

**PUBLIC ACCOUNTS COMMITTEE
(1972-73)**

(FIFTH LOK SABHA)

SIXTY-FIRST REPORT

[Action taken by Government on the Recommendations of the Public Accounts Committee contained in their 2nd Report (Fifth Lok Sabha) on Appropriation Accounts (P&T) 1968-69 and Audit Report (P&T), 1970]



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CORRIGENDA TO SIXTY-FIRST REPORT OF P.A.C.
(1972-73) PRESENTED TO LOK SABHA ON 22.12.1972.

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
5		7	month	months
10	-	22	utilised	unutilised
11	-	13	wait ing	waiting
	1.21	1	as	a
			(from bottom)	
13	1.23	4	no e	note
	-	8	insulted	insulated
			(from bottom)	
17	1.30	5	th	7th
			(from bottom)	
22	1.42	18	economio	economical
	1.44	1	th reon	theron
			(from bottom)	
27	-	19	exchange	exchange
39	-	8	components	components
	-	27	capaities	capacities
56	-	16	ad initio	ab initio
58	-	20	<u>between</u> 'staff' and 'ent' <u>insert</u> 'strength' is more than 1,000 and the expenditure on medical reimbursement	
116	-	26	jurisdiction	jurisdiction
152	-	1	i naintained	is maintained
			(from bottom)	
159	-	13	scured	secured
161	-	17	o	to
173	1.8	6	instructions	instruments
176	1.31	2	officer	officers
177	1.41	3	<u>between</u> 'relevant' and 'measurts' <u>insert</u> 'audit paragraph and take suitable remedial'	

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**PUBLIC ACCOUNTS COMMITTEE
(1972-73)**

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Shri T. R. Krishnamachari—*Under Secretary.*

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Sixty-First Report on action taken by Government on the recommendations of the Committee contained in their Second Report (Fifth Lok Sabha) on Appropriation Accounts (P & T) 1968-69 and Audit Report (P & T) 1970.

2. On the 6th June, 1972 an 'Action Taken' Sub-Committee was appointed to scrutinise the replies received from Government in pursuance of the recommendations made by the Committee in their earlier Reports. The Sub-Committee was constituted with the following Members:

Shri B. S. Murthy—Convener.

2. Shri Ramsahai Pandey
3. Shrimati Savitri Shyam
4. Shri H. M. Patel
5. Shri Shyam Lal Yadav
6. Shri Bhagwat Jha Azad
7. Shri M. Anandam

} Members

3. The Action Taken Sub-Committee of the Public Accounts Committee (1972-73) considered and adopted this Report at their sitting held on the 24th November, 1972. The Report was finally adopted by the Public Accounts Committee on the 11th December, 1972.

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

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

New Delhi;
December, 14, 1972.
Agrahayana 23, 1894 (S).

ERA SEZHIYAN,
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

1.1. This Report of the Committee deals with action taken by Government on the recommendations contained in their 2nd Report (Fifth Lok Sabha) on Appropriation Accounts (P & T) 1968-69 and Audit Report (P & T), 1970

1.2. Action taken notes have been received in respect of all the 48 recommendations.

1.3. The action taken notes/statements on the recommendations of the Committee contained in the Report have been categorised under the following heads:--

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

S. Nos. 3, 4, 7—11, 13, 15, 16, 18, 21, 22, 24—33 and 35—44.

(ii) *Recommendations/observations which the Committee do not desire to pursue in view of the replies of Government.*

S. Nos. 1, 2, 6 and 45—48.

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

S. Nos. 5, 14, 17 and 20.

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

S. Nos. 12, 19, 23 and 34.

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

1.5. The Committee will now deal with action taken notes on some of the recommendations.

Effect of excessive extensions on capacity of Fort Telephone Exchange, Bombay.—Paragraph 1.22 (S. No. 3).

1.6. Commenting upon the effect of the excessive extension given in the Fort Cross Bar Telephone Exchange, Bombay on its capacity and revenue potential, the Committee made the following observation in paragraph 1.22 (S. No. 3):

"Till September 1970, 6526 direct connections and 9510 extensions had been given in this exchange. According to the representative of the P & T Board, a provision for 30 per cent extensions is generally made and the project estimate of the Bombay Fort Exchange contained a similar provision. However, extensions to the extent of 146 per cent of the direct connections had been given. The peculiarity of the Cross Bar exchanges as explained by the representative, is that even internal calls between the extension and main telephone instruments, which are not paid for, load the exchange. The Committee have thus reason to believe that existence of such a large number of extensions had limited the capacity of the exchange to handle remunerative calls thereby reducing the revenue potential. The argument that on the basis of rental ratio of 2:1 between the direct exchange line and extension, the capacity of the exchange is already utilised does not appeal to the Committee. The Committee would like the matter to be investigated to avoid recurrence."

1.7. In their note dated the 11th February, 1972 the Ministry of Communications (P & T Board) have stated as follows:—

"It is agreed with the Committee's observation that the utilisation of the exchange capacity should not be determined on the basis of actual ratio of 2:1 between the direct exchange line and extension. The Committee's reference is to the deposition of Departmental witness as at para 1.9 of 2nd report to 5th Lok Sabha. This was merely stated to convey the effect of extensions contributing to the increase in traffic.

The Department holds that the utilisation of the capacity of an exchange should be judged from the traffic capacity it was designed to carry, and it actually carries, on commissioning. It is immaterial whether this traffic is contributed by direct exchange lines or extensions. This implies that the comparison of revenue should not be based merely on the number of direct exchange lines or extension, but also on the revenue earned from calls handled by the exchange. Nominal figures of direct exchange lines and for extensions to be catered for by the project, have to be stated in the project, as designed traffic capacity is to be estimated from them."

1.8. The Committee had reason to believe that existence of large number of extensions (146 per cent of the direct connections as against

1.11. The Committee would like to stress the urgency for production of the necessary instruments with the modified design which would obviate the internal calls loading the Cross-Bar Exchanges.

Under-utilization of capacity at Kanpur Exchange.—Paragraph 1.34 (S. No. 5).

1.12. In paragraph 1.34, the Committee while commenting on the under utilization of capacity at Kanpur exchange, made the following observation:

“During evidence the Committee were informed that in Kanpur Exchange, shortage of cable or instruments did not come in the way of full utilisation of capacity. The capacity of the exchange expanded in March, 1965 could be fully utilised only by August, 1968 despite a long waiting list of 7,000 and above for fresh connections. The Committee would like to know the specific reasons for the delay in utilising the expanded capacity.”

1.13. In their note dated 11th February, 1972 the P & T Board have stated:

“The fact is that there has been adequate utilization of the exchange capacity at Kanpur from the beginning. At Annexure 'A' (page 162) a statement regarding the progress of provision of telephone connections has been drawn up. Column 4 gives the number of connections actually working at the end of each of the years 1964-65, 1965-66, 1966-67 and 1967-68. These connections are exclusive of those temporarily disconnected either for shift or for non-payment. The figures for such temporary disconnections are given in columns 6 and 7. Column 8 gives the figures for the total number of connections, if the connections closed temporarily under shift for non-payment are treated as working connections. Column 5 gives percentage utilisation of capacity on the basis of actual net number of working connections in column 4 while column 9 gives the percentage utilisation on the basis of actual working connections plus the connections closed temporarily under shift or for non-payment contained in column 8. It will be seen that the percentage utilisation within a year of the commissioning of the exchange as given in column 9 was about 90 per cent, within two years about 93 per cent and within 3 years about 97 per cent against the figure of 90 per cent mentioned in the project.

The main difference has been that perhaps the P.A.C. have felt that the number of connections temporarily closed under shift or for non-payment could not be considered as working connections. This, however, is not the correct position. The Department was committed during these years to re-open these telephones on payment of dues within six months of the closure. This period has since been reduced to 3 month in August, 1971, copy of orders issued (No. 2-14/71- PHA of 24th August 1971) in this regard is at Annexure 'B' (page 163). The capacity has, therefore, to be reserved for them and at the time of restoration, full rent is payable for the period the connection remained closed. No loss of rental is involved in such cases.

Out of 200 lines non-PBX group, 12 numbers are to be kept spare for casual connections, ceased numbers, test numbers etc. Definition of the "Ceased Numbers" is "numbers recovered from any subscribers should be kept spare for at least six months." This pertains to the number permanently closed either on request of the subscribers or where payment has not been made for more than six months. In these cases, a closed number is not to be allotted to any other subscriber so as not to cause inconvenience to the new subscriber who would be getting calls intended for the earlier subscriber if the same number is allotted to him so soon after closure.

It will be thus seen that the reasons to be attributed were the commitment of the Department to reopen the connections closed due to non-payment of dues or temporarily under shift within six months of the closure. The period has, however, been reduced to 3 months now *vide Annexure 'B'* (page 163)."

1.14. The Committee regret that they are unable to accept the P & T Board's view that there has been adequate utilisation of the exchange capacity at Kanpur from the beginning after counting the connections temporarily closed (i) under shift; and (ii) due to non-payment as working connections. The relevant Audit paragraph clearly stated that such cases were covered by the normal reserve of 6 per cent kept by the Department. During evidence the official witness also confirmed this position (Vide paragraph 1.32 of Second Report (Fifth Lok Sabha). Even granting that these could be regarded as working connections, the utilisation of the capacity of the exchange should have been at least 94 per cent, if not more. The Committee therefore, desire that the inadequate utilisation of the capacity should be investigated.

Reduction of period for restoration of telephone connections.—Paragraph 1.36 (S. No. 7).

1.15. Suggesting reduction in the period allowed for restoration of a line disconnected for non-payment of bills, the Committee had observed as follows in paragraph 1.36:

"At present a subscriber retains a 'sort of lien' on his telephone for six months even when he does not pay the bills. As the telephone is liable to be disconnected in the event of non-payment by the 22nd day of the issue of the bills, the period of six months allowed for the restoration of the connection on payment appears to be too long. In order to have an effective deterrent against delays in payment as also to avoid loss of revenue due to non-utilisation of the capacity of the exchange to this extent the Committee suggest that the Department may consider the feasibility of curtailing the period to three months."

1.16. In their note dated 18th December, 1971, the P & T Board have stated:

"The recommendations of the Committee were considered by the P & T Board and orders have since been issued that a line disconnected for non-payment may be utilised after 3 months. Considering the effect on the negotiating power of the Department on realisation of outstanding dues, the period for grant of restoration has not been reduced. A copy of the orders issued in this office memo No. 2-14/71-PHA dated the 24th August, 1971 is enclosed (pages 163)."

1.17. The Committee note that orders have since been issued by the P & T Board to the effect that a line disconnected for non-payment of dues may be utilized after 3 months. The present period of 6 months upto which the subscriber of the disconnected telephone is allowed to settle his accounts for getting the telephone reconnected, however remains unchanged. The Committee would like the Board to review the position after some time taking into account the number of persons in default for more than three months with a view to considering the feasibility of curtailing the period of re-connection also to 3 months.

Unutilisation of capacity of Telephone Exchanges.—Paragraphs 1.65, 1.66 and 1.70 (S. Nos. 9, 10 and 14).

1.18. In paragraphs 1.65, 1.66 and 1.70, the Committee commented on the delay in utilisation of available capacity in two telephone exchanges,

Mandvi—I and Mandvi—II, as also the over-all unutilised capacity of the Telephone Exchanges—in the country, and observed as follows:

“1.65. The Committee note that the delays in utilisation of the available capacity in the two exchanges Mandvi—I and Mandvi—II was due to overall shortage of cables in the Country and that on receipt of adequate cables instructions for the utilisation of capacity had been issued in December, 1969 by the General Manager, Telephones, Bombay. The instructions inter alia envisaged an immediate review of the capacity available in all the exchanges in Bombay area and the stage at which the cable works stood in order to draw up a programme of utilising the capacity within six months on a crash basis to the extent cable was available. In the opinion of the Committee, a similar review and a systematic programme of work are called for in all the Telephone districts/circles and a strict watch should be kept on the progress of utilisation of capacity already built up.”

1.66. The Committee could not get an exact idea regarding the extent of unutilised capacity of all the telephone exchanges in the country on account of shortage of cables. They desire that Government should asses the position on the basis of the review suggested in the foregoing paragraph and apprise them.”

“1.70. As at the end of 1969-70 only 79.5 per cent of the existing capacity of exchanges had been utilised. The P & T Department intimated to the Committee that an overall target of 85 percent utilisation of capacity would be reasonable. The Committee are unable to agree with this in view of the ever rising waiting list which runs into several lakhs. According to the Departments' own norm, 94 per cent utilisation after allowing for 6 per cent reserve should be aimed at. On this basis the number of connections that were not provided due to various reasons at the end of 1969-70 was 1.62 lakhs and the loss of potential revenue during the three years ended 1969-70 was to the tune of Rs. 45.18 crores. This shows the extent to which the return is less for the capital already invested. The Committee, therefore, consider that the accent during the Fourth Plan should be on utilising the existing

capacity fully."

1.19. In their reply dated 11th February, 1972 the P & T Board have stated:

"1.65. The P & T Board is keeping strict watch over the utilisation of the exchange capacities. In Meeting No. 4 of 1970-71 held on 5th June, 1970, the P & T Board had taken note of the inadequate utilisation of the telephone exchange capacities, and had directed all the circles/districts that a Quarterly Progress Report on the utilisation of the exchange capacities in respect of exchanges of 1,000 lines and above be submitted to the Board. Since then this quarterly review is being done.

With this watch, there has been improvement in the utilisation of the exchange capacities during the last quarter of 1970-71. This will be apparent from the movement of exchanges from lower category of utilisation to higher categories as summarised below:—

Category	Utilisation between	No. of exchanges of 1000 lines or above as on	
		31-12-1970	31-3-1971
A-1	Over 92%	44	55
A-2	90-92%	23	15
B-1	85-90%	35	37
B-2	80-85%	27	28
C	75-80%	10	10
D	Below 75%	19	18
		158	163

Taking the country as a whole, the utilisation of exchange capacities increased from 79.5 per cent to 82.2 per cent during 1970-71.

The targets for the provision of connections for 1971-72 have also been fixed and indicated to all Heads of Telephone Districts/P. & T. Circles.

To start with, the work of review of utilisation of exchange capacity, submission of regular statements to the P & T Board

and taking up the cases with individual Circles/Telephone Districts regarding the utilisation of capacities in particular exchanges lagging behind has been taken up by one of the existing cells of the Directorate in addition to its normal work. This has involved a considerable amount of additional work, and has resulted in overloading of the particular Cell and some of the other important duties of the Cell getting neglected. However, it has not been possible to take effective follow up action to remove the bottlenecks pointed out by the Circles/Districts. It was thus felt nearly impossible to carry on this work in the Cell. It has, therefore, become necessary that a separate Section be created to undertake the reviews and take effective steps for utilisation of the capacities created. For this purpose, a separate 'Utilisation Cell' with one post of Assistant Chief Engineer together with one Assistant Engineer, two Engineering Supervisors, and one Stenographer is to be created exclusively for this purpose. The total annual cost of such a "Cell" would be about Rs. 56,000/-, which will be recovered by providing 57 telephone connections in a year in advance.

The above proposal for the creation of a suitable Cell in the P & T Directorate was considered by the P & T Board in its meeting No. 4 of 1971-72 held on 28th July, 1972, and it was decided by the Board that the question of creating a suitable 'Cell' to review utilisation of exchange capacity and take steps to improve the same should be considered while recasting the proposals regarding the Re-organisation of the Telecommunication branch of the P & T Directorate.

The recasting of the proposals is in progress, and so far no final decision has been taken. Meanwhile the work will continue to be handled by one of the existing cells of the Directorate in addition to its normal working."

"1.66. Quarterly reviews made to assess the progress in utilisation of capacities of exchanges of 1,000 lines capacity or above, reveal the following position for the period 30th September, 1970 to 30th September, 1971:

Capacity utilisation as a % of total equipped	capacity
For period ending 30-9-1970	83.8
Do. 31-12-1970	85.1
Do. 31-3-1971	86.3
Do. 30-6-1971	87.4
Do. 30-9-1971	87.1

Note: The slight fall of 0.3 in percentage utilisation in the quarter 1-7-71 to 30-9-71 is attributable to a sizeable addition to exchange capacity in the quarter which could not be fully utilised during the short period.

The optimum utilisation percentage that can be achieved is 94 per cent (6 per cent being kept for reserve) and it will be seen from the above review that the capacity utilisation has been steadily improving to attain the optimum figures. This has been possible due to various factors like digging into cable pair reserves and spares, even with the consequent loss of flexibility and efficiency, receipt of small quantities of cables from imports ordered earlier and cables received from H.C.L. and procurement of other materials required for providing telephone connections etc.

The connectable capacity remaining unutilised as on 30th September, 1971 for Exchanges of 1000 lines capacity and above is 6.9 per cent of the total equipped capacity, out of which 1.8 per cent is attributable to absence of cable pairs.

The review made above for exchange of 1000 lines capacity and above covers 184 exchanges which account for a total equipped capacity of 8.12 lakh lines out of a total of 4028 exchanges in the country with a capacity of 12.23 lakhs lines. In other words, nearly 66 per cent of the installed capacity in the country has been covered by the above review leaving 4.11 lakh lines of equipped capacity spread over in 3844 exchanges. The detailed analysis of utilised capacity in these remaining 3844 exchanges has not been attempted considering the enormity of the work involved in the collection of data for exchange sizes varying between 10 lines and 999 lines. In view of the fact that the review given above covers as much as 66 per cent of the total equipped capacity in the country, it is presumed that the above information would be deemed sufficient by the Committee. If, however, the Committee desires to be informed of the details in respect of these small exchanges also, the same will be collected and furnished."

"1.70. The additions to exchange capacity of various existing exchanges and addition of new exchanges is done continuously throughout the year, and as such fixing of a higher percentage of utilisation on a particular date is considered to be not practicable. Accordingly, the P & T Board has laid down the following standards:—

(a) 90 per cent of the exchange capacity should be utilised soon after the commissioning of the exchange or its expansion in any case not later than six months of such commissioning;

- (b) 94 per cent of the exchange capacity should be utilised say, about 6 months in advance of the due date for commissioning of the next expansion; and
- (c) 4 per cent capacity, i.e., the difference between (a) and (b) above should be utilised gradually to meet the priority needs of defence, the Central and State Governments etc.

The above standards are in respect of a particular exchange capacity added, and is subject to availability of matching stores like underground cables, open-wire lines, line materials, insulators etc.

Further, it is only in the large telephone systems that there is always a waiting list. At small stations, there may not be a waiting list and since exchanges cannot be expanded every now and then at small intervals of time, in the small exchanges normally the Department provides a reserve capacity to meet the demands of 2 to 3 years after the exchange capacity is available.

Considering the above position, the Department had approved that an overall target of 85 per cent of the capacity would be considered reasonable on any particular date.

During 1970-71, it could be seen that the percentage utilisation has increased from 79.5 per cent on 31st March, 1970 to 82 per cent on 31st March, 1971. With the likely availability of more underground cables during the current year, the percentage is further likely to go up during 1971-72."

1.20. In a further note dated the 5th July 1972 the P. & T. Board have stated:

"1.65. The proposal for the creation of a suitable cell to be designated as "Utilisation and Project Control" in the P & T Directorate to keep a watch on utilisation of exchange capacities has since been approved. The necessary staff for this has also been approved and the Assistant Director General to head the Cell has since joined and the remaining members of the Cell are being also posted. This Cell would keep a close watch on the utilisation of capacity."

1.21. The Committee are unable to accept the Department's view that an overall target of 85 per cent utilisation of capacity of the telephone exchanges would be reasonable. This was a view that they had already

2630 L.S.—3.

expressed and the Committee had observed that 94 per cent utilisation after allowing for 6 per cent reserve should be aimed at. The Committee note that the percentage utilisation of capacity of telephone exchanges increased from 79.5 on 31st March 1970 to 82.2 on 31st March 1971 and that with the availability of more underground cables the percentage is further likely to go up. The Committee would like to emphasise that concerted steps should be taken to step up the percentage to 94.

As regards the extent of unutilised capacity on account of shortage of cables, the P and T Board have stated that 1.8 per cent of the total equipped capacity of all the exchanges of 1000 lines and above could not be utilised due to absence of cable pairs. The Department have not conducted any such review in respect of smaller exchanges in the country. The Committee, however, note that creation of a 'Utilisation and Project Control' Cell has been approved. This Cell is expected to keep a close watch on the utilisation of the capacity of the telephone exchanges. The Committee would suggest that this Cell should identify the reasons for the shortfall in optimum utilisation in all the exchanges so as to take necessary steps to reach the optimum level.

The Committee are unable to understand the Board's inability to attempt a detailed analysis of unutilised capacity in smaller exchanges. They would suggest that this work should be done at the Telephone District/Circle level and that the "utilisation and Project Control" Cell may review the position at longer intervals, say once in six months or once a year, as against once a quarter in the case of bigger exchanges.

Transfer of administrative responsibility of the Hindustan Cables Factory at Rupnarainpur.—Paragraph 1.68 (S. No. 12).

1.22. While commenting on the proposed expansion of the production capacity of the Hindustan Cables Factory at Rupnarainpur, the Committee referred to the question of its transfer under P & T Board and observed as follows in paragraph 1.68:

"The Committee note that the capacity of the Hindustan Cables Factory at Rupnarainpur is being expanded to 8,000 standard Kilometres and that it is expected to go into full production by March, 1972. A second factory is also expected to be commissioned in about two to three years. The Committee trust that these projects will proceed according to schedule. In this connection the Committee would like to know the decision of Government on the Administrative Reforms Commission's recommendation that the responsibilities discharged by the then

Ministry of Industrial Development, Internal Trade and Company Affairs in respect of the Hindustan Cables Ltd., should be transferred to the P. & T. Board."

1.23. In their note dated 11th February 1972 the P & T Board have stated:

"The information as received from the Ministry of Industries is given below:—

*Expansion of dry core cables:—*The project was approved by Government in April, 1966. It was scheduled to be commissioned in December, 1970. A number of factors have contributed to the delay in the timely commissioning of the project such as (i) unsatisfactory performance of certain machines procured indigenously, which were fabricated in the country for the first time and subsequent decision to go in for imported machines in lieu thereof (ii) the failure of the state-owned Heavy Building Plant and the Mining and Allied Machinery Corporation, Durgapur to adhere to their delivery schedules for machinery ordered on them and (iii) and unstable industrial relations in the factory.

However, plant and machinery, which have been ordered are being installed progressively as and when they are received. An imported lead press has already been installed and this would enable the company to take up manufacture of cables of sizes upto 100 pairs by middle of 1972. The completion of the project is however, expected only by middle of 1974.

Second Cable Factory.

The project was approved by the Government in January, 1971 and the scheduled date of commissioning was indicated as 1974-75. The land required for housing the factory has already been handed over by the State Government. Construction of factory sheds, including water supply, sanitary installations, electrical installations etc., have been completed at the construction site.

The project was originally conceived for a production capacity of 5,000 s.k.m. of conventional type i.e., paper insulated lead sheathed cables. The D.G.P. & T. however, have now come up with a proposal that cables in sizes upto 100 pairs should be of the jelly filled polythene sheathed and for sizes above this in the conventional type. This meant recasting of the entire project report. A revised project report has accordingly been drawn up. The technology involved in the manufacture of this item is entirely new to the country. The company have,

therefore, approached three renowned manufacturers for making available the know-how required. Tentative proposals which have been received from them are under examination of the company and Government. This revision in the scope of the project at this stage is, however, not expected to seriously set back in any way the schedule for commissioning of the project.

The NIDC who have been appointed as consulting architects have almost completed the Master lay out plan and the design of the structures for the factory building is under preparation. A conscientious effort is being made to complete civil construction by about 1972 so that real production could commence by July 1973. The contract has also been awarded to M/s. Hindustan Steel Construction Ltd., another Public Sector Undertaking.

The ARC in their recommendation No. 22 have recommended *inter alia* that "the administrative responsibilities at present discharged by the Ministry of Industrial Development in respect of Hindustan Cables Ltd., should be transferred to the P & T Board in case the sector corporation designated as the 'Engineering Corporation' recommended by us in our report on Public Sector Undertakings, does not come into existence."

The Government have since taken a decision that the recommendation of the ARC for setting up Sector Corporation need not be accepted in principle. The recommendation of the ARC regarding transfer of the administrative responsibility of Hindustan Cables Ltd., has accordingly been taken up with the Ministry of Industrial Development. No decision has so far been taken on this recommendation of the ARC.

1.24. The Committee note that the recommendation of the Administrative Reforms Commission regarding the transfer of the administrative responsibility of Hindustan Cables Limited has been taken up with the Ministry of Industrial Development and that no decision has been taken so far on this recommendation. The Committee would stress the need for an early decision in the matter.

Measures to attain self-sufficiency in Cables.—Paragraph 1.69 (S. No. 13).

1.25. In paragraph 1.69 the Committee made the following observations regarding attaining self-sufficiency in Cables:—

"The Committee feel that a High Powered Committee should go into the entire question of indigenous production *vis-a-vis* cable-

requirements with a view to suggesting concrete measures to attain self sufficiency in cables before long."

1.26. In their note dated the 11th February 1972 the P & T Board have stated:

"In the P & T Board meeting No. 4 of 1971-72 held on 28th July, 1971, it has been decided to set up two High-powered Committees as follows:—

As regards implementation of the A.R.C. Recommendation No. 20 regarding the organisation of the telecommunication production to keep pace with modernising and developments in other countries, it was felt that for meeting the challenge of rapidly changing telecommunication technology and rapid growth in the demand for telecommunication equipments, it may be desirable to have in addition to the group envisaged in the Memo. put up to the Board, a high powered committee which would not only project requirements of telecommunication equipment, but also evolve long-term plans for developing capacity for manufacturing them inside the country. Similarly, another high powered Committee may be set up to draw up plans in regard to research and development work in the field of telecommunications, and go into the working of the Telecommunication Research Centre.

The proposals regarding the personnel of the Committee and terms of reference are being finalised.

1.26. (a) In their further note dated the 24th May, 1972, the P. & T. Board have stated:

The two High level Committees have since been set up, and copies of orders issued in this regard.

1.27. The Committee had suggested that a high power Committee should be appointed to go into the entire question of indigenous production vis-a-vis cable requirements with a view to attaining self sufficiency in cable before long. Government have since set up two High Level Committees (i) to go into all aspects of manufacture of telecommunication equipment including cables, and (ii) to undertake a comprehensive review of the research and developmental activities. These High Level Committees were expected to submit their reports by the end of September, 1972. The Committee would like to know the results of the reviews and the action taken by Government thereon.

Medical facility to P & T Staff.—Paragraph 1.90, 1.92, & 1.93 (S. Nos. 17, 19 & 20).

1.28. Commenting upon the distinction made between the P. & T. Staff drawing salary upto Rs 500/- P.M. and those above Rs. 500/- P.M. in regard to medical facilities, the Committee observed as follows in paragraph 1.90:—

“The committee note that even after opening the dispensaries, staff drawing salary more than Rs. 500 per month are given an option to go either to the dispensaries or to the Authorised medical Attendants appointed by the State Government. If they prefer the latter, the cost of treatment is reimbursed to them. As under the Central Government Health Scheme there is no such distinction between the staff getting upto Rs. 500 and those above Rs. 500, the Committee see no reason why the present practice should continue in the P & T Department. They would suggest that Government may examine whether it is not desirable to do away with the distinction by making such amendments as are necessary to the Central Services (Medical Attendance) Rule.”

1.29. In their note dated the 11th February 1972, the P & T Board have stated:

“It may be clarified that the distinction between employees drawing salary up to Rs. 500/- and those drawing salary above Rs. 500 - as followed in the P & T Dispensaries is in accordance with the relevant provisions of the Central Services (Medical Attendance) Rules. The amendments since made by the Department of Health in these Rules now empower all Heads of Departments to declare a Medical Officer whether or not under the employ of the Central Government as the Authorised Medical Attendant in respect of a class or classes of Central Government servants in a station and there is no provision for any distinction between those drawing salary upto Rs. 500/- and those drawing salary above Rs. 500/- in so far as such Authorised Medical Attendant's are concerned.

The question of declaring the P & T doctors as the Authorised Medical Attendants in respect of all P & T Officers and staff at the dispensary stations including those drawing pay more than Rs. 500/- on the analogy of the practice followed in the Central Government Health Scheme in Delhi and elsewhere was considered earlier when it was felt that the working of the P & T dispensaries had not stabilised and that the medical and para-

medical staff were inadequate even to attend to the existing beneficiaries. It was accordingly decided that the question may be taken up later after the dispensaries have been well-staffed and a hierarchy of medical officers providing machinery for control etc., has been developed. Another factor contributing to this decision was the apprehension that officers drawing pay of Rs. 500/- and above may get disproportionately greater attention from the Medical Officers than others. In any case, under the rules then in force, the declaration of the departmental doctor as the Authorised Medical Attendant in such cases would have involved denial of the statutory right of the officers under the Central Services (Medical Attendance) Rules to consult the Authorised Medical Attendant appropriate to their status.

With the amendment of the Central Services (Medical Attendance) Rules referred to in para 1 above, the legal difficulty mentioned above has now been removed. A Director (Medical) has also since been appointed in the P & T Board to Control and exercise technical supervision over the working of the P & T dispensaries.

The entire question has since been re-examined in the light of the altered circumstances. While the proposal has been considered unexceptionable in principle, it has been found that the addition of the new class of beneficiaries to the P & T Dispensaries would result in some strain on the existing medical and paramedical staff of some of the dispensaries and that the staff of such dispensaries will have to be strengthened simultaneously. Further, some of the staff unions are opposed to the principle of extending treatment at the P & T Dispensaries to officers drawing pay exceeding Rs. 500/- p.m. on the ground that such officers get disproportionately greater attention, etc., thereby affecting the quality of service to the staff drawing pay less than Rs. 500/- p.m. Further, the suggestion involves a major shift in the policy in respect of medical facilities of officers drawing pay in excess of Rs. 500/- p.m. The matter is being considered by the P. & T. Board for a final decision.

1.30. In a further note dated the 10th June, 1972, the P. & T. Board have intimated as follows:—

The matter was considered by the P & T Board in its 12th meeting held on the 28th February 1972, and it was decided that the present system of the medical facilities available to officers

drawing pay not less than Rs. 500 per month may continue for the time being."

1.31. The Committee note that it has been decided by the P & T Board that the present system of medical facilities available to officers drawing pay not less than Rs. 500/- p.m. may continue for the time being. As the Committee are still of the view that it is not desirable to continue the distinction between the staff getting more than Rs. 500/- per month and those getting upto Rs. 500/- per month, they desire that the position should be reviewed as early as possible. The final decision taken in the matter may be intimated to the Committee.

1.32. Referring to certain cases of malpractices and suspected fraud the Committee made the following observation in paragraph 1.92 (S. No. 10).

"The Committee would like to know the action taken finally on the 28 cases of malpractices in collusion with chemists and doctors noticed at Jaipur during the period 1st April, 1966 and 31st March, 1967. The Committee would also like to know the outcome of the case of suspected fraud at Vellore involving 64 persons of whom 53 are reported to be Postal Employees. Based on these cases, Government should lay down suitable guidelines for the controlling officers so that there may be effective scrutiny of medical claims."

1.33. In their note dated the 11th February 1972, the P & T Board have stated:

"In regard to the 28 cases of Jaipur, the present position is that out of the 12 cases pending in the court, one case has since been decided and the official convicted by the court and consequently dismissed from service. Eleven cases are still pending in the court and two are still under departmental action. The remaining 14 cases are pending investigation with the police. Both the departmental authorities as also the police have been asked to finalise the cases quickly.

2. As regards the case of suspected fraud at Vellore involving 64 person of whom 57 (not 53 as mentioned in the report perhaps due to a printing mistake) were postal employees, the latest position is that the case was last heard by the Principal Judge, City Civil Court, Madras on 20th September, 1971 when it was posted for further hearing on 7th October 1971. So far 64 prosecution witnesses have been examined.

3. The question of laying down suitable guidelines for the Controlling Officers on the basis of the findings in the above cases is under consideration.

1.34. In a further note dated the 7th June 1972, the P & T Board have stated:

"In regard to the 28 cases of Jaipur, the present position is that out of the 12 cases pending in the court, 1 case has since been decided and the official convicted by the court has been dismissed from service. 11 cases are still pending in the court and 2 are still under departmental action. The remaining 14 cases are pending investigation with the police. Both the departmental authorities as also the Police have been asked to finalise the cases quickly.

2. As regards the case of suspected fraud at Vellore involving 64 persons of whom 57 were postal employees, the latest position is that the case was last heard by the Principal Judge, City Civil Court, Madras on 26th April, 1972.
3. The question of laying down suitable guidelines for the controlling officers on the basis of the findings in the above cases is under consideration.

1.35. The Committee would like to suggest that suitable guidelines for controlling officers regarding scrutiny of medical claims should be laid down in consultation with the Ministries of Health and Finance so that uniformity is maintained in all the Departments of Government.

1.36. Referring to the suggestion made by the P & T Board Efficiency Bureau regarding review of the present scheme of medical reimbursements the Committee made the following recommendation in paragraph 1.93 (S. No. 20):

"The Efficiency Bureau has suggested that the present scheme of medical reimbursement should be reviewed and reimbursement allowed only for hospitalisation cases granting a fixed allowance for other ailments with an option to be given to the employees to receive treatment from P & T Dispensaries or the C.G.H.S. where they exist. This suggestion deserves careful examination in consultation with Ministry of Health and Finance. The Committee would also like Government to consider the feasibility of referring this suggestion to the Pay Commission."

1.37. In their note dated the 11th February, 1972, the P & T Board have stated:

"The suggestion of the Efficiency Bureau in the P & T Board to substitute the existing system of reimbursement of medical expenses by the grant of fixed monthly medical allowance was considered by the Study Group constituted by the Ministry of Health in their meeting held in September, 1970 but it was not found acceptable for the following reasons:—

- (a) the proposal involved huge expenditure and was not economical;
- (b) the small monthly allowance would be consumed by the low-paid staff for their day-to-day needs and in the event of sickness of their family members, they will have no means to avail themselves of the required medical treatment; and
- (c) the employees will never be satisfied with the quantum of medical allowance and there will be a constant demand for higher rate of allowance."

1.38. The Committee would like to know whether the question of referring to the Pay Commission the suggestion of the Efficiency Bureau that reimbursement of medical expenses should be allowed only for hospitalisation cases granting a fixed allowance for other ailments, with an option to the employees to receive treatment from the P & T dispensaries or CGHS wherever these exist was considered.

Disposal of outstanding Audit objections.—Paragraph 1.172 (S. No. 37).

1.39. While commenting upon the outstanding Audit objections the Committee made the following observation in paragraph 1.172:

"The Committee consider it necessary that the department should go into the reasons for the persistence of Audit objections of the nature brought out in the Audit para and take suitable remedial measures to obviate them. They would, in particular, like to draw attention to want of sanction to establishment or continuance of establishment want of sanction to miscellaneous and contingent expenditure and want of sanctions to estimates or excess over sanctioned estimates. The Committee do not favour continuance of posts without prior sanction of competent authority and *post facto* regularisation which carry with it the risk of diluting the standard of scrutiny of justification for the posts. They would accordingly urge that the procedure for issuing sanction be streamlined to ensure that prior sanctions are obtained invariably."

1.40. In their note dated the 4th February, 1972, the P & T Board have stated:

"Instructions have been issued from time to time to the Heads of Circles and other Administrative Offices for speedy settlement of specific types of objections and avoidance of objections of the nature brought out in the audit para. The recommendations of the Committee have also been brought to their notice.

Strict instructions have also been issued to ensure that sanctions for temporary posts or for continuance of such posts are issued before incurring expenditure on them. In this connection it may be stated that most of the audit objections relating to continuance of establishment arise from non-receipt of copies of sanctions in Audit Offices from the executive offices. With a view to streamlining the procedure and eliminating of cases of non-receipt of sanction, instructions have already been issued that copies of sanctions should not be sent to Audit as and when issued but the same should be despatched to Audit at the close of the month with a covering statement. The attention of the Circles has again been drawn to these instructions. It is hoped that this measure will considerably bring down the number of objections of this category.

