the land and as soon as that is completed, the possession would be given to us.”

In response to a further query, a representative of the Ministry replied :

“Acquisition proceedings are going on. From our side, we have been pursuing but there has been delay from the State Government. We are pursuing with both the parties who supposed to intimate the price. Under urgency clauses, the proceedings have been started.”

2.13 Asked about the price that would have been paid for this land if its possession was taken earlier and the price not payable, the De-partment have stated in a written reply :

“The ultimate amount to be paid will depend upon the compensation awarded by the Land Acquisition Officer but it is likely to be Rs. 3 lakhs at prevalent prices in the year 1971.”

In this connection, a representative of the Ministry stated in evidence :

“For this land which was under acquisition, the Court has given a decision that the price will be as in 1971, not today's price. At that time, the price was estimated at Rs. 600 per sq. yard. This land was about 475 sq. yards. Even if the award is given today, the price of the land will be as in 1971, according to the decision of the court.”

Elaborating further, the P&T Department have stated during a written note :—

“In support of the statement that price of land for construction of approach road from telephone exchange building to the public road would be paid at the rate prevailing in 1971, a letter from the Government Solicitor to Additional Special Land Acquisition Officer, Ahmedabad, dated 1.8.1975, is as annexure*. In this letter, the trustees of the land in

*Not enclosed.

question have made a statement in the High Court that the trustees shall accept the value for the land at the rate prevalent on October 25, 1971."

Building

2.14 The Committee desired to know the present and future utilisation of each of the technical floors of the telephone exchange building. In reply, the P&T Department have stated :

"...The building is designed to accommodate 4 exchange units of 10,000 lines each or equivalent. It has approximately 66135 sq. ft. (floor area) of technical accommodation. The building, the following exchange units :—

<u>Floor</u>	<u>Exchange Unit</u>	<u>Existing</u>	<u>Ultimate</u>	<u>Remarks</u>
Ground Floor	Strowger MAX-I (Railway-pura I)	10 000 lines	10,000 lines	
1st Floor	a) Cross-bar Trunk & I/C (Tendem)	1300 lines. (+1200 lines expansion in offing).	3,000 lines (6,000 lines equivalent)	1 Tandem lines = 2 local lines Balance space for PCM, Coaxial Equipment etc.
	b) Special services exchange (4,000 lines equivalent)	4,000 lines		
2nd Floor	Cross-bar local (Railway-pura II)	3 000 lines (+2000 lines expansion in 1983-84)	10,000 lines	Spare space for expansion upto 10,000 lines + Digital & M/W equipment.

3rd Floor	Imported C-4000 Japanese Cross-bar Railway-pura III	10,000 lines (+ 6000 lines in 1983-84)	16,000 lines	Balance space may be utilised for 10,000 lines Electronic Exchange.

		46,000 lines Allotted		
Total	Working Lines			

Local	23,000	+	8,000	
Tandem	2,000	+	2,400	
Spl. Service	4,000	+	—	

	29,600	+	10,400	

In order to appreciate the utilization of the building it would be proper to indicate basic policy of the department regarding construction of buildings. As a policy the initial construction should be adequate for meeting projected requirement, upto 10 years after date of commissioning of the exchange. The ultimate size of the building should be sufficient for meeting requirement upto 20 years. As during the years 1963-68 there has been an annual growth rate of about 2000 lines, the planning for a building of 20,000 lines was quite in order within the frame-work of the policy of the department. Similarly adding two more floors in 1975 are also fully justified according to our policy.

As per standard policy, a single unit exchange is planned for 10,000 lines for which only one switch room is constructed along with associated maintenance, construction and installation rooms. It is not intended that full capacity of the switch rooms of 10,000 lines is utilised right from the beginning.

Capacity equivalent to 3 years requirement is added with each installation. Filling up the switch-room space in 10 to 20 years time according to the rate of growth of telephone demand. Vacant space in switch rooms is a matter of planned design and not a waste."

2.15 Since the common services for the entire capacity of all 3 exchanges were initially planned to be provided in the basement only, the Committee enquired why provision of 173 sq. metres was approved for these services on each of three floors of the exchange. In reply, the P&T Department have stated :

"It was a general practice to provide for common services of the entire building i.e. MDF, power room, battery room

as far as practicable one on one floor. Where chill water plant is used for air-conditioning, weather maker rooms are provided on each switch-room floor to avoid large openings in slabs for A/C ducts. Similarly Battery and power can be provided for each exchange on the same floor if busbar length from common battery is too long to restrict the voltage drop to specified limits. It is a matter of technical design whether the common services should be centralised or not. If the exchange is originally planned for common services on one floor and a decentralised layout is adopted later, spare space in common battery, power, A/C rooms is used for associated stores etc. In the present case, only 500 sq. ft. is used on each floor for weather-maker room for the air-conditioning plant."

2.16 Asked how the Department proposed to utilise the resultant surplus technical accommodation of 1814 sq. metres, the Department have stated :

"There is no surplus accommodation. Saving in space due to installation of imported C-400 Japanese Crossbar etc. will be utilised for adding more equipment of electronic or C-400 type to meet increasing telephone demand of the area. The equipments already allotted are :

- (i) 2000 lines I.T.I. crossbar in 1983-84 for Railway-pura-II
- (ii) 6000 lines C-400 crossbar in 1983-84 for Railway-pura-III Further allotment of 10,000 lines electronic equipment is being considered."

2.17 On his attention being drawn to the non-utilisation of excess technical accommodation of 173 sq. mts. on each of the three floors of the exchange building, the Secretary, Ministry of Communications, stated in evidence :

"It was put to use. We were accommodating one of the offices there. Now that has been shifted and we are paying a rent of Rs. 25,000/- per month. Also, we will be putting in, the new equipment that we are getting. That needs lesser space than the previous contemplated equipment. We would be utilising all this accommodation fully. We are importing the equipment from France; that will need

even lesser accommodation per line. This is a very fast growing area in terms of demand for telephones. We will make a good use of the space for future expansion."

Clarifying the position further, a representative of the P&T Department stated :

"The building was conceived in 1967 and was designed for the equipment manufactured in the country. At that time the building was designed for taking 3000 lines of crossbar equipment which required roughly 7 sq. ft. per lines. The new equipment being imported will require 5 sq. ft. per line. At the same time, the Switch Board designed for 10000 lines will be able to take 16000 lines. With the electronic equipment, it will be able to accommodate 20000 lines in the same accommodation.