1.41. The Committee had advised that the P & T Department should go into the reasons for the persistence of Audit objections of the nature brought out in the relevant Audit paragraph and take suitable remedial measures to obviate them. They are unable to accept the Board's reply that instructions have been issued from time to time to the Heads of Circles and other Administrative Offices in the matter and that the recommendations of the Committee have also been brought to their notice. It is obvious that a review as suggested by the Committee should be done at the Board's level. The Committee would, therefore, stress that the Board should analyse the reasons after obtaining such information as may be necessary from the lower formations and devise suitable remedial measures for strict implementation.

Avoidable expenditure on electricity Charges—Paragraph 1.207 (S. No. 44).

1.42. In paragraph 1.207, while dealing with the payment for the electricity charges of a new building to N.D.M.C. at non-commercial rates, the Committee observed as follows:

"The Committee are concerned to find that the terms and conditions on which power was obtained came to the notice of the P & T Department only in January, 1965 although the electric

sub-station was taken over from the CPWD in 1961, with the result that additional load could not be applied for and obtained promptly to take advantage of the lower commercial rates of payment for the supply. They desire that necessary lesson should be learnt from this case and that in future at the time of taking over electric sub-stations from the CPWD, precise terms and conditions on which power is being received should be gone into with a view to taking action as necessary to have the most beneficial rates. The Committee would also like Government to examine the position in this regard in all other large buildings maintained by the P & T Department so as to ensure that power is obtained at favourable rates. Further they feel that in respect of buildings/electric sub-stations maintained by the C.P.W.D., the P & T Department should, at the time of entering into agreements for the supply of power, be informed of the terms and conditions to enable them to watch that prompt action is taken by the CPWD at appropriate stage to obtain power at economic rates, as it is they who pay for the energy.

1.43. In their note dated the 4th February, 1972, the P & T Board have stated:

"Comprehensive instructions laying down the procedure to be followed in this regard have since been issued to all Heads of Circles and Administrative Offices of the P & T Department, to avoid such omissions in future and to ensure that power is obtained at economical rates vide the P & T Directorate's letter No. 74-1/69-GB, dated 5th November, 1971 (page 151).

1.44. The Committee note that in pursuance of their recommendation that Government should examine the position in all other large buildings maintained by the P & T Department so as to ensure that power is obtained at favourable rates, the P & T Board have issued a circular letter in November, 1971 inter alia calling for a report by 15th December, 1971. The Committee would like to know results of this examination and the action taken thereon.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS ACCEPTED BY GOVERNMENT

Recommendation

Till September 1970, 6526 direct connections and 9510 extensions had been given in this exchange. According to the representative of the P & T Board, a provision for 30 per cent extensions is generally made and the project estimate of the Bombay Fort Exchange contained a similar provision. However, extensions to the extent of 146 per cent of the direct connections had been given. The peculiarity of the Cross Bar exchanges, as explained by the representative, is that even internal calls between the extension and main telephone instruments, which are not paid for, load the exchange. The Committee have thus reason to believe that existence of such a large number of extensions had limited the capacity of the exchange to handle remunerative calls thereby reducing the revenue potential. The argument that on the basis of rental ratio of 2.1 between the direct exchange line and extension, the capacity of the exchange is already utilised does not appeal to the Committee. The Committee would like the matter to be investigated to avoid recurrence.

[S. No. (para 1.22) of Appendix IV to the Second Report (Fifth Lok Sabha)].

Action Taken

It is agreed with the Committee's observation that the utilisation of the exchange capacity should not be determined on the basis of actual ratio of 2.1 between the direct exchange line and extension. The Committee's reference is to the deposition of Departmental witness as to para 1.9 of 2nd report to 5th Lok Sabha. This was merely stated to convey the effect of extensions contributing the increase in traffic.

The Department holds that the utilisation of the capacity of an exchange should be judged from the traffic capacity it was designed to carry, and it actually carries, on commissioning. It is immaterial whether this traffic is contributed by direct exchange lines or extensions. This implies that the comparison of revenue should not be based merely on the number of direct exchange lines or extension, but also on the revenue earned from calls handled by the exchange. Nominal figures of direct exchange lines and for extensions to be catered for by the project, have to be stated in the project, as designed traffic capacity is to be estimated from them.

[P & T Board O.M. No. 20-16/69-TPS(XF) dated 11th February, 1972].

The Committee were informed that the Department was devising an instrument which would obviate the internal calls loading the exchange as also a portable equipment which could be used to measure the incidence of calls on the Strowger system accurately so that difficulties met with in the past in replacing the Strowger system by the Cross-Bar system of adequate capacity, might not be encountered in future. The Committee may be apprised of the outcome of the efforts in this regard.

[S. No. 4 (para 1.23) of Appendix I to the Second Report (Fifth Lok Sabha)].

Action Taken

To avoid the loading of the X-Bar exchange when internal calls are made between the extension and main telephone instruments, modification to the existing telephone has been finalised by the Department. Necessary action is being taken for bulk production of these instruments by M/s I.T.I. With the modified design a call between the main and extension would not load the exchange.

As regards the portable equipment required to measure the incidence of calls in the strowger system, the design of this equipment has been recently finalised. Instructions have also been issued to all Heads of Circles and Districts to obtain one unit of this equipment and make use of it for traffic observations in strowger exchanges due to be replaced by X-Bar exchanges.

[P & T Board O. M. No. 20-1/69-TPS(XF), dated 11th February 1972.]

Recommendation

At present a subscriber retains a 'sort of lien' on his telephone for six months even when he does not pay the bills. As the telephone is liable to be disconnected in the event of non-payment by the 22nd day of the issue of the bills, the period of six months allowed for the restoration of the connection on payment appears to be too long. In order to have an effective deterrent against delays in payment as also to avoid loss of revenue due to non-utilisation of the capacity of the exchange to this extent the Committee suggest that the Department may consider the feasibility of curtailing the period to three months.

[S. No. 7 (para 16) of Appendix IV to the Second Report of (Fifth Lok Sabha)].

Action Taken

The recommendations of the Committee were considered by the P & T Board and orders have since been issued that a line disconnected for non-payment may be utilised after 3 months. Considering the effect on the negotiating power of the Department on realisation of outstanding dues

the period for grant of restoration has not been reduced. A copy of the orders issued in this office memo. 2-14/71-PHA dated the 24th August, 1971 is enclosed.

[P & T Board O.M. No. 11-4/71-PHA, dated 18th December 1971.]

BHARTIYA DAK TAR VIBHAG
OFFICE OF THE DAK TAR MAHANIDESHAK

No. 2-14/71-PHA.

Dated New Delhi-1, the 24th August, 1971.

To

All Heads of Circles.

All Heads of Telephone Districts.

SUB: Restoration of telephones disconnected for non-payment of dues *vide* para 66 of the P & T Manual Vol. XII.

Reference orders issued in this Office Memo. No. 9-7/65-PHA dated the 30th May, 1968 on the above subject.

2. With a view to better utilization of exchange capacity it has since been decided by the P & T Board that a telephone line remaining disconnected on account of non-payment of telephone bills may be utilized for release of a new connection after three months from the date of disconnection, but the present period of six months upto which the subscriber of the disconnected telephone is allowed to settle his accounts for getting the telephone reconnected may continue. In view of the fact that the number of persons who get their accounts settled for reconnection of telephone line during the period beyond three months from the date of disconnection would be very small, there should be no difficulty in accommodating them as generally some spare capacity is always available with the exchange.

3. The receipt of this memo. may please be acknowledged.

Sd/-

(HARI KISHAN SINGH)

Sahayak Mahanideshak (PHA)

Copy to all P & T Training Centres for information.

Copy also to TG/Rates/TR Sections of the Dte.

Recommendation

The Committee are distressed to note that due to lack of proper advance action the capacity of the Bombay Telex Exchange expanded from 200 to 500 connections in September, 1966 could not be utilised fully until August 1968 notwithstanding a heavy demand for additional connections which entailed a loss of potential revenue of about Rs. 14.12 lakhs. The Committee trust that such lapses would be avoided in future by advance planning and coordinated action to ensure that cables dialing units etc. are available in time.

[S. No. 8 (para 1.42) Appendix IV to the Second Report (Fifth Lok Sabha)].

Action Taken

In order to avoid such lapses in future and to ensure that the telex connections are provided after the commissioning of a telex exchange within a reasonable period, following steps have been taken:

1. Orders for the dialing units are now placed along with the order of the telex exchange equipment on Messrs. Indian Telephone Industries. A communication has been addressed to the General Manager, Indian Telephone Industries to ensure that the required number of dialing units are despatched to the various telex exchanges along with the bulk of the telex exchange equipment.
2. Instructions have been issued to all Heads of Circles and General and District Managers, Telephones to take the following action before the commissioning of a particular telex exchange;
 - (i) It has to be ensured that all the dialing units required for a particular telex exchange or extension of the telex exchange are received from Indian Telephone Industries well before the commissioning of the telex exchange. The supply position of these units should be closely watched by the Circles and Districts and any delay be promptly brought to the notice of I.T.I. and Directorate.
 - (ii) All the cables in connection with the commissioning of the telex exchange and also the telex connections to the subscribers should be procured and laid well before the commissioning of the telex exchange.
 - (iii) The installations at the subscribers places should be completed at as many subscribers premises as possible in co-ordination with the time of commissioning of the telex exchange.

It is expected that with the above steps taken in time, delays in the provision of telex connections after commissioning of a telex exchange will be minimised in future.

[P & T Board O.M. No. 49-4/69-TI dated 16th December 1971.]

Recommendation

The Committee note that the delays in utilisation of the available capacity in the two exchanges Mandvi-I and Mandvi-II was due to overall shortage of cables in the Country and that on receipt of adequate cables instructions for the utilisation of capacity had been issued in December, 1969 by the General Manager, Telephones, Bombay. The instructions *inter alia* envisaged an immediate review of the capacity available in all the exchanges in Bombay area and the stage at which the cable works stood in order to draw up a programme of utilising the capacity within six months on a crash basis to the extent cable was available. In the opinion of the Committee, a similar review and a systematic programme of work are called for in all the Telephone districts/circles and a strict watch should be kept on the progress of utilisation of capacity already built up.

[Sl. No. 9 (para 1.65) of Appendix IV to the Second Report (Fifth Lok Sabha)].

Action taken

The P. & T. Board is keeping strict watch over the utilisation of the exchange capacities. In Meeting No. 4 of 1970-71 held on 5th June, 1970, the P. & T. Board had taken note of the inadequate utilisation of the telephone exchange capacities, and had directed all the circles/districts that a Quarterly Progress Report on the utilisation of the exchange capacities in respect of exchanges of 1,000 lines and above be submitted to the Board. Since then this quarterly review is being done.

With this watch, there has been improvement in the utilisation of the exchange capacities during the last quarter of 1970-71. This will be apparent from the movement of exchanges from lower category of utilisation to higher categories, as summarised below:—

Category	Utilisation between	No. of exchanges of 1000 lines of above as on	
		31-12-1970	31-3-1971
A-1	Over 92%	44	55
A-2	90-92%	23	15
B-1	85-90%	35	37
B-2	80-85%	27	28
C	75-80%	10	10
D	Below 75%	19	18
		158	163

Taking the country as a whole, the utilisation of exchange capacities increased from 79.5 per cent to 82.2 per cent during 1970-71.

The targets for the provision of connections for 1971-72 have also been fixed, and indicated to all Heads of Telephone Districts/P. & T. Circles.

To start with, the work of review of utilisation of exchange capacity, submission of regular statements to the P. & T. Board and taking up the cases with individual Circles/Telephone Districts regarding the utilisation of capacities in particular exchanges lagging behind has been taken up by one of the existing cells of the Directorate in addition to its normal work. This has involved a considerable amount of additional work, and has resulted in overloading of the particular Cell and some of the other important duties of the Cell getting neglected. However, it has not been possible to take effective follow up action to remove the bottlenecks pointed out by the Circles/Districts. It was thus felt nearly impossible to carry on this work in the Cell. It has, therefore, become necessary that a separate Section be created to undertake the reviews, and take effective steps for utilisation of the capacities created. For this purpose, a separate 'Utilisation Cell' with one post of Assistant Chief Engineer together with one Assistant Engineer, two Engineering Supervisors, and one Stenographer is to be created exclusively for this purpose. The total annual cost of such a "Cell" would be about Rs. 56,000/-, which will be recovered by providing 57 telephone connections in a year in advance.

The above proposal for the creation of a suitable Cell in the P. & T. Directorate was considered by the P. & T. Board in its meeting No. 4 of 1971-72 held on 28th July, 1971, and it was decided by the Board that the question of creating a suitable 'Cell' to review utilisation of exchange capacity and take steps to improve the same should be considered while recasting the proposals regarding the Re-organization of the Telecommunications branch of the P. & T. Directorate.

The recasting of the proposals is in progress, and so far no final decision has been taken. Meanwhile the work will continue to be handled by one of the existing cells of the Directorate in addition to its normal working.

[P. & H. Board O.M. No. 97-2/69-TPS(XP) dated 11th February, 1972].

Further Information

Action Taken by the Government

It is intimated that the proposal for the creation of a suitable cell to be designated as "Utilisation and Project Control" in the P. & T. Directorate to keep a watch on utilisation of exchange capacities has since been approved. The necessary staff for this has also been approved and the Assistant Director General to head the Cell has since joined and the remaining members of the Cell are being also posted. This Cell would keep a close watch on the utilisation of capacity.

[P. & T. Board O.M. No. 97-2/69-TPS(XP) Pt. dated 5th July, 1972].

Recommendation

The Committee could not get an exact idea regarding the extent of unutilised capacity of all the telephone exchanges in the country on account of shortage of cables. They desire that Government should assess the position on the basis of the review suggested in the foregoing paragraph and apprise them.

[S. No. 10 (para 1.66) of Appendix IV to the 2nd Report (Fifth Lok Sabha)].

Action Taken

Quarterly reviews made to assess the progress in utilisation of capacities of exchanges of 1,000 lines capacity or above, reveal the following position for the period 30th September, 1970 to 30th September, 1971.

Capacity utilisation as a % of total equipped capacity

For period ending	30-9-1970	83.8%
Do.	31-12-1970	85.1%
Do.	31-3-1971	86.3%
Do.	30-6-1971	87.4%
Do.	30-9-1971	87.1%

Note : The slight fall of 0.3% in percentage utilisation in the quarter 1-7-71 to 30-9-71 is attributable to a sizeable addition to exchange capacity in the quarter which could not be fully utilised during the short period.

The optimum utilisation percentage that can be achieved is 94 per cent (6 per cent being kept for reserve) and it will be seen from the above review that the capacity utilisation has been steadily improving to attain the optimum figures. This has been possible due to various factors like digging into cable pair reserves and spares, even with the consequent loss of flexibility and efficiency, receipt of small quantities of cables from imports ordered earlier and cables received from H.C.L. and procurement of other materials required for providing telephone connections etc.

The connectable capacity remaining unutilised as on 30th September, 1971 for Exchanges of 1,000 lines capacity and above is 6.9 per cent of the total equipped capacity, out of which 1.8 per cent is attributable to absence of cable pairs.

The review made above for exchanges of 1,000 lines capacity and above covers 184 exchanges which account for total equipped capacity of 8.12 lakh lines out of a total of 4,028 exchanges in the country with a capacity of 12.23 lakh lines. In other words, nearly 66 per cent of the installed capacity in the country has been covered by the above review leaving only 4.11 lakh lines of equipped capacity spread over in 3,844 exchanges. The detailed analysis of unutilised capacity in these remaining 3,844 exchanges has not been attempted considering the enormity of the

work involved in the collection of data for exchange sizes varying between 10 lines and 999 lines. In view of the fact that the review given above covers as much as 66 per cent of the total equipped capacity in the country, it is presumed that the above information would be deemed sufficient by the Committee. If, however, the Committee desires to be informed of the details in respect of these small exchanges also, the same will be collected and furnished.

[P. & T. Board O.M. No. 46-16/70-TPS(C), dated 11th February 1972].

Recommendation

The cable requirements during the Fourth Plan period had been scaled down finally to 44,000 Standard Kilometres. Taking into account the estimated indigenous production of 25,000 Standard Kilo-metres and orders placed for imports of 12,000 Standard Kilometres, there is still a gap of 7,000 Standard Kilometres to meet even this reduced requirement. The Committee desire that early steps should be taken to bridge this gap.

[S. No. 11 (para 1.67) of Appendix IV to the 2nd Report (Fifth Lok Sabha)]

Action Taken

The following quantities of cables are ordered on imports during the Fourth Plan period under various loans/ credits.

(1) Orders placed in 1969 under bilateral credits/loans	1,320 Standard Kms. with U.K., Holland, Czechoslovakia and Canada.	■
(2) Orders placed under IDA Loans on Japan, West Germany, Holland and Finland.	5,290 Standard Kms.	
(3) Under CIDA Loan on Canadian Firms.	13,000 Standard Kms.	
<hr/>		
	TOTAL	19,610

In the context of the above import orders already placed there would be no shortfall in cables during the Plan Period, provided the Hindustan Cables supplies us the expected 25,000 Standard Kms.

[P. & T. Board O.M. No. 46-16/70-TPS(C), dated 11th February 1972].

Recommendation

The Committee feel that a High-Power Committee should go into the entire question of indigenous production vis-a-vis cable requirements with a view to suggesting concrete measures to attain self sufficiency in cables before long.

[S. No. 13 (para 1.69) of Appendix IV to the Second Report (Fifth Lok Sabha).]

Action Taken

In the P. & T. Board meeting No. 4 of 1971-72 (*vide* Annexure-II) held on 28th July, 1971, it has been decided to set up two High-Powered Committees as follows:—

As regards implementation of the A.R.C. Recommendation No. 20 (See P. 23 of Annexure I) regarding the organisation of the telecommunication production to keep pace with modernising and developments in other countries, it was felt that for meeting the challenge of rapidly changing telecommunication technology and rapid growth in the demand for telecommunication equipments, it may be desirable to have in addition to the group (Para 4.4.3 of Annexure I) envisaged in the Memo. put up to the Board (Annexure I), a high powered committee which would not only project requirements of telecommunication equipment, but also evolve long-term plans for developing capacity for manufacturing them inside the country. Similarly, another high powered Committee may be set up to draw up plans in regard to research and development work in the field of telecommunications, and go into the working of the Telecommunication Research Centre.

The proposals regarding the personnel of the Committee and terms of reference are being finalised.

[P. & T. Board O.M. No. 97-2/69-TPS(XP), dated the 11th February, 1972]

ANNEXURE I

P&T Board Memo. No. 100-20/70-TPS(XP)

SUBJECT:—A.R.C. Recommendation No. 20—Organisation of the telecommunications production to keep pace with modernisation and developments in other countries.

1. Introduction:

While considering the arrangements for the production of telecommunications equipment in the country, A.R.C. have made the following recommendation:

“20—The production of telecommunications equipment in the existing public sector undertakings or other which may come up in future should be so organised that the country keeps pace with modernisation and development in other countries and our telecommunication system keeps abreast of the latest technology”.

1.2. Vide Department of communications Memo. No. A-11013(1)/70-RC, dated 22nd June, 1970 it has been decided that such of the recommendations of the ARC and the Working Group which require consideration with other Ministries, Departments, etc., would be processed by the Department of Communications. Accordingly, above recommendation is also to be processed by the Department of Communications. They have requested for the views of the P&T Board in this connection. Through this Board Memo. it is proposed to formulate the views of the Board for communication to the Department.

1.3. The detailed views of the ARC on this subject are contained in paras 3 of Chapter VI of their Report and are reproduced at Annexure 2.

2. Consideration of the recommendation:

2.1. The recommendation is in the nature of defining the objectives to be followed in organising the production of telecommunications equipment in the country.

2.2. The objective recommended by the A.R.C. in this connection is unexceptional. Any body connected with the development of the country would readily accept this recommendation. Question is however how these objectives are to be achieved in practice.

2.3. The question has to be considered from two points of view.

(a) the extent of telecommunications facilities available in country.

(b) the extent of development of telecommunications technology and sophistication, reliability and economy achieved in respect of various telecommunications facilities.

3. Extent of provision of telecommunications facilities.

3. 1. India has been lagging considerably behind not only as compared to the developed countries, but even as compared to some of the developing countries as far as provision of telecommunication facilities go.

3.2. The extent of telecommunications development is very often measured in terms of number of telephones working per 100 population. At the beginning of 4th Plan this figures for India was about 0.2 telephone per hundred of population. Following table gives the comparative figures for some developed and some developing countries.

Table: Number of Telephone working per 100 population (India 0.2).

(a) Developed countries		(b) Developing countries	
1. U.S.A.	54	1. Singapore	5.95
2. Canada	42	2. Republic of China	2.05
3. France	15	3. Malaysia	1.80
4. Czechoslovakia	12.4	4. Jordan	1.62
		5. Iraq	1.30
		6. Iran	.92
		7. Ceylon	.48
		8. Thailand	.34

3.3. Obviously India has to make up a considerable leeway in this regard. The demand for Telecommunication services, i.e., for provision of telephone connections, facilities for trunk calls, opening of new telegraph offices, provision of telex connections etc., has been growing rapidly. Under the normal circumstances, as a commercial undertaking, Telecommunications Branch should have planned in advance to meet these demands and keep the telephone exchanges etc., ready so that necessary facilities can be provided on demand. Unfortunately, in place of being able to do this, Telecommunications Branch has been unable even to hold to any reasonable waiting period for fulfilling the registered demands. Instead the average waiting period has risen from about one year in 1966 to over 4 years in 1971.

The position with regard to Telex connections is similar. The trunk net work is similarly totally inadequate for meeting the demands made on it.

Apart from the existing telecommunications facilities viz., telephone and teleprinter, telecommunications abroad presently cover an ever increasing area of new services, for example local area and highway

mobile services, coastal and river services, picture-phone, Teledesk, high-speed Data transmission links, Data bank and so on. In India, such services are practically non-existent. With the increase in the country's commercial and social activities demands for such services are bound to come up and grow.

3.4. For meeting the demands for its services on a satisfactory basis and making up the leeway, the Telecommunications Branch must have:

- (i) Adequate investible funds.
- (ii) Adequate supply of material resources *i.e.*, various types of telecommunications equipment and stores.

3.5. The total investible funds available in the country are no doubt limited. There are many competing demands. However the claims of Telecommunications as an essential infrastructure for economic, social and administrative development for such funds have been strong and have generally received adequate support from Government, the Planning Commission and the World Bank and I.D.A. because :

- (i) investment is highly remunerative financially. A financial rate of return of about 12 per cent has been achieved over the last decade,
- (ii) has a large economic return as an essential infrastructure supporting other developmental and administrative activities. The World Bank studies carried out in 1969 indicated an economic return of about 25 per cent for expansion of telephone services in urban areas, of about 34 per cent in rural areas and between 50 to 85 per cent for subscriber trunk diallings.

3.6. The World Bank and the I.D.A. have amply demonstrated their support by advancing funds to the extent of US \$ 133 million for the telecommunication fourth plan.

3.7. Funds for a reasonable rate of growth of telecommunications can thus generally be secured. The availability of material resources for achieving the targets of investment and growth has however become a major limiting factor in determining the size of plan for expansion plans of telecommunications services.

3.8. One of the important steps thus, in implementation of the ARC recommendation would be creation of adequate indigenous production capacity for various types of telecommunications equipment, to meet the continuously growing requirements of telecommunications services.

3.9. For successful planning of production capacities following data will be an essential prerequisite:

- (a) an accurate assessment of lead times for expansion of existing and setting up of new production units,

- (b) an assessment and forecast of the demands for telecommunication services and the extent of investible funds likely to be available to meet them at various future dates to be determined with reference to the lead times for expansion of existing and setting up of new production units referred to at (a),
- (c) an assessment of the type, pattern and models and quantities of equipment that would be needed to meet the demands of investment in telecommunications services at various future dates.
- (d) an accurate and realistic assessment of the production capacities of existing units and their planned expansions as well as new units in the process of being set up.

3.10. To be useful, collection, analysis and interpretation of above data must be carried on continuously on a systematic basis. Unfortunately at present there is no specific arrangement for collection of such data. Neither the Telecommunications branch holding a monopoly in respect of provision of telecommunications facilities has any cell or group carrying out such long term analysis of demands and likely availability of resources nor have the public sector companies (basically the Indian Telephone Industries, Hindustan Cables and Hindustan Teleprinters) been undertaking such studies. In fact there is no clear data available even about the realistic production capacity of existing units. The experience both with I.T.I. and H.C.L. has been that they have been overestimating the production capacity of the existing plants but have been failing to achieve adequate production resulting in heavy shortfalls in planned supplies to Telecommunications branch. Realistic data about lead times for expansions of existing units and for setting up new ones has also been unavailable.

3.11. The above situation has been resulting in the proposals for expansions of existing units and for setting up of new units never being taken up in time. The case for setting up of a second switching equipment production unit is a case in point. The proposal was made by P & T in 1968 while the fourth plan proposals were being drawn up, it was never considered seriously and failed to be included in the fourth plan. The proposal has received serious attention only when the shortfalls in supply from existing factory have already jeopardised the telephone exchange capacity expansion targets of fourth plan.

3.12. An important factor in this regard has also been the insistence in certain quarters on approved plan targets for expansion of telecommunications services before agreeing to proceed with the approval of plans for setting of additional production capacity. With the national plans being drawn up on a 5 year basis and lead time for setting up of factories themselves exceeding 5 to 6 years this attitude automatically precludes timely planning for expansion of production capacity.

3.13. Remedy of the above situation lies in:

- (a) Creation of a combined group of Telecommunications Branch and the concerned Public sector undertakings to compile relevant data on a continuous basis and submission of a formal report on the need for expansion of production capacity to the top management of the Telecommunications Branch and the Public sector units at least once a year. The report should include :
 - (i) Long term projections of demands for various telecommunications services,
 - (ii) projections of likely availability of inevitable funds,
 - (iii) likely demands for various type of telecommunications equipment,
 - (iv) available production capacity and projection of likely available capacity on basis of known plans,
 - (v) tentative proposals for expansion of production capacity.
- (b) Detailed proposals for expansion of production capacity should then be worked out by P&T and the Public Sector Undertakings sufficiently in advance taking into account the lead times and gestation period. The Planning Commission, the Ministry of Finance, Bureau of Public Enterprises and the concerned Ministry of Department administratively responsible for the production units in the public sector should clear the proposals for augmentation of production capacity in the light of above projections without insisting on formal approval of five year plans for expansion of Telecommunications services.

3.14. Once adequate growth of production of various types of telecommunications equipment and stores etc., is ensured, the telecommunications branch could plan for the expansion of telecommunications facilities with confidence and make a determined bid towards bridging the gap between supply and demand and make up the leeway in regard to extent of telecommunications facilities available.

4. *Extent of development of telecommunications technology.*

4.1. The other important aspect of the recommendation is in regard to keeping abreast with the latest technology. In this connection it would be useful to :

- (i) trace the history of development of telecommunications technology in this country;
- (ii) determine the present state of development in the country and extent of the gap that exists in various fields and reasons for the same and
- (iii) spell out the steps necessary to bridge the gap.

4.2. History of development of telecommunications technology in India

4.2.1. The development of telecommunications technology started towards middle of 19th century with the invention of the electric telegraph and later the telephone. It has been a matter of pride that the development of Telegraphs took place in India at almost the same time as elsewhere in the world. The time gap between inventions of telephone and its installations in U.S.A. and in India was also very small. However, while manufacture of telecommunications equipment and its development made rapid strides in the U.S.A. and European countries, in absence of an indigenous industry and organised research and development work supported by the Government of the day India remained almost totally dependent on imported equipment and technology. Thus when India attained Independence in 1947, there were no telecommunications production units in the country except the departmental workshops who were manufacturing some simple type of telegraph and telephone exchange equipment besides the hardware for the open wire lines. There was little research and development work going on. There had been some fragmentary Development work in regard to the T-43 trunk exchanges and transposition schemes for open wire lines largely as a result of need for expansions of defence telecommunications facilities in the country during World War II.

4.2.2. When we gained Independence in 1947, the country set about setting up an indigenous industry for manufacture of telecommunications equipment and later a research and development organisation. With the active initiative of the telecommunications branch of the P & T department, Indian Telephone Industries factory was set up at Bangalore to produce automatic telephone exchange equipment, telephone instruments and transmission equipment. With no past experience in manufacture of such equipment and no research and development base, technical collaboration was essential and was obtained from M/s. A. T. & E. co. of U.K. who were manufacturing the type of equipment which was earlier being imported for installation in the country. The factory made rapid progress and achieved considerable economies in the manufacture of the equipment for which know how had initially been obtained. The factory continued to receive technical know how from the collaborators. The collaboration agreement has however since expired and I.T.I is now on its own.

4.2.3. In 1964 the Government entered into another technical collaboration agreement with the I.T.T. groups (in particular with M/s. B. T. M. of Belgium) for production of Pentaconta type of crossbar exchange equipment. The agreement valid for 7 years was due to expire last month but has been extended for one month. It is proposed to extend the agreement for a year in a modified form. There have been a number of problems in the initial production and the factory has yet to achieve rated production.

4.2.4. Just as I.T.I. had been set up for production of telephone exchanges, telephone instruments and the transmission equipment, Hindustan Cables and Hindustan Teleprinters were up for production of telephone cables and Teleprinters respectively. These factories too were set up with collaborations with private foreign manufacturers *viz.*, the S.T.C. of U.K. and Olivetti of Italy. These factories have also done well in their respective fields achieving considerable economies in manufacture of equipment under the foreign collaboration agreements. The agreement with S.T.C. in respect of H.C.L. has recently expired. The agreement with Olivetti in regard to H.T.L. has also recently expired.

4.2.5. Besides the setting up of these factories, the Telecommunications Branch set up a Telecommunications Research Centre at Delhi to undertake research and development work in the field of telecommunications equipment. The centre was set up with a modest staff. Starting from scratch, with little or no experience, no access to the latest work going on at the research laboratories in developed countries in the field of telecommunications and extremely limited resources the Centre had to first catch up with the large leeway. The Centre concentrated basically on development and application of equipment based on the experience gained from the working of various types of imported equipment installed in the department and the published information.

4.2.6. Within these limitations the Research Centre has considerable good work to its credit particularly in the field of electronic telecommunications transmission equipment. Thus the Research Centre has over the last few years developed designs for 3 channel, 8 channel, 13 channel stackable and 12 channel open wire carrier telephone systems, S DX and 24 Channel FM VPT systems, 4 and 6 MHz standard Coaxial Cable systems 1.3 and 2.6 MHz Small Tube Systems and 7 GHz microwave equipment and a large variety of other similar equipment for P & T and Railway Electrification. These have been successfully produced by ITI with local and imported components available commercially. This effort has enabled the Telecommunications Branch to undertake substantial expansion of trunk telephone and telegraph network without heavy dependence on imports. The equipment has been produced indigenously at costs which are quite competitive of production in developed countries. The foreign exchange content in terms of components has been of the order of 15 to 20 per cent.

4.2.7. The Centre has also done commendable work in the field of development of switching facilities using the basic strowger step by step equipment. Thus it developed designs for the telex exchanges which have been successfully produced by I.T.I. and installed by the Telecommunications Branch providing a fairly satisfactory national telex network. Similarly the centre developed designs for the point to point Subscriber Trunk Dialling equipment which is now working on a large unnumber of

routes. Development of SLOD/MLOD circuits, various types of exchange power plant are certain other items to the credit of TRC.

4.3. Present State of Development

4.3.1. Commendable as all this work has been it certainly cannot enable the country to keep pace with modernization and developments in other countries or to keep abreast of the latest technology. The work at the centre has essentially been based on design techniques available in published literature and using components available commercially in the International markets. Obviously neither the design techniques are published nor new components become available commercially till they have been fully exploited by the inventing organizations. On this basis we obviously can never hope to catch up with the developed countries. Our designs will always be lagging behind and would come into production only by the time the advanced countries would either have already moved on to something new or would be on the point of doing so.

4.3.2. The position may well be illustrated with reference to the development of Microwave equipment. We have just completed the initial production of the 300 channel 7 G c/s Microwave system. First production of the 6 G d/s 1800 Channel Microwave system to our own designs is nearing completion. On the other hand such systems have already been successfully produced and installed in many countries for some time past. We ourselves plan to import a number of 4 G c/s systems with a capacity of 1800 channels from Canada. By the time we fully establish our 6 G c/s system and remove all the initial problems, systems with much higher capacities would have been developed elsewhere. It is well known that experiments are at an advanced stage with regard to use of laser beams for producing communications systems with channel capacities hundreds of times larger.

4.3.3. The position with regard to development of coaxial systems, pulse code modulation junction carrier systems, VHF and UHF systems, electronic exchanges etc. is much the same.

4.3.4. Apart from the basic time lag in our taking up the designs, once taken up the designs and their production have been taking long time to mature. Thus work on the 6 G c/s Microwave system and the VHF systems has been going on for almost four years. First systems of these have yet to be installed and commissioned. The problem here has been of committing inadequate resources both in the Research Centre and at I.T.I. The teams handling the work at the Research Centre have been too small to enable simultaneous concentrated attention to different parts of the system. Work on new circuit techniques or use of integrated circuits and such other sophisticated component has hardly been undertaken. Similarly adequate resources have not been allotted for the work at I.T.I. The lead times for obtaining components have perhaps been too long. There is cause for the impression that in face of the foreign-

~~exchange crisis~~, the needs of research and development work have not been given adequate priority.

4.3.5. There are certain fields in which almost no work has been undertaken. For instance in the field of telephone cables by and large no work has been undertaken by either the Telecommunications Research Centre of the H.C.L. though this accounts for 40-50 per cent of the capital investment on Telecommunications. It is well known that other countries have successfully produced and installed plastic insulated and plastic sheathed cables which are much more economical compared to conventional cables still in use. Production of jelly filled cables has also been taken up by many countries on a large scale. We have yet to take up work in this field.

4.3.6. The field of switching has similarly received very limited attention. In 1964 we started the manufacture of the crossbar exchanges. It should have been obvious that we were entering a new era in the switching which will bring its own problems and challenges. However there was little augmentation in the resources devoted to the switching problems. It is obvious that we cannot depend on the limited range of designs we have received from the collaborators. We will have to develop our own designs for such facilities as crossbar Telex, high capacity TAX's, rural combined local/transit exchanges etc. We will also have to tackle the problems of limitations of original designs in our peculiar situation of high calling rates etc. A large group should have been formed in 1964 itself to undertake detailed studies of the new system and problems of its adaptation to our own requirements. We have yet to undertake this work on any significant scale and after 7 years of our entering this field, our effective contribution in this field has been quite small. Some designs of local and trunk tandems etc. have been completed but even the prototypes are yet to be produced. Fortunately, some work has been taken in hand in respect of development of electronic exchanges but the resources devoted are again very limited and work is going on at a very slow pace while it is well known that commercial installations of electronic exchanges have been undertaken since 1965 and are now successfully competing for as small as 6000 lines units. . .

4.3.7. In the field of space communication and undersea cables communications again we have yet to make a start. It is known that some initiative has been taken by the Department of Atomic Energy with regard to space communications, but the P. & T. and the associated industries whose main business is communication have hardly taken any significant steps in this direction.

4.3.8. While considerable work has gone on in the field of development of systems, absolutely no work has been undertaken in the field of basic materials and components either at the Telecommunications Research Centre or at the factories. A typical example is the case regarding

corrosion of piece parts of the new crossbar system. The zinc passivated components have shown susceptibility to corrosion in our conditions. The matter has been subject of a number of discussions between I.T.I. and P. & T., but by and large no definitive investigations have been undertaken either by I.T.I. or P. & T. either by themselves or with the assistance of National Metallurgical Laboratories. The thickness of zinc passivation deposit has been increased in the hope that corrosion will disappear. It may well but we are not sure and we have no idea if it will have any side effects.

4.3.9. I.T.I. uses several hundred items of raw materials in its strowger and crossbar production. It has by and large been using the same materials specified originally by the collaborating compaines.

4.3.10. Again in regard to electronic and other components no development work has been carried out. The country is by and large dependent totally on imported know how for their design and production.

4.3.11. Thus all in all the situation is that the country is generally many years behind both in systems design as well as in material and component production. The reason is obvious. We started about 20 years ago from scratch *i.e.*, about 20 to 30 years behind the advanced countries. The resources for research and development that we have been able to command both in terms of funds available and trained manpower have been limited, while advanced countries have been able to put large sums and immense manpower in research and development work, gap could not be expected to be covered under such circumstances. Priority was rightly given to start indigenous industries with or without technical collaboration from abroad and to develop our own designs for certain basic equipments to permit provision and expansion of certain basic facilities. However side by side with this work we should have made conscious efforts to develop a large group of scientists and engineers to work on more advanced projects work on which was known to be going on in other parts of the world. Similarly we should have paid greater attention to develop the manufacturing processes and investigate new materials and components. We should also have made conscious effort towards reducing the gestation period for new system designs from the stage of initial conception to commissioning of the first systems in the field.

4.3.12. A very important factor which affects the modern electronics industry is the fast rate of obsolescence. The pace of improvements in techniques and devices is such as to compel, for reasons of economy and superior performance, continuous updating and often complete recasting, of designs. It is essential that the industry be fully geared to implement such changes promptly if modernisation is to be a practical goal. Considerable difficulties are being faced in this regard at present.

4.4. Steps now necessary to make up the leeway

4.4.1. The only sure way to make up the leeway would be to put in more and more resources in the research and development (R&D). The resources so put in will have eventually to match those being out in by some of the more developed countries like U.S.A. and Japan if the leeway has to be made up fully. It may not be possible to do so for many years to come keeping in view the limitations of total resources available in the country. We must at the same time aim at least to devote as much resources expressed as a percentage of the annual gross revenue of the telecommunications branch and annual sales of the public sector undertakings as is being done in these countries. We may aspire to devote at least 1 per cent of these revenues each year to R&D work to start with. The expenditure on R&D is only a fraction of this figure at present.

4.4.2. Such augmented resources should be devoted to—

- (i) more rapid development of systems of immediate application already working in more advanced countries. It should be the aim to considerably reduce the gestation period by putting in larger teams working on different parts of the system simultaneously and by closer co-ordination between the R & D and the production units. It should be our aim to ensure that each major system is completed within a maximum of two years as against present period of 4 to six years.
- (ii) Design work in much greater depth on systems and circuits leading to development of new techniques and the resulting upgradation of performance and lowering of costs. Solid state components including integrated circuits are now indigenously manufactured and international prices are falling steeply. Use of Integrated Circuits in existing as well as new design undertaken in the field of Transmission Equipment, Electronic Switching, analogue and digital measuring instruments, will lead to higher reliability, as well as reduction in cost, space and power consumption.
- (iii) Parallel work on projects on which work is currently in progress in other countries. It may be necessary and desirable to establish R&D collaboration for this purpose for exchange of information, materials and equipment on one hand and personnel on the other. Being generally behind most of the advanced countries such collaboration may be possible only on the basis of certain payments on our part. But such expenditure would generally prove worthwhile in the long run.

In any case teams of adequate size should be put on the job in each of these areas as early as possible.

- (iv) Expansion of R & D Effort in the field of switching, outdoor cable network, cables, and planning for better transmission performance. The field of Electromechanical switching which has so far remained largely dependent on foreign know-how needs to stand on its own feet. The telephone network of our country faces a host of environmental and traffic problems not encountered in other countries. Extensive observation in the field and collection of data on the performance and skills available will result in more objective appreciation of root causes of complaints and redesign or re-arrangement of equipment where called for. Underground cables consuming nearly 40 per cent of the capital outlay on telephones need specialised observation and evaluation with the intent to (1) effect economies in cost (ii) reduce imported materials, and (iii) improve transmission performance.
- (v) Establishment of R & D units at all the public sector units which will partly supplement the efforts of the central R & D unit of P&T and partly concentrate on work on raw materials, components and development of manufacturing processes in collaboration with various National Research Laboratories.
- (vi) Creation of a wider base for R & D in telecommunications and upgrading of education in the field in the country. This would involve providing support to Research projects at the universities and Engineering colleges in the Telecommunications science and technology.
- (vii) Greater participation in International Organisations Conferences and Seminars for interchange of ideas and information. The personal contacts so established can be the only effective way of obtaining information about the latest developments long before they are published.
- (viii) Greater support to the members of technical staff particularly those employed in R & D work to improve their knowledge, qualifications and experience and to secure opportunity to work in advanced organisations and laboratories abroad.
- (ix) Greater collaboration with other organisations working in the Telecommunications field.
- (x) Formulation of an appropriate personnel policy for the R & D units as an incentive to attract persons with right talent and

aptitude and their long-term retention in the Organisations for deriving maximum benefit from their accumulated experience and growing expertise.

4.4.3. Apart from augmentation of resources for R&D, there must be conscious and deliberate effort to make the R & D programme successful. For this purpose it would be desirable that there be a standing committee of the top management of P&T, the public sector undertakings, and R&D units of these organisations. This standing committee should meet regularly once a year to review the progress of the R&D programme and to recommend further measures in its support.

Conclusion and Recommendations

It is recommended that the P&T Board may fully endorse the views of the Administrative Reforms Commission expressed in their recommendation No. 20. Further recognising that there is a large leeway to be made up both with regard to modernization and development of telecommunication No. 20. Further recognising that there is a large leeway to be made country following recommendations may be made for the implementation of the recommendation No. 20 of the A.R.C.

- (i) Timely action should be taken for expansion of production capacity for Telecommunication stores and equipment in the country. A combined group of telecommunication branch and the public sector undertakings namely; ITI, HCL and HTL be formed to compile relevant data on a continuous basis and submit a formal report on the need for expansion of production capacity to the top management of the telecommunications branch and public sector undertakings at least once a year. The report should include:
 - (a) long term projection of demands for various telecommunication services.
 - (b) projection of likely availability of funds.
 - (c) likely demands for various type of telecommunication equipment.
 - (d) available production capacity and projection of likely available capacity.
 - (e) tentative proposal for expansion of production capacity.
- (ii) Based on above reports, P. & T. and public sector undertakings should frame plans for expansion of production capacity sufficiently in advance taking into account the lead times and gestation periods. The Planning Commission, the Ministry of

Finance, Bureau of Public Enterprises and the concerned Ministry or Department administratively responsible for the production units in the Public Sector should be requested to clear the proposals for augmentation of production capacity, in the light of the above projections without insisting on prior formal approval of 5 year plan for the expansion of telecommunication services.

- (iii) The R&D work in Telecommunications should be intensified. The resources and funds devoted to the Research and Development and Telecommunications should be augmented considerably. To begin with we should fix an annual target of expenditure on R&D to the extent of at least 1 percent of the annual gross revenue of the telecommunication branch and annual sales of the public undertakings. Such augmented funds should be devoted to items (i) to (x) listed in para 4.4.2. above.
- (iv) Apart from augmenting the resources devoted to R&D a conscious effort should be made to make R&D a greater success. A standing Committee of the top management of P&T and the Public Sector undertakings and their R&D units should be set up. The Committee should meet at least once each year and review the progress made in respect of each of the items (i) to (vii) of para 4.4.2 above and fix targets for further action.

If approved the views of the P. & T. Board along the above lines may be conveyed to the Department of Communications.

The above Memo. has been seen and approved by the Senior Member (TO) and Member (TD).

Sd. D. K. SANGAL
Deputy Chief Engineer (E).

[File No. 100-20/70-TPS(XP)].

Dated 17th July, 1971.

ANNEXURE

P. & T. Board Memo. No. 100-20/70-TPS(XP)

Para 3—Chapter VI

“Stores & Equipment”

“A.R.C. Report on P. & T.”

3. The capacity of the production units on which the department depends for its normal operation as well as expansion is not adequate for its needs. The existing arrangements for forecasting future requirements and for indenting, procurement and supply to the units also suffer from defects. The production of cables which is a vital component needed for the provision of telecommunications facilities has fallen short of the requirements by a wide margin. In the ITI the progress in manufacturing cross bar equipment has not come up to expectations. We understand that the production capacity of the Hindustan Cables as well as the Indian Telephone Industries is being stepped up and a second unit of the latter is being set up shortly at Naini (Allahabad). A second cable factory has also been planned. We feel that these projects have already been delayed inordinately. There is no doubt that inadequacy of capacity in relation to demand has been one of the factors delaying the various telecommunications projects. Without adequate production capacity, integrated planning and implementation cannot materialise. The required expansion is, therefore, urgently needed in view of the ambitious plans for telecommunications development in the near future. It is also essential that the production units supplying the telecommunication services should keep abreast of the latest developments in the relevant technology. Telecommunications are a field where the earlier technology is being rapidly superseded by new invention and day may not be far off when interference from weather and other natural elements may be eliminated. It is, therefore, of the utmost importance that the production units are constantly on guard against the dangers of obsolescent.

Recommendation(20)

We recommend:

The production of telecommunications equipment in the existing public sector undertakings or others which may come up in future, should be so organised that the country keeps pace with modernisation and developments in other countries and our telecommunications system keeps abreast of the latest technology.

ANNEXURE

P. & T. Board

No. P. & T. Board 4/71-72.

Dated New Delhi, 6th August, 1971

Extracts from the draft minutes of meeting No. 4 of 1971-72 of the P. & T. Board held on 28th July, 1971 which have been approved by the Chairman and Members are sent to TPS (XP) Section for information and necessary action. The minutes have to be finally confirmed at the next meeting of the Board/Sub-Board. They may, however, be treated as final unless any amendment is received.

2. Monthly progress report of the action taken to implement the decision may please be furnished in accordance with office Order No. 7 dated 6th February, 1963. A copy of the orders issued and implementation of the decisions may also be supplied to the under-signed.

54. 100-20/70-TPS(XP). A.R.C. Recommendation No. 20-Organisation of the telecommunications production to keep pace with modernisation and developments in other countries.

The proposal contained in the Memo put up to the Board, for recommending acceptance of the A.R.C. recommendations was approved.

As regards implementation of the aforesaid recommendation it was felt that for meeting the challenge of rapidly changing telecommunication technology and rapid growth in the demand for telecommunication equipments, it may be desirable to have in addition to the group envisaged in the Memo. put up to the Board, a high powered Committee which would not only long-term requirement of telecommunication equipment but also evolve long-term plans for developing capacity for manufacturing them inside the country. Similarly, another high powered Committee may be set up to draw up plans in regard to research and development work in the field of telecommunications, and go into the working of the T.R.C.

Proposals regarding the setting up of these two committees should be submitted by Sr. Member (TO)/Member (TD) to the Chairman for consideration by the Minister. Sr. Member (F.) stated that there should be no objection in principle to the demand for the purposes of research and development of 1 per cent of the annual gross revenue of the telecommunication branch and annual sales of the public undertakings for

manufacturing telecommunications equipment. But in actual practice expenditure on these items to spend the money usefully on Research and Development activities. With these amendments, the proposals contained in the Memo. relating to implement of A.R.C. recommendation No. 20 were approved.

Further Information

It is intimated tthat the two High level Committees have since been set up, and copies of orders issued in this regard are enclosed at Annexure I and II.

[P. & T. Board O.M. No. 97-2/69-TPS(XP) dated, 24th May, 1972].

ANNEXURE I

No. U. 28012/1/72-Fac(i)

GOVERNMENT OF INDIA (BHARAT SARKAR)

MINISTRY OF COMMUNICATIONS (SANCHAR MANTRALAYA)

Sardar Patel Bhavan, Parliament Street.

Dated, New Delhi-1, the 21st March, 1972

1st Chaitra, 1894.

ORDER

Sustained growth of the national economy and the necessity for maintenance of a reasonable quality of telecommunication services call for a reduction in the gap between the demand and supply of telecommunication equipment in the country. To achieve this, it is necessary to lay down a definite long term objective and work towards its achievement in successive Plans. The Government of India in the Ministry of Communications have, therefore, decided to set up a Committee consisting of the under-mentioned members, to go into all aspects of manufacture of telecommunication equipment in the country and to prepare a perspective plan for stepping up indigenous capacity for manufacture of telecommunication equipment of all types:—

1. Shri M. S. Pathak, Member, Planning Commission.—*Chairman.*
2. Shri C. A. Cornelius, Chairman-cum-Managing Director, Indian Telephone Industries Ltd., Bangalore.—*Member.*
3. Shri G. U. Menon, Chairman-cum-Managing Director, Hindustan Teleprinters Ltd., Madras.—*Member.*
4. Shri I. K. Gupta, Member (TD), P. & T. Board.—*Member.*
5. Shri S. M. Agarwal, Joint Secretary, Department of Electronics.—*Member.*
6. Shri Arun Banerjee, Deputy Director-General (MM), P. & T. Board.—*Member-Secretary.*
2. The terms of reference of the Committee will be as follows:—
 1. To assess and forecast the likely demands for the types of telecommunication services in the country in the next two decades in the context of the economic, social and political developments of the country.

2. To examine and forecast the likely availability of investible funds for meeting the demands for telecommunication services and the likely size of development plans in this field.
3. To assess and forecast the indigenous requirements of various types of telecommunication equipment and allied stores in the light of 1 and 2 above.
4. To review the production capabilities of the factories manufacturing telecommunication equipment in the country, including telecommunication factories of the Posts and Telegraphs Department, and to recommend steps necessary for expanding the capacity of these undertakings.
5. To study and forecast the scope for export of telecommunication equipment and allied stores in the next two decades.
6. To recommend a perspective plan for the period ending with the Sixth Five Year Plan for the expansion of existing factories and units and for setting up of new ones for manufacture of telecommunication equipment and allied stores to meet the indigenous and export requirements, including the optimum sizes for various units.

An illustrative list of telecommunication equipment and stores indicated in 3 above is attached.

3. The Committee will regulate its own procedure and will have power to co-opt other members, should they find it necessary at any stage.
4. The Committee would be required to submit its report to Government by the end of September, 1972.
5. The Committee may appoint one or more working groups to assist it in making detailed studies of any specific aspect of their term of reference.

Sd./- (A. S. BHATNAGAR),

Director,

Ministry of Communications.

Copy forwarded for information and necessary action to.

1. All Members of the Committee.
2. All Ministries/Departments of Government of India.
3. The Information Officer (Shri P. Dhamija, Deputy Principal Information Officer, P.I.B. Shastri Bhavan, New Delhi.
4. The DGP&T, Dak Tar Bhavan, New Delhi-1.

5. The Chairman-cum-Managing Director, Indian Telephone Industries Ltd., Bangalore-16.

6. The Chairman-cum-Managing Director, Hindustan Teleprinters Ltd. Madras-32.

7. The Chief Project Manager, Indian Telephone Industries Ltd., (Naini Unit) Mirzapur Road, Allahabad-10.

8. The Managing Director, Hindustan Cables Ltd., P.O. Hindustan Cables, Burdwan District, West Bengal.

9. The Wireless Adviser to the Government of India, Ministry of Communications, Sardar Patel Bhavan, New Delhi-1.

10. The General Manager, P. & T. Telecom. Factories, Chowringhee Place, Calcutta-13.

11. The Cabinet Secretariat, Department of Cabinet Affairs, Rashtrapati Bhavan, New Delhi with reference to D.O. letter No. 105/3/15/72-CF, dated 15th March, 1972 from Shri J. S. Mongia, Joint Secretary, addressed to Secretary, Ministry of Communications.

Sd/- (A. S. BHATNAGAR),

Director,

Ministry of Communications.

Copy forwarded to RC, C&G, Admn. and C&P Sections.

Illustrative list of equipment and stores required for telecommunications services.

1. Switching equipment for local and trunk telephone, telegraph, telex, private and private branch exchanges.

2. Transmission equipment, open wire, carrier, cable carrier, coaxial cable, microwave, V.H.F., V.H.F. & H.F. radio, satellite etc.

3. Underground telephone cables, local, trunk coaxial.

4. Switchboard cables and wires, drop wires.

5. Power Plant, float chargers, ringers, standby prime movers, etc.

6. Storage batteries.

7. Open wire line hardware including posts, brackets, sockets, etc., insulators, line wires ACSR, Copper clad steel, iron wire, etc.

8. Telephone instruments standard and special coloured, operator sets, etc., coin collecting boxes.

9. Underground cable installation accessories, cabinets, pillars, D.P., boxes, C.T. boxes; jointing material, gas pressure equipment, ducts.

10. Telegraph instruments, teleprinters, facsimile equipment.

11. Data transmission equipment.

ANNEXURE II

No. U. 28012/1/72-Fac.(ii)

GOVERNMENT OF INDIA (BHARAT SARKAR)

MINISTRY OF COMMUNICATIONS (SANCHAR MANTRALAYA)

Sardar Patel Bhavan, Parliament Street,

New Delhi-1, the 21st March, 1972.

ORDER

Developments in the field of telecommunication technology have, in the recent past, been so rapid and extensive that considerable expansion in research and development activities in this field is required in the country to fully exploit the latest techniques and to obtain the maximum economies in the operation of the existing telecommunication network as well as in providing new services and in improving the existing telecommunication services.

2. Considerable stress has been laid on research and development work in the field of telecommunications in this country since Independence. The Telecommunication Research Centre of the Posts and Telegraphs Department as well as the public sector undertakings and the Overseas Communications Department under the Ministry of Communications have been doing valuable work which had led to substantial increase in indigenous production of telecommunication equipment and reduction in imported equipment and know-how.

3. The benefits which have flowed from research and development have all the world over been the key factor in setting up modern factories as well as in the improvements in communication facilities. Since telecommunication technology is undergoing phenomenal improvement and sophistication all over the world, all organisations in India operating in this field have to expand their activities and keep abreast of the progress taking place in the more advanced countries.

4. The Government of India in the Ministry of Communications have decided to set up a Committee, consisting of the under-mentioned members, to undertake a comprehensive review of the present position prevailing in the various research and development organisations under the Ministry of Communications and to recommend steps for widening the scope of research in these organisations and for ensuring that they keep pace with the latest developments in technology in this field:

1. Prof. M. G. K. Menon, Chairman, Electronics Commission.—
Chairman.

2. Shri C. A. Cornelius, Chairman-cum-Managing Director, Indian Telephone Industries Ltd., Bangalore.—*Member.*
3. Shri B. S. Rau, Senior Member (T.O.), P. & T. Board—*Member.*
4. Scientific Adviser to Defence Minister or his representative.—*Member.*
5. Prof. S. Sampath, Deputy Director, Indian Institute of Technology, Madras.—*Member.*
6. Shri H. J. Mirchandani, Director, Telecommunication Research Centre.—*Member-Secretary.*

5. The terms of reference of the Committee will be as follows:—

1. To review the research and development work being done in the field of telecommunications by various organisations under the Ministry of Communications, viz., the Telecommunication Research Centre of the P. & T. Department and its Telecommunication Workshops as well as the public sector undertakings and the Overseas Communications Service, and take into account work in this field in other institutions and organisations in the country.
2. To suggest measures whereby work in this field, being carried out by different organisations in the country, can be effectively co-ordinated.
3. To suggest measures to expand the scope of research and development work in this field in the country and to accelerate its pace.
4. To locate areas in which the research and development effort is found to be lacking or inadequate and recommend measures for making good the deficiencies.
5. To bring indigenous designs and technology on par with those obtaining in advanced countries.
6. To suggest measures to enable the Telecommunication Research Centre of the P. & T. Department and other organisations mentioned above under the Ministry of Communications to progressively undertake research and development work on par with similar work being done abroad.
7. To recommend steps to build up supporting facilities commensurate with these objectives.
8. To recommend financial support needed for the effective implementation of the above programmes.
9. To suggest ways and means by which the transfer of design and development work to production can be expedited.

10. To suggest appropriate administrative and personnel policies for efficient implementation of the Committee's recommendations.
6. The Committee will regulate its own procedure and will have power to co-opt other Members, should they find it necessary at any stage.
7. The Committee would be required to submit its report to Government by the end of September, 1972.
8. The Committee may appoint one or more working groups to assist it in detailed studies of any specific aspect of their terms of reference.

Sd/- (A. S. BHATNAGAR),
Director,
Ministry of Communications.

Copy forwarded for information and necessary action to:—

1. All Members of the Committee.
2. All Ministries/Departments of Government of India.
3. The Information Officer (Sh. P. Dhemija, Deputy Principal Information Officer), P.I.B., Shastri Bhavan, New Delhi.
4. The DG P&T, Dak Tar Bhavan, New Delhi-1.
5. The Chairman-cum-Managing Director, Indian Telephone Industries Ltd., Bangalore-16.
6. The Chairman-cum-Managing Director, Hindustan Teleprinters Ltd., Madras-32.
7. The Chief Project Manager, Indian Telephone Industries Ltd. (Naini Unit), Mirzapur Road, Allahabad-10.
8. The Managing Director, Hindustan Cables Ltd., P.O. Hindustan Cables, Burdwan District, West Bengal.
9. The Director-General, Overseas Communications Service, Bombay.
10. The Cabinet Secretariat, Department of Cabinet Affairs, Rashtrapati Bhavan, New Delhi, with reference to D.O. letter No. 105/3/175/72-CF, dated 15th March, 1972 from Shri J. S. Mongia, Joint Secretary addressed to Secretary, Ministry of Communications.
11. The Wireless Adviser to the Government of India, Sardar Patel Bhavan, New Delhi-1.
12. The Director, Indian Institute of Technology, Guindy, Madras.

13. The Director, Telecommunication Research Centre, P&T,
Khurshid Lal Bhavan, Janpath, New Delhi-1.

Sd/- (A. S. BHATNAGAR).

*Director,
Ministry of Communications.*

Copy to OC, RC, C&G, Admn & C&P Sections.

Recommendation

The Fourth Plan envisages additional 7.6 lakhs telephones connections of which only 0.80 lakhs connections were given during the first year of the Plan viz., 1969-70. As pointed out earlier 1.62 lakhs further connections could be given merely by utilising the existing capacity. The Committee hope that the rate of additional connections in the remaining years of the Plan would be stepped up and the overall target fulfilled.

[S. No. 15 (Para 1.17) of Appendix IV to the Second Report (Fifth Lok Sabha)].

Action taken

Keeping the latest position of the availability of material and financial resources, a revision of the target was considered in November/December, 1970. According to these original and revised targets (yearwise) are as below:—

(Figures in thousands)

Sl. No.	Year	NET ADDITION TO TELEPHONE CONNECTIONS		TELEPHONE SETS	
		ORIGINAL	REVISED	ORIGINAL	REVISED
1	2	3	4	5	6
1. 1969-70		70	80	95	102 **Actual
2. 1970-71		80	85	109	110
3. 1971-72		150	100	182	130
4. 1972-73		150	125	184	162
5. 1973-74		150	150	190	196
Total :—		600	540	760	700

The above targets were fixed in December, 1970. During 1970-71, we have been able to add about 90,000 telephone connections (DELS) compared to the target of 85,000.

During 1971-72, we hope to achieve the target of net additions of 1,00,000 lines in the country as a whole. The progress during the 1st quarter of 1971-72 ending 30th June, 1971 in this direction has been 19684 lines (DELS).

[P & T Board O.M. No. 97-2/69-TPS(XP) dated 11th February, 1972].

Recommendation

The Committee find that although a dispensary was opened at Jaipur for the P & T employees in 1967, treatment was made compulsory only with effect from 1st January, 1969 following the Orissa High Court ruling and an amendment to the Central Services (Medical Attendance) Rules empowering the Central Government to appoint Authorised Medical Attendants in December, 1968. In the meantime, 10,072 persons received treatment outside the dispensary and a total amount of Rs. 18.37 lakhs representing cost of treatment was reimbursed by the Department. The committee feel that the Department should have obtained legal opinion from the Ministry of Law and in consultation with the Ministry of Health the treatment should have been made compulsory ad initio which would have avoided considerable expenditure on reimbursement of fees for professional services obtained outside the dispensary.

[S. No. 16 (Para 1.89) of Appendix IV to the Second Report (Fifth Lok Sabha)].

Action taken

It may be mentioned that the P & T Dispensary, Jaipur was not the first departmental dispensary to be opened by the department. The first departmental dispensary was opened in Ambala as early as 1961 and several other dispensaries were started from 1958 onwards. Instructions in regard to the running of these dispensaries were issued in 1962 in the form of the 'Rules for maintenance of P & T Dispensaries' which were finalised in consultation with the Ministries of Health and Finance. Since these instructions were not in the nature of statutory rule Ministry of Law were not consulted at the time of their issue. According to the provisions of the 'Rules for maintenance of P & T Dispensaries', the Medical Officers-in-charge of P & T dispensaries shall be Authorised Medical Attendants for all members of staff and their family members residing within the area served by the dispensary and drawing pay less than Rs. 500/- p.m. In fact, even before the opening of P & T dispensaries, various Medical officers at stations where doctors of the State Government were not available were being declared to be the Authorised Medical Attendants in respect of P & T employees, with the concurrence of the Ministries of Health and Finance in each case and no legal objections were raised by the staff or from any other quarter. Since the P & T dispensaries have

already been functioning for a long time in various places and no objections were raised regarding the treatment of the P & T doctors as Authorised Medical Attendants in respect of the P & T employees drawing pay stations where there are no dispensaries, no difficulty on this score was anti-upto Rs. 500/- in other places and this was also in conformity with the practice followed with the concurrence of the Ministries of Health and Finance in regard to appointment of Authorised Medical Attendants even in strength is more than 1,000 and the expenditure on medical reimbursed-cipated at the time of opening of the P & T Dispensary, Jaipur and no need for consulting the Ministry of Law appeared at that time.

As regards the reasons for not making treatment at the Dispensary compulsory *ab initio*, the position is that it was initially felt that the Dispensary should be properly and fully equipped before treatment there was made compulsory and that orders notifying the opening of the Dispensary were themselves somewhat premature. Later, as already explained consequent on the filing of a writ petition in the Orissa High Court, it was found that the legal position was also not quite clear. The amendment to the CS (MA) Rules under which treatment could be made compulsory was issued by the Ministry of Health only on the 30th December, 1968 and thereafter, treatment at the dispensary was made compulsory with effect from 1st January, 1969.

The observations of the Committee have, however, been noted.

[P & T Board O.M. No. 12-15/69 WL(i) dated 11th February, 1972].

Recommendation

The Committee get a disturbing picture from the study undertaken by the P & T Board Efficiency Bureau. Over a period of 7 years from 1961-62 to 1967-68, the per capita expenditure on medical reimbursement increased by 389 per cent. In this connection it is interesting to note that the per capita cost of treatment which was about Rs. 81/- per month at Jaipur before opening the dispensary came down to Rs. 11/- after the treatment in the dispensary was made compulsory. As establishment of such dispensaries has helped to curtail the expenditure and reducing the possibilities of malpractices, the Committee would urge the Department to come to an early decision on opening dispensaries in areas where the total number of P & T staff exceeds 1,000.

[S. No. 18 (para 1.91) Appendix IV to the Second Report (Fifth Lok Sabha)]

Action taken

While the number of P & T employees at a station is one of the important criteria for opening of new P & T dispensaries, there are other equally important considerations which have to be taken into account. The Efficiency Bureau in their Report had recommended the appointment of selected Authorised Medical Attendants or opening of dispensaries in stations where the incidence of medical reimbursement is abnormally high. Action has already been initiated to collect information regarding stations where the staff strength is more than 1,000 and the expenditure on medical reimbursement is high. On the basis of information already received, it has since been decided to open four new dispensaries in the Andhra Pradesh Circle; several other proposals relating to other Circles are now under scrutiny.

[P & T Board O.M. No. 12-15/69-DL(III) dated, 11th February 1972.]

Further information

While the number of P & T employees at Station is one of the important criteria for opening of new P & T dispensaries, there are other equally important considerations which have been taken into account. The efficiency bureau, in their report had recommended the appointment of authorised Medical Attendants or opening of dispensaries in the stations where the incidence on medical reimbursement is abnormally high. Action has been taken to collect information regarding stations where the staff strength is high. On the basis of the information already received 11 new dispensaries have since been sanctioned, out of these 6 have started working. Some other proposals received from the Circles are under scrutiny. However, there are some stations where staff strength exceeds 1000, but per capita expenditure on medical reimbursement is low and it would not result in substantial saving if a P & T Dispensary is opened. Hence, these stations are at present not being considered for opening of Dispensaries.

[P & T Board O.M. No. 12-15/69-WL (Medical)-II dated 7th June, 1972.]

Recommendation

The Committee are surprised to find that firm 'A' had been entrusted with the work of transhipping mails from Tuticorin Port to Colombo harbour at the rate of Rs. 5.9 per bag as against his tendered rate of Rs. 1.25 per bag with the result that an extra expenditure of Rs. 2.26 lakhs had to be incurred during March, 1965 to August, 1967. The Committee would like to know the action taken as a result of the disciplinary proceedings instituted against the officials concerned.

[S. No. 21 (Para 1.108) of Appendix IV to the Second Report (Fifth Lok Sabha).]

Action taken

The case of over-payment for the carriage of mails had been referred to C.B.I. for investigation. Their report was duly examined by C.V.C. who recommended the initiation of disciplinary proceedings for the imposition of only a minor penalty against two of the officers. Following officers were called upon to submit their explanations in connection with the over-payment to M/s. Machado Brothers for conveyance of mails from Tuticorin to Colombo:—

- (1) Shri N. T. Janes, formerly ADPS, (Mails)
- (2) Shri T. Samuel, ADPS, (Mails)
- (3) Shri T. S. Srinivasa-II, formerly ADPS, Madras
- (4) Shri V. Sivakamiah, SSRM, Madras Sorting
- (5) Shri C. S. S. Sundaram, SSP, Dammad
- (6) Shri M. Janikiraman formerly RDM, Madras
- (7) Shri T. R. Sankaran, formerly RDM, Madras
- (8) Shri T. S. Ramamurthy, Head Clerk

Shri N. T. Janes has been let off on the advice of C.V.C. and he has already retired from service. Shri T. Samuel has also retired from service and he has also been let off as per advice of the C.V.C. It has been decided to administer non recordable warning to S/Shri V. Sivakamiah and C. S. S. Sundaram. The lapses on the part of S/Shri M. Janikiraman and T. R. Sankaran are being brought to their notice and they are being advised suitably.

As regards Shri T. S. Srinivasan-II and his Head Clerk Shri T. S. Ramamurthy, formal proceedings under Rule 16 of CCS(CCA) Rules, 1965 have been initiated against them by the P.M.G. Madras. Disciplinary proceedings are in progress.

[P. & T. Board O.M. No. 13-32/71-CF, dated 11th February, 1972].

Recommendation

Incidentally the Committee find that the rate of 28 paise per kilogram prescribed in the departmental rules was based on the rates laid down under the Universal Postal Union Rome Convention (1905). The Convention provided for three different rates for the conveyance of articles other than letters, postcards etc., by sea i.e., upto 300 nautical miles, between 300 to 1500 nautical miles and beyond 1500 nautical miles. The Department had taken the rate applicable to the distance between 300 and 1500 nautical miles and adopted it irrespective of distance. In this case the distance between Tuticorin and Colombo was only 140 nautical miles for which the rates prescribed by the Rome Convention would be 2/5th of the rate adopted by the Department. The Committee, however,

note that the relevant rules had since been amended. The Committee would like to know why a uniform rate was initially prescribed without relating it to the distance as recommended by the Rome Convention, which continued unrevised for over 60 years. They would also like Government to arrange for a careful and periodic review of such rates in future having regard to the basis of their original fixation and the experience gathered subsequently.

[SI. No. 22 (para 1.109) of Appendix IV to the second Report (Fifth Lok Sabha)].

Action taken

It has not been possible to find out the circumstances under which a uniform rate was prescribed for mail despatches under the gratuity scheme. This procedure has been in force for several decades. Apparently, at that time the Gratuity System was adopted only for despatches to distant countries for which regular sailings were not available. For nearer destinations, there were regular steamer contracts with the BISN and other companies.

2. The suggestion of the Public Accounts Committee for careful and periodical review of such rates will be kept in mind. In fact, such a review was duly conducted in 1969, 1970 and 1971. At the time of such reviews in future, due regard will be had to the basis of the original fixation and the actual experience in the application of the rates.

[P. & T. Board O. M. No. 13-32/71-CF, dated 11th February, 1972)]

Recommendation

The explanation of the delay in the Postmaster General's office as due to "the concerned officer being on long earned leave", "the concerned file having been linked up in some other connection", "misrouting of file" "and incomplete submission of the case by the dealing Assistant" are hardly convincing. While the Committee note that responsibility could not be fixed on any particular individual for the delay, they trust that the Department would take suitable remedial measures so as to avoid such costly delays.

[SI. No. 24, (Para 1.120) of Appendix IV to the 2nd Report (Fifth Lok Sabha)].

Action taken

Suitable instructions have been issued to heads of Circles to call and finalise the tenders in time.

[P & T Board O.M. No. 29-8/69-NA dated 11th February 1972.]

Recommendation

The Committee do not see any force in the argument that tenders for the year 1967-68 were accepted in parts to effect economy when there

was no permissive clause therefor in the tender call notice issued by the Department. The Committee hope that such acts of indiscretion will not be committed and that the department would be well fortified by suitable conditions in the tender call notice in future.

[Sl. No. 25 (Para 1.121) of Appendix IV to the 2nd Report (Fifth Lok Sabha)].

Action taken

The observations of the Committee have been brought to the notice of the Departmental officers who have been asked to take suitable note of the directions in future.

[P. & T. Board O. M. No. 29-8/69-NA, dated 11th February, 1972].

Recommendation

The Committee are unhappy to note the slow progress of recovery of telephone dues pertaining to the period upto 67-68. Out of the dues upto 1967-68 amounting to Rs. 342.06 lakhs outstanding as on 1st July, 1969 only a sum of Rs. 39.92 lakhs could be recovered upto 1st March, 1970. As by the efflux of time it becomes difficult to realise the dues especially from private subscribers, the Committee would urge the Department to initiate a special drive to recover the arrears. They would suggest that the matter should be resolved without further delay in so far as the arrears relate to Government subscribers. In respect of other subscribers it may be advisable to prepare Consolidated arrears bills with relevant particulars for the working connections and systematically pursue them with parties concerned so as to effect recoveries expeditiously.

[Sl. No. 26 (para 1.132) of Appendix IV to the 2nd Report (Fifth Lok Sabha)].

Action taken

Efforts have continually been made to reduce arrears all the time. The steps already taken in regard to realisation of the arrears upto 1967-68 are detailed below.

(a) A special drive was made during August, 1970 to November, 1970 for liquidating the arrears in respect of bills issued upto 31st March, 1968 before the end of No. 70 *vide* the Sr. Member (F) d.o. letter No. 23-1/70-TR dated 24th July, 1970 (copy enclosed) to all Heads of Circles/Telephone Districts. As a result of this drive, the arrears upto 1967-68 which as on 1st July, 1969 stood at Rs. 342.06 lakhs, Rs. 302.04 lakhs as on 1st April, 1970 and Rs. 259.65 lakhs as on 1st July, 1970 were reduced to Rs. 220.56 lakhs by the close of November, 1970.

(b) In November '70, the Secretary(C) addressed a D.O. letter No. 4-4/70-TR, dated 26th November, 1970 (copy enclosed) to Heads of Fifteen Circles/Telephone Districts which were found to be lagging behind, urging

that they should take personal interest in the matter and ensure expeditious liquidation of the arrears.

(c) A fresh drive to liquidate the arrears was made in May-June '71 *vide* the Member (Finance) D.O. letter No. 4-2/70-TR dated 11th May, 1971 (copy enclosed) addressed to all Heads of Circles stressing the need for making all out efforts to realise the arrears expeditiously. As a result of this drive, the arrears in respect of the bills issued upto 31st March, 1968 were further brought down from Rs. 220.56 lakhs as at the close of November, 1970 to Rs. 169.01 as on 1st July, 1971. These outstanding have further come down to Rs. 155.46 lakhs as on 1st October, 1971.

(d) On 15th June, 1971, a circular letter No. 4-43/71-TR (copy enclosed) was issued to all Heads of Circles/Telephone District bringing home to them the observations made by the Minister (C) as follows:—

"The result will matter with me. Low realisation will mean low degree of interest. It will keenly watch the performance of all the concerned."

(e) A decision has been taken accepting in principle that the outstanding of the following types in respect of bills issued prior to 1st April, 1966, should be written-off.