2.18 Asked why this aspect was not taken into account earlier, the Secretary, Ministry of Communications stated :

"Due to slippage in indigenous production of equipment we are forced to import equipment which require lesser space. This type of slippage takes place and it was beyond our control."

Airconditioning

2.19 The committee enquired whether, before accepting the clarification given by firm 'A' whose offer was the highest, similar clarifications were sought from other firms and whether any time limit was set for accepting such clarifications. In a written reply, it is stated :

"Clarifications from other firms in respect of their offers for AC Plant were called for through the agency of DGS & D through whom the plant was being purchased. No time limit was set before accepting the clarifications from the firm 'A'. Matter was taken up with DGS& D by the DMT Ahmedabad on 1st November, 1973. DGS & D took up the matter with the firm, in December, 1973 and intimated in January 1974 that only firm 'A' have given the required information."

2.20 Justifying the acceptance of the highest tender of firm 'A' a representative of the Department stated in evidence :

“Acceptance of the tender is dependent on the performance of the supplier. Air conditioning performance is very important as far as performance of the running of the exchange is concerned. The supplier of the equipment was a good one and its performance was generally satisfactory and that was the consideration in accepting the offer of this firm.”

2.21 The Committee pointed out that the working of both AC plants I and II was rather dismal during the last three years i.e. 1978-79 to 1980-81 and enquired for how many days in 1981-82, these A.C. Plants (compressor-wise) failed to work. It is stated in a written reply :

“Failure of the compressors of the plant during the year 1981-82 has been less than in the previous years as shown in the comparative chart below” :

Year	AC Plant-I		AC Plant-II	
	Compressor I (days)	Compressor II (days)	Compressor I (days)	Compressor II (days)
1978-79	216	112	278	148
1979-80	286	209	253	272
1980-81	233	222	272	300
1981-82	206	215	168	120

During the period one of the compressors of the plant has been working.

Form the chart given below, it will be seen that total failure of the plant was for much lesser days.

Years	Airconditioning Plant-I (days)	Air-conditioning Plant-II (days)
1978-79	7	2
1979-80	45	79
1980-81	36	149
1981-82	109	43

2.22 The Committee pointed out that while the Department paid an additional amount of Rs. 1.8 lakhs the AC Plant, the in exchange remained without air-conditioning for about 4 years due to the mal-functioning. A representative of the Ministry stated in evidence :

“.....the plant did not work because both the compressors were not working. As for the choosing this as a better plant and then ultimately this plant not giving performance to the desired level, I would say that generally on the basis of the past performance we go about these things. Any equipment that is manufactured, can not be always made to the same specifications as they have been made in the past. So, some stray faults here and there may come in which can not be eliminated altogether. Then the time is taken for attending to the faults and if during that period both the compressors incidentally happen to develop faults it results in the absence of the air-conditioning. Subsequently, the plant has been performing very satisfactorily.”

2.23 The Committee desired to know whether responsibility had been fixed by the Department for non-issuance of CT-2 certificates to the contractors resulting in avoidable payment of excise duty of Rs. 0.47 lakh on A C. Plants. In a written reply, the Ministry of Communications (P&T Board) have stated :

“No responsibility has been fixed for non-issue of CT-2 certificate. This being a transaction between two Government Departments there is no loss to the Government of India. This is also an isolated case and indentors are being advised to avail of the concessional-excise duty on A.C. units for telephone exchanges.”

2.24 The Committee desired to know whether the extent of damage suffered by the sophisticated exchange equipments due to non-availability of air-conditioning facility for about 3-4 years, had been assessed. In reply, the Department have stated :

“Only first 3000 lines of strowger exchange were without air-conditioning for a short period of about a year. This would increased the fault incidence and increased maintenance efforts for some time. No long term damage is expected as other precautions like proper ventilation and dust control measures etc. were taken. The exchange is expected to run for its full life.”

2.25 The Committee enquired whether there was any guarantee clause to carry out repairs and maintenance of AC Plant. A representative of the Ministry stated in evidence :

“There is and we do not make payment unless all the three tests are passed. So, their payment can be held up. And if at a later stage it is found that the plant does not run subsequently at all, then there is also a penalty clause which comes into the picture. At that time we were having this through the DGS&D.”

2.26 The Committee desired to know whether any expenditure on repairs was incurred during the guarantee period. The Ministry of Communications (P&T Board) have stated :

“No expenditure was incurred on the repairs of air-conditioning plant No. II during the guarantee period of 1977-78.”

2.27 The Committee desired to know the steps being taken by the Department to improve the functioning of AC Plants. In a written reply, it is stated :

“In order to improve the performance of the plants, the plants were over-hauled and preventive and corrective action was taken to minimise the failures. Necessary spare parts required for prompt rectifications of the faults were stocked.”

Cable laying

2.28 The Committee desired to know the specific reasons for increase in expenditure on cables for Railwaypura-III exchange from Rs. 190 lakhs to Rs. 259.42 lakhs. In reply, the Ministry have stated.

“The main reason for increase in expenditure on cables in Railwaypura-III is inflation of rates. The project estimate sanctioned in October, 75 was based on rates prevailing in 1974. At that time the norms for provision of cable was Rs. 300/- under cash and Rs. 1600/- under stores. The work was completed in March, 1978 and most of the work was executed in 1977-78. In 1976 the rates of various stores were revised to Rs. 600/- under cash and Rs. 3100/- under stores. On the basis of new norms, the actual expenditure booked on revised project estimate is Rs. 286.51 lakhs which is well within normal limits.”

2.29. Asked whether there was also an increase in the length of cables and cable conductors, the Ministry has stated in a written reply :

“There is no increase in length or conductor Kms. of cable network. The cable conductor Kms. for this exchange has been 11.46 compared to 12 CKM for the minor telephone District.”

2.30. The Committee enquired why diaries showing the cables laying lengths were not prepared and kept on records. The Ministry of Communications (P&T Board), have stated :

“Cables laying records were properly kept. However transfer adjustments could not be made within the prescribed period of one month because of considerable pressure of work for advance planning for 3,000 connections from Railway-pura-II and 10,000 connections from Railway-pura-III after their cut-over in 1977 and March, 1978 respectively. All the transfer entries have since been completed and revised estimates prepared.”

2.31. The Committee enquired why the relevant estimates were not revised and got sanctioned when there were major changes in the approved cable scheme. In reply, Ministry of Communications (P&T Board) have stated :

“For a large telephone system, changes in the cable scheme become necessary to meet the changing demands in certain areas. The cables are laid to meet the anticipated demand for 3 to 9 years subject to the limit of financial provision in project estimate. Frequent revision of cable estimates may be required with change of costs and demand. This also requires continuous monitoring of financial and physical progress of cable works for which practically no separate organisation exists in Circles or Districts. Estimates are, therefore, revised on the basis of actual costs of completed works and final sanction obtained from competent authority.”

2.32. The Committee enquired about the propriety of opening and operating the so-called “dummy estimates,” which was against the spirit and the very purpose of the estimate. The Ministry of Communications (P&T Board) replied :

“There is no dummy estimates and all the estimates for this work sanctioned as regular estimates. However, since there were

changes in the actual laying of cables vis-a-vis sanctioned estimates transfer entries were necessary to release CRs. This was necessary for the settlement of account and once the transfer entries between different estimate from and to the so-called dummy estimates were over, the CRs for these estimates were released. Thus, it will be seen that the so-called dummy estimates were sanctioned as actual estimates but the work against these estimates was covered by some other estimates where the material received in these estimates was transferred and these so-called dummy estimates were cancelled as no work was executed against these estimates.'

233 The Committee wanted to know the reasons for non-accoutal of cables worth Rs. 10.79 lakhs in the connected estimates and steps taken to regularise them. In a written reply, it is stated :—

“The estimates connected with cable worth Rs. 10.79 lakhs pointed out by Audit have been examined and transfer entries wherever lacking have since been made and at present there is no cable which has not been accounted for.’

In this regard, the Secretary, Ministry of Communications stated in evidence :—

“This matter was enquired into in detail by an officer sent from here...There was a vigilance enquiry instituted by the Central Vigilance here. The case has not yet closed. The General Manager has furnished all the data on the basis of which according to the advice tendered by Central Vigilance Commission (CVC) the case should be formally closed.”

Another representative of the Department elucidated :

“On the basis of the complaint made to CBI, a detailed enquiry was conducted, and a party from the P&T Directorate also had made an on-the-spot study, and examined the entire thing. They have found that there has been complete recording of the cables issued and cables utilised. A detailed statement was sent to CBI who has sent it to CVC. The latter has said that if everything has been accounted for, the Department may close the case, after fully satisfying itself.’

2.34 The Committee enquired whether the findings of CBI were available to audit. The witness stated in evidence :

“No Sir, these are confidential files.”

2.35 The Committee enquired about the findings of the CBI/CVC as a result of enquiries made by them in the matter. The Ministry of Communications (P&T Board) has stated :—

“In March, 1979, a complaint was received by Central Vigilance Commission (CVC) and the Director-General, Posts & Telegraphs, alleging some irregularities and losses in laying of cable network for Railwaypura exchange in Ahmedabad. The Central vigilance Commission referred the matter to the Central Bureau of Investigation (CBI) for investigation. At the same time, the Director-General, Posts & Telegraphs also appointed a team of three officers to investigate the complaint.

The Central Bureau of Investigation investigated the complaint and reported to Central Vigilance Commission that the complainant was not able to give any specific evidence in support of the allegations made by him and that his complaint was based on information received from other sources. The Central Bureau of Investigation also stated that since the matter was also being enquired into by the special team of Director-General, Posts and Telegraphs, the Central Vigilance Commission may await the report of that team and advise the Central Bureau of Investigation whether further probe was necessary.

The study team of Director-General, Post and Telegraphs carried out a technical audit of the cable work relating to Railwaypura and reported that they did not find any element of malafide intention on the part of officers who executed the work. However, they pointed out certain procedural irregularities regarding sanctions and maintenance of cables records etc.

The Director-General Posts and Telegraphs also referred the matter to Central Vigilance Commission for their advice. The Central Vigilance Commission then advised that the P&T Department may themselves take appropriate action if there has been no loss or misappropriation of government stores. The Director-General, Posts and

Telegraphs accordingly addressed G.M. Telephones, Ahmedabad to indicate whether there was any loss or misappropriation of Govt. stores. The General Manager Telephones, Ahmedabad has now confirmed that there was not any loss or misappropriation of funds. Further suitable action will be taken by Director-General, Posts and Telegraphs to close the case."

Expenditure on Cross bar exchange vis-a-vis estimates

2.36 It will be seen from the audit paragraph that the work on 3000 lines ITI Cross bar exchange at Railwaypura II which was originally sanctioned for Rs. 120.46 lakhs was later (March 1976) assessed to cost Rs. 235.25 lakhs. The Committee desired to know the reasons for not sanctioning the revised project estimates as soon as it was anticipated that the expenditure was likely to exceed the sanctioned cost by over 10 per cent. The Ministry of Communications (P & T Board) have stated in a written reply :—

"Though the 3000 lines X-Bar Exchange at Railwaypura II was commissioned in November, 1977, some work relating to external plant continued till 1980 as cables, DPs lines and wires material were in short supply. After physical completion of the work and release of completion reports the revised estimate based on final costs has now been prepared and will be sanctioned expeditiously."

Utilisation of Exchange capacity

2.37 The Committee desired to know the reasons for not providing telephone connections to those on the waiting list to the optimum exchange capacity of Railwaypura I, Central Exchange and Raipur Gate exchanges consequent on area transfer. In reply, it is stated :

"The main reason for not providing telephone connections to those on the waiting list upto the optimum exchange capacity of Railwaypura-I, Central exchange and Raipur Gate Exchanges consequent on the area transfer was acute shortages of cables, lines and wire materials."

2.38 To a query why the Department did not buy cables from private manufacturers, the witness stated in evidence :

“That (purchase of cables from private manufacturers) is not permissible according to the industrial Policy...The bulk of our requirement is met by the Hindustan Cables Ltd.’

2.39 Asked whether the private manufacturers could not be permitted to expand their capacity to manufacture such cables, the witness stated :—

“That is beyond our competence. The Ministry of Industrial Development issues the licence.”

2.40 Asked about the present position regarding the availability of cables, the witness stated :

“With the commissioning of the already sanctioned project, later commissioning of the other project which is now under consideration and some expansion in the old factory which is under implementation, in another four years time we will be able to get sufficient cables.”