- (i) Where the claim though outstanding from 1st April, 1966 on our books, whether against a working or a closed connection, cannot be substantiated for want of records (for example, trunk call tickets, etc.)
- (ii) Where a claim has remained unenforced for an unconscionably long period say from 1st April, 1966, after which it will be iniquitous to ask the party to produce proof of payment which the party claim to have already been made by them; and
- (iii) Claims involving p'ty amounts pursuance of which might be un-economical and is likely to militate against the maintenance of good relations with the subscribers. Powers have been delegated to Heads of Circles/Telephone Districts to write-off the arrears of the types referred to *vide* Memo No. 9-21/70-TR dated 1st January, 1972 (copy enclosed).

1. The following further steps are being taken for the clearance of old arrears.

- (i) A special drive has been started with effect from 1st January, 1972 to last upto 31st March, 1972 for clearing the arrears for the years upto 1970-71 with greater emphasis on liquidating the arrears in respect of bills issued upto 31st March, 1968 *vide* letter No. 4-48/71-TR (Pt.) dated 28th December, 1971 (copy enclosed).

- (ii) Regarding outstanding against Defence Department it is proposed to hold a meeting with Defence Authorities and discuss the ways and means for expeditious settlement of arrears.
- (iii) In regard to outstandings against other Government Departments, the Minister (C) has ordered letters to be issued to concerned Ministries of Government of India and Chief Minister of State Government with full details. The Heads of Circles have been addressed for details of outstandings.

[P. & T. Board O.M. No. 23-21/70-TR, (PT.) Dated February, 11th 1972].

Copy of D. O. No. 23-1/70-TR dated July, 24, 1970 from Shri S. D. Nargolwala, Sr. Member (Finance) Government of India, Department of Communications, Posts and Telegraphs Board, New Delhi.

For quite some time, Secretary and I have been impressing on the Heads of Circles the urgent need for speedy liquidation of all areas or telephone revenue, especially the arrears in respect of bills issued in earlier years. You have been asked to pay sustained personal attention to the matter.

2. We have lately not only placed the Telephone Revenue Organisation directly under Heads of Circles but also brought it into closer touch with the subscribers by decentralising it to the divisional level, so as to enable you to control the collection of revenue more effectively. You will appreciate that the responsibility for realisation of dues in arrears and timely recovery of current dues, which has always devolved on you has, with the organisational change brought about recently, now assumed a new dimension.

3. I, however, regret to find that even after the new arrangements have been in operation for a considerable period, the position as regards outstandings is showing no sign of coming anywhere near the tolerance limits, our 3 months' old outstanding stood at nearly Rs. 6.5 crores as on 1st January, 1970. The Public Accounts Committee have observed recently that the arrears of telephone revenue are 'substantial' and have desired that a special drive may be launched for liquidating all such arrears upto 67-68 within the next few months.

4. All out efforts should accordingly be made to accomplish this by the end of November, 1970.

5. All complaints regarding wrong billing should be promptly disposed of; your credit control (payment noting) should be placed on a sound footing and disconnections enforced rigorously against defaulting accounts.

6. Dues against Government subscribers should be realised within the 'target' date by personal contacts and correspondence at the appropriate levels.

7. All realisable arrears against closed private connections should be cleared through legal notice, personal contact, correspondence, etc.

8. Cases which need legal action should be progressed immediately keeping in view where necessary the requirements of the Limitation Act as explained to you separately under Uma Shankar's D.O. letter No. 20-73/70-TR dated 25th June, 1970.

9. As to the non-realisable arrears against closed private connections these should be processed for write-off by the competent authority in the usual way care being taken to see that matters are taken up urgently at the appropriate level so as to ensure that the write-off materialises positively by the target date indicated above.

10. I hope that you will ensure that all arrears upto 67-68 are cleared by the end of November '70 as desired by the Public Accounts Committee and, as far as your Circle is concerned, there are no residual dues left unsettled by then which might occasion a fresh adverse comment from the Public Accounts Committee. I may add that all concerned may be warned that any failure or laxity in the liquidation of the arrears within the target date will be viewed very seriously.

11. I shall be grateful if you will send a special report on the 25th of every month commencing from September, 1970, onwards, showing the progress made during the preceding month. This report should be addressed to me by name.

12. Kindly acknowledge receipt of this letter.

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

No. 4-4/70-TR.

Dated, at New Delhi, the 26th November, 1970.

My dear,

The arrears of telephone revenue have been causing us a lot of concern. Although my predecessor and Senior Members in the Board have, very often, been writing to you on the subject, it seems that no substantial progress has been achieved to liquidate the arrears. The position in States such as Delhi, Assam, J & K, Bihar, Orissa and West Bengal is particularly bad.

2. The serious position of the arrears is evident from the fact that in respect of the total amount of Rs. lakhs due to be collected at the end of March '70 the percentage of the amount remaining uncollected at the end of June '70 was as high as.... The Minister for Communications was constrained to remark that the arrears were quite considerable and efforts should be made to realise the same quickly.

3. I quite appreciate the back-log which hinders progress in the liquidation of arrears but you will realise that for a total liquidation, the recoveries have to be far in excess of the current billing. The position of arrears will continue to remain unsatisfactory unless, side by side, which with the recovery of current arrears, the back-log is also effectively pursued either by recovery or by write-off, as the case may be.

4. I would, therefore, urge you to take a personal interest in the matter and ensure that the arrears are liquidated early, as desired by the Minister for Communications. The aim should be to see that when the next review is made you should be able to report substantial improvement over the past performance.

Yours sincerely,
Sd./ N. C. SRIVASTAVA.

ANNEXURE

		Amt. due on 31-3-70	Percentage of outstand- ing as on 1-7-70
1. J & K	.	56.42	89
2. Delhi Phones.	.	193.14	79
3. Assam	.	131.38	67.6
4. W.B.	.	67.43	67.4
5. Orissa	.	37.36	62.3
6. Bihar	.	65.58	57.5
7. U.P.	.	127.17	50.2
8. Rajasthan	.	27.22	49.8
9. M.P.	.	72.66	49.2
10. Calcutta Phones	.	89.65	48.3
11. Maharashtra	.	48.69	38.0
12. Gujarat	.	47.59	31.7
13. Punjab	.	73.54	27.4
14. Bombay Phones	.	126.34	27.3
15. Andhra.	.	14.61	26.0

COPY

D.O. No. 4-2/70-TR

GOVERNMENT OF INDIA

DEPARTMENT OF COMMUNICATIONS
(POSTS & TELEGRAPHS BOARD)

S. R. Mehta, Member (Finance).

Dated at New Delhi, the 11th May, 1971.

My dear

Kindly refer to my predecessor's D.O. letter No. 23-1/70-TR, dated the 24th July, 1970 stressing the urgent need for speedy liquidation of telephone revenue arrears. It was, inter alia, desired therein that a vigorous drive should be launched and all the arrears in respect of the bills issued upto 31st March 1968 cleared by 30th November, 1970. Monthly progress of reports had also been called for.

2. We have since received the reports for all the months up to November '70 and reviewed the position. It was observed that out of the total arrears of 266.86 lakhs as on 1st July 1970 for the years upto 1967-68, an amount of Rs. 45.31 lakhs only has been cleared during the drive period. The amount cleared represents 17 per cent of the arrears due for collection. It had been expected that if not all, at least a major portion of the arrears, especially those of the earlier years, would be completely wiped out. But the results achieved fall much short of our expectations.

3. Heads of several Circles have intimated that the slow progress was due to various reasons, like existence of pockets of arrears due to decentralisation, non-availability of records, staff problems and delay in finalisation of cases under litigation, etc. etc. While I do appreciate that there would be some difficulties in clearing very old arrears, I feel that the difficulties should not be insurmountable and they could, to a great extent, be overcome by proper co-ordination and planning. It is felt that at least 50 per cent of the arrears, if not more, could have been settled if concerted efforts were made.

4. On a review of the details of the outstanding bills for the years upto 1959-60 received from some of the Circles, it has been observed that in several cases outstandings of even very petty amounts (less than Rs. 5/- in each case) have been allowed to hang on for years together. Cases were also not wanting in which the arrears though already considered to be irrecoverable were yet to be processed for write off. All such cases indicate that the efforts made by the field officers lacked the zeal and vigour with which the drive should have been made. Therefore, there is need for a still more vigorous drive for liquidation of the arrears upto 1969-70 with greater and special emphasis on the arrears for the years upto 1967-68.

5. A special drive should, therefore, be made and at least three fourths of the arrears cleared before 1st July 1971. For this purpose, you should

review the position, lay down the target for each Division and watch fulfilment thereof.

6. The field officers who accomplish the targets fixed for them should be suitably commended and those who fail to do so reprimanded. A special report indicating the results of the drive should be furnished by 31st July 1971.

Receipt of this letter may please be acknowledged to Shri Uma Shankar, Deputy Director-General (Accounts) in the Directorate.

Sd/-
(S. R. MEHTA),
Member (Finance).

To

Shri

All Heads of Circles/Telephone Districts

COPY

GOVERNMENT OF INDIA

DEPARTMENT OF COMMUNICATIONS
(POSTS AND TELEGRAPHS BOARD)

No. 4-43/71-TR

New Delhi-1, the June 15th 1971.

To

All Heads of Circles Telephone Dist's. (By name).

SUBJECT:—Liquidation of telephone revenue arrears.

The arrears of telephone revenue have been causing a lot of concern to the Department, and the Secretary(C) and Sr. Member(Finance) have often written to the Heads of Circles on the subject, but the progress achieved in liquidating the arrears has not been to the extent desired as much as the three months old outstandings still continue to be very heavy of the order of Rs. 6 crores.

2. In November '70 the Secretary (C) had addressed several Heads of Circles where there were huge arrears and the percentage of the amount remaining unrealised at the end of June '70 in respect of the bills issued upto March '70, was high. No doubt the position has slightly improved since then, it still remains far from satisfactory.

3. Besides the liquidation of the past arrears recovery of current dues also needs to be taken proper care of. A fully efficient unit is expected to recover 100 per cent of the amount billed for at least during 3 month following the month of issue of bills.

4. An assessment was recently made in respect of bills issued during Nov. '70 and remaining outstanding at the end of December '70. It was seen that in the case of a few units only (namely Bangalore, Hyderabad and Madras Telephone Districts and Kerala Mysore and Tamil Nadu Circles), the collection efficiency was up to the mark. In the case of certain units, namely, Andhra Circle, Delhi, Ahmedabad and Calcutta Telephones, the collection efficiency was near the mark. In respect of others units, the efficiency was low, ranging between 21 per cent to 89 per cent. This showed that proper and timely follow-up action was not being taken after issue of the bills in the case of the Circles/Telephone Districts where the collection efficiency was low.

In this connection, the Minister for Communications has observed.

"The results will matter with me. Low realisation will mean low degree of interest. I will keenly watch the performance of all concerned."

In view of the Minister's observations, the Heads of Circles/Districts should immediately review the position in respect of individual TR Units with a view to pin-pointing those which are lagging behind in this regard. The machinery employed for 'follow up' action after the issue of bills should be geared up, where necessary. No laxity on the part of the TRA Unit and/or the Exchange authorities should be tolerated in regard to the realisation of revenue. Necessary steps should be taken and it should be ensured that the collection efficiency in each and every unit and for the Circle/District as a whole is stepped up to the optimum point.

A monthly review of the performance of each TR Unit should be made and each unit informed of the performance of the others compared to itself. Good work done by units should be appreciated and those showing indifference or in-attention should come in for adverse notice. The adverse comments on bad performance will goad the less efficient/unit into greater activity. The aim should be to introduce an element of healthy competition among the various units to induce them show better results.

In the monthly report to the Directorate, a special para should be incorporated indicating the result of the review made and action taken thereon.

5. In his observations, on the review of "telephone revenue billing, collection, and arrears" for the month of November '70, the Minister was critical about the case in which the telephone dues become irrecoverable. Great care has, therefore, to be taken to see that the revenue billed for is promptly realised as far as possible. In cases where the subscribers go into default and their telephones should be disconnected, the defaulters

chased promptly, and all efforts made to recover the dues. The correct and timely issue of the bills also helps in keeping the outstanding low. It is necessary that steps should be taken to minimise delay in advising the TRA Units, of changes in the status of an installation (i.e., opening, shifting, transfer together parts etc.) If delays in these matters are allowed to occur, bills are issued belatedly or sent to the wrong address jeopardising the chances of their settlement.

In cases where inspite of the necessary follow up action for recovery of the dues, the outstandings cannot be recovered and they have, per force to be written off, it should be ensured that the departmental officers were not responsible for a situation in which write-off has to be done.

6. Receipt of this letter should be acknowledged.

Sd/-

UMA SHANKAR,
Deputy Director General(A).

BHARTIYA DAK TAR VIBHAG

Office of the Dak Tar Mahanideshak (DGP&T)

No. 9-21/70-TR

New Delhi-1, the 7th January, 1972.

To

All Heads of Circles/Telephone Districts.

SUBJECT:—Write-off of irrecoverable Telephone dues in respect of bills issued prior to 1st April 1966—Delegation of financial powers to Heads of Circles/Districts.

The President has been pleased to delegate to the Heads of Circles/Districts, the powers to write-off the irrecoverable telephone dues of the following descriptions relating to both Government and Private Telephones in respect of bills issued *prior to 1st April 1966*, to the extent noted against:—

Description	Extent of Financial powers.	
	For bills issued prior to 1-4-58	For bills issued subsequent to 31-3-58 but prior to 1-4-66
(i) Outstandings against a <i>working or closed connection</i> , where payment has not been forthcoming despite all efforts and the party has disputed the bill (s) and wants details of claim but details cannot be given for want of relevant records (for examples, Trunk Call Tickets etc.)	Upto Rs. 4000/- in each case.	Upto Rs. 2000/- in each case.
(ii) Outstandings against a <i>working or closed connection</i> where the party claims to have made the payment but does not have receipt (s) at this distant date.	Upto Rs. 4000/- in each case	Upto Rs. 2000/- in each case.
(iii) Outstandings involving petty amounts against <i>working or closed connection</i> where all possible efforts made to realise the dues have proved futile and further pursuance is considered uneconomical and hence not worth while.	Rs. 200/- in each case.	Rs. 200/- in each case.

2. The Heads of Circles/Districts before resorting to write-off will screen all cases of the description detailed in Para 1 above, carefully. The write-off sanctions will be issued under the personal signatures of the Head of the Circle/District and contain the following certificates besides the usual one appended to sanctions to write-off:—

“All the cases detailed in the sanction have been carefully screened to my satisfaction and I hereby certify that:—

- (i) The need for such write-off has arisen not from fraudulent manipulation or misplacement of the relevant records but from normal administrative exigencies;
- (ii) Suitable action wherever necessary for omission or negligence on the part of staff concerned which led or contributed to the loss, has been taken;
- (iii) Adequate measures have been taken wherever necessary to prevent a repetition of such losses in future; and
- (iv) only those cases where bills were issued before 1st April, 1966 and appeared as outstanding in the books have been included in the sanction.”

3. This issues with the concurrence of P & T Finance *vide* their U.O. No. 45-FAI/72 dated 5th January 1972.

(Sd.) UMA SHANKAR.

Deputy Director-General(A).

Copy forwarded to:—

- 1. The Accountant-General, P & T Delhi.
- 2. The Director of Audit and Accounts, P & T Delhi, Calcutta, Nagpur, Madras, Kapurthala, Hyderabad, Jaipur, Lucknow, Patna, Bangalore, Bhopal, Trivandrum.
- 3. P & T Finance (I).
- 4. Budget, CI, O & M (Insp. Orgn.) Sections of the P & T Directorate.

(Sd.) K. L. GOYAL,

Asstt. Director General (TR).

BHARATIYA DAK TAR VIBHAG

OFFICE OF THE DAK TAR MAHANIDESHAK (DG P & T)

No. 4-43/71-TR(Pt.)

To

All Heads of Circles/Telephone Districts (By name).

SUBJECT:—Arrears of Telephone Revenue—Recommendations of the Public Accounts Committee—Special Drive for liquidation of

The Public Accounts Committee in Para 1.132 of their Second Report 1971-72 (Fifth Lok Sabha) have observed as follows:—

“The Committee are unhappy to note the slow progress of recovery of telephone dues pertaining to the period upto 1967-68. Out of the dues upto 1967-68 amounting to Rs. 342.06 lakhs outstanding as on the 1st July, 1969 only a sum of Rs. 39.92 lakhs could be recovered upto 1st March, 1970. As by the efflux of time it becomes difficult to realise the dues especially from private subscribers, the Committee would urge the Department to initiate a special drive to recover the arrears. They would suggest that the matter should be resolved without further delay in so far as the arrears relate to Government subscribers. In respect of other subscribers it may be advisable to prepare consolidated arrears bills with relevant particulars for the working connections and systematically pursue them with parties concerned so as to effect recoveries expeditiously.”

2. In pursuance of the above recommendations, all out efforts should be made to liquidate to the arrears not only upto 1967-68 but also those in respect of bills issued upto 31st March, 1971 without the least possible delay. For this purpose a special and a very vigorous drive should be started with effect from 1st January, 1972 and should continue for three months upto 31st March, 1972. There should be greater emphasis on liquidating the arrears in respect of the bills issued upto 31st March, 1968 and it should be ensured that there is no residue of such arrears left at the close of 31st March, 1972. In this connection, your attention is invited to my D.O. letter No. 4-43/71-TR dated 15th June, 1971 addressed to all Heads of Circles by name wherein the observations of the Minister about the importance and urgency of this matter were brought home.

3. Action on the following lines should be taken:

(a) Immediately on receipt of this letter, suitable instructions should be issued to all concerned and the preliminary preparations completed in time for the drive to start in full swing with effect from 1st January, 1972.

(b) All pending complaints regarding wrong bills should be disposed of immediately and arrangement be made to ensure expeditious disposal of billing complaints received thereafter.

(c) *Outstanding against Government Subscribers*.—Apart from enforcement of timely disconnections in the event of non-payment, personal contacts should immediately be established with the concerned Government Departments/Officers at appropriate levels with a view to realising the outstanding dues expeditiously.

(d) *Outstanding against Private Subscribers*.—(i) Consolidated bills should be prepared covering all the past arrears with full details in respect of working connections and sent to the concerned subscribers giving them one month's time for payment. After expiry of one month, disconnection should be resorted to where necessary. These cases should be systematically and vigorously pursued for expeditious recovery.

(ii) All recoverable arrears against private closed connections, should be cleared through legal notice and personal contacts. Cases in which dues are considered irrecoverable should be processed for write-off.

4. A report showing the progress made and the results achieved should be submitted personally by the Heads of the Circle by the 30th April, 1972, in the proforma (Annexure I) enclosed. A statement of irrecoverable amounts written off during the period of the drive and balance for which write off proceedings might have been initiated should also be furnished in Annexure II (enclosed) alongwith the report.

5. The receipt of this letter should be acknowledged.

(Sd.) UMA SHANKAR,
Dy. Director General (A).

ANNEXURE I

Report on the results achieved during the drive from 1-1-72 to 31-3-72 for liquidation of the telephone revenue arrears.

Years of Arrears	Position of outstandings as on			
	1-1-72		1-4-72	
	Government subscribers	Private subscribers	Government subscribers	Private subscribers
upto 1959-60				
60-61				
61-62				
62-63				
63-64				
64-65				
and so on				
upto 1970-71				
TOTAL				

Reasons for the arrears remaining unrealised at the close of the drive, if any.

Yearwise ARREARS	Reasons	Head of the Circle.
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ANNEXURE II

Statement of irrecoverable amounts written off etc. during the period of special drive with effect from 1-1-72.

		Amount year of issue wise
Telephone] No.	Total amount involved	State at which case held in for final write-off
Head of the Circle.		

Recommendation

The Committee take serious view of the large scale short recoveries and failure to issue bills dealt with in the Audit Para. Although these have been attributed to failure of human element the Committee would like to stress the need for providing necessary safeguards such as surprise checks to ensure correct and prompt billing and recovery of dues fully and in time.

[Sl. No. 27 (para 1.133) of Appendix IV to the 2nd Report (Fifth Lok Sabha).]

Action taken

'Short Recoveries' and 'Failure to issue bills' occur on account of non-observance of the prescribed procedures and also due to failure or laxity in exercising the prescribed checks and counter-checks. These checks and counter-checks are constantly kept under review and modified wherever necessary. All the subordinate authorities are being circularised reiterating the need for following the existing checks and counter-checks and devising and implementing surprise checks to ensure correct and prompt billing and recovery of all telephone dues fully and in time. A copy of the instructions issued under Directorate letter No. 23/21/70-TR(Pt.) dated 11-2-1972 is attached.

[P. & T. Bord O.M. No. 23-21/70-TR(Pt.) Dated: February 11th, 72.]

INDIAN POSTS AND TELEGRAPHS DEPARTMENT

OFFICE OF THE DIRECTOR GENERAL POSTS AND TELEGRAPHS

No. 4-1/72-TR., *New Delhi-1, Dated the 11th February, 1972.*

To

All Heads of Circles/Telephone Districts.

Sub: "Short recoveries" and "Failure to issue bills"—recommendations of the P.A.C.

The P.A.C. have taken a serious view of the persistent occurrence of cases of 'Short recovery' and 'Failure to issue bills' on the Telephone

Revenue side. In para 1.133 of their 2nd report 1971-72 (Fifth Lok Sabha), the Committee have observed and recommended:

"Although these have been attributed to failure of human element, the Committee would like to stress the need for providing necessary safeguards such as surprise checks to ensure correct and prompt billing and recovery of dues fully and in time."

2. In pursuance of the above recommendations, all-out effort should be made to see that the causes leading to 'short recovery' and or 'failure to issue bills' are immediately put an end to. The first essential step in this direction is to tighten up the existing prescribed checks and test checks in regard to the billing of the following charges:

- (a) Local call charges;
- (b) Rental of telephones and accessories etc; and
- (c) Trunk call charges.

3. *Local call charges—*

Attention is invited in this connection to this Directorate's Circular letter No. 5-63/70-PHB(1) dated 28-9-1970 prescribing :

- (a) The detailed procedure for taking the meter readings especially for the consideration that no completed revolution was missed and how the completed cycles should be exhibited in the Register of Local Calls (Meter Reading Register) to be sent to the TR Unit for billing;
- (b) The following checks to be made/exercised in connection therewith.

3.1. (i) The Exchange Officer to send a list of telephones in respect of which one or more revolutions were completed during the quarter and the TR Unit to check the list with the Register of local calls.

(ii) The Inspecting Officer to furnish to the TRA Unit a list of 100 working telephones with the meter readings as on the date of inspection in the TRA Unit to check and see that the meter readings shown therein are broadly correct.

(iii) The Inspecting Officer to check the proper maintenance of meter reading records in the exchanges; and

(iv) The TRA Unit to maintain a list of heavy callers and keep a watch over the bills of such subscribers.

3.2. It should be ensured that the said instructions and the checks are scrupulously followed/made by all concerned.

3.3. According to the new procedure introduced on the basis of the Billing Committee's Report, all the particulars relating to the meter readings, credit, debit and net local calls etc. will be filled by the meter clerk

in the Register of Local Calls (Meter Reading Register) which will be completed by him upto the costing stage. The meter clerk should take particulars care to ensure that :

- (i) the 'last reading' in the register tallies with the 'present reading' in the previous quarter's register.
- (ii) The No. of gross calls as worked out correctly represents the difference between the 'present' and 'last' readings.
- (iii) The number of net chargeable calls equals the gross calls minus credit calls (including free calls) plus debit calls.
- (iv) The evaluation of local calls has been done correctly.
- (v) Page-wise totals and cross-totals are correct and the total of the money column represents the correct charges with reference to the net chargeable calls.

3.4. On receipt in the TRA Unit, a test check of 25 per cent of the items should be conducted by the Accounting Clerk who should check the entries in all respects and put his initials against each Telephone No. whose entries are checked. The Head Clerk of the Section should personally ensure that the prescribed check has been carried out and completed. It should also be seen that the total amount of local calls billed for as per the Bills Register has been reconciled and tallied with the total value of the local call charges to be billed as worked out in the local Call Register. He should sign with date on the last page of the Local Call Register in token of having done so.

4. Rental of telephones and accessories—

'Short Recovery'/'Failure to issue bills' in respect of such charges generally occur on account of non-receipt or delay in the receipt of A/Note is complete in all respects and the chargeable distance therein. In this connection, the position should be tightened up as indicated below

- (1) Any delay in the issue of or despatch of completed A/Ns to TRA Unit, should be seriously viewed.
- (2) The A/N issuing officer should personally ensure that the A/Note is complete in all respects and the chargeable distance and the rate of rental are shown therein.
- (3) When cases of delay of more than one month in the despatch of completed A/Notes to the TRA Unit are brought to the notice of Heads of Circles, the delay should be viewed seriously, responsibility fixed and suitable action taken in each case.
- (4) The OYT Scheme was introduced in 1949-50. The prescribed period of 20 years in respect of OYT telephones opened during 1949—51 still working would have expired in 1969—71. After the expiry of that period, rental was chargeable at non-OYT

rates. The cases of all OYT telephones provided in 1949-51 should be reviewed and it should be ensured that the rental has been suitably revised. In this connection, Directorate's instructions issued under letter No. 2-43/67-TR dated 18-5-68 should be referred to.

- (5) A Register of Guaranteed Connections should be maintained in each TRA unit and a watch kept that the charges due are recovered from year to year upto the date of expiry of the period of guarantee.
- (6) Check of Telephone Directory in the TRA Unit with the Subscribers' Record Card should be strictly enforced to ensure, *inter-alia*, that no unauthorised telephone exists for which rent is not being recovered.
- (7) Internal review of the Subscribers' Record Cards should be strictly enforced to ensure that rental for each telephone and accessory provided to a telephone is billed for correctly and timely and there is no failure to issue any bills. This work should on no account be allowed to fall in arrears.
- (8) A complete list of the PBXs, PXs, non-exchange lines etc. as working on the 31st March is to be furnished by the Engineering authorities to the TRA Unit before the 30th April. Any failure or delay in this regard should be viewed seriously. The A.O. incharge of the TRA Unit should ensure that on receipt, the list is checked with the Subscribers' Record Cards and discrepancies, if any, reconciled.

5. *Trunk Call Charges*.—(i) Under the existing orders the test check of 10 percent of valued tickets for smaller exchanges and 25 percent of such tickets for bigger exchanges, in respect of the valuation done in TRAO, is provided. In respect of T.C. tickets valued by the exchanges, the test check is to be done for 10 percent of these. It should be ensured that this work is not skipped over or omitted to be done on any account.

(ii) In the case of those exchanges where the valuation, sorting and listing is done in the local Trunk Exchange, a reconciliation between the total No. of tickets used in the Exchange on each day and during each billing period with the total No. of tickets listed and transferred to the TRA Unit for billing plus the PCO tickets and non-chargeable tickets taken together should be made and this is the responsibility of the Exchange Officer. The reconciliation between total No. of tickets received in the TRA Unit duly listed and the total No. of tickets billed for as per the Bill Register as also between the amount of the listing sheets with the amount of T.C. charges billed for as per the bill Register is the responsibility of the

TRA Unit. It should be ensured that the required reconciliation is properly done in the exchange and in TRA Unit respectively.

6. In addition to the above checks and counter-checks which are already provided for in the various rules and orders at present, surprise checks as suggested by the PAC should also be devised and enforced by the DET/A.O. as the case may be, to ensure correct and prompt billing and recovery of dues fully and in time.

7. These instructions will also apply *mutatis mutandis* to billing of International calls, Telex Calls, Intelex calls and leased long distance Circuits.

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

UMA SHANKAR

Deputy Director General (Accounts).

~~Recommendation~~

The Committee are concerned to find that the instructions issued by the Department in June, 1967 which provided for taking meter readings every fortnight were missed by the staff and that the readings were continued to be taken monthly with the attendant risk of failure to bill a complete cycle as recorded by the four digit meters. They would like the Department to review the position in this regard in all the STD exchanges and to take appropriate action against the staff responsible for the failure. The Department may also examine the cases of heavy callers in these exchanges to see whether there was failure to bill a complete cycle by comparing the bills for a few quarters and effect necessary recoveries.

[S. No. 28, (para 1.142) of Appendix IV to the 2nd Report (Fifth Lok Sabha)]

Action taken

The position has been reviewed and lower formations have been addressed to ensure that meter readings of all subscribers in telephone exchange systems having STD are taken fortnightly as per instructions issued in June, 1967. They have also been instructed to take appropriate action against the staff who failed to comply with the instructions.

The Circles/Districts were also directed to examine all cases of under-billing stemming from failure to bill a complete cycle over the period 1st July, 1967 to 1st September, 1971. Reports have been received from all the Units to the effect that such cases have been sorted out and recoveries have been effected in a majority of cases.

Copies of this office letter No. 27-4/71-PHB (3) dated 14th September, 1971 and 31-23/64-PHB dated 13th June, 1967 are enclosed.
(Annexure A & B)

[P & T Board OM No. 27-4/71-PHB dated 11th February 1972.]

ANNEXURE 'A'

"BHARTIYA DAK TAR VIHAG"
OFFICE OF THE DAK TAR MAHANIDESHAk
(DIRECTOR GENERAL OF POSTS AND TELEGRAPHS)

No. 27-4/71-PHB(3) *Dated at New Delhi, the 14th September, 1971.*

To

All Heads of Circles/Telephone Districts.

Sir,

Instructions were issued *vide* this office letter No. 31-23/64-PHB dated the 13th June, 1967 regarding taking meter readings of all subscribers in telephone exchange systems having STD every fortnight in view of the fact that four digit meters are still not replaced by five digit meters. It has been brought to our notice that in a number of telephone systems the readings were not taken fortnightly with the result that under-billing resulted in case of number of telephone subscribers. The Public Accounts Committee has taken a very serious view of this fact and has desired that appropriate action should be taken against the staff responsible for its failure. You are requested to examine all cases of under-billing of the above nature from 1st July, 1967 till 1st September, 1971 and send details of the same to this office indicating at the same time the action taken against the staff responsible for the lapses. This may be treated as most urgent as a report is to be sent to the Public Accounts Committee.

Yours faithfully,

Sd/-

D. N. RAMACHANDANI,
Deputy Director General(T).

ANNEXURE 'B'

INDIAN POSTS AND TELEGRAPHS DEPARTMENT

OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS DAK TAR BHAVAN, SARDAR SQUARE,

Parliament Street, New Delhi-1.

No. 31-23/64-PHB

13th June, 1967
23rd Jyaishtha, 1889 (Saka).

To

All Heads of Circles/Districts.

SUBJECT: Complaints about excess meter-calls at STD stations.

The complaints about excess meter-calls, especially from stations having STD have been investigated and as a result following instructions are issued:—

- (1) The meter-readings of all subscribers in telephone exchange systems having STD should be taken every fortnight and entered in a register. The meter reading clerks should be allotted different sets of Numbers every fortnight or month. In this connection, the previous instructions issued *vide* No. 31-23/64-PHB dated 29th March, 1967 are to be modified as stated above.
- (2) Any spurt observed in the meter reading should be brought to the notice of the Assistant Engineer. Action will then be initiated to check up the subscribers' meter and subscribers line. The possibility of a fault causing the "line held-up" and allow the meter to operate continuously may have to be investigated. A telephone inspector should be deputed to find out any special reason like marriage or illness at the subscribers premises, which could be the cause for such a spurt in the meter reading. The matter should be reported by the Assistant Engineer, Phones to the Divisional Engineer, Phones who would examine any possibility of a technical defect and record his detailed findings in a register kept for the purpose.

(3) Action should also be taken to give due publicity to the fact that STD calls are metered on time-basis and as such the subscriber must make sure that he disconnects properly after his STD call is over.

Please acknowledge receipt.

(Sd.) MARCUS DELIMA,
Deputy Director General (T)

Copy to All Divisional Engineers Telephones/Telegraphs.

Copy to all Sections in the Directorate.

Copy to file No. 5-46/66-PHB.

Copy for Guard file.

(Sd.) S. G. WATWE,
Deputy Chief Engineer(MX)

Recommendation

The Committee would like to know the reasons for such widespread under-billing in as many as 432 cases involving Rs. 9.71 lakhs during the period of a year and a half between March, 1968 to August 1969. The Committee hope that pending replacement of 4 digit meters by 5 digit meters which should be expedited, the instructions issued on 28-9-1970 to obviate the possibility of under billing would be strictly followed.

[S. No. 29, (para 1.143) of Appendix IV to the 2nd Report (5th Lok Sabha)].

Action taken

The main reason contributing to widespread under-billing was "Non-availability of meters of adequate capacity" thereby all the calls made by a subscriber were not accounted for.

Secondly the under-billing under reference stems from failure to take meter readings once a fortnight as enjoined in our instructions of June, 1967.

Vide this office letter No. 27-4/71-PHB(2) dated 14th September, 1971, the field units have been once again directed to follow the provisions of P. & T. Directorate letter No. 5-63/70-PHB(1) dated 28th September, 1970 so that the possibility of under billing is obviated.

(Copies of this office letters No. 27-4/71-PHB(2) dated 14th September, 1971 and 5-63/70-PHB(1) dated 28th September, 1972 are enclosed). (Annexures C&D)

[P&T Board O.M. No. 27-4/71-PHB dated 11th February, 1972.]

ANNEXURE 'C'
"BHARTIYA DAK TAR VIBHAG"
OFFICE OF THE DAK-TAR MAHANIDESHAK
(DIRECTOR GENERAL OF POSTS AND TELEGRAPHS)

No. 27-4/71-PHB(2) *Dated at New Delhi, the 14th September, 1971.*

To

All Heads of Circles/Telephone Districts.

SUBJECT:—*Under-billing of subscribers due to not taken into account of completion of cycle that is crossing of 9999 reading in four digit meters—replacement of four digit meters by five digit meters at STD stations.*

Sir,

Your attention is invited to instructions contained in our letter No. 5-63/70-PHB(1), dated the 28th September, 1970 on the above subject. It has come to the notice of the Public Accounts Committee that the instructions issued regarding periodicity of meter readings have not been adhered to in some of the STD stations which resulted in under-billing and the Committee has taken a very serious view of this lapse. You are, therefore, requested to bring to the notice of all concerned, the instructions contained in the above circular once again, and to see that the instructions therein are followed strictly. Action should also be taken to replace four digit meters by five digit meters, especially on the heavy calling subscribers. The allotment of five digit meters is being made in the Directorate by TPS Section and action should, therefore, be taken to approach that Section for the required allotment.

2. Attention is also invited to this office circular No. 27-3/71-PHB(4) dated the 17th May, 1971 instructing that a test week should be observed once in every quarter in all telephone exchanges in STD stations and the subscribers found to be making more than 5,000 calls should be sorted out. The readings of meter of such subscribers are to be taken once a week instead of once a fortnight. It is very necessary that these instructions are also strictly adhered to.

Yours faithfully,
(Sd.) D. N. RAMCHANDANI,
Deputy Director General (T).

ANNEXURE D

Registered

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

No. 5-63/70-PHB(1) *Dated at New Delhi, the 28th September, 1970.*

To

All Heads of Circles/Telephone Districts.

SUBJECT:—*Under-billing of subscribers due to not taking into account completion of the cycle i.e. the crossing of 9999 reading in four digit meters replacement of four digit meters by five digit meters at the S.T.D. stations.*

Your attention is invited to the instructions contained in this office letters No. 31-23/64-PHB, dated 29th March, 1967 and 13th June, 1967. In spite of these instructions, cases of under billing of subscribers have come to the notice of this office where, while computing the number of calls during the quarter, a complete cycle or two of 10,000 calls has been missed. This can lead to loss of revenue apart from avoidable disputes with the subscribers.

2. In order to safeguard against such omissions, the following procedure should be adopted especially in S.T.D. exchanges where 4 digit meters are installed.

- (1) Whenever a meter has made a complete revolution i.e. the reading has crossed 9999, the subsequent reading in the Register of "fortnightly readings" should be underlined in Red Ink and the letter 'R' used to indicate completion of a revolution. If the meter has crossed 9999 once, twice or thrice during the quarter, letters R1, R2, R3 respectively should be recorded against subsequent readings.
- (2) After the fortnightly readings are taken and recorded in the prescribed Register of fortnightly readings, the readings should be carefully gone through by the Supervisor of the exchange for checking the revolutions (i.e. recording of R1, R2, R3 etc.) and spurs and each page of the register should be date initialled by him at an appropriate place specially reserved for the purpose.
- (3) At the time of furnishing the final meter readings for a quarter to the T.R.A.O., the entries against each telephone number in

the 'fortnightly reading' register should be carefully reviewed and in respect of those telephone numbers where the meter has completed one or more cycles (revolutions) a red line should be drawn under the telephone number.