2.41 The Committee desired to know the reasons for delay in full utilisation of the capacity of the exchange. A representative of the Department replied in evidence :

“About utilisation capacity, two things are important (1) quantum of work. In this case, 10,000 line exchange was installed and (2) connections had to be given for which different items of stores were required. Though the allotment of stores was made, the supply of stores was not according to the requirement and that had delayed the utilisation of the exchange capacity.”

2.42 The Committee enquired about the projected requirement of P&T Department for cables upto 1990, imports of cables made during the last three years, and the imports projected during the next three years to make good the likely shortfall thereof. The Ministry of Communications (P&T Board) have stated as follows :

“The P&T Department has launched an ambitious plan of ‘providing telephones virtually on demand’ by the end of this decade. For attaining this objective, 14 lakhs of lines are proposed to be provided in the Sixth Plan and 37.5 lakhs

of lines during the Seventh Plan. For providing new connections, cables will be required for meeting the needs of local network, junctions and lease circuits for Defence, Railways Press and other important customers. In addition, cables are also required for replacement of old and life-expired cables as well as for replacement of open wire alignments in non-urban areas.

The year-wise details of telephone cables from 1981-82 to 1989-90 for meeting the above objective are given in the Annexure.* At present, the requirement of cables is being met by Hindustan Cables Ltd. (an undertaking of the Ministry of Industrial Development) from its two factories at Hyderabad (Andhra Pradesh) and Roopnaraiapur (West Bengal). In addition, a small quantity of small size cables is also being manufactured by some State Public Sector undertakings like TRACO (Kerala). A few others like PIDC (Punjab), Delton Cables (Delhi) etc. have also been licensed. The total capacity available from these factories is also given in the Annexure. There would be a wide gap in the supply and demand for cables in the next few years unless adequate manufacturing capacity is set up in the country. A plant for manufacture of 30 lakhs ckm. of cables by HCL, Hyderabad has been approved by the Govt. The production from this factory is expected to commence from 1984-85. The production expected from this factory is also indicated in the Annexure.* This still leaves a large gap in supply and demand of cables in the 7th Plan. Therefore, another factory of 30 lakhs ckm would be required in the 7th Plan. The small gap between indigenous production and requirement of cables will be met by imports. The quantity of cables actually imported during the last few years and the proposals for imports during 1983-84 are also given in the Annexure.* Further imports will depend on the progress of providing new connections, from the exchange capacity installed."

2.43 Asked about the plans of the Department for achieving self-sufficiency in cables, the Ministry have stated :-

"Demand for cables is expected to stabilise by the end of the 7th Plan on account of the introduction of PCM (Pulse

*See Appendix I

code modulation) and other multiplexing technologies etc. It is, therefore, expected that full self sufficiency in respect of underground cables will be reached by the end of the 7th Plan."

2.44 Asked about the loss being incurred on account of low utilisation of capacity of the telephone exchanges, the Secretary, Ministry of Communications stated in evidence :

"That point in principle we do not accept that on account of inadequate performance, inefficient performance, we suffered loss of revenue; that may or may not be so. If there is delay in providing connection, then there is clear loss because additional connections will fetch the rental, whether more revenue will come or not is a matter of opinion because there is free call limit, etc They have to make a trunk call. This cannot be assumed. The loss with regard to delay in giving connections is unquestionable."

Duration of Faults

2.45 The average percentage of failure of STD (Subscriber Trunk Dialing) calls of the three exchanges during the years 1979-81 was as follows :

Year	Target	Control Limit	Railway Pura		
			I	II	III
1978-79	40 p.c.	47.5 p.c.	47.21	27.69	23.22
1979-80			74.92	62-64	49-42
1980-81			73-83	65-23	62-72

2.46 The potential loss of revenue during the three years i.e., 1978-79 to 1980-81 on account of abnormal delay in fault clearance as well as high rates of different failures over and above the control limit envisaged by the Department amounted to Rs. 248.11 lakhs as given below :

	Railway Pura-I	Railway Pura-II	Railway Pura-III
			(Rupees in Lakhs)
Faults and Fault attendance	7.35	3-49	3.42
Junction failures	13.91	6-31	13.40
STD failures	146.87	18-85	34.51
	168.13	28.65	51.33
Grand total :		Rs- 248. 11 Lakhs	

2.47 The audit para has pointed out that the performance of the three exchanges in the matter of average duration of faults, average number of faults/complaints per 100 DECs, junction call failures and failures of STD calls was very high vis-a-vis the targets resulting in loss of revenue to the extent of Rs. 248.11 lakhs during 1978-79 to 1980-81. The Committee enquired whether the reasons for unsatisfactory performance of these exchanges had been investigated and if so, what were the results thereof and what remedial measures had been taken. In reply, the Ministry of Communications (P&T Board) have stated :

“The percentages of failure of calls and line faults and their clearance was thoroughly investigated. Following measures have already been initiated :

1. Complete re-organisation of the staff and working of the District.
2. Traffic measurement of all routes for equipment and augmentation of equipment/junction (80% work completed so far)
3. Overhauling and rehabilitation of internal and external plant. Completed internal plant-95%, External Plant-75%
4. Filling up of vacancies specially operators, introduction of refresher courses for operators and technicians (overhauling and adjustments of X-bar switches).
5. Overhauling of A/C plant and power plant and improving the environmental conditions in exchange building.
6. Gas pressurisation of U/G cable. About 60 Kms of cables have been pressurised so far.
7. Preparation of proper cabinet and pillars scheme for all the exchange area.

Because of the above mentioned steps the performance of the District has substantially improved as per the performance analysis given below :

Performance indicator	During April 1981	
	to Sept. 1981	June, 1982
a) Local call failure	2.9%	0.7%
b) Junction call failure	17.5%	3.0%

Miscellaneous

2.48 The Committee enquired why the goods lift of much smaller dimensions was ordered when the lift well was of the size of 9'-3" (Width) x 14'-7" (depth) x 16'-2" (height). In reply, the Ministry of Communications (P&T Board) have stated :

"The building was to house Pentaconta (J T.I. make) crossbar equipment which is assembled in basic units of frames. The goods lift ordered based on I-S I. standards is suitable for this equipment. It was not foreseen that cross-bar equipment of C-400 Japanese type will be installed in Railwaypura-III. The lift is still suitable for all types of equipment except full racks of imported crossbar variety."

2.49 The Committee observe that although the plot of land acquired by the P&T Department in March, 1966 for construction of a telephone exchange building in Railwaypura (Ahmedabad) was surrounded by private land on all the four sides with no direct access to any public road, the Department did not bother to acquire along with it a portion of another plot measuring 379.19 sq. metres which could have provided direct access to the main public road. The Committee are not convinced with the argument advanced by the Department that the said plot was not considered for acquisition as it was expected to be taken over by the Municipal Corporation, Ahmedabad (MCA) under its road widening programme. In the absence of any notification in this regard, this was only a presumption. It is unfortunate that the Department relied upon such presumption while planning the construction of a new exchange building in the area. Even after the MCA suggested in March, 1963 that this land should also be acquired by the P&T Department till it was required by the MCA, the Department did not initiate the necessary acquisition proceedings. A decision in the matter was finally taken as late as December, 1975 i.e., 9-3/4 years after acquiring the main site. The Committee find that the Department is now required to pay compensation at the rate of Rs. 717.53 per sq. metre against the rate of Rs. 372.39 per sq. metre paid for the main site in March, 1966, thereby incurring an extra expenditure of about Rs. 1.32 lakhs. But for a decision given by the Court in favour of the Department to pay compensation for the plot at the rate prevailing in October, 1971, the Department would have been liable to pay a much higher rate. The Committee trust that speedy measures would now be taken to finalise the acquisition proceedings and that such situations would be avoided in future.

2.50 The Committee are constrained to note that by the time the 3000 lines strowger equipment was installed in November 1972, even the

order for the air-conditioning (AC) plant-I had not been placed. The Department placed the indent on the DGS&D as late as in December 1972, i.e. one month after installation of the equipment. The AC plant could be commissioned only in March 1974. It took another 33 months before the prescribed first test was conducted successfully in December 1976 against the due date of July 1973 stipulated in the contract. The Department has admitted that "3000 lines of strowger exchange were without air-conditioning for a short period about a year. This would increase the fault incidence and—maintenance efforts for some time."

2.51 The Committee fail to understand why advance action was not taken to obtain the air-conditioning equipment so as to synchronize its commissioning with the installation of the exchange equipment. In fact, this is not a solitary instance of lack of planning. The Committee have already drawn attention to the inordinate delay in providing air-conditioning in the Bagh Bazar Telephone Exchange Calcutta. The Committee would like the Department to analyse the reasons for such repeated failures with a view to taking remedial action so that costly and sophisticated exchange equipment is not exposed to dust/humidity.

2.52 The Committee regret to observe that in spite of the fact that the highest tender of firm 'A' was accepted (extra cost-Rs.1.8 lakhs) in this case, relying upon the earlier performance of the supplier. Certain defects were noticed during tests. Even after incurring an expenditure of Rs.2.33 lakhs, the plants have been giving unsatisfactory service as one or the other compressor of both the plants remained inoperative for greater part of the years 1978-79 to 1980-81. The position during 1981-82 is stated to have improved to some extent. The argument that one of the compressors in each plant has been working and that the total failure has been for much lesser days betrays a unique sense of complacency and disregard for public funds. The Committee would like the matter to be investigated thoroughly with a view to fixing responsibility. The Committee would also like to know whether any claim for damages was preferred against the firm. If not, necessary action in this regard should be initiated forthwith.

2.53 The Committee regret to note that the Department failed to obtain concession of 50 per cent in excise duty on AC Plants by providing the prescribed concessional duty (CT2) certificate resulting in an additional expenditure of Rs. 0.47 lakh. The Committee are not satisfied with the casual explanation given by the Department that "this being a transa-

ction between two Government Departments, there is no loss to the Government of India." The Committee expect that such lapses will not be allowed to recur.

2.54 The Audit para has pointed out a number of irregularities in the accountal and utilisation of cables for the Railwaypura exchange. The Committee understand that in March 1979 complaints of alleged irregularities and losses were received by the Central Vigilance Commission which referred the matter to the CBI for investigation. At the same time, the DGP&T also appointed a team of three officers to investigate the complaints. The Committee find that the allegations could not be substantiated for want of evidence. The Central Vigilance Commission (CVC) therefore advised the P&T Department to close the case if there had been no loss or misappropriation of Government stores. The Department have since assured themselves that there was no element of *mala fide* intention on the part of officers who executed the work and that there was no loss or misappropriation of funds in the matter barring certain procedural irregularities regarding sanctions and maintenance of cable records etc.

2.55 The Committee find that the Department did not inform Audit regarding the findings of CBI/CVC. The Committee are not convinced with the reply of the Department that "the relevant files were confidential files". This is a serious matter. The Committee see no reason why access to documents in cases where irregularities were suspected should have been denied to Audit. The Committee would like the Department to issue necessary instructions in this regard without delay. The Committee would further urge that remedial action should be taken to set right the procedural irregularities pointed out by the team of departmental officers and the system of maintenance of cable records spruced up, as necessary.

2.56 The Committee find that under "demarcated area" cable system, a number of working connections were transferred from the existing three exchanges, namely, Railwaypura I Exchange, Central Exchange and Raipur Gate Exchange to the two new exchanges namely Railwaypura II and III exchanges leaving spare capacity in the former. The Committee are concerned to note that the spare capacity of the aforesaid 3 old exchanges was not utilised to the permissible limit, i.e., up to 94 per cent of their equipped capacity, by providing new telephone connections to the persons on the waiting list as a result of which the Department lost a potential revenue of about Rs. 23.32 lakhs between September, 1978 to March, 1981.

2.57 The Committee find that the main reason for delay in providing new telephone connections was acute shortage of cables. The Committee have been informed that "there would be a wide gap in the supply and demand for cables for the next few years unless adequate manufacturing capacity is set up in the country". As the Hindustan Cables Ltd. are not in a position to meet the demand fully, the gap between the demand and supply of cables is estimated to be of the order of 6.22 lakh ckm. in 1981-82 and 14.12 lakh ckm in 1982-83.

This is expected to increase to 107.40 lakh ckm by 1988-89. Certain proposals for augmenting the production capacity are stated to be under consideration of Government. The Committee cannot emphasise too strongly the need for bridging the widening gap in the demand and supply of cables by expending the indigenous production capacity without loss of time so as to obviate imports. It should also be ensured that the available capacity is put to optimum use. The Committee trust that efforts to attain self-sufficiency in this regard would be pursued with vigour.