(4) (i) While transcribing 'present reading' in the Register of local calls to be sent to the T.R.A.O. for the quarter, in the case of telephones of which the meter has completed one or more rounds, the digit 1, 2 or 3 representing one, two or three complete rounds, as the case may be, should be added as a first digit on the left-hand side of the actual present reading figure. This digit should invariably be *written in Red Ink in both* the copies of Local Call Register, *i.e.*, the Exchange Copy as well as the perforated copy to be sent to the T.R.A.O.

While computing the calls made by such subscribers during the quarter, the number of calls should be worked out taking into account the Red Ink digit as explained in the example given below:—

Example:—

In an exchange of four digit meters, the closing reading for the quarter ending 31st March, of telephone No. 624058 was 7777. During the quarter ending 30th June, the meter completed two rounds and the reading as on 30th June was 8888. The readings in the Local Call Register would be recorded as follows:—

Telephone No.	Previous (M/R)	Present (M/R)*	Calls registered
624058	7777	28888	21111

(ii) In the local call register of the subsequent quarter (*i.e.*, quarter ending 30th September) the present reading in the above case will become 'previous reading' which should be recorded as 8888 only and not as 28888 (*i.e.*, the red ink digit should be omitted).

(5) The case of the telephones of which the meters have completed one or more round, should receive special attention while compiling the local call statement to be sent to the T.R.A.O. The officer-in-charge of the exchange should ensure that the crossing of 9999 (*i.e.*, the completion of round in the meter) is correctly recorded in the register of "fortnightly reading" and correctly transcribed in the local call statements for the T.R.A.O. in the manner prescribed in item (4) above.

*The digit '2' represents 2 rounds completed by the meter during the quarter. The digit 2 is to be written in Red Ink.

(6) The quarterly register of local calls furnished by the exchange to the T.R.A.O. should be accompanied by a list of telephones in respect of which one or more revolutions were completed during the quarter. The number of completed rounds should be indicated against each telephone. This list will be sent by the officer-in-charge of the exchange under his signature. A copy of this list should invariably be kept in the Exchange for inspection at any time. This list will be a 'due' return to accompany the register of local calls and in case there is no telephone number for which the meter has completed a round during the quarter, a 'Nil' list should accompany the local call register. This list will be checked by the T.R.A.O. with the register of local calls to see that number of completed cycles is exhibited therein correctly. A certificate of check having been carried out should be recorded on the List by the appropriate supervisory staff to be nominated by the Accounts Officer for the purpose and counter-signed by the Senior Accountant. The List so completed should be filed separately and kept in the custody of the Senior Accountant for subsequent reference as and when necessary.

(7) As stipulated in para (1) of letter No. 31-23/64-PHB, dated 13th June, 1967, the meter reading clerks should be allotted different sets of Numbers every fortnight or month.

(8) Under Rule 209 of P. & T. Manual Vol. XIV, Inspecting Officers are required to furnish to the T.R.A.O. a list of any 100 working connections in the exchange, they visit, to enable the T.R.A.O. to see whether rental is being recovered in respect thereof. While compiling the list of such numbers in the exchange, the Inspecting Officer should also indicate against each telephone number, the meter readings as on that date against these numbers. Such occasional surprise checks will enable the T.R.A.O. to see that the meter readings being furnished by the exchange in the register of local calls are broadly correct.

The Inspecting Officers should also check the records mentioned above whenever they visit the Exchange.

(9) The T.R.A.O. should maintain a list of heavy callers, say, subscribers who make calls to the tune of over 5,000 calls per quarter. A watch should be kept in the TRA Branch over the bills of these subscribers from time to time so as to ensure the possibility of a complete round failing to be billed for is not overlooked. In case the number of calls against these telephones are found to be on the low side in any quarter, the matter should be taken up with the Officer-in-charge of the exchange to ensure the corrections of the calls.

3. Instructions had been issued to replace the existing 4-digit meters by 5-digit meters specially on the heavy traffic subscribers. It is observed that progress in this regard has been quite slow. Allotments for 5-digit meters is being made by the Directorate (TPS Section) from time to time on receipt of information about availability of 5-digit meters from M/s. Indian Telephone Industries. On receipt of such allotment, immediate steps should be taken to place the necessary indents on M/s. Indian Telephone Industries or the Chief Controller of Telegraph Stores and further action should be taken to instal these meters for the heavy traffic subscribers with least possible delay.

4. A quarterly progress report in respect of number of subscribers fitted with 5-digit meters should be sent to the PHB Section of the Directorate henceforth. The first quarterly statement should indicate the position as on 1st October, 1970.

Receipt of this communication may please be acknowledged.

Sd./- N. V. SENOI,
Senior Member (T.O.)

Copy to:—

1. TPS/TR/PHA/PHM/Inspection Work Study/TE Vigilance Branches of the Directorate.

2. D(A)/D(I)/D(C)/DDG(T)/DDG(S)/DDG(A).

3. DCE(E)/DCE(X)/DPH(T)/DPH(E)/DCE(MX)/DTE/DIT.

4. Director, Training Centre, Jabalpur.

5. Guard file.

Sd./- D. R. BAHL,
Assistant Director (PHB)

Recommendation

The Committee note that as against the anticipated supply of 2.65 lakh 5 digit meters to replace the 4 digit meters and to meet normal expansion requirements during 1969-70 only 30,684 could be procured. As there is an urgent need for 5 digit meters to eliminate the possibilities of leakage of revenue, Government should take necessary measures to step up indigenous production and in the meanwhile with the limited availability of these meters the P. & T. Department should give priority for replacement of 4 digit metres in heavy exchanges. The Committee would also suggest that Government may consider the matter in all its aspects to explore the ways and means of meeting urgent requirements of 5 digit meters.

[S. No. 30 (para 1.144) of Appendix IV to the 2nd Report (5th Lok Sabha).]

Action taken

I.T.I. supplies have continued to be lower than anticipated originally. In the year 1971-72 they have promised only 25,000 5 digit meters for replacement. To augment the supplies, an order for import of 2,00,000 5 digit meters have been placed and the supplies have commenced.

With this total of 2,25,000 meters, about 50 per cent of the equipped subscribers telephone lines at STD stations as on 30th September, 1970 and 100 per cent of all Telex subecribers will be covered. This work of replacement of 2.25 lakh meters is expected to be completed before the end of 1972.

[P. & T. Board O.M. No. 27-4/71-PHB, dated 11th February, 1972.]

Recommendation

That the arrears of rentals for the telephone, telegraph and speech circuits provided for the exclusive use of other Government Departments since 1955-56 could be brought down from Rs. 85 lakhs to Rs. 19.32 lakhs after the non-recovery was pointed out by Audit, shows that the P. & T. Department were not taking effective steps in recovering the dues in the past. The decentralisation of telephone revenue work in the two P. & T. circles in 1967-68 cannot adequately explain in the delay in recovery over a period ranging upto 15 years. The Committee hope that in future recovery of dues would be effected promptly on the commissioning of the circuits.

[Sl. No. 31 (para 1.153) of Appendix IV of the Second Report (Fifth Lok Sabha).]

Action taken

Prior to May, 69 there was no specific provision in the Rules for the withdrawal, as such, of the Circuits due to non-payment. Provision was, however, made *vide* I.T.R. 481 introduced with effect from 30th May, 1969 and following the same, instructions have been issued laying down the procedure regarding withdrawal of circuits of the parties who fail to pay the dues in time. In this connection copies of the Directorate's letters No. 49/10/70-(T)(1)/TR dated 20th March, 1971 and 20-20/69-TR, dated 30th March, 1971 are enclosed. The Heads of Circles have been once again addressed on 15th November, 1971, to implement the instructions regarding disconnection (copy enclosed).

[P. & T. Board O.M. No. 23-8/71-TR, dated 11th February, 1972.]

GOVERNMENT OF INDIA
 DEPARTMENT OF COMMUNICATIONS
 (POSTS AND TELEGRAPHS BOARD)

No. 49-10/70-T(1)/TR

New Delhi-1, March 20, 1971

OFFICE MEMORANDUM

SUBJECT:—Withdrawal of Rented Telegraph T.P. and Telephone Circuits for failure to pay rentals in advance.

Rule 481 of the Indian Telegraph Rules provides that all rentals (for Rented Telegraph and Telephone Circuits) are payable in advance and failure to do so may result in the withdrawal of the Circuit. The rule, however, is not being properly followed as the growing arrears on account of the Rental Telegraph and Telephone Circuits will indicate.

2. With a view, therefore, to make withdrawal of Circuits compulsory and effective in all cases of non-payment, it has been decided as follows:

- (i) Bills for rentals for circuits should be issued on the first of the month preceding the month from which the rental period is to commence (rental should commence from the 1st of the following month).
- (ii) Subsequent to the issue of bills and after watching recovery thereof, for 15 days, a registered A.D. Notice should be issued to each defaulting party, who has not paid the bill(s), intimating that if no payment is made within 7 days from the date of issue of the notice the service on the circuit will be withdrawn.
- (iii) After watching payments for 7 days subsequent to the issue of Registered A.D. Notice, a Disconnection List of circuits for which payment have not been received, should be prepared (in triplicate) and two copies sent to the concerned DET/DE Phones who has been nominated for recovery of advance rental issue of opening Advice Note etc., for the purpose of withdrawing the service on the circuit.
- (iv) On receipt of the Disconnection List, the concerned DET/P will withdraw the service on the circuit without any further warning and return one copy of Disconnection List to the issuing Officer after noting particulars of action taken on each item included in that list.

3. The above procedure will take immediate effect. All Billing/Engineering authorities should be instructed accordingly.

4. The receipt of this letter should please be acknowledged.

Sd/- (N. VASUDEVAN),
 Director of Accounts.

Copy to:—

1. All Heads of Circles/Districts.
2. All Divisional Engineer Telegraphs/Telephones.
3. T-1 Section, OSD(MR) of the Directorate.

Copy in advance, forwarded for information and necessary action to all Divisional Engineers.

Sd/- (K. L. GOYAL),
Assistant Director General (TR).

INDIAN POSTS AND TELEGRAPHHS DEPARTMENT

OFFICE OF THE DIRECTOR GENERAL POSTS AND TELEGRAPHHS
No. 20-20/69-TR

Dated New Delhi; the 30-3-1971

To

The Divisional Engineer Phones
Nagpur. (TP Section)

SUBJECT:—*Outstanding in respect of Telegraph/T.P. and Wireless Circuits—
Clearance of—*

Reference your office letter No. TG-11/VI/18 dated 12th February 1971.

2. Rules 481 of L.T.Rs provides that all rental for Telegraphs and Telephone Circuits are payable in advance and failure to do so may result in the withdrawal of the Circuits. Sub-rule 2 of the I.T.R. lays down that these Circuits will be restored only on payment of all dues and charges for reinstallation.

3. The three months old outstanding as on 1st April 1970 was Rs. 31.20 lakhs and as on 1st December, 1970 as per statement received with your letter under reference, remained the same.

4. Instructions laying down the procedure to be adopted for the withdrawal of circuits for non-payment of current dues have been issued vide this office letter No. 49-10/70-T(1)/TR dated 20th March, 1971. Those instructions will cover the current dues. As regards the old arrears, a Registered A.D. Notice should be issued to each defaulting party, giving one month's time to clear the dues warning him that if no payment is made within one month from the date of issue of the notice, the service on the circuits will be withdrawn without any further notice, whatsoever. If no payment is received by that date a Disconnection List of the Circuits in respect of which payment has not been received, should be prepared and two copies thereof sent to the Divisional Engineer who issued the opening

A/Note of the circuit for withdrawing the service on the Circuit with instructions to withdraw the service on the circuit without any further notice and return one copy of list within one week of its date of issue after noting particulars of action taken (date of withdrawal of service).

Please acknowledge receipt of this letter.

Sd/- (N. VASUDEVAN),

Director (Accounts).

Copy to the Postmaster General, Bombay, Immediate compliance of the above instruction should be ensured.

Copy is forwarded to all other Heads of Circles for ensuring compliance of disconnection orders by all Divisions in their Circles as soon as disconnection lists are received.

Sd/- (K. L. GOYAL),

A.D.G. (TR).

S. RAGHAVACHARI

[Dy. Director General (A).]

Bhartiya Dak Tar Vibhag O/O the Dak Tar Mahanideshak (DGP&T)

D.O. N. 29/9/71-TR

New Delhi-1, the November 15, 1971.

Dear Shri

The arrears on account of rentals in respect of Telegraph, Telephone and Wireless circuits and Telex, Intelex charges as on 1st July, 1971 in respect of bills issued upto 31st March, 1971 are very heavy the all India figure being of the order of Rs. 2.07 crores. The need for expeditious realisation of these arrears need hardly be emphasised. In this connection, however, your attention is invited to the instructions issued under this office memos. No. 49-10/T (1) TR dated 20th March, 1971 and 20-20/69-TR dated 30th March, 1971 laying down the procedure for issue of Registered A.D. Notices to the defaulting parties giving them one month's time for payment of the past arrears and 15 days time in respect of current dues. Instructions were also issued therein requiring that in the event of non-payment the circuits should be withdrawn. It is presumed that the said instructions have since been implemented. This may kindly be confirmed.

2. List of the parties together with the amounts due from them year-wise, whose circuits have not yet been withdrawn despite the instructions referred to above together with the reasons for not taking action so far, may kindly be furnished so as to reach this office latest by the 15th of

December, 1971. The action now proposed to be taken for expeditious realisation of the dues/withdrawal of the circuits in the event of non-payment may also be intimated.

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

Yours sincerely,

Sd/- (S. RAGHAVACHARI),

Recommendation

"The Committee note that rental for cable laid for other departments in recoverable @ 18 per cent of the capital cost per annum or at the standard prescribed flat rates, which ever is higher. Such cases of short recovery of rent on flat rate basis as have been noticed reveal that there is no systematic arrangement of verifying the correctness of initial recovery after the capital cost becomes known. The Committee hope that strict instructions would be issued to guard against such lapses involving short recoveries in future".

[Sl. No. 32 (para 1.154) of Appendix IV to the Second Report (Fifth Lok Sabha).]

Action taken

With a view to guarding against irregularity of the type referred to, we have since issued instructions that the Advice Note Issuing Authority should personally ensure that a certificate to the effect that a comparison has been made between the rental on 'Capital Cost basis' and that on "flat rate basis" and that the higher of the two has been charged, is invariably furnished on the relevant Advice Notes. Similarly, on the Telephone Revenue side, it has been made the personal responsibility of the Supervisor attesting the entries of the Advice Note in the Subscriber's Record Card to see that the requisite certificate is available on the Advice Note and that a note thereof is made in the Subscriber's Record Card. Further in cases where rental on "Capital Cost basis" is certified to be higher than that on "Flat rate basis", the Telephone Revenue Accounting Unit should work out the rental on "flat rate basis" at the prescribed rates and see that the same is not higher than the rental on the "Capital Cost basis".

A copy of the instructions issued in this regard under No. 23-8/71-TR dated 20th December, 1971 is enclosed.

[P & T Board O.M. No. 23-8/71-TR dated 11th February, 1972.]

BHARTIYA DAK TAR VIBHAG
OFFICE OF THE DAK TAR MANDALDESHAK (DOP&T)

No. 23-8/71-TR

New Delhi-1, the December 20th 1971.

To

All Heads of Circles/Telephone Districts.

SUBJECT:—Rental for cables provided for the exclusive use of other Government Departments or a private party.

Rental for cables laid for other Government Department is recoverable @ 18 per cent of the Capital cost per annum or at the standard prescribed flat rates, which ever is higher.

2. Some cases however came to notice in which rental was recovered on Capital Cost basis although the rental on Flat rate basis was higher. The Public Accounts Committee have taken a serious view of the omission.

3. In the cases of the above type i.e. cases in which the rent on capital cost basis or rent on Flat rate basis which ever is higher is to be charged. Rental is required to be worked out both on capital cost basis and on Flat Rate basis and the higher of the two charged. A certificate is also required to be furnished on the opening Advice Note to the effect that a comparison has been made between the rent on capital cost basis and flat rate basis and the higher of the two has been charged.

On the receipt of the advice note the TRA Unit is required to see that the above certificate is duly furnished on the relevant opening Advice Note and if there is any omission in this regard, the omission is to be pointed out to the Advice Note issuing authority to rectify the position.

4. To guard against occurrence of the irregularities/omissions of the type mentioned in para 2, the Advice Note Issuing Authority should personally ensure that the required certificate is invariably furnished on the relevant Advice Notes. Similarly on TR side, it will be personal responsibility of Supervisor attesting the entries of the Advice Note in the Subscribers' Record Card to see that the requisite certificate is available on the Advice Note and a note thereof is made in the Subscribers' Record Card. Further, in cases where rental on Capital Cost basis is certified to be higher than that of flat rate basis, the TRA Unit, should work out the rental on flat rate basis at the prescribed rates and see that the same is not higher than the rental on the capital cost basis.

5. Strict compliance with the above instructions should be ensured by all concerned.

(N. VASUDEVAN),
Director of Accounts.

Copy to OSD (MR) P&T. Directorate.

2360 LS—8

Recommendation

The Committee are surprised that the detailed estimates had been prepared and sanctioned and stores indented for without even a preliminary survey of the proposed route.

[Sl. No. 33 (para 1.164) of Appendix IV to the Second Report (Fifth Lok Sabha)].

Action taken

Investigations are in progress with a view to fix responsibility on the officials concerned who failed to carry out a detailed survey before the sanction of the detailed estimate. The results of the investigations and the action taken thereon will be intimated as soon as these are finalised.

[P&T Board O.M. No. 97-8/69-TPL dated 16th December 1971.]

Recommendation

The Committee are distressed to note that according to the Audit Para as many as 78774 objections were raised upto the end of 1967-68 remained unsettled at the end of August, 1969. The Department, however, informed the Committee that the number was less and that the matter had been taken up with the Accountant-General, Posts and Telegraphs.

[Sl. No. 35 (para 1.170) of Appendix IV to the 2nd Report (Fifth Lok Sabha)].

Action taken

As a result of steps taken by the Department to settle the audit objections, the number of outstanding objections raised upto 1967-68 which stood at 78774 on 31st August 1969 has been brought down to 31,335 on 31st August 1971. The figure 31,335 includes outstanding objections relating to M.Os and Customs duty for the year 68-69 and 69-70.

As regards the discrepancy in figures reported in para 26 of Audit Report 1970, the matter was taken up with the Accountant General, Posts and Telegraphs, who has agreed that in future the figures of outstanding audit objections and inspection report items will be got verified from the Department and duly accepted figures will be included in the Audit Report.

[P & T Board O.M. No. 30-22/71-B dated 4th February, 1972.]

Recommendation

The Committee need hardly stress the necessity of settling the Audit Objections promptly. Personal discussions with the Audit Officers at the various levels could be helpful. The position of outstanding objections should be reviewed periodically at the Board's level on the basis of reports obtained from the various units.

[Sl. No. 36 (para 1.171) of Appendix IV to the 2nd Report (Fifth Lok Sabha)].

Action taken

All-out efforts are being made to settle the audit objections promptly and suitable instructions have been issued from time to time to the Heads of Circles etc. Stress has been laid on personal discussions at all levels between the audit offices and the administrative|executive officers concerned. The recommendation of the Committee has also been brought to their notice. The position of outstanding audit objections is reviewed periodically by the Members of the Board in the Expenditure Control Meetings.

[P. & T. Board O.M. No. 30-22/71-B, dated 4th February, 1972].

Recommendation

The Committee consider it necessary that the department should go into the reasons for the persistence of Audit objections of the nature brought out in the Audit para and take suitable remedial measures to obviate them. They would, in particular, like to draw attention to want of sanction to establishment or continuance of establishment want of sanction to miscellaneous and contingent expenditure and want of sanctions to estimates or excess over sanctioned estimates. The Committee do not favour continuance of posts without prior sanction of competent authority and *post facto* regularisation which carry with it the risk of diluting the standard of scrutiny of justification for the posts. They would accordingly urge that the procedure for issuing sanction be streamlined to ensure that prior sanctions are obtained invariably.

[Sl. No. 37 (para 1.172) of Appendix IV to the 2nd Report (Fifth Lok Sabha)].

Action taken

Instructions have been issued from time to time to the Heads of Circles and other Administrative Offices for speedy settlement of specific types of objections and avoidance of objections of the nature brought out in the audit para. The recommendations of the Committee have also been brought to their notice.

Strict instructions have also been issued to ensure that sanctions for temporary posts or for continuance of such posts are issued before incurring expenditure on them. In this connection it may be stated that most of the audit objections relating to continuance of establishment arise from non-receipt of copies of sanctions in Audit Offices from the executive offices. With a view to streamlining the procedure and eliminating of cases of non-receipt of sanction, instructions have already been issued that copies of sanctions should not be sent to Audit as and when issued but the same should be despatched to Audit at the close of the month with a covering statement. The attention of the Circles has again been drawn to these

instructions. It is hoped that this measure will considerably bring down the number of objections of this category.

[P&T Board O.M. No. 30-22/71-B, dated 4-2-1972]

Recommendation

The Committee are unhappy about the pendency of Inspection Reports for over ten years. As suggested earlier there should be a periodical review of the position at the Board's level. The higher Departmental Officers inspecting the various units should also look into the position of pending audit objections and inspection report with a view to giving necessary directions for their expeditious disposal.

[Sl. No. 38 (para 1.180) of Appendix IV, to the 2nd Report (Fifth Lok Sabha)]

Action taken

The need for speedy clearance of outstanding items in the Inspection Reports was impressed upon the Heads of Circles by the Secretary (C) in Circular D.O. letter No. 30-14/71-B dated the 15th September, 1971. A copy of the instructions issued is enclosed (Annexure 1). The views of the Public Accounts Committee were also communicated to them for being brought to the notice of officers/disbursing offices under them *vide* letter No. 30-23/71-B dated the 16th October, 1971 (copy at Annexure 2). As regards the 27 Reports which were more than 10 years old and were included in Audit Report (P&T) 1970, the present position of outstanding items is under verification and a further Note will be submitted to the Public Accounts Committee.

As regards the suggestion that the position of outstanding items in Inspection Reports should be reviewed at the Board's level it may be stated that the position is already being reviewed periodically by the Members of the Board in the Expenditure Control Meetings. Instructions have been issued to Circles etc., *vide* letter No. 30-23/71-B, dated the 16th October, 1971 that effective steps should be taken to liquidate those items which are more than 10 years old through periodic scrutiny by the Higher Inspecting Officers at the Divisional or Circle level. A copy of the instructions issued is at annexure 2.

[P. & T. Board O.M. No. 30-23/71-B, dated 11th February, 1972].

ANNEXURE 1

N. C. SRIVASTAVA
DIRECTOR GENERAL

D.O. No. 30-14/71-B
OFFICE OF THE DIRECTOR GENERAL
POSTS AND TELEGRAPHS.

New Delhi-1, the 15th September, 1971.

My dear,

The ever increasing number of Audit objections has been the cause of serious concern for the P&T Department. The P.A.C. has been adversely commenting upon this state of affairs from year to year. Instructions issued in the past have failed to achieve the desired result and the Department continues to be the target of criticism in this regard from the P.A.C.

2. A statement showing the Audit objections and Inspection reports issued upto 31st March, 1969 and pending as on 28th February, 1971 is enclosed.

3. A test-check of the pending objections in a few disbursing offices in some Circles, has revealed that the bulk of the objections raised for want of sanction to establishment, want of detailed contingent bills, vouchers, and payee's receipts etc. and for non-recovery of recoverable advances, can be avoided if:

(i) Sanctions for the temporary posts or continuation of such posts are issued before incurring expenditure against them;

(ii) Detailed contingent bills, vouchers, payee's receipts, stamped acknowledgements or certificates of payment etc. are furnished to the Audit Office with the periodical Accounts; and

(iii) Full particulars of the vouchers on which advances were paid are noted in the bills in which these advances are adjusted.

4. I would suggest that the officer responsible for co-ordinating this work in the Circle Office should keep a close watch on the pending objections, conduct a periodical review and put it upto the Head of the Circle through I.F.A. The Head of Circle should pick out a few old objections with a view to fixing responsibility for the delay in settlement, as already suggested in Shri Uma Shankar's d.o. letter No. 30-20/69-B dated 23rd June, 1970.

5. I have no doubt that with a little personal interest in the matter on your part, the number of objections can be brought down substantially. I would therefore, request you to launch a drive to liquidate the backlog of pending audit objections and ensure that maximum efforts are made

to avoid such accumulation in future. Now that the branch Audit Offices have been located at the headquarters of the Circles, it should not be difficult for you to tackle this problem by arranging close liaison with the Audit. I shall watch the results of your efforts with interest.

The receipt of this letter may be acknowledged to Shri S. Raghavachari, Dy. Director General (Accounts).

Yours Sincerely,
(N. C. SRIVASTAVA).

Shri.....

Statement showing Audit Objections & Inspection Reports issued upto 31-3-1969 and pending as on 28-2-71.

(Value in thousands of Rs.)

SL No.	Circle	Audit Objections pending as on 28-2-71		Inspection Reports pending as on 28-2-71	
		No.	Value	No.	Value
1	2	3	4	5	6
1.	Andhra	4966	4131	294	1956
2.	Assam	3340	5468	124	530
3.	Bihar	2230	6351	242	1119
4.	Delhi	793	792	39	132*
5.	Gujarat	615	773	86	301
6.	J&K	402	1590	44	299
7.	Kerala	1861	6030	54	143
8.	Mysore	237	1328	42	189
9.	Maharashtra	4623	11997	222	636
10.	M.P.	7858	7981	143	771
11.	Odisha	3452	5362	130	785
12.	Punjab	1404	1640	108	514
13.	Rajasthan	3052	3005	123	606
14.	Tamilnadu	856	358	57	253
15.	U.P.	14025	12930*	496	4090*
16.	West Bengal	4233	7299	207	977
17.	G.M.T. Bombay	1306	8043	17	95
18.	G.M.T. Calcutta	652	4595	16	97
19.	GMT Delhi	920	3777	46	404*
20.	GMT Madras	114	599	4	8

1	2	3	4	5	6
21.	GMT Hyderabad	63	25	..	..
22.	DMT Bangalore	421	1222	7	181
23.	DMT Ahmedabad	19	3	..	..
24.	DMT Poona	81	25	..	..
25.	T&D	430	76	3	70
26.	Telecom Factories	183	143	48	202
27.	Telecom. Stores	112	243	20	23
28.	Stores Account	116	180	11	12
29.	D.G.P&T	122	74	..	..
30.	RDT Madras	423	1446	7	87
31.	RDT Calcutta	277	81	..	..
32.	RDT Bombay	95	13	..	..
33.	RDT New Delhi	396	239	..	..
34.	GMP Calcutta	67	271	..	..
35.	CCP Madras	110	1017	4	28
36.	CCP Bangalore	..	..	..	..
37.	CCP Agra	1656	2924	19	125
38.	NW New Delhi	25	3	..	..
39.	MW Calcutta	118	413	..	..
40.	CvIDa, Madras	216	1401	3	68
41.	CvIDa, Bangalore	17	39	3	6
42.	Base Circle	3	..	..	..
43.	A.C. TR under Nagpur Audit	106	31	..	..
44.	TTC Jabalpur	35	4	3	6
45.	PTC Mysore	7	..	1	1
46.	DLW Calcutta	..	..	..	..
47.	St. LE Cal.	..	..	..	..
48.	DDPLI Cal.	..	..	2	10
49.	Customs Duty	2648	345	..	..
50.	S.E. Civil Delhi and Bombay	..	..	10	29
51.	TCO Cal.	..	..	..	..

1	2	3	4	5	6
52. GMP Madras	·	·
53. Forms & Seals	·	·
54. PTC Saharanpur	·	·
55. Civil Circle I Delhi	·	·
56. Civil Circle IV Delhi	·	·
57. Mis.	·	·
TOTAL	·	·	64785	104767	2631
					14693

*Position as on 28-2-71 not intimated by Branch Audit Office hence figures on 31-8-71 adopted.

ANNEXURE 2

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

No. 30-23/71-B

Dated, New Delhi, 16th October, 1971

To

All Heads of Circles, /
Telephone Districts/
Other Administrative Units.

SUBJECT:—Recommendations contained in para. 1.180 of Second report of the Public Accounts Committee 1971-72 regarding delay in disposal of Inspection Reports.

1. The recommendations of the Public Accounts Committee (1971-72) contained in para 1.180 of the second report on para 27 of the Audit Report (P&T) 1970 regarding delay in disposal of Inspection Reports are reproduced below for information and necessary action.

“1.180. The Committee are unhappy about the pendency of Inspection Reports for over ten years. As suggested earlier there should be a periodical review of the position at the Board's level. The higher Departmental Officers inspecting the various units should also look into the position of pending audit objections and inspection reports with a view to giving necessary directions for their expeditious disposal”.

2. In this office letter No. 30-17/70-B dated 21st January, 1971, a specific mention was made of the outstanding Inspection Reports|Items which were more than 10 years old. Stress was also laid on effective steps being taken to liquidate those more than 10 years old though periodic scrutiny by the higher Inspecting Officers at the Divisional or Circle level. The unhappiness of the Public Accounts Committee as expressed in its para. 1.180, reproduced above, may kindly be brought to the notice of the officers|Disbursing offices under your control and it may be ensured that the pending Inspection Reports items are settled without any avoidable delay. A Special report may be furnished in respect of the reports outstanding for more than 10 years within a month of receipt of this letter.

3. In para. 4 of this office letter No. 30-17/70-B dated 21st January, 1970, your attention was also drawn to the increase in the number of cases relating to common types of irregularities. It was desired that the

irregularities may be rectified and action also taken to guard against their recurrence. It is once more stressed that vigorous efforts be made to bring down the number of such irregularities to the barest minimum.

4. Receipt of this letter may please be acknowledged.

S/d. illegible,
Director (Budget)

Recommendation

The Department intimated to the Committee the results of the study of cases relating to common types of irregularities pointed out by Audit and the measures taken into avoid similar irregularities only in respect of three items. The Committee would like to be apprised of results of the study of other items as well.

[S. No. 39 (para. 1.181) of Appendix IV. to the 2nd Report (Fifth Lok Sabha)]

Action taken

The results of study of common types of irregularities in respect of items at (e), (g) and (h) had already been submitted to the Committee as indicated in their Report. Information with regard to items at (i) and (j) was furnished on O.M. No. 7-4/70-NB dated the 23rd July, 1971 and No. 33/1/71-Pen. dated the 8th September, 1971 respectively.

2. Results of study and action taken in respect of items at (a), (b), (c), (d) and (f) are indicated below:—

(a) *Annual physical verification of stock of articles not conducted.*

The following instructions have been issued to the Heads of Circles in June, 1971.

- (i) Physical verification of each item of stock whether serviceable or not should be conducted as per rules.
- (ii) For all such items complete records should be maintained.
- (iii) Whenever any disposal takes place, the stock records should be corrected promptly. The quantity and value of the disposed material should also be recorded in the registers.
- (iv) All items of stores particularly which are likely to be pilfered be kept in a properly locked and secure godowns.
- (v) The Inspecting Officers should invariably check up as to whether the above procedures are being followed or not.
- (vi) Any lapses on the part of any officer in carrying out these instructions would be viewed seriously.

A copy of the instructions issued under Circular letter No. 24-7/71-NA dated the 19th June, 1971 is enclosed (Annexure 1).

(b) *Security bonds not obtained/nor renewed or not kept on record.*

The rules on the subject are quite clear. Rules from 191 to 268 of P&T Manual Vol. II (copy at Annexure 2) give detailed instructions in regard to obtaining security bonds, getting them renewed from time to time, their custody etc. If the rules are followed strictly by the concerned authorities, there should be no scope for any complaint in this regard. What is required is strict implementation of the rules. It has been impressed upon the Heads of circles that all subordinate authorities should ensure that the instructions in this regard are duly followed so that such irregularities do not occur in future. A copy of the instructions issued under letter No. 20-4/70-SPBI dated the 12th November, 1970 enclosed (Annexure 3).

(c) *Health Certificates Wanting*

According to the existing procedure, the instructions in regard to obtaining and maintaining health certificates are contained in D.G's General Circular No. 3 dated the 23rd May, 1968 (copy at Annexure 4). According to these instructions there is no need to affix the health certificate to the first pay bill of a Government servant. It is only required that a certificate to the effect that the medical certificate in the prescribed form has been obtained in respect of the Government servant, should be furnished to Audit along with the first pay bill of the Government servant. The procedure for furnishing the certificate in respect of Gazetted and non-gazetted officers is as follows:—

In respect of Gazetted Officers the above certificate to the effect that a medical certificate has been obtained should be furnished by the competent authority to whom the medical certificate has been submitted and should be attached to the first pay-bill. In respect of non-gazetted officers, the drawing and disbursing officers should furnish such certificates along with the first pay bill of the Government servants concerned. Instructions also exist that in cases where the competent authorities authorise the drawal of pay and allowances of newly appointed Government servants for a period not exceeding two months without a medical certificate, a certificate to that effect should be furnished in the first pay bill. The first medical certificate is required to be kept in the Service Book and a suitable entry has also to be made in the Service Book under the signature of the Head of the Office that the official has furnished the certificate. If the concerned authorities follow these instructions strictly there should be no cause for any complaint of any irregularity whatsoever. The attention of the Circles

has been drawn to these provisions *vide* circular letter No. 20-41/70-SPBI dated 2nd November, 1970. (Annexure 3).

(d) *Overpayment of Children's educational Allowance and tuition fees/Register for Children's education Allowance not maintained properly.*

After going into typical cases in respect of the above irregularities, detailed instructions were issued to the Heads of Circles under letters No. 19/11/70-PAT dated 26th November 1971 and No. B 16011/16/71-WL dated 20th September 1971 copies of which are at Annexure 5 and 6 respectively.

(f) *Irregularities in maintenance of service books and leave accounts.*

The rules on the subject are clear and no difficulties in this regard are experienced by any of the Circles. The relevant provisions have been brought to the notice of the Circles and it is hoped that the Circles will ensure that audit objections on this account are reduced to the minimum in future. It has been impressed on the Circles *vide* letter No. 51-16/71SPB-II dated 12th July, 1971 Annexure 7 that a systematic review of leave accounts by the Head of the Office should be arranged, as enjoined in Rules 284, 288 and 290 of Financial Hand Book Vol. I and S.Rs. 197 to 203 (extracts at Annexure 8). It has also been impressed on the Heads of Circles/Administrative Offices under letter No. 20-41/70-SPBI, dated 2nd November, 1970 (Annexure 3) that they should take proper corrective measures in this regard so that there is no scope for audit complaint.

3. Case regarding item (1): Reimbursement of inadmissible medicines is pending with the Ministry of Health. The case regarding item " (k) : Irregular payment of O.T.A., Leave Salary and TA" is still under examination. Action taken Note with regard to these items will be submitted separately.

[P & T Board O.M. No. 30-23/71B dated 11th February 1972.]

ANNEXURE I

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

No. 24-7/71-NA.

Dated, New Delhi, the 19th June, 1971

To ..

All Heads of Circles/General Manager Telephones/District
Managers Telephones.

SUBJECT:—Irregular maintenance of stock registers of unserviceable
store and non-conduct of physical verification of stock in the
Store Depots leading to thefts/losses of stores etc.

In a recent visit to a particular station the Minister of Communications
has noted that the stock records for unserviceable stores are not maintained
properly. On investigations it has been noticed that although the
materials were kept in locked godowns, their records were not being
maintained properly and as a result the conviction of the suspected officials
was found difficult.

Under Rules 358 of the P&T Manual Vol. X, the Sub-Divisional
Officers are required to carry out the detailed verification of each item of
stock at least twice a year. The failure in this particular Sub Division
to get the physical verification done was also pointed out by the Audit
several times.