2.58 The Committee find that the performance of the telephone exchange at Railwaypura, Ahmedabad has been worse than the prescribed norms in the matter of faults and fault attendance, junction failures as well as STD failures during the years 1978-79 to 1980-81. The potential loss of revenue on this account is estimated by Audit to be of the order of Rs. 248.11 lakhs, bulk of which is attributable to STD failures (Rs. 200.23 lakhs). The Department is stated to have taken certain remedial measures in this regard, viz. complete reorganization of staff, traffic measurement of all routes for equipment and augmentation of equipment/junctions, overhauling and rehabilitation of internal and external plants, AC plant and power plant, improving the environmental conditions in the exchange building, gas pressurisation of underground cables, etc. Consequently, the performance from April, 1981 onwards is stated to have substantially improved. The Committee would like the P&T authorities to keep a close watch on the performance of the new exchange [equipment installed at considerable cost with a view to ensuring that optimum benefits are derived and the services rendered to the public show distinct improvement.

SATISH AGARWAL

Chairman

Public Accounts Committee.

NEW DELHI;

April 27, 1983

Vaisakha 7, 1905 (S)

APPENDIX I

(V_IDE para 2.42 of report

(Underground Cables-availability from Indigenous Surces & Imports)

Sl. No.	Description	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
1.	Requirement of cables in LCKM	30.38	40.68	52.47	54.34	99.48	121.97	129.75	150.68	108.69
2.	Availability from existing factories (M/s HCL)	22.16	24.56	27.36	31.76	31.76	31.76	31.76	31.76	31.76
3.	Availability from other Public Sector Factories	2.00	2.00	2.84	7.43	11.52	11.52	11.52	11.52	11.52
4.	Gap	6.22	14.12	22.27	15.15	56.20	78.69	86.47	107.40	65.41
	Imports	1980-81	1981-82	1982-83	1983-84					
	in LCKM	7.00	1.86	—	0.65					

APPENDIX II

Statement of Conclusions/Recommendations

S. No.	Para No.	Ministry	Recommendation
1	1.30	M/O Communication (P&T Board)	The execution of the project for installation of a 3000 lines cross bar type telephone exchange at Bagh Bazar, Calcutta, provides yet another example of indefensible lack of planning and coordination resulting in enormous delay in its completion. The project was sanctioned in November, 1966 but could be commissioned only after about 9½ years i.e., in March, 1976.
2	1.31	— do —	In the first instance, the work of constructing additional floor on the existing telephone exchange building for installing the new telephone exchange, though sanctioned in July, 1966, was awarded in July 1967 i.e., one year after the detailed estimate was sanctioned. One whole working season—November—March was thus lost on this account. The building work was also delayed by about 15 months. The arguments put forth by the Department that the unprecedented rains and the law and order situation, prevailing in Calcutta during the period in question, hampered the progress of building considerably were discounted by the Secretary, Ministry of Communications himself in his evidence before the Committee. He stated : "the comment of unusually heavy rainfall was unwarranted. It was not based on data. About this (the law and order problem) also, what they (P&T Department) sought to mean was that it was due to lack of discipline inside the department". The Committee would like to express their serious dis-pleasure over the casual manner in which the Committee's queries in the case have been replied to by the Department. The Committee expect that more care would be observed in future.

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3	1.32	—do—	<p>The Committee observe that the delay in awarding the work of construction of the building and in getting the work executed as per schedule was due to factors within the control of the Department. The delay, therefore, is highly regrettable. The Committee consider that with better planning, the delay in this case could be obviated or at least minimised considerably.</p>
4	1.33	—do—	<p>The Committee further observe that the supply and installation of the equipment for the exchange took 9 long years from March 1967, when the order for equipment was placed, till March, 1976, when the exchange was commissioned. The manufacture and supply of the equipment by the Indian Telephone Industries (ITI) took more than 5 years. Although the first consignment of the equipment was received from the ITI in August, 1970, the supply of the entire equipment should be completed by ITI only in 1972. The representative of the Ministry assured the Committee in evidence that "there is now more interaction between the P&T Department and ITI" and as a result "there is balancing of the equipment and it takes three years to complete supply of equipment after ordering." The Committee would like strict watch to be kept by the P&T Directorate to ensure that there is proper synchronisation in the placing of order on the ITI, the construction of the exchange building and receipt of the equipment in such cases.</p>
5	1.34	—do—	<p>The Committee find that it took 41 months from October 1972 to March 1976 for the equipment to be installed. Although the building was taken over by the Department in May 1970, the installation of the equipment commenced only in October 1972, The delay is attributed to receipt of equipment in trickles from the</p>

1	2	3	4
			<p>ITI. Besides, the equipment installation work remained suspended for 8 months between April to November 1974 due to shortage of engineering staff.</p>
6	1.35	— do —	<p>It is regrettable that the requisite staff could be positioned only by November 1974. As the project was sanctioned as early as November, 1966, i.e., 8 years earlier, the Committee fail to understand why advance action could not be taken in the matter and timely positioning of the requisite staff ensured. This is again indicative of utter lack of planning in this case. The Committee would like the reasons for this delay to be investigated thoroughly with a view to fixing responsibilities and taking necessary remedial measures for the future.</p>
7	1.36	— do —	<p>The Committee note that Departmental technical instructions require that sophisticated components of telephone equipment should be unpacked and taken out from plastic containers in air-conditioned rooms to avoid ingress of dust and humidity, which would adversely affect their performance. The Committee, however, learn that the components of the telephone exchange in the instant case were unpacked and installed without facility of air-conditioning, "to avoid idle investment".</p>
8	1.37	— do —	<p>The Committee are distressed to note that by the time the building was constructed and taken over in May 1970, even the specifications for the Airconditioning (AC) Plant were not finalised by the P&T Department though the plant was required to be installation of the equipment. It took the Department two years to place indent on the DGS&D for the air-conditioning plant on account of delay in obtaining heat/load dissipation, water analysis report and other parameters.</p>

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The indent for the AC plant was placed on the DGS&D only in September, 1972 i.e., barely a month before the sophisticated components of equipment were unpacked and installation of exchange equipment commenced in October 1972. It took another 14 months for the DGS&D to place the order on the firm concerned. This needs to be explained.

9 1.38

—do—

The Committee find that the target date for commissioning/testing the plant had to be extended twice as the AC plant room was not ready and the location of the cooling tower had not been settled by the Department. The AC Plant could be installed only in May 1975 against the target date of 30th June, 1974. Even thereafter, the plant could not be commissioned till 1977 for want of water and power supply. The Committee regret to observe that according to Department's own admission, the delay was mainly due to difficulty in coordinating various agencies involved in this work. Apparently, planning at the micro level was totally absent with the result that the exchange equipment remained exposed to dust and humidity for nearly 4½ years from October 1972 to April, 1977.

10 1.39

—do—

Yet another unfortunate aspect of the matter is that due to inordinate delay in installation and commissioning of the air-conditioning system, the summer and winter tests could not be conducted before commissioning the AC Plant and these were subsequently waived in May 1978. The Committee consider that had the Department taken timely steps to finalise the parameters for the air-conditioning plant, much of the delay could have been avoided. The Committee, therefore, recommend that responsibility should be fixed in the matter so that such lapses are obviated in future. The Committee would like to be informed of the action taken in the matter.

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11	1.40	—do—	<p>The Committee need hardly point out that such long exposure of costly and sophisticated equipments to dust and moisture is bound to affect its efficiency. The Committee would, therefore, like the Department to ensure that in future the air-conditioning plant is installed tested and pressed into service to synchronise with the commissioning of telephone exchange.</p>
12	1.41	-do-	<p>The Audit para have pointed out that out of 38 kms; of cables to be laid, bareep 7.5 kms had been laid till thr project was commissioned in March, 1976 and another 12.5 kms. were laid by September 1980 i.e., during 4½ years after commissioning of the project. The Committee are distressed to find that slow progress in cable laying was due to the failure was due the failure on the part of the Department to properly plan the subscribers' cable network which the normally planned to meet 9 years' requirement. It has been stated that due to acute shortage of Small size cables, provision could be made only to meet immediate requirements. The abnormal deley in laying the subscriber's cable network resulted in delay in providing new telephone connections and consequent loss of revenue to the Department.</p>
13	1.42	-do-	<p>The Committee regret to note that the department instructions of utilising ninety per cent of the exchange capacity by release of new telephone connections soon after the expansion or in any case. not later than six months of such expansion, were not followed on the commissioning of the expended capacity for 3000 lines in March 1976 Although there were 2661 applicants on the waiting list for new connections in March 1976, when the exchange was commissioned and 1681 applicants in September 1976 i.e., after 6 months of commissioning of the exchange it</p>

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took the Department 3 years to load the exchange, to the prescribed extent. The Secretary, Ministry of Communications conceded in evidence that "there was avoidable delay in the matter". The Committee are concerned to note that due to not loading the exchange according to the existing departmental instructions, the Department lost a potential revenue of about Rs. 44 lakhs between September 1976 and March 1980.

14 1.43 -do-

The above paragraphs clearly bring not that there have been inordinate delays at all stages of the execution of the project i.e., in the construction of the building, installation of the equipment, laying of cables and loading the exchange to the prescribed extent within the specified period. In their earlier Reports* the committee have been emphasising the need for fixing responsibility for delays and loss of revenue to Government in such cases. Here is another instance of indefensible delay practically at every stage of the project. The Committee cannot therefore, but reiterate their earlier recommendations. The Committee desire that a thorough enquiry be conducted in the matter to find out the causes of delay at various stages of the project with a view to fixing responsibility and taking action against the officials concerned. The Committee would like to be informed of the action taken in the matter in six months' time.

15 1.44 -do-

The instant case provides typical example of utter lack of project planning and absence of coordinated action during execution of the project as well as after commissioning of the exchange. The Committee trust that the

*145th Report (5th Lok Sabha)— paras 1.314 & 1.316

14th Report (6th Lok Sabha)—paras 1-82

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Ministry of Communications would review the entire case in all its aspects and devise a suitable system for ensuring that modern concepts of project formulation and implementation are given concrete shape in future projects of this nature. The Committee consider that a PERT Chart should be drawn up plotting out all the activities and processes in an integrated manner before according sanction to such projects and it should be ensured that the progress of the work is constantly monitored with reference to the PERT Chart so that shortfalls, if any, could be spotted and remedial action taken well in time.

16 1.45 -do-

The Committee find that the average duration of faults during the years 1976-80 in Calcutta Telephone system was far in excess of the target fixed by the P&T Department from time to time. As against the target of 5 hours in 1976-77, 1978-79 and 1979-80, actual average duration of faults was 8.6, 23.5 and 16.9 hours in the respective years. In 1977-78, the actual duration was 14.5 hours against the target of 2 hours. The Secretary, Ministry of Communications, conceded in evidence that out of all the metropolitan systems, Calcutta Telephone system is the 'worst'. He added : It has been functioning with about 33 per cent efficiency." It is a scandalous state of affairs.

17 1.46 -do-

The Committee understand that a Task Force appointed by the Department has since identified the factors affecting the telephone system in Calcutta and has suggested certain remedial measures viz., continuous power supply replacement of old exchange lines, providing ducts to cables to protect them, gas pressurisation of cables, etc. The Department is now stated to have set up another Special Task Force under an Additional

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General Manager to implement the recommendations of the earlier Task Force. The Committee trust that these measures would be implemented under a time bound programme so as to ensure that the Calcutta Telephone system is able to provide efficient service to the hitherto much harressed subscribers. The Committee would like to be apprised of the steps taken and results achieved within six months' time.

18 2.49 -do-

The Committee observe that although the plot of land acquired by the P&T Department in March, 1966 for construction of a telephone exchange building in Railwaypura (Ahmedabad) was surrounded by private land on all the four sides with no direct access to any public road, the Department did not bother to acquire along with it a portion of another plot measuring 379 19 sq. metres which could have provided direct access to the main public road. The Committee are not convinced with the argument advanced by the Department that the said plot was not considered for acquisition as it was expected to be taken over by the Municipal Corporation, Ahmedabad (MCA) under its road widening programme. In the absence of any notification in this regard, this was only a presumption. It is unfortunate that the Department relied upon such presumption while planning the construction of a new exchange building in the area. Even after the MCA suggested in March, 1963 that this land should also be acquired by the P&T Department till it was required by the MCA the Department did not initiate the necessary acquisition proceeding. A decision in the matter was finally taken as late as December, 1975 i.e., 9½ years after acquiring the main site. The Committee find that the Department is now required to pay compensation at the rate of Rs. 717.53 per sq. metre

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against the rate of Rs. 372.39 per sq. metre paid for the main site in March, 1966, thereby incurring an extra expenditure of about Rs. 1.32 lakhs. But for a decision given by the Court in favour of the Department to pay compensation for the plot at the rate prevailing in October, 1971, the Department would have been liable to pay a much higher rate. The Committee trust that speedy measures would now be taken to finalise the acquisition proceedings and that such situations would be avoided in future.