In order to avoid recurrences of this nature, senior Member (TO)
desires that the following steps should invariably be taken in future:—

1. Physical verification of each item of stock whether serviceable
or not should be conducted as per rules.
2. For all such items complete records should be maintained.
3. Whenever any disposal takes place, the stock records should
be corrected promptly. The quantity and value of the disposed
material should also be recorded in these registers.
4. All items of stores particularly which are likely to be pilfered
are to be kept in a properly locked and secure godowns.
5. The Inspecting Officers should invariably check up as to whether
the above procedures are being followed or not.

Any lapses on the part of any officer in carrying out this instruc-
tions would be viewed seriously.

Kindly acknowledge receipt of this letter.

ANNEXURE 2

RULE 191 OF P. & T. MANUAL VOLUME II

CLASSES OF OFFICIALS REQUIRED TO GIVE SECURITY AND THE AMOUNT OF SECURITY

191. Owing to their pecuniary and other responsibility, the following classes of officials are required to give security noted against each for the faithful discharge of their duties but any person whose responsibilities are unusually heavy may at the discretion of the Director-General, be called upon to furnish a security for a larger amount :—

(i) CIRCLE AND ADMINISTRATIVE OFFICES

	Rs.
(a) Cashiers	1000
(b) Clerks, dealing with Cash	400
(c) Manager, Asstt. Manager and clerks in Returned Letter Office	400
(d) Packers, Stampers and Peons in Returned Letter Offices	300
(e) Class IV staff of circle office and postal store depot who were employed to get Cash from Post office or who handle valuable articles of stock.	300
(f) Record Suppliers, Daftaries and Selection Grade Daftaries in P & T Forms and Seals stores Aligarh and other Postal stores depot.	300

(ii) POST OFFICES AND R.M.S.

(a) Departmental Sub and Branch Postmasters	400
(b) Clerks	400
(c) Accountants	400
(d) Record Clerks	In R.M.S. 400
(e) Accountants	400
(f) Sorters and Mail Guards	400
(g) Candidates for appointment in the Post Offices and R.M.S. (No Security should, however, be taken from a candidate during the period of his training but the Security should be taken before appointment.)	400
(h) Head Postman, Overseers and all officials who are specially required to convey or escort cash from one office to another or to and from a treasury or sub-treasury	750
(i) Postmen and Village Postmen (including acting postmen & village postmen)	350

Note :—Postmen or other officials attached to sub-offices who may be required to convey or escort cash between a Sub office and a Sub-treasury, need not furnish security for more than Rs. 350 - but in no case should they be entrusted with a larger sum of money than fixed for payment on money orders.

(j) Mail peons, letter Box peons, van peons, packers, Express messengers, Departmental runners and those porters and jamadars whose duties are analogous to those of packers or who are required to convey or escort cash.	Rs.
	350

Note :—A porter or a jamadar of the RMS who has furnished security should not be entrusted with a larger sum of money than Rs. 600 - at a time.

(k) Extra-Departmental (Sub and Branch Postmasters)	400
(l) Stamp-Vendors	Twenty times the stamp-vendors pay subject to a maximum of Rs. 300
(m) Munshies in combined offices whose duties involve monetary responsibilities.	300
(n) Whole-time attendants of RMS rest houses and Inspection quarters.	300
(o) Clerks in Departmental Mail Motor Organisation	400
(p) Tradesmen (skilled and semi-skilled) and cleaners in Departmental Mail Motor Organisation	300
(q) Dak Sewaks	400
(r) Extra-Departmental Delivery Agents who are authorised to deliver unpaid and insufficiently pre-paid articles registered letters and parcels and to pay money orders	300
(s) Extra-departmental Mail carriers and part time runners who carry bags containing cash	300
(t) Stock Holders in Stores.	400

Note :—In cases of departmental officials working in the treasury branch of a post office involving higher monetary responsibilities no additional security should be required for this purpose from them.

(ii) TELEGRAPHHS

TRAFFIC :—

	CTO Calcutta	Rs.
(a) Accountants		1500
(b) Cashiers		1000
(c) Cashier (stamp vendor)		1000
	CTO Bombay	
(d) Accountant		2000
(e) Cashier (Stamp Vendor)		1500
(f) Assistant Cashier (stamp-vendor)		500
(g) Caying (Clerks) Cashiers, CTO Bombay and Calcutta		1000
(h) Cashier, CTO Madras		1000
(i) Accountant C.T.O. Agra		500
(j) LSG Clerk (Accountant) CTO Agra		500

CTO NEW DELHI

	Rs.
(k) L.S.G. Accountant	1000
(l) LSG Cashier	1000
(m) Cash Clerks	1000
(n) Asstt. to LSG Cashier	750
(o) Cash clerk in deposit Accounts section	500
(p) Pay Clerk	750
(q) Accountant and Assistant accountant in other Telegraph offices in charge of Gazetted officers and stamp vendors in Departmental telegraph offices	300
(r) Telegraphists and Telegraph office clerks other than those mentioned above.	300
(s) Class IV officials in departmental telegraph offices who handle cash, including cycle durwans attached to telegraph offices	Rs. 250 - in the form of fidelity bonds on personal bonds or in security according to Rule 194 (a) & (b), if they so choose.

Note :—No security should be demanded from chowkidars, Extra-departmental chowkidars and Part-time chowkidars.

(t) Despatch riders— Rs. 100

ENGINEERING :—

(a) Cashiers and Store-keepers Amount will be fixed by the Head of a circle or any authority directly sub-ordinate to the Director-General according to the local responsibilities in each case.

(b) Telephone operators & Accounts clerks. Rs. 300

Note :—Telephone operators may be granted exemption from furnishing security under condition similar to those laid down in rules 192 (5) and (6), 220, 221 exception below rule 223 and rule 242.

(c) The following officials in stores and workshops organisations :—

Godown clerks	}	Rs.
Godown Sircars		
Godown Progressmen		
Clerks in charge Uniform and stationery both in the G.M.'s office and workshops		
Inspector watch and ward.		
Sub-inspector watch and ward	}	400
Head Watchmen		
Watchmen		
Stock Holders	}	300

(d) Clerks in circle store depots 400

(e) Clerks in the offices of Accounts officers, stores & Workshops. 300

(f) Mechanics	Rs. 25/-	These officials may be required to furnish security at the discussion of the Div'l. Engg. (Telegraphs) or an officer of the equivalent rank.
(g) able jobbers and Batterymen employed in an officiating /temp. capacity	Rs. 25/-	
(h) Linemen employed in an offg./temp. capacity	Rs. 12/-	
(i) Sub-inspectors employed in an offg./temp capacity	Rs. 50/-	
(j) Cash Section of Calcutta Telephone District.		
(i) Cashier	Rs. 10,000/-	
(ii) Asstt. Cashier	Rs. 5,000/-	
(iii) Cash clerks (Ex. BTC)	Rs. 2,000/-	
(iv) Cash Clerks (P&T)	Rs. 1,000/-	
(k) Telegraph Engineering Accountants in Sub Divisions	Rs. 400/-	
(l) Cash Section of Bombay Telephone District.		
(i) Head Cashier	Rs. 5,000/-	
(ii) Cash Clerks	Rs. 1,000/-	

(IV) GENERAL

(a) Installation Caretakers of P&T Offices Buildings	Rs. 400/-
(b) Compounders	Rs. 500/-

When however, the security is given in the form of a security deposit of cash in Post Offices Savings Bank or of Government Promissory Notes or of Post Office Certificates or in any combination of them, the amount of the security shall be two-third of the amount of security mentioned above, unless otherwise specifically provided. These provisions are not applicable in the case of stamp vendors and Extra Departmental Delivery Agents who are required to furnish security.

For corrections to Rule 191 please see P. 6 and 7.

Delete Rule 193 of P. & T. Manual Volume II.

Rule 191—

Rule 191, as inserted by Correction Slip No 428 dated 1-5-1966.

Under (ii) Post Offices and R.M.S

(i) In item (b) after the words "clerks" the following may be added:—
 "(including clerks in Postal Stores Depot)"

(ii) For existing item (t) substitute the following:
 "(t) Clerks in Postal Stores Depots, Calcutta and Nasik and Postal
 Stores, Forms and Seals Depots, Aligarh....Rs. 400/-"

Under "(iv) General" for existing item (a) substitute the following:—

Under "(iv) General" for existing item (a) substitute the following:—

(a) Care-takers of P. & T. Offices/Installations/Buildings.....Rs 400/-.

Officials exempted from giving security

192. (1) Officials drawing a pay of Rs. 150 and above may, at the discretion of the Head of the Circle or any authority directly subordinate to the Director-General, be exempted from furnishing security, each case being decided on its merits.

(2) Retired Government servants temporarily employed as departmental sub and branch postmasters and clerks or in any other smaller posts, such as postmen, mail peons, etc. may be exempted from furnishing security only

if they are in receipt of a pension. Heads of circles may also at their discretion employ such retired Government servants as stamp-vendors without requiring them to furnish security.

NOTE.—Minors, *i.e.*, persons who have not attained the age of 18 years cannot be appointed to posts for which security is required.

(3) Heads of Circles may, at their discretion, exempt any extra-departmental agents or class of extra-departmental agents from the obligation to furnish security.

(4) Indian Military pensioners are not required to furnish security when employed in any capacity in the Department.

(5) An official with ten years' pensionable service or more and belonging to a class from which security is not taken, if appointed or transferred to a post for which security is required, may at the discretion of the Head of the Circle or the Administrative office as the case may be exempted from furnishing security provided that his past service has been satisfactory.

(6) In identical circumstances an official who has already furnished security but from whom an additional or fresh security is required under the rules, may be exempted from furnishing the additional or fresh security at the discretion of the Head of the Circle.

193. Deleted.

Nature of security

194. The security given must be in one of the following forms :—

- (a) A security deposit of cash in the Post Office Savings Bank.
- (b) A security deposit of Government promissory notes or Post Office Certificates.
- (c) A personal bond with two sureties.

If the security is in the form of a security deposit the savings bank, it may be deposited by the officer himself or by any other person or persons on his behalf. Post Office certificates may be accepted as security at their issue price not for their face value. The security taken from acting post men and village postmen must always be in the form of a personal bond.

195. The first two forms of security mentioned in the preceding rule may be combined. Under the general rule relating to security deposit accounts in the Post Office savings bank, the balance of such an account may never exceed Rs. 5,000. It will not be possible, therefore, when the amount of the security required exceeds Rs. 5,000, to adopt the form of savings bank deposit; but the security deposited in such a case must be either wholly in Government promissory notes or in Post Office Certificates, or both or made up partly by a cash deposit in the savings bank, and partly

by a deposit of Government promissory notes or of Post Office certificates or both.

196. A thoroughly responsible Insurance Company or a Postal or Telegraph Co-operative Society approved by the Head or a Circle may be accepted as surety (without a second surety) of a departmental employee or of an extra-departmental agent or of a candidate for employment in the Department, provided the terms in the appropriate personal bond form are complied with. When security is furnished in this way, it will not be necessary for supervising officers to make the enquiries ordered in rules 212—215.

Security in cash or Government Promissory Notes or Post Office Certificates

197. When an employee furnishes security in one or other of the forms (a) and (b) referred to in rule 194 or in both together, it will not be necessary for him to deposit the whole amount required at once. He may, to begin with, deposit (either in cash or in Government promissory notes or in Post office certificates, or in any combination of the three) any sum which is not less than one-third of the amount of the security required, and make up the balance by contributions of not less than one-sixth of his pay to be deducted from his pay and credited to a security deposit account in the savings bank. When the security is furnished in cash by a person who is an outsider on behalf of the official, the whole amount should be deposited and payments by instalments should not be permitted. In the case of candidates and extra-departmental agents who desire to furnish security in cash or Government promissory notes or in Post Office certificates, or in any combination of the three, the whole amount must be deposited at once.

198. In the case of a telegraph employee, deductions on account of security deposits should be made by instalments of not less than one-tenth of pay, except in the case of linemen from whom the deduction from pay on account of security deposit will be made in twelve equal instalments.

NOTE.—So far as linemen, batterymen and peons of the Engineering branch are concerned, the provisions of this rule are applicable only to officials employed in an officiating or a temporary capacity, who may be required to furnish a security at the discretion of the Divisional Engineers, Telegraphs.

199. In the case of a security deposit account to which sums are added by instalments, when the balance of the account amounts to such a sum that the addition of another instalment would raise it above the limit of Rs. 5,000, the balance or a sufficient portion of it should be withdrawn for the purchase of Government promissory notes or of Post Office certificates through the Post Office, so as to admit of the deposit of further instalments to credit of the account. The Government promissory notes or Post Office certificates so purchased must be deposited as security in place of the sum

withdrawn from the account. Interest on the security deposit will be added to the principal until the full amount of security required has been reached, after which the interest will be paid to the depositor.

Personal Bonds

200. When an officer elects to furnish security by means of a personal bond with two sureties, the bond to be executed must be in the form appropriate to the case; and the sureties must not be in service of the Department or dependent on any departmental employee or near relatives of the principal unless they have independent or self acquired property of their own.

Change in the name of officials who have furnished security bonds or in the names of their sureties.

200-A. When the name of an official who has furnished a security bond is changed, a note regarding the change including the new name should be made on the bond and this note should be attested by the principal and the sureties. A similar procedure should be followed when any of the sureties changes his name.

Execution of fresh Bond on Re-employment

201. If an employee who has furnished a personal security bond is reinstated after he has been dismissed, he will be required when re-instated to furnish a fresh personal security bond.

202. Similarly, fresh security will have to be furnished by any person who after resigning his post or after his services have been dispensed with for any cause including the abolition of his post, is re-employed, even temporarily, in a post in which security is required.

Security on promotion

203. An official, who has once given satisfactory security will not be called on to give further security when promoted to a higher post, but when an officer who has furnished personal security or security in cash or Government promissory notes or Post Office certificates for a sum less than Rs. 500 or two-thirds of that amount, as the case may be, is appointed to a post in which he has to convey or escort cash between post offices or to or from a head office and a treasury or sub-treasury, he will be required to furnish further security so as to bring the total up to Rs. 500 or two-thirds of that amount according to the form in which the security is given, except that, if the officer has rendered satisfactory service for not less than 10 years, he may, at the discretion of the Head of the Circle or the Administrative officer be exempted from furnishing further security. Although the responsibility of a postal servant may be increased on his promotion, his past service in the Department and the longer experience of his character and

career are held as equivalent to the additional security that would be required and taken from a person newly appointed to the same post from outside the Department.

204. The security given by sub-postmasters and clerks promoted to be deputy postmasters, assistant postmasters or postmasters, holds good on their promotion.

205. An official belonging to a class from which security is not taken should not, if it can be avoided, be appointed to officiate for any length of time in a post belonging to a class from which security is taken, unless he has furnished security.

206. A head postmaster who has not already furnished any security may be exempted from doing so, if, for special reasons, he is appointed to officiate in a post the holder of which is required to furnish security.

206-A. Senior postmen or mail guards who have been exempted from furnishing security, may, at the discretion of the Head of the Circle, be exempted from furnishing fresh security when appointed permanently or to work as clerks or sorters. Junior postmen who have less than 10 years' service and have furnished security, should when appointed permanently or in an officiating capacity as clerks, be required to furnish fresh security for the amount and in the form applicable to clerks but the Head of a Circle may, at his discretion, exempt an individual from furnishing the security for an amount greater than that for which security had been furnished by him as postman. When such officials are only temporarily promoted to officiate in a higher grade, the old bond may be allowed to continue.

Forms of bonds

208. The following forms of bonds are in use:—

(i) Post Office.

1. When the security is in Government promissory notes, Post Office certificates or cash.

Section 1:—To be executed by deputy and assistant postmasters, sub and branch postmasters, clerks in Dead Letter Offices and in post offices, record clerks, accountants, sorters and mail guards of the Railway Mail Service and candidates.

Section 2:—To be executed by candidates

Section 3:—To be executed by postal employees such as overseers, mail peons, letter-box peons, van-peons, packers (in Dead Letter Offices or post offices), porters whose duties are analogous to those of packers, carpenters, coachmen and others who are required to convey or escort cash and by stampers and peons in Dead Letter Offices.

Section 4:—To be executed by postmen and village postmen.

Section 5:—To be executed by extra-departmental agents.

Section 6:—To be executed jointly by a person depositing security in Government promissory notes or Post Office certificates or opening a security deposit account in the Post Office savings bank on behalf of a deputy or assistant postmaster, sub or branch postmaster, clerk in a Dead Letter Office or in a post office, record clerk, accountant, sorter or mail guard of the Railway Mail Service or a candidate as well as by the postal official or candidate himself.

Section 7:—To be executed jointly by a person depositing security in Government promissory notes or Post Office certificates or opening a security deposit account in the Post Office savings bank on behalf of a postman or village postman as well as by the postman or village postman himself.

Section 8:—To be executed jointly by a person depositing security in Government promissory notes or Post Office certificates or opening a security deposit account in the post office savings bank on behalf of a postal servant, such as an overseer, mail peon, letter-box peon, van-peon, packer (in a Dead-Letter Office, or a post office), porter whose duties are analogous to those of a packer, carpenter and coachman who is required to convey or escort cash, and on behalf of a stamper or a peon in a Dead Letter Office as well as by the Postal employee himself.

Section 9:—To be executed by stamp-vendors.

II. Personal Security Bond

Section 10:—To be executed by Deputy and assistant postmasters, sub and branch postmasters, clerks in Dead Letter Offices and in post offices, record clerks, accountants, sorters, and mail guards of the Railway Mail Service and candidates.

Section 11:—To be executed by candidates.

Section 12:—To be executed by postal servants, such as overseers, mail peons, letter-box peons, van-peons, packers (in Dead Letter Offices and post offices), porters whose duties are analogous to those of packers, carpenters and coachmen, who are required to convey or escort cash, and by stampers and peons in Dead Letter Offices.

Section 13:—To be executed by postmen and village postmen.

Section 14:—To be executed by candidates, postmen and village postmen.

Section 15:—To be executed by acting postmen and village postmen

Section 16:—To be executed by extra-departmental agents.

Section 17:—To be executed by stamp-vendors.

(ii) *Telegraphs*

Section 20:—Deduction Agreement Bond for linemen.

Section 21:—Cash Deposit Bond.

Section 22:—Government Securities or Post Office Certificates Bond.

Section 23:—Government Securities executed by one person on behalf of another.

NOTE 1.—In case in which a personal security is demanded from any Class IV servant of a departmental telegraph office, the personal security bond will be obtained on form Section 12 (bonds for overseers and mail peons, etc.), with necessary verbal alterations making the form suitable for departmental telegraph office. The bond, after it has been seen and approved by the Head of the Circle concerned, will be kept in the custody of the officer in charge of the telegraph office in which the Class IV servant in question is employed.

NOTE 2.—The agreements in forms Section 20, Section 21, Section 22 and Section 23 may be executed by a Head of a Circle or Divisional Engineer, Telegraphs, or any authority directly subordinate to the Director-General who will sign on behalf of the President of India.

Examination of bonds of employees depositing security in cash, Government promissory notes or Post Office Certificates.

209. In the case of security deposited in cash, Government promissory notes or Post Office Certificates or in any combination of these forms, the officer concerned must examine the bond executed and see that it is in the correct form and that it has been properly executed. He must also satisfy himself (a) that the amount deposited to begin with, whether in cash, Government promissory notes or Post Office Certificates, or in any combination of these forms, is in accordance with the provisions of rules 197; (b) that in the case of a cash deposit, the savings bank pass-book has been delivered to the officer in charge of the office required to keep it in safe custody (see rule 227); and (c) that in the case of a deposit of Government promissory notes or Post office certificates, the promissory note or notes have been endorsed and delivered over or that the Post office certificates have been formally transferred to the proper authority (see rule 226).

210. When the officer concerned has examined the bond and satisfied himself on the points mentioned above, he will write on the bond a certificate in one of the following forms, as the case may require:—

When the whole amount of the security is deposited at once
 "Certified that this bond has been examined and found in order: and that I have satisfied myself that the amount of the security required, Rs. (amount), has been deposited: Rs. (amount) in the Post Office savings bank, Rs. (amount) in

Government promissory notes and Rs. (amount) in Post office certificates."

When the first deposit is only part of the security—"Certified that this bond has been examined and found in order; and that I have satisfied myself that Rs. (amount) has been deposited as a first deposit; Rs. (amount) in the Post Office savings bank, Rs. (amount) in Government promissory notes and Rs. (amount), in Post Office Certificates, Rs. (amount), the balance of the security required, must be recovered by instalments in accordance with the rules on the subject."

The officer concerned must sign the certificate, adding his designation and the date, and then send the bond for custody to the officer in whose custody the bond should remain.

NOTE.—In the case of a security furnished by officers employed in first class head offices, the postmaster will perform the duties of examining the bond and recording the certificate required by the above rule.

Signatures to be affixed in presence of a departmental officer

211. When security is furnished in the form of a personal bond, the signatures of the principal and of the sureties must be affixed to the bond in the presence of two witnesses, one of whom must be a departmental officer other than the principal and, in the case of the Post Office, above the rank of postman. The departmental officer and the other witness must sign the bond in evidence of having witnessed the signatures of the principal and sureties.

Enquiries as to the solvency of persons offering themselves as sureties

212. Before any personal bond is accepted, the officer concerned, must have enquiries made in order to ascertain the sureties are substantial persons, able, without doubt, to make good the sum in which they are bound by the bond, and that none of them is a minor or of unsound mind; whenever practicable these enquiries will be made through the local revenue authorities.

213. If the result of the enquiry is satisfactory, the officer concerned will draw up, in each case, a memorandum to be attached to the bond showing in detail the nature and results of his enquiries. He will then write on the margin of the bond the words "Sureties satisfactory as per memorandum annexed", and his signature, office and the date, and forward the bond to the officer in charge of the office by whom the pay of the principal is drawn.

NOTE:—This rule applies also to personal security bonds executed by officials employed in first class head offices when the sureties live outside the station; when the sureties live within the station, the postmaster must

himself make the necessary enquiries, record their nature and result in a memorandum to be attached to the bonds, and write the prescribed endorsement on the bonds.

214. When the sureties of an employee reside outside the jurisdiction of an officer by whom the bond is to be attested, the bond will be sent to the officer of the Department under whose jurisdiction the sureties reside; if the sureties reside at different places under the jurisdiction of different officers, the bond will be sent to each officer in whose jurisdiction a surety resides. The officer to whom the bond is sent, will have it executed by the surety or sureties, write on the reverse a remark certifying, if the result of his enquiry is satisfactory, that the surety or sureties are satisfactory after the memorandum referred to in the preceding rule has been drawn up add his signature, office and the date, and return the bond with the memorandum to the officer under whom the principal is employed."

215. Generally, enquiries as to the solvency of a surety can be best made at the place of his residence; but when a surety is temporarily living far from his home and enquiries cannot be satisfactorily made at the place of his residence, they will be made also at his home.

Death, insolvency or withdrawal of sureties

216. An official who has given security, is bound to give prompt information if a surety dies, or becomes insolvent or changes his residence. Failure to report the death or insolvency of a surety when it is known to the principal will render the latter liable to suspension and removal from service.

217. Each year in the month of April the officer in whose jurisdiction or under whom, the officials who have furnished personal bonds are working will obtain from them a certificate (Form Sec. 39) to the effect that the sureties are alive and solvent. It is left to the officers concerned to take disciplinary action against any official, who fails to return the certificate properly filled in within the date fixed for the purpose. If a surety has changed his residence particular of the new residence must also be mentioned in the certificate. The submission of a false certificate will render the principal liable to suspension and removal from service. These certificates will be kept on record for two years only i.e. for the year to which they relate and the following year by the officer in whose custody the bond remains. Cases in which any surety is reported to be dead or as no longer solvent must immediately be reported to the Head of the Circle or the Administrative Office as the case may be.

218. In the case of personal security bonds of officials who have been promoted to the appointment of head postmasters the certificate

will be obtained by the Head of the Circle concerned and kept on record in his office.

Note 1.—Each officer under whose custody the bonds are kept will verify every year the existence and solvency of the sureties of at least one bond, if the personal security bonds of officials within his jurisdiction do not exceed 40, or one bond for every 40 such bonds or fraction of that number, if the personal security bonds of official within the jurisdiction exceed 40. In each case a note stating the result of the verification under the signature of the officer concerned will be attached to the bond. The verification may be made with the assistance of the Inspector or Local Postmaster or any other responsible local official.

Note 2.—The certificates in respect of the security bonds of officials promoted as Inspectors of Post Offices or Railway Mail Service or Head Clerks to Superintendents of Post Offices shall however, be obtained for a period of one year after their confirmation in the post.

219. When a surety dies, becomes insolvent or withdraws from his suretyship or when a bond is lost and the principal has less than ten years' service, the latter will be required to furnish fresh security.

220. When a surety dies or becomes insolvent or when a bond is lost and the principal has ten years' service or more, fresh surety may, at the discretion of the Head of the Circle or the Administrative Office as the case may be dispensed with if the principal's past service has been satisfactory. Exemption should not, however, be granted to officials who have been adjudged insolvent or who are habitually indebted.

221. "When a surety withdraws from his suretyship and the principal has ten years' service or more, an enquiry must be made to ascertain the cause of the withdrawal. If the withdrawal is explained to the satisfaction of the Officer in whose custody the bond remains, he will note this fact on the bond and fresh security may, at the discretion of the Head of the Circle or Administrative Office, be dispensed with if the principal's past service has been satisfactory. If the withdrawal is not explained satisfactorily, the case must be reported to the Head of the circle or the Administrative Office for orders.

Note.—Exemption from furnishing security granted to an official either under this rule or Rule 220 is liable to be withdrawn if it is subsequently found that the official has become insolvent or indebted."

222. In a case where security is deposited in cash or Government promissory notes or Post Office certificates on behalf of an employee, the amount of the deposit must not be refunded until after the expiry of six

months from the date of death or insolvency, or from the date of the notice of withdrawal.

223. Rules 216 to 222 apply also to the bonds of postmasters and inspectors which are kept in the office of the Head of the Circle.

Exemption:—The provisions of rules 216 to 222 do not apply to the bonds of Insurance Companies and Postal or Telegraph Co-operative Societies. When in the case of an official who has furnished thirft form of security, the Company or the Society give notice of lapse of the bond issued by them or withdraw from their suretyship, the principal should be required to provide fresh security unless he has 15 years' service or more, in which case further security may be dispensed with if his past service has been satisfactory.

The provisions of rules 220 and 221 above do not apply to the case of extra-departmental agents.

224. "The Head of the Circle or the Administrative Office may, at any time, call upon any official, who has furnished personal security, to furnish other personal security in lieu of it".

Pledge of the Security

225. "The security deposit account in a Post Office Savings Bank, Post Office Certificates or Government securities should be pledged by an official to the appointing authority, if of a Gazetted Status. In case the appointing authority is a non-Gazetted Officer, the security should be pledged to his immediate superior who is of Gazetted Status. In addition to the security deposit form prescribed by the savings bank rules, the official must evacuate a bond in the form appropriate to the case".

226. "The rules, regarding the deposits of Government securities by employees of the Department will be found in the Posts and Telegraphs Financial Handbook Volume I".

Pass-Books of Security Deposit Accounts

227. All the pass-books appertaining to security deposit accounts of employees will be kept by the officer in charge of the office by whom the pay of the depositors is drawn, locked in a tin box with the security bonds to which they relate, the number of each account being entered in the register of bonds (Form Sec. 19).

In offices other than Post Offices where Security deposits are deducted in monthly instalments from pay, an additional register for Security deposit accounts should also be maintained in form A.C.G. 43. Depositors will, at all times, be at liberty to call for an examine their pass-books in order to satisfy themselves that any deductions have been credit ed to their accounts.

228. When an employee who has furnished security in the form of a security deposit in the savings bank, is transferred to the jurisdiction of another office, the office in whose custody the savings bank pass-books are kept will arrange, where necessary, to have them transferred to the proper office.

229. The Department will have nothing to do with payment of interest, for which the depositor will apply to the savings bank direct, the pass-book being given to him for the purpose. The officer in whose custody pass-books are kept, must see, however, that pass-books are presented at the post office as soon as possible after the 15th June, each year in order that the necessary entries about interest may be made in them.

230. When an application is received for the refund of the balance at credit of a security deposit account in the savings bank, the Authority to whom the account is pledged, may authorise the refund of the amount after satisfying himself that the Department has no claim against the employee (pledger). In no case should a refund be authorised before the expiry of six months after the vacation of his office by the employee.

NOTE:—If the official concerned vacates office and proceeds on leave preparatory to retirement, the period of 6 months should be calculated from the date of commencement of such leave.

231. A Divisional Engineer, Telegraphs, and a Superintendent in charge of a departmental telegraph office may, under the conditions mentioned above, authorise the refund of security deposits of telegraph employees except in cases of resignation without notice and dismissal from service.

Custody of Security Bonds

232. All accepted bonds of postal officials, duly endorsed by the Superintendent or first class Postmaster, will be kept by the postmaster of the head post office who draws the pay of the official by whom the bonds were executed. All bonds (whether of permanent or temporary officials) will be entered in the prescribed register (Form Sec. 19) and kept with the register in steel or iron sheet almirahs in the joint custody of the Postmaster and the Accountant. "If the surety is a Co-operative Society, Insurance Company or an organisation of such companies the official should be required to furnish a declaration of such companies the official should be required to furnish a declaration agreeing to the deduction of premium due on the bonds with money order commission, if any, from their pay or leave salary. The Postmaster should ensure that all bonds which are in his custody are current and premia due thereon are paid on due dates.

233. In the case of telegraph employees, the security bonds in the usual form taken from linemen will be kept in the Divisional Engineer's

or Accounts Officers, Telegraph Stores and Workshops, or Controller Telegraph Stores Office. The security bonds of class IV servants in departmental telegraph office will, after they have been approved by the Head of the circle concerned, be kept in the custody of the officer in charge of the telegraph office in which the class IV servant in question is employed. In cases where Government promissory notes or debentures are lodged with the Accountant-General, the security bonds executed must be sent to the office of the Accountant-General, Posts and Telegraphs, for custody. All other bonds will be kept with Divisional Engineers or Accounts Officers Telegraph Stores and Workshops or Controller Telegraph Stores or Heads of Telegraph Offices or Heads of Circles as the case may be. All bonds will be entered in the prescribed register (Form Sec. 19) and must be examined and verified annually at the beginning of the year.

234. When an official is transferred permanently to the jurisdiction of another office, the officer in charge of the office in which his bond is kept will forward the bond to the proper office in a registered cover, and make a note of the fact against the entry of the bond in the register. In such cases, the bond should invariably accompany the transferred official's last pay certificate.

235. When an official is transferred temporary from the jurisdiction of one office to that of another office, the officer in charge of the former office will forward, in a registered cover, to the latter office a certificate to the effect that the transferred official's security bond is on record there. The amount of the security bond must be mentioned in the certificate.

NOTE:—The bond of an official promoted to be a head postmaster (permanent or officiating) will be deposited with his immediate superior and will be retained there even if he reverts from his head postmastership.

NOTE 2:—The proceedings connected with the verification of security bonds sometimes take time, specially in the case of officiating persons. It may thus happen that though a security bond has been furnished, it is not on record for a month or more after the person's appointment. In these cases, the pay due must not be allowed to remain undrawn; but as a check that the bonds furnished are subsequently received, a few pages should be reserved at the end of the register of security bonds for the entry of the names of all officiating persons and a pencil entry added against the names of those who have furnished security bonds which have not, however, been received for record. When the bond is received, the pencil entry will be erased and the particulars of the bonds then entered in the usual way. If there is delay in the receipt of

a bond, the attention of the Superintendent concerned should be drawn to the matter.

Custody of Post Office Certificates Deposited as Security

236. Post Office Certificates pledged as security by postal officials, except those promoted to the post of a Head Postmaster or Inspector will be made over or sent for custody to the head postmaster by whom the depositor's pay is drawn. If the Post Office Certificates are tendered for this purpose at a sub or branch office, the sub or branch postmaster will grant the depositor a preliminary receipt and will send the Post Office Certificates to the head or account office in the account or b.o. bag entered in the daily account. The Head Postmaster will grant the depositor a formal acknowledgement of the receipt of each Post Office Certificate in exchange for the preliminary receipt and he will also intimate receipt of the Post Office Certificate to the Divisional Superintendent.

NOTE:—Post Office Certificates pledged as security by officials promoted to the post of Head Postmaster or Inspector will be sent for custody in the office of the Head of the Circle along with the security bond on confirmation in the post to which they have been promoted.

237. The Post Office Certificates must be locked in a tin box with the security bonds to which they relate after the particulars of each of them have been entered in the register. The box should be kept in the office safe.

238. When the depositor is transferred to the jurisdiction of another head office, the postmaster or the office in whose custody the Post Office Certificates have been kept, will forward the Post Office Certificate or Certificates with the security bond relating thereto to the new head office in a registered cover and make a note of the fact against the proper entry in the register.

239. (a) Post Office Certificate, pledged as security by telegraph officials will be kept by the Head of the Circle in the case of offices in charge of telegraph masters and telegraphists, and in all other cases by the officer in charge of departmental telegraph offices.

(b) Post Office Certificates pledged as a security by officials of the Telegraph, Engineering branch will be kept by the Divisional Engineer, Telegraph, concerned in office cash chest.

Alteration of Form of Security

240. Security furnished by an employee of the Department in the form of a personal bond with sureties may be replaced at any time by the deposit in either of the first two forms of security mentioned in rule 194 or in both together, of not less than two-thirds of the amount applicable in the case concerned to security given in those forms. If the

whole amount of the security in the new form is not deposited at once, the balance must be made by instalments of not less than one-sixth of the employee's pay. In other respects the deposit of cash or Government promissory notes or Post Office Certificates will be subject to the provisions of rules 195, 197 and 199.

241. Officials who have furnished personal bonds with sureties should be encouraged but not compelled to open private savings bank accounts and to deposit small sums from time to time as they can be spared, with a view to replacing the bonds in the manner described in the preceding rule when the necessary amount has been accumulated.

242. If an official wishes to substitute a personal bond with two sureties for a security deposit in cash or Government promissory notes or Post Office Certificates, he should give six months' notice in writing of his intention to do so, and in such a case the amount of the deposit will not be refunded to him until after the expiry of the period of six months after the personal bond comes into effect. If he has ten years' service or more, the Head of Circle or Administrative Office may, at his discretion, exempt him from furnishing fresh security in the form of a personal bond, provided that his past service has been satisfactory.

Disposal of withdrawn Bonds

243. When a personal bond executed by an employee is replaced by another kind of security under rule 240 or in respect of which a surety withdraws from his suretyship after the prescribed notice, or which is withdrawn from any other cause, the bond should be preserved for three years and may then be destroyed. No endorsement of any kind must be made on the bond. The same course will be followed in the case of a bond relating to a security deposit in cash or Government securities when the deposit is returned to the depositor.

244. A note, showing how the bond has been disposed of, will, in every case, be written by the officer in whose custody the bond remains against the entry of the bond in the register.

246. When a surety gives notice of his intention to terminate his suretyship and the principal is required to furnish a fresh bond (see rules 219 and 220), the necessary enquiries should at once be commenced with a view to the immediate execution of the new bond on the expiry of the period of notice. If it is found necessary in any case to have the fresh bond executed within the period of notice, the following sentence should be added to the body of the bond:—

"The conditions of this bond shall have effect on and from the (date of termination of period of notice)".

and against this addition the principal and the sureties to the fresh bond should be required to place their signature.

PROCEDURE WHEN AN OFFICIAL DIES, LEAVES THE DEPARTMENT OR IS PROMOTED TO AN APPOINTMENT THE INCUMBENT OF WHICH IS NOT REQUIRED TO FURNISH SECURITY.

247. When an official, who has given security, dies, or is promoted to an appointment the incumbent of which is not required to furnish security, or leaves the Department, the following procedure will be followed:—

- (a) The bond will be preserved for a minimum period of three years after which it may be destroyed, if there is no probability of its being of any use. A note, showing how the bond has been disposed of, will be written by the officer concerned against the entry of the bond in the register.
- (b) If the security is in the form of a security deposit in the savings bank, in Government promissory notes or in Post Office certificates, the return of the deposit will not be authorised by the authority to whom the security is pledged or the Administrative Office until after the lapse of six months.
- (c) The security bond of an official who is promoted as an Inspector of post offices or Railway Mail Service or Head Clerk to Superintendent of post offices should be preserved in the Head Office or the Head Record Office, as the case may require, for one year after his confirmation.