19 2.50 -do-

The Committee are constrained to note that by the time 3000 lines strowger equipment was installed in November 1972, even the order for the air-conditioning (AC) plant-I had not been placed. The Department placed the indent on the DGS&D as late as in December 1972, i.e. one month after installation of the equipment. The AC plant could be commissioned only in March 1974. It took another 33 months before the prescribed first test was conducted successfully in December 1976 against the due date of July 1973 stipulated in contract. The Department has admitted that "3000 lines of strowger exchange were without air-conditioning for a short period about a year. This would increase the fault incidence and... maintenance efforts for some time."

20 2.51 -do-

The Committee fail to understand why advance action was not taken to obtain the air-conditioning equipment so as to synchronize its commissioning with the installation of the exchange equipment. In fact, this is not a solitary instance of lack of planning. The Committee have already draws attention to the inordinate delay in providing air-conditioning in the Bagh Bazar Telephone Exchange Calcutta. The Committee would like the Department to analyse the reasons for such repeated failures with a view to taking reme-

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			dial action so that costly and sophisticated exchange equipment is not exposed to dust/humidity.
21	2.52 M/o Communications P&T Board)		The Committee regret to observe that in spite of the fact that the highest tender of firm 'A' was accepted (extra cost—Rs. 1.8 lakhs) in this case, relying upon the earlier performance of the supplier. Certain defects were noticed during tests. Even after incurring an expenditure of Rs. 2.33 lakhs, the plants have been giving unsatisfactory service as one or the other compressor of both the plants remained inoperative for greater part of the the years 1978-79 to 1980-81. The position during 1981-82 is stated to have improved to some extent. The argument that one of the compressors in each plant has been working and that the total failure has been for much lesser days betrays a unique sense of complacency and disregard for public funds. The Committee would like the matter to be investigated thoroughly with a view to fixing responsibility. The Committee would also like to know whether any claim for damages was preferred against the firm. If not, necessary action in this regard should be initiated forthwith.
22	2.53 —do—		The Committee regret to note that the Department failed to obtain concession of 50 per cent in excise duty on AC Plants by providing the prescribed concessional duty (CT2) certificate resulting in an additional expenditure of Rs. 0.47 lakh. The Committee are not satisfied with the casual explanation given by the Department that "this being a transaction between two Government Departments, there is no loss to the Government of India." The Committee expect that such lapses will not be allowed to recur.

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23	2.54	M/O Commu nications (P&T Board)	<p>The Audit para has pointed out a number of irregularities in the accountal and utilisation of cables for the Railwaypura exchange. The Committee understand that in March 1979 complaints of alleged irregularities and losses were received by the Central Vigilance Commission which referred the matter to the CBI for idvestigation. At the same time, the DGP&T also appointed a team of three officers to investigate the complaints. The Committee find that the allegations could not be substantiated for want of evidence. The Central Vigilance Commission (CVC) therefore advised the P&T Department to close the case if there had been no loss or misappropriation of Government stores. The Department have since assured themselves that there was no element of <i>mala fide</i> intention on the part of officers who executed the work and that there was no loss or misappropriation of funds in the matter barring certain procedural irregularities regarding sanctions and maintenance of the cable records etc.</p>
24	2.55	—do—	<p>The Committee find that the Department did not inform Audit regarding the findings of CBI/CVC. The Committee are not convinced with the reply of the Department that "the relevant files were confidential files". This is a serious matter. The Committee see no reason why access to documents in cases where irregularities were suspected should have been denied to Audit. The Committee would like the Department to issue necessary instructions in this regard without delay. The Committee would further urge that remedial action should be taken to set right the procedural irregularities pointed out by the team of departmental officers and the system of maintenance of cable records spruced up, as necessary.</p>

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25	2.56	M/O Comm- nications (P&T Board)	<p>The Committee find that under "demarked area" cable system, a number of working connections were transferred from the existing three exchanges, namely, Railwaypura I Exchange, Central Exchange and Raipur Gate Exchange to the two new exchanges namely, Railwaypura II and III exchanges leaving spare capacity in the former. The Committee are concerned to note that the spare capacity of the aforesaid 3 old exchanges was not utilised to the permissible limit, i.e., upto 94 per cent of their equipped capacity, by providing new telephone connections to the persons on the waiting list as a result of which the Department lost a potential revenue of about Rs. 23.32 lakhs between September, 1978 to March, 1981.</p>
26	2.57	—do—	<p>The Committee find that the main reason for delay in providing new telephone connections was acute shortage of cables. The Committee have been informed that "there would be a wide gap in the supply and demand for cables for the next few years unless adequate manufacturing capacity is set up in the country". As the Hindustan Cables Ltd. are not in a position to meet the demand fully, the gap between the demand and supply of cables is estimated to be of the order of 6.22 lakh ckm in 1981-82 and 14.12 lakh ckm in 1982-83.</p> <p>This is expected to increase to 107.40 lakh ckm by 1988-89. Certain proposals for augmenting the production capacity are stated to be under consideration of Government. The Committee cannot emphasise too strongly the need for bridging the widening gap in the demand and supply of cables by expanding the indigenous production capacity without loss of time so as to obviate imports. It should also be ensured that the available capacity is put to optimum use. The Committee</p>

1	2	3	4
			trust that efforts to attain self-sufficiency in this regard would be pursued with vigour.
27	2.58	M/O Communications (P&T Board)	<p>The Committee find that the performance of the telephone exchange at Railwaypura, Ahmedabad has been worse than the prescribed norms in the matter of faults and fault attendance, junction failures as well as STD failures during the years 1978-79 to 1980-81. The potential loss of revenue on this account is estimated by Audit to be of the order of Rs. 248.11 lakhs, bulk of which is attributable to STD failures (Rs. 200.23 lakhs). The Department is stated to have taken certain remedial measures in this regard, viz. complete reorganization of staff traffic measurement of all routes for equipment and augmentation of equipment/junctions, overhauling and rehabilitation of internal and external plants, AC plant and power plant, improving the environmental conditions in the exchange building, gas pressurisation of underground cables, etc. Consequently, the performance from April 1981 onwards is stated to have substantially improved. The Committee would like the P&T authorities to keep a close watch on the performance of the new exchange equipment installed at considerable cost with a view to ensuring that optimum benefits are derived and the services rendered to the public show distinct improvement.</p>