Persons whose Security is inadmissible

249. The security of professional money-lenders should on no account be allowed, nor should soldiers be made sureties in security bonds. It is also not advisable to accept ladies as sureties if any male surety can be obtained, unless the ladies are single or widows.

Appointment to Posts requiring Security

250. Subject to the provisions of rule 192 of this volume and of the note below rule 97 of the Posts and Telegraphs Manual Volume IV, no candidate whether outsider or departmental, may be appointed even temporarily to a post for which a security is required from him, unless and until he has furnished the required security. When the vacancy to be filled is a permanent one, and no candidate who has already furnished security or who is prepared to furnish it at once, is available to fill it, the appointing authority may, at his discretion, appoint to such a post temporarily, an outside candidate who has agreed in writing to furnish the security within one month, or a departmental candidate who has been confirmed in a permanent post and has agreed in writing to furnish the same within three months, from the date of appointment. In special circumstances the Head of the Circle or the Administrative office may grant such a candidate an extension of the time not exceeding three

months in the case of an outside candidate, or six months in the case of a departmental candidate already confirmed in a permanent post from the date of appointment. If the candidate fails to furnish the required security within the stipulated period, he shall be discharged or reverted, as the case may be. No candidate shall be appointed to such a post permanently from a date earlier than the date on which he furnished satisfactory security.

NOTE:—The Note below rule 97 of the Posts and Telegraphs Manual Volume IV, is an exception to this rule.

251. Rule 250 applies equally also to a postal employee required to furnish an additional security under clause (h) of rule 191—(ii) Post Office.

252. An official who has been confirmed in a permanent post but on the conditions mentioned in rules 216 and 217, and who is required to furnish a fresh security under rule 219, shall not be allowed to hold or continue to hold charge of a sub or branch office until the fresh security is furnished and shall if he fails to furnish it within the time allowed to him, be liable to suspension and removal from service. A declaration accepting such liability should be obtained by the appointing authority from all such officials. The declarations shall be attached to their character sheets in which a note, duly signed and dated, should be made to the effect that the declaration has been appended. The declaration should be in the following form:—

“I hereby declare that I have read rule 252 of the P. & T. Manual Volume II, and clearly understand that I become liable to the provisions and penalties prescribed therein”.

NOTE:—A similar declaration as that prescribed in rule 252 should also be obtained by an appointing authority from extra-departmental agents at the time of their appointments to posts required security. Such declarations when obtained should be kept with their security bonds.

253. In making appointment, whether permanent or officiating, to a post for which security has to be furnished, the officer making the appointment should specify the description of bond or agreement required and specifically state in the order of appointment whether the person appointed has furnished security or not.

254. Cancelled

255. Cancelled.

256. Cancelled.

257. Cancelled.

Forfeiture of Security Deposits

258. The security furnished by an employee will be liable to forfeiture at the discretion of the Director-General or other officer duly

authorised by him in the event of the employee quitting the service without properly accounting for all moneys, stores, and valuables in his custody and without satisfactorily adjusting his accounts or without permission or without giving at least three months' notice.

259. When the whole or the part of the security deposit of an official is to be forfeited the form of security bond must be sent to the Head of the Circle or the Administrative Office as the case may be for necessary action, with full particulars of the grounds on which such forfeiture is recommended. When the whole of a security deposit in the savings bank has to be credited to Government in recovery of departmental claims or as forfeited by order of the competent authority, the whole amount should be drawn out of the savings bank, the amount being brought into the cash account of the officer responsible stating in the entry how much is in adjustment of objections, advances, etc. and how much forfeited to Government. When only a part of the deposit has to be credited to Government, that part only will be drawn and treated in the same way.

Unclaimed deposits

260. Deposits of employees that remain unclaimed for three years after their refund becomes admissible (for instance after an employee leaves the Department) are to be credited to Government under the head "Miscellaneous Revenue."

261. When such a deposit is afterwards claimed, a full explanation of the circumstances must be submitted by the claimant to the Director-General who may authorise refund of the amount. Heads of Circles or the Administrative Office as the case may be and Divisional Engineers, Telegraphs, are responsible for the due disposal of all unclaimed deposits and should maintain a record of such deposits in Form Sec. 28.

Part II. Security Deposits of Contractors

262. The rules regarding security deposit of contractors for the due fulfilment of contract will be found in the Posts and Telegraphs Initial Account Code Volume I.

263. Deleted.

263 1.—Post Office certificates pledged as security by the contractors will be made over or sent for custody to the officer by whom payment are

usually made to the contractors. He will also keep copies of all agreements executed by the contractors, the originals being kept in the custody of the officer executing the contracts.

263/2.—Savings bank pass-books relating to the securities furnished by mail contractors should, in the first instance, be received by the Head of the Circle, who should forward them after scrutiny, for safe custody to the head post offices concerned which draw and disburse the subsidy of the contractors.

263/3.—Fidelity Bonds of Insurance Companies relating to securities furnished by contractors of treasury work in post offices, which can be accepted as security only with the concurrence of the Ministry of Finance, will be kept in the custody of gazetted officer in the office of the Heads of the Circle. He will be responsible to see that the bond is renewed in time by the contractor.

264. Security bonds furnished by contractors or other must bear the stamp prescribed by law. The stamp on a security bond is payable by the party executing it and not by Government in any case, and any necessity which may exist for such a document to be executed on behalf of Government should not, under the exemption contained in the present Stamp Act, exempt the person who would have been liable to pay for the stamp for such liability. All agreements entered into by contractors for the execution of work or for securing the due performance of contracts are exempt from stamp duty.

Note.—The agreements referred to above do not, however, include the agreements for conveyance of mails executed by the mail contractors. Such agreements must be stamped in accordance with the provisions laid down in the Indian Stamp Act as amended by the State Governments.

265. Deposits that remain unclaimed for three years after their refund becomes admissible (for instance, after a contractor fulfils his contract), should be dealt with in accordance with the provisions contained in rules 266 and 261.

Part III—Security deposits for payment of charges on press telegrams

266. The rules regarding deposits accepted from newspapers or news agencies to cover the cost of press telegrams accepted without prepayment will be found in paragraphs 344 and 345 of the Posts and Telegraphs Manual Volume XI. Each depositor will execute a bond in Form Sec. 25 (Depositor's bond for cost of press telegrams accepted without pre-payments) either for cash or Government securities or State and Municipal Debentures or Post Trust Bonds.

Note 1.—State and Municipal Debentures and Post Trust Bonds should be dealt with in accordance with the procedure laid down in the Chapter on security deposit of the Posts and Telegraphs Initial Account Code Volume 1.

Note 2.—The deposit will be refunded when the last account with the Department is completely cleared—*vide rule 268 below and also the rules on the subject in the Po's and Telegraphs Initial Account Code Volume III.*

26. Bonds executed by depositors for the cost of press telegrams sent without prepayment should be entered in the register of such deposits maintained in departmental telegraph offices. Government securities, etc., deposited for safe custody are to be entered in a register to be maintained in departmental offices in Forms, Sec. 19.

268. Deposits received from the public or from newspapers or news agencies in connection with acceptance of messages from them without prepayment, may be refunded on the authority of the Head of the Circle, it being understood that no refund will be allowed without the previous certificate of the Audit officer to the effect that the corresponding credits are outstanding. In the case of deposits for press messages without prepayment, however, in addition to the certificates to be obtained from the Audit office, a certificate should also be obtained from the Telegraph Check Office to the effect that no bills are outstanding against the newspaper or news agency.

ANNEXURE 3

INDIAN POSTS AND TELEGRAPH DEPARTMENT
OFFICE OF THE DIRECTOR OF POSTS/AND DIRECTORATE, NEW
DELHI

To

All Head of Circles,
All Heads of Telephone Districts,
All other Admn. Offices.

No. 20-41/71-SPB-1.

Dated, 2nd November, 1970.

Sir,

It has been brought to notice during the course of test audit of the accounts of P & T Department during 1968-69 that the following common type of irregularities are on the increase:—

- (1) Security bonds not obtained or renewed or kept on record.
- (2) Health certificates wanting.
- (3) Irregularities in maintenance of service books and leave accounts.

Effective steps are required to be taken to ensure that such irregularities are not allowed to recur. In this connection attention of all concerned is invited to rule 191 of P & T Manual Vol. II wherein it has been laid down that owing to their pecuniary and other responsibilities certain classes of officials mentioned therein are required to furnish security for faithful discharge of their duties. As regards production of Health certificate, rules contained in F.R. 10 and detailed instructions contained in SR 3, 4 and 4-A may be strictly adhered to. Lastly, Rules 283—290 contained in P & T FHB Vol. I, may kindly be followed with regard to maintenance of service books and leave accounts. It should be impressed on all subordinate authorities that they must ensure that the instructions in this regard are duly followed by one and all so that such irregularities do not occur in future. It should also be ensured that all relevant documents kept under proper custody.

Yours faithfully,

(Sd.) RAJAGOPALAN
Asstt. Director-General (SPN)

Copy to:—

AGP&T Simia.
B/SPB-II-STB-1 & II/NCG/TF Admn. Sections of the Date.

ANNEXURE 4

INDIAN POSTS AND TELEGRAMS DEPARTMENT

OFFICE OF THE DIRECTOR-GENERAL OF POSTS AND TELEGRAPHS, NEW DELHI-1.

D. K. General Circular No. 3.

Dated the 23rd May, 1968.

*Submission of Health Certificate on first appointment along with pay bill
to audit—change in procedure etc.*

A copy of the O.M. No. F.25(24)/66, dated 24th August, 1966 issued by the Minister of Finance (Dept. of Expenditure) is reproduced below for the information and guidance of all concerned.

2. It has further been decided in consultation with the Ministry of Finance:—

- (1) that the medical certificate produced by a Gazetted Officer on his first appointment should be preserved along with his dossier and
- (2) that in the case of non-gazetted staff the first medical certificate should be kept in the Service Book of the Govt. servant concerned but a suitable entry should also be made in the service book, under the signature of the Head of the Office that the official has furnished the certificate of fitness.

14-2/67-SPB/1)

Copy of Ministry of Finance (Dept. of Expenditure) O.M. No. F. 25(24)-14/66, dated the 24th August, 1966.

SUBJECT —Production of health certificates on first appointment in service.

In terms of FR 10, a person appointed to a post in Government service has to produce a medical certificate of fitness, which is required to be attached to his first Pay Bill. A similar provision is found in the Rule 230 of Central Treasury Rules. This means that the entire proceedings of the Medical Board/Civil Surgeon who examined the Government servant for the purpose of medical examination are required to be sent along with the pay bill to Audit.

2. The question whether it is necessary to submit the medical certificates in original to audit along with the first pay bill has been considered and it has been decided in consultation with the Comptroller and Auditor General, that the existing practice of affixing the medical certificate to the first pay bill of a Government servant should be dispensed with. However, to meet the requirements of audit, a certificate to the effect that the medical certificate in the prescribed form has been obtained in respect of the Government servant, should be furnished to Audit along with the first pay bill of the Government servant. The procedure for furnishing this certificate in respect of Gazetted and non-gazetted officers will be as follows:—

- (i) In respect of Gazetted Officers, certificates furnished by the competent authority to whom the medical certificate has been submitted should be attached to the First Pay Bill.
- (ii) In respect of non-gazetted officers, the drawing and disbursing officers should furnish such certificates along with the first pay bills of the Government servants concerned.

3. Where the competent authorities under Government of India decision No. 2 below Rule 10, authorise the drawal of pay allowances of a newly appointed Government servant for period not exceeding two months without a medical certificate of health, a certificate to this effect should be furnished in the first pay bill.

4. Where any officer has been declared "temporarily unfit" by the competent medical authority and retained in service in accordance with the orders issued in the Government of India, Ministry of Home Affairs, O.M. No. 5 2 57-RPS, dated the 22nd July, 1957, the period for which the officer has been declared "temporarily unfit" should be intimated to audit.

34 2 67-SPB-1,

Dated the 11th March, 1968.

Advance copy forwarded to:—

All Heads of Circles, and All Heads of Admin. Offices

Copy also forwarded to:

- (i) PAT PAP Adm SPA STA WK STB NCG/SPB II/PE/TE C & A
O & M sections of the Directorate.
- (ii) B(CR) Sections, P & T Dte. for issue of correction slip to
P & T Financial Hand Book

(Sd.) O. P. SHARMA
Assistant Director-General (SPN)

ANNEXURE 5

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

No. 19/11/70-PAT

Dated the 26th November, 1971

To

**All Heads of Circles/
Telephone Districts and
other Administrative Offices**

**SUBJECT:—*Public Account Committee.—Audit Report (P & T) 1970—
Over payment of Children Education Allowance.***

The audit in its report for 1970 has reported that in some circles cases of over-payments of Children Education Allowance has been noticed. It has been pointed out by the audit that in most of the cases the register for the payment of Children Education Allowance has not been maintained properly.

2. The Heads of Circles concerned were addressed to intimate the nature of irregularities noticed in these cases. The replies received from the circles indicate following common type of irregularities:

- (i) Register for C.E.A. not maintained properly.
- (ii) C.E.A. was paid in a locality where it was not admissible.
- (iii) C.E.A. was paid without proper verification of (a) date of birth of the child (b) whether the school is recognised or not (c) whether the child is in receipt of any scholarship (d) particulars furnished by officials from School authorities.
- (iv) C.E.A. was paid even when the child was withdrawn from the school.
- (v) C.E.A. was paid even when the child was enjoying free lodging and Boarding.
- (vi) C.E.A. was paid even for those periods for which no claim was preferred by the officials concerned.

3. It is requested that suitable instructions may kindly be issued to all subordinate units to exercise strict check on all cases of Children Education Allowance and it should be ensured that irregularities referred to above should not recur and the instructions issued by this office from time to

time relating to the payment of C.E.A. are strictly followed. In this connection attention is invited to this office letter No. 13/1/70-PAT dated 28th July, 1971 with which copies of the instructions issued on the subject were sent to the circles etc., for their guidance. *The receipt of this letter may please be acknowledged.*

(Sd.) P. CHANDRA,
Asstt. Chief Engineer (TE.)

Copy to B Section of P & T Dte.. w.r.t.
their O.M. No. 30/23/70-B dated 16th October, 1971.

(Sd.) P. CHANDRA,
Asstt. Chief Engineer (TE).

ANNEXURE 6

Copy of a letter No. B 16011/16/71-WL dated 20th September, 1971 from P & T Dte., WL Sec. to all Heads of Circles etc.

SUBJECT:—Public Accounts Committee—Audit Report (P & T) 70—Overpayment of Tuition fees.

Sir,

I am directed to refer to your reply to this office letter of even number dated 23rd June, 71 on the above subject and to state that it has been observed that in most of the cases of over-payment of reimbursement of tuition fees over-payments were made due to wrong interpretation of Rules. Thus it appears that the sanctioning authorities did not exercise as much care and circumspection as was expected of them especially when these concerned payments. There are already rules and orders regulating the scheme of reimbursement of tuition fees and clarifications are also issued from time to time. It is the responsibility of all sanctioning authorities to satisfy themselves that the claims are in order with reference to relevant rules and orders and that there is no possibility of overpayment being made before the claims are accepted and sanctioned. I am therefore, to request you to issue instructions to all concerned that as soon as the claims for reimbursement of tuition fees are received these should be examined in details with reference to relevant orders before the claims are accepted and passed so that there may not be any scope of overpayments being made in future.

Yours faithfully,

(Sd. D. K. AGARWAL.
Director (Welfare).

ANNEXURE 7

No. 51-16/71-SPB-II.

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

New Delhi, dated the 12th July, 1971.

To

All Heads of Circles,
All Heads of Telephone Districts,
Heads of all other Administrative Offices.

SUBJECT:—*Maintenance of service books and leave accounts.*

Sir,

I am directed to say that one of the common types of irregularity, as pointed out by the Audit in course of Audit Inspection, is that the Service Books and Leave Accounts are not maintained properly. As a result, error creeps in the leave accounts necessitating subsequent adjustments. This state of affairs is far from desirable and reflects on the staff dealing with the Service Books and Leave Accounts. In order to avoid the irregularities, it is to be ensured by the Heads of offices that the instructions regarding maintenance of Service Books and Leave Accounts are strictly followed by all concerned. A systematic review of the Leave Accounts by the Heads of offices should be arranged as enjoined in Rule 284, 288 and 290 of Fin. Hand Book Vol. I and SRs 197 to 203 of the compilation of FR and SRs. It should be the personal duty of the Heads of offices etc., to take appropriate corrective measures in this regard so that a complaint from Audit in this regard is minimised.

Kindly acknowledge receipt

Yours faithfully,

(Sd. R. RAJAGOPALAN,

Assistant Director General (SPN)

Copy to.—Admn. Section, P & T Directorate.

ANNEXURE 8

RULE 264, 288 & 290 OF P. & T. FINANCE HAND BOOK

VOLUME—I RULE—284

(1) At a fixed time early in the year the service books should be taken up for verification by the head of the office who, after satisfying himself that the services of the Government servant concerned are correctly recorded in each service book, should record in it a certificate in the following form over his signature:—

“Service verified up to (date) from (the record from which the verification is made).

NOTE 1.—The verification of service referred to above should be in respect of all services qualifying for pension whether permanent, provisional, temporary or officiating.

NOTE 2.—The following officers, who are not heads of offices, are authorised to attest the entries and record certificates of annual verification of services in the service books of the non-gazetted staff of the office (other than those of themselves) which are required to be maintained by their heads of offices:—

(1) In respect of Post Office and R.M.S.

(a) Any officer in the selection Grade authorised by the Head of the office if there is no accountant in the Selection Grade in the office.

(b) Assistant Accountants (L.S.G.) on General Post Offices.

(2) In respect of Engineering Divisions.

Divisional Accountants

(3) In respect of Circle and Administrative Offices.

Office superintendent or any official in the Selection Grade authorised by the Head of the Circle.

(4) The Junior and Senior Accountants in the P & T Accountants Grade in respect of all offices.

The above mentioned officers who have been authorised to attest entries in Service Books are also authorised (i) to maintain these documents including Leave Accounts and keep them in their custody and (ii) to attest entries in the Leave Accounts, provided that the head of the office concerned remains responsible for the proper maintenance of and attestation of entries in Service Books, Service Rolls and Leave Accounts and for

their custody. In order to ensure that the head of the office does exercise general supervision in this matter, the head of the office should inspect at least 10 per cent of these documents every year and initial them in token of having done so.

"N.B.—In order to ensure that this check is properly exercised and that every service book is subjected to scrutiny in one year or another, a register should be maintained by the Head of the Office to show the particulars of service books brought under scrutiny each time by him."

NOTE 3.—For this purpose the Assistant Postmaster General or Deputy Director in so far as the Circle Office, the Dead Letter Office and the Stock Depots are concerned, and the Accounts/Administrative Officer in so far as the Telephone Districts are concerned and the Assistant Director General (Administration) in so far as the Directorate is concerned should be considered as the Head of the Office.

(2) The Head of the office in recording the annual certificate of verification should, in the case of any portion of service that cannot be verified from office records, distinctly state that for the excepted periods (naming them), a statement in writing by the Government servant, as well as a record of the evidence of his contemporaries, is attached to the book.

When, however, a non-gazetted Government servant is transferred from one office to another, the head of the office under whom he was originally employed should record in the service book under his signature, the result of the verification of service, with reference to pay bills and acquittance rolls, in respect of the period "for which the Government Servant was paid by" him, before forwarding the service book to the office where the services are transferred.

RULE—288

(a) The service books should be kept arranged alphabetically.

(b) Except as provided in Rule 284 Service Books must always be kept unfolded; and whenever it is necessary to send a book by post it should be forwarded unfolded between stiff boards large enough to protect contents and the despatched under registered cover.

(c) On the first appointment of a Government servant for whom a Service Book is required to be maintained under S.R. 197 the necessary book should be opened by the officer making the appointment who should fill in and contemporaneously attest the descriptive particulars on the first page. The particulars must be furnished from his personal knowledge of the newly appointed Government servant at the time of appointment if possible, otherwise they should be obtained through some other Departmental officer named by the officer making the appointment, the service book being sent to him for the purpose. The book should then (if necessary) be forwarded for custody to the head of the office concerned.

(d) In cases in which the descriptive particulars are not supplied from the personal knowledge of the officer making the appointment, he should, when he first meets the newly appointed Government servant in the course of his tours or inspections, make a note of those particulars with a view to verifying and attesting, at the earliest opportunity, the entries already made in the Government servant's service book.

NOTE.—The "personal marks for identification" recorded on the first page of a Government servant's service book should include an impression of the ball of his left thumb and of the fingers of the left hand.

(e) When the owner of a service book dies or resigns or is discharged, the date of his death, resignation or discharge (as the case may be) should be entered in his book. The book or roll should be preserved in the custody of the head of the office for five years and then destroyed.

(f) The descriptive particulars on the first page of a Government servant's service book should be re-attested every five years by the supervising officer concerned.

NOTE 1.—Officers when re-attesting the descriptive particulars in service books under this rule should write in words the entries relating to dates of birth in cases in which this has not been done.

NOTE 2.—Assistant Superintendents and Inspectors of Post Offices and Railways Mail Service, Second Class Postmasters, Assistant Post Masters (Accounts) Telegraph Masters and Telegraphists in charge of Telegraph Offices and Engineering supervisors of all categories should be treated as Supervising Officers for the purpose of the re-attestation of entries in the first page of service books of subordinate officials.

NOTE 3.—The re-attestation of entries on the first page of the service books should be made by the Superintendent in respect of the Assistant Superintendents and the Inspectors and by the Inspectors of the Superintendent in respect of Lower Selection Grade Officials in Post Offices and Railway Mail Service.

NOTE 4.—The Selection Grade Sub-Postmasters (excepting those in charge of town sub-offices) should be treated as supervising officers in respect of the work connected with the re-attestation of entries in service books of those officials whom they are competent to appoint.

NOTE 5.—The Manager of a Dead Letter Office should be treated as a Supervising Officer for the purpose of this rule in respect of the work connected with the re-attestation of the entries in the first page of service books and service rolls so far as his office is concerned.

NOTE 6.—The Senior Accountant of Administration Section of the office of the Director General should be treated as a supervising officer for the purpose of this rule in respect of the work connected with the re-attestation of the entries in the first page of the service books and service rolls so far as the staff of the office of the Director General is concerned.

RULE 290

LEAVE ACCOUNTS

The leave account of a non-gazetted Government servant (Form A.T.C.-1 or A.T.C.-2), will be kept in the custody of the Head of the office in which he is employed as prescribed in Supplementary Rule 215(b), and the entries in the leave account attested by the latter. The leave account of a non-gazetted Government servant who is himself the Head of an Office should, however, be kept in the custody of his immediate superior who will also attest the entries in the leave account.

NOTE 1.—The officers enlisted in Note 2 below Rule 284 of this Handbook are authorised to attest entries in the leave accounts of officials whose service books they are authorised to keep with them, and also keep such leave accounts in their custody.

NOTE 2.—A separate record in the form given below, should be maintained by the authority keeping the service records of officials, indicating therein the various kinds of special leave (e.g., special disability leave, hospital leave, maternity leave, study leave, leave not due, commuted leave, etc.) granted to Government Servant from time to time.

In case of transfer of an official the new officer responsible for maintenance of service records should complete the register with reference to the entries in the Service Book.

**Register showing Particulars of special kinds of leave granted to
Government Servants**

Copy of SR, 197 to 203.

S. R. 197 A service book in such form as the Auditor General may prescribe must be maintained for every non-gazetted Government servant

holding a substantive post on a permanent establishment (or officiating in a post or holding a temporary post) with the following exceptions:—

- (a) Government servants the particulars of whose service are recorded in a history of service register maintained by an audit officer.
- (b) Government servants officiating in posts or holding temporary posts, who are recruited for purely temporary or officiating vacancies (not likely to last for more than one year) and are not eligible for permanent appointment.
- (c) Permanent subordinate non-pensionable servants in State railways, for whom a special form of record has been prescribed.

S. R. 198 In all cases in which a Service Book is necessary under Rule 197, such a book shall be maintained for a Government servant from the date of his first appointment to Government service. It must be kept in the custody of the Head of the Office in which he is serving and transferred with him from office to office.

Government of India's decisions.—(1) Consequent on the amendment of this Rule, the following questions have been raised:—

- (i) Whether it is the intention that the cost of the Service Books will now be borne by the Government,
- (ii) whether or not the Service Book is to be supplied to the Government servant if he resigns or discharged from service without fault, and if not, whether the Service Book may be given to the Government servant on retirement if he asks for it.

A comparison of the revised rule with the old rule will show that the reference to the Service Book being supplied at the cost of Government servant has been omitted and also there is no mention in regard to the Service Book being supplied to the Government servant in the event of his resignation or discharge. The intention is that the cost of Service Book should hereafter be borne by the Government and that it should not be returned to the Government servant on retirement, resignation or discharge from service even in cases where he might have paid for it already.

[Government of India, Ministry of Finance Office Memo. No. E. 12(6)-E.IV/54, dated the 31st January, 1955.]

- (2) The question whether it would be permissible to supply a certified copy of the Service Book to a Government servant who asks for it on quitting Government Service by retirement, discharge, or resignation was under consideration of the Government. It has since been decided that in

such cases, a certified copy of a Service Book may be supplied to the Government Servant on payment of a copying fee of Rs. 5.

[Government of India, Ministry of Finance, (Deptt. of Expenditure)
O.M. No. F. 12(16)-E.IV(A)/61, dated the 9th May, 1961.]

S. R. 199 Every step in a Government servant's official life must be recorded in his Service Book, and each entry must be attested by the Head of his Office, or, if he himself is the Head of an office, by his immediate superior. The Head of the office must see that all entries are duly made and attested, and that the book contains no erasure or over-writing, all corrections being neatly made and properly attested.

Government of India's Orders—(1) In relaxation of the provision of S.R. 199, Heads of Accounts Offices are permitted to delegate to a subordinate gazetted officer the duty of examining and attesting entries in the Service Books of the non-gazetted staff.

(G.I., F.D. letter No. F. 35/I/R.II, dated the 2nd March, 1929.)

(2) The following officers of the Indian Posts and Telegraphs Department who are not Heads of offices, are authorised to attest the entries in Service Books (except their own Service Books) which are required to be maintained by their Heads of offices:—

- (i) Post Office Accountants in the selection grade and Divisional Accountants (in the Engineering Divisions);
- (ii) Head Record Clerks, R.M.S.;
- (iii) Any Gazetted Officer or a Superintendent in the 'Grade A' Circle Office (Rs. 350—450 old scale) or any officer in the selection grade authorised by the Head of the office, if there is no Accountant in the selection grade in the office.

The above mentioned officers who have been authorised to attest entries in Service Books and Service Rolls are also authorised (i) to keep these documents in their custody, and (ii) to attest entries in the leave accounts, provided that the Head of the office concerned remains responsible for the proper maintenance of, and attestation of entries in, Service Books and Service Rolls and leave accounts and for their custody. In order to ensure that the Head of the office does exercise general supervision in this matter, it is ordered that the Head of the office should inspect at least 10 per cent of these documents every year and initial them in token of having done so.

[F.A., P. & T.'s endorsement No. S.A.-82(23)/30, dated the 30th June, 1932, No. Es.B.132-2/32, dated the 15th November, 1933 and F.A. (C's) endorsement No. 132-3/44, dated the 24th November, 1945.]

(3) The Junior and Senior P. & T. Accountants, attached to whatever offices, are delegated with the following powers:—

- (i) To attest entries in Service Books and Service Rolls including entries about verification of services;

- (ii) To maintain Service Books, Service Rolls and leave accounts and keep them in their custody; and
- (iii) To attest entries in leave account.

2. In offices where both Junior and Senior Accountants are employed the entries should be attested by Senior Accountant only.

3. The delegation of these powers is subject to the condition that the Head of the office remains responsible for the proper maintenance and custody of Service Books, Service Roots and leave accounts and for the attestation of entries in these documents; and that he inspects at least 10 per cent of these documents, every year and initials them in token of having done so.

[Ministry of Finance (Communications) endorsement No. SPA. 302-2/53, dated the 14th May, 1954.]

(4) The Assistant Postmaster (Accounts) attached to Head Post Offices are delegated with the following powers in respect of staff of those offices except for themselves:—

- (i) to attest the entries in Service Books and Service Rolls;
- (ii) to keep the documents in their custody;
- (iii) to attest the entries in the leave accounts; and
- (iv) to re-attest the descriptive particulars every 5 years.

2. This delegation is subject to the conditions that the Head of the Office shall remain responsible for the proper maintenance of the service books, service rolls and leave accounts, for the attestation of entries in these documents and for their custody and he shall inspect at least ten per cent of these documents every year and initial them in token of having done so.

[Government of India, Ministry of Finance (Communications) endst. No. 127/1/60-SPB-II, dated the 30th June, 1960.]

(5) The Assistant Accountants (Lower Selection Grade) in G.P.Os. are delegated with the following powers in respect of staff of those offices except for themselves:—

- (i) to attest the entries in Service Books;
- (ii) to keep the documents in their custody;
- (iii) to attest the entries in the leave accounts; and
- (iv) to re-attest the descriptive particulars every 5 years as required by rule 288 (1) of the P. & T. F.H.B. Vol. I (Second Edition).

2. This delegation is made subject to the conditions that the Head of the office shall remain responsible for the proper maintenance of the service books and leave Accounts for the attestation of entries in these

documents for their custody and that he should inspect at least ten per cent of these documents every year and initial them in token of having done so.

[Director General P. & T.'s Memo No. 127/2/61-SPB-II, dated the 28th February, 1962 issued with the concurrence of Ministry of Finance (C) Dn. *vide* their U.O. No. 1317-PT-I/62, dated the 26th Feb., 1962.]

Government of India's decisions—(1) The declarations of Government servants electing the scales of pay and the statements showing the fixation of initial pay in the relevant scales of pay in support of the entries in the Service Books should be pasted in the Service Books themselves.

[Ministry of Finance U.O. No. 3622-Est.III/A/55, dated the 10th May, 1955.]

(2) With a view to enable the Audit Officer to exercise a check over the payment of outfit allowance to non-gazetted staff serving in Indian Missions and posts abroad, it has been decided that a note of every such payment (*i.e.*, Bill No., amount and date of encashment) with its authority should be recorded in the body of the Service Book of the non-gazetted Government servant in chronological order alongwith other entries.

[Govt. of India, Ministry of Finance (Deptt. of Expenditure) O.M No. 15(13)-E.II(B)/56, dated the 3rd July, 1958.]

(3) It has been decided that requests from Government servants for alteration of date of birth should not be entertained after the preparation of their Service Books and in any event not later than the completion of the probation period or declaration of quasi-permanency, whichever is earlier. The date of birth of a Government Servant may, however, be altered at a later stage by a Department of the Central Government, an Administrator or a Head of Department, if he is satisfied that a bona fide clerical mistake has been committed and that it should be rectified. Efforts should, however, be made to settle the matter within the period stated above.

[Government of India, Ministry of Home Affairs, Office Memorandum No. F.9/1/61-Ests(A), dated the 17th November, 1960.]

Section IV. S.R. 199—

Insert the following as Government of India's Order (2) below this rule and renumber the existing Government of India's Orders (2) to 15 as (3) to (6):—

"(2) The President has been pleased to delegate powers to the Superintendents/Accountants (non-gazetted) in the Indian Audit and Accounts Department to attest entries in the service books of non-gazetted staff, other than those on the first page of the service books and annual verification of the services.

These powers will not, however, be exercised by them in respect of entries in their own service books and will be subject to the condition that the gazetted officers, who are delegated powers to attest entries on the first page of service book, continue to inspect 10 per cent of the service books and initial them in token of their having done so.

Insert the words "and leave accounts" after the words 'in their own service books occurring in the first and second sub-paragraphs of the Government of India's order (2) below this rule as inserted by C.S. No. 1062 dated 28th July 1967."

[Government of India, Ministry of Finance (Dept. of Expenditure) letter No. F3(3)E.G.L/67, dated 21st August, 1967 in reply to Comptroller and Auditor General's letter No. 2022-TAT/698-66, dated 20th July, 1967.]

Director General's Orders:—With regard to the annual inspection of at least 10 per cent of the Service Books and Service Rolls as required by item (2) of the Government of India's orders above, an Assistant Postmaster General should be considered as the Head of the Office so far as the Circle Office, Dead Letter Office and the Stock Depot, are concerned. For this purpose the Senior Electrical Engineer should also be treated as Head of the Office in respect of the Electrical Engineer-in-Chief's Office Establishment.

[D. G. P. & T.'s endorsement Nos. Es.B-132-1/134 and E/132-3.43, dated the 2nd September, 1955 and the 12th July, 1943.]

S. R. 200 Every period of suspension from employment and every other interruption of service must be noted, with full details of its duration, in an entry made across the page of the Service Book and must be attested by the Attesting Officer. It is the duty of the Attesting Officer to see that such entries are promptly made.

Government of India's decision:—It has come to the notice of the Ministry of Home Affairs that the service of the displaced Government servants which are being received from the Government of Pakistan at times contain the entries that the services of the persons concerned were terminated due to various reasons. It has been decided that the entries made in the Service Books of the displaced Government servants by the authorities in Pakistan to the effect that they had been removed, dismissed or discharged from service at the time of migration to India or that they had resigned their posts before migrating to India should be ignored for purposes of their appointment, seniority and fixation of pay also after making a prior reference to the Ministry of Home Affairs. These orders will apply to the persons serving in the Indian Audit and Accounts Department also.

[Ministry of Home Affairs, Office Memorandum No. 31/44/54-D Gs., dated the 22nd May, 1953, received with Comptroller and Auditor General's No. 1117-Admin. I 325-54, dated the 18th June, 1954.]

S.R. 201 Personal certificates of character must not, unless the head of the department so directs, be entered in a Service Book but, if a Government servant is reduced to a lower substantive post, the reason of the reduction must be briefly shown.

S.R. 202 Substitute the following for the existing rule:—

'It shall be the duty of every Head of Office to initiate action to show the service books to the Government servants under his administrative control every year and to obtain their signature therein in token of their having inspected the service books. A certificate to the effect that he has done so in respect of the preceding financial year should be submitted by him to his next superior officer by the end of every September. The Government servants shall *inter alia* ensure before affixing their signature that their services have been duly verified and certified as such. In the case of a Government servant on foreign service, his signature shall be obtained in his service book after the Audit Officer has made therein necessary entries connected with his foreign service'.

Director General's Instruction—It is incumbent on every Government servant to see that his Service Book is properly maintained and it is, therefore, necessary that an official should be allowed to examine his Service Book whenever he wishes to do so. The Head of the office should, therefore, permit an official to examine his Service Book should he at any time desire to do so, but such scrutiny of Service Book by the official concerned must always be made in the presence of a responsible official. As a token of his scrutiny and acceptance of entries in the Service Book, the official should sign his name in the relevant column of the Service Book and the official who supervised the scrutiny will also endorse his signature as evidence that the scrutiny was conducted under proper supervision and the supervising officer is satisfied that it was *bona fide* and that no unauthorised changes were made in the entries in the Service Book in the course of such scrutiny.

[D.G., P. & T.'s endorsement No. Es. B. 132-2 '32, dated the 18th July, 1933.]

S.R. 203 If a Government servant is transferred to foreign service, the Head of his office or department must send his Service Book to the audit officer. The audit officer will return it after noting in it, under his signature, the order sanctioning the transfer, the effect of the transfer in regard to leave admissible during foreign service and any other particulars which he may consider to be necessary. On the Government servant's re-transfer to Government service, his Service Book must again be sent to the audit officer, who will then note in it, over his signature, all necessary particulars connected with the foreign service (including the fact of recovery of leave and pension contributions). No entry relating to the time spent in foreign service may be attested by an authority other than the audit officer.

First information

The result of study and action taken in respect of item at (k) are indicated below:—

(k) Irregular payment of O.T.A., leave salary and T.A.

The existing rules governing the payment of overtime allowance are quite elaborate and they provide sufficient safeguard against the mis-use of the orders. As and when it is found necessary the rules are supplemented with Administrative instructions to concerned authorities with a view to minimising the O.T.A. expenditure. In this connection instructions issued *vide* the Directorate letters No. 10-19/70-PE.II, dated 7th June, 1971 and 10-7/71-PE.II, dated 31st January, 1972 (copies enclosed) may be of particular relevance.

As regards irregular payment of leave salary and T.A. the existing rules on the subject are quite clear. If the rules are followed strictly by the concerned authorities, there should be no scope for any irregular payment of leave salary and T.A. It will be impressed on the Heads of Circles that all subordinate authorities should ensure that the rules on the subject are duly followed so that such irregularities do not occur in future.

[P. & T. Board O.M. No. 10-6/72-P.E.-II, dated 17-4-1972].

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

(SARDAR SQUARE, PARLIAMENT STREET)

No. 10-19/70-PE-II

Dated, New Delhi, 7th June, 1971.

To

All Heads of Circles.

SUBJECT:—Overtime Allowance.

Under the existing instructions, the overtime duty is to be ordered when there is unusual rush of work and the work cannot be postponed till the following day and the overtime allowance is admissible only if the staff performs the duty in excess of prescribed normal duty hours. Instances have come to notice where the overtime duty was ordered merely because the total work hours of the particular branch exceeded the staff hours. The *modus operandi* in that case was to roughly calculate the work hours per day and find out the excess work hours by comparison with the available staff hours on that particular day. Overtime claim was approved for the hours upto which the work hours exceeded the available staff hours of a particular day irrespective of the fact whether the work was performed beyond prescribed hours or whether the staff were physically present in the office. This practice is irregular, incorrect and objectionable. Since the staff is sanctioned on the basis of the average work, any excess work on a

particular day cannot be deemed to have been done on overtime basis unless the work cannot be kept pending for the next day and it is actually performed beyond duty hours on that day. A strict watch is accordingly to be kept on all such claims for overtime allowance to ensure that the competent authority orders overtime allowance only in such cases where the work is of unavoidable nature and not merely because the work hours on a particular day exceed the staff hours on that day. In addition, it has also been ensured that the staff concerned actually perform work on overtime outside office hours before they are entitled to claim overtime allowance. Necessary instructions in this regard may be issued to the concerned authorities under your control and a strict watch may be kept while countersigning the overtime claims in Circle Offices/Other Offices.

V. BALAGURU.
Assistant Director General (PE).

Copy to EB, TE/TF Sections.

BHARATIYA DAK TAR VIBHAG

OFFICE OF THE DAK TAR MAHANIDESHAK
(G.G.P. & T.)

No. 10-7 71-PE.II.

Dated, New Delhi, 31st January, 1972.

To

All the Heads of Circles and Administrative Offices P. & T. Directorate Director (PLI).

SUBJECT:—*Payment of overtime allowance claim for duty performed under the orders of the competent authority which is found to be irregular by the sanctioning authority.*

Under the orders issued *vide* this Directorate letter No. 10-40 69-PE.II dated 25th June, 1969, it was clarified that the sanctioning/countersigning authorities have the full right to satisfy themselves about the O.T.A. claims and as such may reduce, modify or reject the O.T.A. claims made by the official on the order of the competent authority.

2. It has been observed that in certain cases the sanctioning authorities have rejected the claims of the officials on the ground that those were not admissible under the O.T.A. orders. In certain cases the amounts of overtime allowance claimed by the officials were reduced for the reason that the sanctioning authority was not satisfied with the justification furnished for ordering overtime duty by the competent authorities. In such cases the officials who actually performed overtime duty were put to monetary loss. It is felt that in certain cases the action taken by the sanctioning authorities may not have been fair to the official who performed overtime

duty under the orders of the ~~competent authority~~. With a view to removing this kind of hardship, the orders contained in this office Memo. No. 10-40/69-PE.M, dated 25th June, 1969 have been reviewed and it has been decided that the officials who are ordered by the competent authority to perform OT duty and who have actually performed such duty satisfactorily may be paid OTA due to them provided the sanctioning authority is satisfied that the official is entitled to O.T.A. and the claim is correct according to the provisions contained in this office Memo. No. 10-1/64-PE., dated 12th February, 1964 as amended from time to time. In cases where the sanctioning authority feels that the authority competent to order OT has not exercised his powers judiciously and that excessive O.T. duty has been ordered by him without adequate justification, he should refer such cases to the Head of the Circle or the equivalent authority, as the case may be, for a decision on the settlement of the claims in question. Where the sanctioning authority finds that the claims have not been preferred correctly owing to mis-calculation or wrong application of rules he can himself settle the claims after rectifying the mistake. In cases where the sanctioning authority finds that an official is not entitled to O.T.A. under the provisions of the O.T.A. orders though the claim is otherwise in order he may refer such cases to this Directorate through the Head of the Circle for consideration whether any relaxation of rules is possible. While forwarding such cases he should clearly indicate the circumstances in which O.T. duty was ordered by the competent authority.

3. The authorities competent to order overtime should clearly understand that while ordering overtime duty they have to be very careful in the observance of the provisions contained in this office O.M. No. 10-1/64-PE, dated 12th February, 1964, and the amendments/clarifications issued thereto from time to time. It should be clearly understood by them that they may be held liable for the amount of overtime allowance incurred in respect of overtime duty that may be found to have been ordered by them irregularly or without adequate justification.

4. These instructions may be brought to the notice of all concerned. The receipt of this letter may also kindly be acknowledged.

5. This issues with the concurrence of P. & T. Finance vide their U.O. No. 384-FA-III/71, dated 10th January, 1972.

B. SRINIVASAN,

Sahayak Mahanideshak (M).

Copy to:—

1. All recognised Unions.
2. TE/TF/EB/FA.III, Budget Sections of the Directorate.
3. Inspection Organisation, P. & T. Directorate.

B. SRINIVASAN,

Sahayak Mahanideshak (M).

Recommendation

"The Committee would like to stress that responsibility for losses and defalcations should be fixed without delay in respect of the remaining 191 cases involving Rs. 1.96 lakhs".

[Sl. No. 40 (para 1.167) of App. IV to the 2nd Report of (5th Lok Sabha)].

Action Taken

Out of the remaining 191 cases involving Rs. 1.96 lakhs responsibility has been fixed upto September, 71 in respect of 41 cases involving Rs. 48034.23. Instructions have been issued to the Heads of Circles to fix without delay responsibility in respect of the remaining 150 cases. The progress achieved by them will be watched.

[P & T Board O.M. No. 14-2/68-INV., dated 18th December, 1972].

Further Information

It is further stated that between 1.10.71 and 31-12-71 responsibility has been fixed in 38 more cases involving Rs. 13016.26, reducing the pending number of cases to 112.

Responsibility has not been fixed or could not be fixed in many of remaining cases as they are under Police investigation or under trial in courts. Heads of Circles have been instructed to fix responsibility expeditiously in these cases also and their progress will be kept under watch.

[P & T Board O.M. No. 14-2/68-INV, dated 14th June, 1972].

Recommendation

In view of the high incidence of copper wire thefts, the committee would urge the Department to complete the replacement of copper wire on telegraph alignments early. In the meanwhile, the committee hope that efforts by the P&T Deptt. and State Governments to arrest thefts and apprehend the miscreants would be intensified as lack of effective action so far is indicated by the steep rise in thefts over the years resulting in a loss of over a crore of rupees in 1968-69 besides causing widespread disruption in the vital means of communication.

[S. No. 41 (para 1.192) of Appendix IV to the Second Report (Fifth Lok Sabha)].

Action taken

1. The P&T Department has been attempting to replace copper wire with wires of alternative material. No new copper-wire lines are being erected. The existing copper-wire is being progressively replaced by

either copper weld or aluminium wire (A.C.S.R.), depending on technical suitability.

2. So far 56,000 Km. of aluminium wire was procured and used for replacement on trunk routes. An indent for 1,58,000 Km. of aluminium conductors, suitable for use on trunk circuits, has been pending with D.G.S.&D for more than a year: supplies have just started coming in.

3. Against the World Bank loan, about 15,000 km. of copper-weld wire is being procured. These have been earmarked for the National routes (1) New Delhi-Indore (2) Bombay-Indore (3) Bombay-Nagpur-Durg (4) Bombay-Secunderabad (5) Madras-Vijayawada-Vishakhapatnam-Berhampur. These routes are served only by open-wire systems at present and as such, copper-weld wire, for a minimum of two pairs, is being provided on each of these routes.

4. Recently Foreign Exchange to the extent of Rs. 1 crore has been allotted for import of another 14,000 Km. of copper-weld wire. Case for import of further quantity of about 50,000 Km. is under examination.

5. There are about 9 Lakhs Km. of copper wire in the Country. Allowing for the fact that some of the pairs will be dismantled subsequent to the commissioning of broad-band system, it is estimated that we need about 6 Lakhs Km of copper-weld or aluminium conductor for replacement.

6. An agreement of collaboration with a Japanese firm has been entered into for the manufacture of copper-ply wire (viz. copper-weld) in H.C.L., Rupnarainpur.

7. Details have been collected from the Circles, and Trunk Lines in each circle have been categorised for allotment of copper-weld wire and ACSR wire as these become available for progressive replacement.

8. Meanwhile measures are being taken by the P&T Deptt. through the State Governments to intensify protective measures and to apprehend the culprits responsible for the copper-wire thefts. Minister(C) has personally addressed the Chief Ministers of States, and the same was followed up by a letter from Home Secretary to the Chief Secretaries of all States for giving greater attention to this problem and for apprehending the culprits. Departmental officers have also been directed to intensify liaison with the concerned Police Authorities. Circle Heads have been personally meeting the I.G's of the State Police for this purpose.

Recommendation

The Committee are distressed to find that the action of the Divisional Engineer in cancelling the tenders received initially and calling fresh tenders resulted in extra payment of Rs. 33,400.

[Sl. No. 52 (para 1.198) of Appendix IV to the 2nd Report (Fifth Lok Sabha).]

Action Taken

The officer concerned (D.E.T. Chandigarh) died on 23rd December, 1970. The Central Vigilance Commission therefore, advised that the case may be closed as no action was possible against the officer.

[P & T Board O.M. No. 7/3/69-NB, dated 18th January, 1972.]

Recommendation

They would like to know what action was taken on the advice of the Central Vigilance Commission against the persons at fault. The Central Vigilance Commission may be asked to expedite their advice, if it had not been already received.

[Sl. No. 43 (para 1.199) of Appendix IV to the 2nd Report (Fifth Lok Sabha).]

Action Taken

The officer concerned (D.E.T. Chandigarh) died on 23rd December, 1970. The Central Vigilance Commission therefore, advised that the case may be closed as no action was possible against the officer.

[P & T Board O.M. No. 7/3/69-NB, dated, 18th January, 1972.]

Recommendation

The Committee are concerned to find that the terms and conditions on which power was obtained came to the notice of the P & T Department only in January, 1965 although the electric sub-station was taken over from the CPWD in 1961, with the result that additional load could not be applied for and obtained promptly to take advantage of the lower commercial rates of payment for the supply. They desire that necessary lesson should be learnt from this case and that in future at the time of taking over electric sub-stations from the CPWD, precise terms and conditions on which power is being received should be gone into with a view to taking action as necessary to have the most beneficial rates. The Committee would also like Government to examine the position in this regard in all other large buildings maintained by the P & T Department so as to ensure that power is obtained at favourable rates. Further they feel that in respect of buildings/electric sub-stations maintained by the CPWD, the P & T Department should, at the time of entering into agreements for the supply of power, be informed of the terms and conditions to enable

them to watch that prompt action is taken by the CPWD at appropriate stage to obtain power at economic rates, as it is they who pay for the energy."

[Sl. No. 44 (para 1.207) of Appendix IV to the 2nd Report (Fifth Lok Sabha.)]

Action Taken

Comprehensive instructions laying down the procedure to be followed in this regard have since been issued to all Heads of Circles and Administrative Offices of the P & T Department, to avoid such omissions in future and to ensure that power is obtained at economical rates *vide* the P & T Directorate's letter No. 74-1/69-GB, dated 5th November, 1971 (copy enclosed).

[P & T Board O.M. No. 74-1/69-GB, dated 4th February, 1972.]

INDIAN POSTS AND TELEGRAPH DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL POSTS AND TELEGRAPHHS
No. 74 1/69-GB.

Dated at New Delhi the 5th November, 1971.

To

All Heads of Circles and Administrative Offices,
Chief Engineer (Civil), P & T Directorate, New Delhi.

SUBJECT:—*Avoidable expenditure on electricity charges to Municipal or other similar local authorities.*

Sir,

A case has come to light in which in respect of a Departmental Building constructed by the CPWD and subsequently made over to the P & T Department for occupation, full advantage of concessional rate of Electric charges could not be availed of. The main factors responsible for the lapse were as under:—

- (1) Proper assessment of the load required for the electricity needs of the Building was not made at the initial stages;
- (2) The terms and conditions of the agreement with the Electricity authorities were not specifically brought to the notice of either the Controlling Officer of the Building or the Officers responsible for the payment of the Electricity Bills;
- (3) The necessity for separating light and power load so as to utilise the lower rates for Power was not examined in time.

2. The factors mentioned in the pre-para contributed to avoidable excess payment of electric charges for a considerably long duration and this has

formed the subject of an audit para and adverse criticism by the Public Accounts Committee, who have made the following observations in their second report (1971-72)—(Fifth Lok Sabha):—

‘. . . in future at the time of taking over electric sub-stations from the CPWD, precise terms and conditions on which power is being received should be gone into with a view to taking action as necessary to have the most beneficial rates.’

The Public Accounts Committee have also *inter alia* observed that the position in regard to all large buildings maintained by the P & T Department should be examined so as to ensure that power is obtained at favourable rates.

3. The responsibility for the proper assessment at the initial stages of the adequacy or otherwise of the load required for the electricity needs of the Building, not only vests in the Controlling Officer of the Building but also in the Paying Officer. To that end, a close liaison between (i) the Authority who originally entered into Agreement with the Electricity Authorities, (ii) the Controlling Officer of the Building, and (iii) the Authority who is responsible for the payment of the Electricity charges, is absolutely essential.

4. Electricity authorities have fixed different rates for different types of electric consumption e.g., Electricity Lights and Fans; Electricity-Power: Domestic and Commercial. In the case under criticism by the Public Accounts Committee as mentioned above, proper assessment of the load requirements for the electricity needs of the Building was not made in the initial stages with the result that the Department could not avail of the most beneficial rates. Further, because of the lack of close liaison between the various authorities referred to in the pre-para, the Department failed to avail of the concessional rates even at stage when they could have been availed of, on proper assessment. To enable the Department to achieve this end, it is a matter of great importance that whenever any Departmental Building is completed by the P & T Civil Wing or any other authority and made over to the officers of the P & T Department for occupation, both the occupier of the building and the authority responsible for the payment of the Electricity charges for the Building should be immediately apprised of the terms and conditions of the agreement entered into with the Electricity authorities.

5. Heads of Circles/Administrative Officers and the Civil Wing authorities are, therefore, requested to ensure that the above instructions are followed scrupulously by all concerned. As suggested by the Public Accounts Committee, a review should be arranged in respect of all large P & T Buildings maintained by the P & T Department to ensure that close liaison is maintained among the various authorities mentioned above

with a view to avail of the most beneficial rates for the Electricity consumed. A report should be sent to this office covering *inter alia* the following points:—

- (i) Whether terms and conditions of agreement entered into with the Electricity authorities are on record both with the Controlling Officer of the Building and the Paying Officer.
- (ii) Whether the load of electricity sanctioned by the Electricity authorities is adequate and whether the light and power load has been separated wherever considered necessary so as to avail of the lower rates applicable to power;
- (iii) whether the bulk rate system is in existence, and if so, whether the Department can avail of the same by obtaining the requisite sanction from the Electricity authorities, after meticulous assessment of the total load required for the Building; and
- (iv) As long as the energy is metered on the LT side, the charges are made at the prevailing LT rates for lights and fans as well as power. The metering is transferred to the HT side only when adequate power load is sanctioned and connected, and the commercial rates are applicable from the date on which the metering is transferred to the HT side irrespective of the date of sanction of the commercial rate. Whether, in the circumstances, care has been taken to separate lights and power circuits in the Electric installations of the Building in order to avail the separate rates for light and power. Also whether prompt action has been taken to obtain necessary sanction of the Electricity authorities for adequate power load, and to get the meter transferred to the HT side immediately, if justified.

6. Receipt of this communication should be acknowledged by next post. The report referred to para (5) above should reach this office not later than the 15th December, 1971.

(Sd.) D. N. RAMACHANDANI.

Member (Administration) P & T Board, Dak Tar Bhavan, New Delhi.

Copy forwarded to:—

NB, PRP, C & A Pay Bill & TPS (Building Cell)

Sections of the Directorate.

CHAPTER III

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

~~Observations~~

The Committee find that as against a traffic increase of 20 per cent assumed in 1962 for the Bombay Fort Exchange, the observations in May, 1969 after the Exchange was established, disclosed an actual increase of the order of 75 per cent. The Committee would like to know whether any intermediate observations were made and necessary corrective on the basis thereof applied to the traffic projections made in 1962. Had these been done, the Department could have taken timely action to procure additional equipment before the installation of the exchange.

[Sl. No. 1 (para 1.20) of Appendix IV to the Second Report (Fifth Lok Sabha)].

Action Taken

The order for the supply of equipment for the Bombay Fort Exchange was placed in May, 1964. The Exchange was commissioned during August, 1968. Traffic observations were taken annually, both prior to and subsequent to the placing of orders for Fort Exchange in '24' North and '24' South Exchanges whose subscribers were subsequently transferred to the Fort Exchange. The results of the observations were as per enclosure. These traffic observations did not reveal any substantial increase of total traffic over the traffic figures which had formed the basis for provision of equipment for the Fort x-bar Exchange. The increase was only of the order of 20 per cent and did not call for any corrective action based on stronger system practice. The effect of calls on the loading of common control equipment was apparently not realised at that time, since there had been no prior experience with the x-bar system. The Committee's observations about actual increase in traffic of the order of 75 per cent relate to the number of calls and not to the total traffic.

As already brought to the notice of the Committee (*vide* para 1.18 of the 2nd report, Fifth Lok Sabha), the new system and the impact of traffic were unfamiliar prior to commissioning of the exchanges under the order. As such, the question of not having taken timely action to provide additional equipment due to any failure to take intermediate observations, would not arise in this case.

[P & T Board O.M. No. 20-16 69-TPS(XF) dated 11th February, 1972]

Year	Exchange	Originating Calls (TU/Line)	Terminating Calls (TU/Line)	Originating Calls per Line.
1962	24 N	0.063	0.066	3.44
	24 S	0.123	0.084	4.24
1963	24 N	0.059	0.067	3.46
	24 S	0.127	0.098	4.40
1964	24 N	0.058	0.76	3.80
	24 S	0.124	0.095	3.78
1965	24 N	0.055	0.075	3.53
	24 S	0.140	0.095	5.20
1966	24 N	0.091	0.08	3.38
	24 S	0.106	0.101	3.93
1967	24 N	0.105	0.079	4.40
	24 S	0.131	0.120	5.61
Design of Crossbar	Port (29)	0.099	0.097	3.96 (Port crossbar Exchange was commissioned on 14-8-68).
1969	Port (29)	0.098	0.072	7.06

Recommendation

Admittedly the ordering for the additional equipment after the inadequacy of the control equipment was known, was not prompt enough. The Committee were given to understand that the additional equipment could have been imported sooner than expected from the ITT on whom the orders were placed. As the import would have involved additional foreign exchange of Rs. 8.34 lakhs only taking into account the foreign exchange component in the indigenous manufacture, the Committee would like to know whether the feasibility of import was specifically examined at Government level in view of the recurring loss of substantial amount of potential revenue.

[Sl. No. 2 (para 1.21) of Appendix IV to the Second Report (Fifth Lok Sabha)].

Action Taken

The Committee has observed in para 1.21 of the 2nd report to the Vth Lok Sabha that ordering of the additional equipment after the inadequacy of the control equipment was known, was not prompt enough. It is submitted that the Port exchange was cut over on 14th August, 1968 with only 506 direct exchange lines. This small number of connections could not reveal any traffic congestion. The first area transfer was carried out on 9th November, 1968, to coincide with the issue of Telephone Directory,

increasing the number of direct exchange lines to 3750. A second area transfer was carried out on 19th April, 1969 raising the direct exchange lines to 6019. Action for re-assessment of equipment quantities required was initiated in December, 1968 itself and completed by March, 1969. The specification ordering additional equipment was issued to I.T.I. in May, 1969, itself, to enable them to commence the detail engineering. Formal orders for the supply of the equipment was placed in November, 1969, after the preparation and sanction of the project estimate. Thus, it will be seen that the action for additional equipment was initiated in December, 1968 itself.

The original order for importing the X-bar equipment for Bombay Fort Exchange was placed on M/s. B.T.M. of Belguim against the IDA Credit 28-IN. The allotments under this Loan were fully utilised by April, 1967 when its validity also expired. After reassessment of the quantity of additional equipment the specification for the order was issued to I.T.I. in May, 1969. As no IDA Credit was available then, the question of examining the feasibility of import was not examined.

[P. & T. Board O.M. No. 20-16/69-TPS(XF) dated 11th February, 1972].

Recommendation

The Committee note that the connectable capacity of an exchange is only 94 per cent after allowing for a reserve of 6 per cent for engineering purposes. As it is stated that there is already difference of opinion in regard to the necessity of maintaining 6 per cent reserve, the Committee would urge that the position in exchanges in other countries may be ascertained to see whether there is scope for reducing the percentage of reserve especially in view of a large unfulfilled demand for telephone connections in the country.

[S. No. 6 (para 1.35) of Appendix IV to the Second Report (Fifth Lok Sabha).]

Action Taken

The various foreign administrations have been addressed in regard to the practices being followed by them and on receipt of replies from them the case will be further examined.

[P. & T. Board O.M. No. 97-6/69-TPS(XP)Pt. dated 10th February, 1972].

Further Information

The replies received from some of the foreign administrations indicate that while the concept of engineering/administrative reserve is a flexible one, this is generally more than 6 per cent. Considering these replies and our own requirements, it would not be advisable to reduce the engineering reserve to less than 6 per cent.

[P. & T. Board O.M. No. 97-6/69-TPS(XP)Pt. II dated 7th July, 1972].

Recommendation

The Committee find that the final approval of prototypes of the two different specifications of cable distribution cabinets was given only on 18th September, 1964 and 28th February, 1967 respectively although the purchase order was placed on Firm 'A' in December, 1963. The Committee may be informed of the reason for the delay in approving the prototypes.

[Sl. No. 45 (para 1.213) of Appendix IV to the Second Report (Fifth Lok Sabha).

Action Taken

The firm first submitted samples of 700 prs. and 1400 prs. cabinets on 14th March, 1964 but these samples were rejected. Second sample of 700 prs. C.D. Cabinet was submitted on 6th August, 1964 and this sample was approved on 18th September, 1964. The 2nd sample of 1400 prs. was submitted on 19th June, 1966 and was rejected. The 3rd sample of 1400 prs., was submitted on 28th January, 1967 and approved on 28th February, 1967. The CGTS was in touch with the firm for expediting the second sample but the firm took time to develop this item to meet our specifications, for want of the proper type of raw material for producing the item which was an entirely a new item of production.

From the above it would be seen that certain defects were persisting in the samples and necessary developments had to be made by the firm before the prototypes could be finally approved.

C.D. Cabinets required high precision work in regard to fittings, dimensions and surface finish and this required a considerable time for development before final approval could be given and bulk production could be taken up in hand.

[P. & T. Board O.M. No. 29-24/69-NA, dated the 11th February, 1972].

Recommendation

Before the approval of the prototype in respect of the second specification, the Department placed further orders on firm 'A' in June '66 on the basis of the subsequent tenders fixing the delivery date as 30th June, 1967. The Committee would like to know whether the acceptance of the supply against the second contract was subject to the approval of the prototype and when the firm supplied the cabinets against the second contract.

[Sl. No. 46 (para 1.214) of Appendix IV to the Second Report (Fifth Lok Sabha).

Action Taken

Acceptance of supply on the second order was not subject to the approval of the prototype samples, as the firm had been successful in producing and supplying 700 prs. C.D. Cabinets by June, 66. For 1400 prs. C.D. Cabinets the firm had already supplied two prototypes, at the time of placing the order. Approval of SPC was given on the basis of information that the

firm was continuing the development of the prototype and would furnish a standard in quantity.

The firm was the only one in the region which then had shown interest in the manufacture of the item and to have the necessary capacity for bulk production. There was, therefore, no alternative but to permit this firm to obtain supplies.

The firm started supplies of 700 prs. cabinets from 11th August 1967 and 1400 prs cabinets from 9th November 1967 and completed the order in March, 1969.

[P. & T Board O.M. No. 29-24/69-NA dated the 11th February, 1972].

Recommendation

The Committee are unable to appreciate the cancellation of the first contract in April, 1968 after accepting part supplies upto 31st December, 1967, when the delivery date fixed for the second specification of cabinets was 30th June, 1968. Further it is not clear how a second order could be placed on the same firm in June, 1966, when its past performance was hardly reassuring inasmuch as it did not even commence supply of the first specification although the delivery date was fixed as 18th December, 1965. The correctness of action in cancelling the earlier contract and propriety of placing the orders for the second time should be gone into in detail.

[Sl. No. 47 (para 1.215) of Appendix IV to the Second Report (Fifth Lok Sabha)].

Action taken

The firm did not make any supply after 31st December 1967 on the 1st order in spite of repeated requests and insisted to treat the order as completed with the quantity accepted upto 31st December 1967 as per terms of the order. As the firm was not prepared to make further supply and the Department had no control since the liquidated damage clause was not in the order issued in December, 1963, there was no alternative but to cancel the order in April, 1968 for the outstanding quantities. The circumstances under which 2nd order for C.D. Cabinets was placed on this firm in June, 1966 are as follows:—

Certain firm on whom orders for 700 pairs C.D. Cabinets were placed in 1961 could not complete the order even in 4 years time and subsequently that order had to be cancelled in November, 1965. Another firm could not even get the samples of 700 prs., and also 1400 prs., C.D. Cabinets approved till May, 66. On the other hand, this firm had supplied 241 Nos. of 700 prs. C.D. Cabinets (i.e., approx. 37 per cent of the ordered quantity) upto 30th June 1966 when the 2nd order was placed. Placement of the second order could not be held in abeyance because of demand for the stores and non-availability of reliable supplier, in the field.

[P. & T. Board O.M. No. 29-24/69-NA dated the 11th February 1972].

Recc

The Committee cannot rule out the possibility of the firm deliberately delaying the supplies as it has procured a second contract at higher rates. The Committee would like Government to investigate the case thoroughly and take action against those found at fault. [See para 1.216 of Appendix IV to the Second Report (Fifth Lok Sabha)].

Action taken

The circumstances under which the 2nd order was placed have been explained above. Placing of the 2nd order was recommended by the Stores Purchase Committee. In June, 1966 it was not anticipated that after December, 67, the firm would not supply the stores on the first order. The firm was unable to supply at old rates because of the rise in prices. All efforts in getting the supplies on the earlier orders having failed, the order had to be cancelled.

The matter has been examined. It is seen that the firm scoured the second order on the basis of tenders related to prevailing market rates. There was no way of forcing the firm to supply on the earlier order at the lower rates except by cancelling the later order also or taking action in a court of law. As the supplies of this item of stores was very important to facilitate use of other stores available and provide telephone connections economically, the earlier order was cancelled, there was no *mala fide* in this action of CCTS. The development of the only available indigenous source at that time was important to avoid need of imports and to save foreign exchange.

[P & T Board O.M. No. 29-24/69-N.A., dated the 11th February, 1972].

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES HAVE NOT BEEN ACCEPTED BY COMMITTEE AND WHICH REQUIRE REITERATION

Recommendations

During evidence the Committee were informed that in Kanpur Exchange, shortage of cable or instruments did not come in the way of full utilisation of capacity. The capacity of the exchange expanded in March, 1965 could be fully utilised only by August, 1968 despite a long waiting list of 7,000 and above for fresh connections. The Committee, would like to know the specific reasons for the delay in utilising the expanded capacity.

[Sl. No. 5 (para 1.34) of Appendix IV to the Second Report (Fifth Lok Sabha)].

Action taken

The fact is that there has been adequate utilisation of the exchange capacity at Kanpur from the beginning. At Annexure 'A', a statement regarding the progress of provision of telephone connections has been drawn up. Column 4 gives the number of connections actually working at the end of each of the years 1964-65, 1965-66, 1966-67 and 1967-68. These connections are exclusive of those temporarily disconnected either for shift or for nonpayment. The figures for such temporary disconnections are given in columns 6 and 7. Column 8 gives the figures for the total number of connections, if the connections closed temporarily under shift or for non-payment are treated as working connections. Column 5 gives percentage utilisation of capacity on the basis of actual net number of working connections in column 4 while column 9 gives the percentage utilisation on the basis of actual working connections plus the connections closed temporarily under shift or for non-payment contained in column 8. It will be seen that the percentage utilisation within a year of the commissioning of the exchange as given in column 9 was about 90 per cent, within two years about 93 per cent and within 3 years about 97 per cent against the figure of 90 per cent mentioned in the project.

The main difference has been that perhaps the P.A.C. have felt that the number of connections temporarily closed under shift or for non-payment could not be considered as working connections. This, however, is not the correct position. The Department was committed during these years to re-open these telephones on payment of dues within six months of the closure. This period has since been reduced to 3-months in

August, 1971, copy of orders issued (No. 2-14/71-PHA of 24th August 1971) in this regard is at Annexure 'B'. The capacity has, therefore, to be reserved for them and at the time of restoration, full rent is payable for the period the connection remained closed. No loss of rental is involved in such cases.

Out of 200 lines non-PBX group, 12 numbers are to be kept spare for casual connections, ceased number, test numbers etc., Definition of the "Ceased Numbers" is "Numbers recovered from any subscribers should be kept spare for at least six months". This pertains to the numbers permanently closed either on request of the subscribers or where payment has not been made for more than six months. In these cases, a closed number is not to be allotted to any other subscriber so as not to cause inconvenience to the new subscriber who would be getting calls intended for the earlier subscriber if the same number is allotted to him so soon after closure.

It will be thus seen that the reasons to be attributed were the commitment of the Department to reopen the connections closed due to non-payment of dues or temporarily under shift within six months of the closure. The period has, however, been reduced to 3 months now vide Annexure 'B'.

[P & T Board O.M. No. 97-6/69-TPS(XP) dated 11th February, 1972].

ANNEXURE A
Progress of capacity utilisation at Kanpur

Date	Nominal capacity	Connectable capacity 94% of (2)	Actual working connections	% Utilisation (4)/(2)	Connections closed temporarily or due to shift	D.B.L. closed due to non-payment	D.E.Ls working including (5) & (6)/(2)	% Utilisation (8)/(2)
1	2	3	4	5	6	7	8	9
31-3-65	7500/8500 (Note 1)	7050	6718	89.5	61	117	6896	91.9
31-3-66	8500	7990	7325	86.1	76	191	7592	89.3
31-3-67	8500	7990	7303	85.9	91	480	7874	82.6
31-3-68	8500	7990	7878	92.6	88	273	8239	95.9

NOTE 1 :—Equipped capacity was increased to 8500 lines from 7500 lines on 31-3-65.

NOTE 2 :—The figures of Col. (4) above consists of P.C.O. lines and Non-P.C.O. lines as under :—

P.C.O.	Non-P.C.O.	Total
21	6697	6718
28	7297 (7296)	7325
25	7278	7303
43	7836 (7805)	7878

In para 3 of our letter of 28-1-1970 to A.G. P. & T. the working lines correspond to the non-P.C.O. lines excepting that there has been an arithmetical mistake of 1 in figures of 31-3-1966 and 31 in the figures of 31-3-1968.

ANNEXURE B

BHARTIYA DAK-TAR-VIBHAG

OFFICE OF THE DAK-TAR MAHANIDESHAK

No. 2-14/71-PHA

Dated New Delhi-1, the 24th August, 1971.

To:-

All Heads of Circles,

All Heads of Telephone Districts.

SUBJECT:—*Restoration of telephones disconnected for non-payment of dues vide Para 66 of the P. and T. Manual Vol. XII.*

Reference orders issued in this office Memo No. 9-7/65-PHA dated the 30th May, 1968 on the above subject.

2. With a view to better utilisation of exchange capacity, it has since been decided by the P. & T. Board that a telephone line remaining disconnected on account of non-payment of telephone bills may be utilised for release of a new connection after three months from the date of disconnection, but the present period of six months upto which the subscriber of the disconnected telephone is allowed to settle his accounts for getting the telephone reconnected may continue. In view of the fact that the number of persons who get their accounts settled for reconnection of telephone line during the period beyond three months from the date of disconnection would be very small, there should be no difficulty in accommodating them as generally some spare capacity is always available with the exchange.

3. The receipt of this memo. may please be acknowledged.

Sd./- HAR KISHAN SINGH,

Sahayak Mahanideshak (PHA).

Copy to all P. & T. Training Centres for information.

Copy also to TC/Rates/TR Sections of the Directorate.

Recommendation

As at the end of 1969-70 only 79.5 per cent of the existing capacity of exchanges had been utilised. The P. & T. Department intimated to the Committee that an overall target of 85 per cent utilisation of capacity would be reasonable. The Committee are unable to agree with this in view of the ever rising waiting list which runs into several lakhs. According to the Departments' own norm, 94 per cent utilisation after allowing for 6 per cent reserve should be aimed at. On this basis the number of connections that were not provided due to various reasons at the end of 1969-70 was 1.62 lakhs and the loss of potential revenue during the three years ended 1969-70 was to the tune of Rs. 45.18 crores. This shows the extent to which the return is less for the capital already invested. The Committee, therefore, consider that the accent during the Fourth Plan should be on utilising the existing capacity fully.

[Sl. No. 14 (Para 1.70) of Appendix IV, to the Second Report
(Fifth Lok Sabha)].

Action taken

The additions to exchange capacity of various existing exchanges and addition of new exchanges is done continuously throughout the year, and as such fixing of a higher percentage of utilisation on a particular date is considered to be not practicable. Accordingly, the P. & T. Board has laid down the following standards :—

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

The above standards are in respect of a particular exchange capacity added, and is subject to availability of matching stores like under ground cables, open-wire lines, line materials, insulators etc.

Further, it is only in the large telephone systems that there is always a waiting list. At small stations, there may not be a waiting list and since exchanges cannot be expanded every now and then at small intervals of time, in the small exchanges normally the Department provides a reserve capacity to meet the demands of 2 to 3 years after the exchange capacity is available.

Considering the above position, the Department had approved that an overall target 85 per cent of the capacity would be considered reasonable on any particular date.

During 1970-71, it could be seen that the percentage utilisation has increased from 79.5 per cent on 31-3-70 to 82.2 per cent on 31-3-71. With the likely availability of more underground cables during the current year, the percentage is further likely to go up during 1971-72.

[P. & T. Board O.M. No. 97-2/69-TPS (XP) dated, 11th February, 1972].

Recd

The committee note that even after opening the dispensaries, staff drawing salary more than Rs. 500 per month are given an option to go either to the dispensaries or to the Authorised Medical Attendants appointed by the State Government. If they prefer the latter, the cost of treatment is reimbursed to them. As under the Central Government Health Scheme there is no such distinction between the staff getting upto Rs. 500 and those above Rs. 500, the Committee see no reason why the present practice should continue in the P. & T. Department. They would suggest that Government may examine whether it is not desirable to do away with the distinction by making such amendments as are necessary to the Central Services (Medical Attendance) Rule.

[S. N. 17 (Para 1.90) of Appendix IV to the Second Report (Fifth Lok Sabha)].

Action taken

It may be clarified that the distinction between employees drawing salary upto Rs. 500 and those drawing salary above Rs. 500/- as followed in the P. & T. Dispensaries is in accordance with the relevant provisions of the Central Services (Medical Attendance) Rules. The amendments since made by the Department of Health in these Rules now empower all Heads of Departments to declare a Medical Officer whether or not under the employ of the Central Government as the Authorised Medical Attendant in respect of a class or classes of Central Government servants in a station and there is no provision for any distinction between those drawing salary up to Rs. 500/- and those drawing salary above Rs. 500/- in so far as such Authorised Medical Attendants are concerned.

The question of declaring the P. & T. doctors as the Authorised Medical Attendants in respect of all P. & T. Officers and staff at the dispensary stations including those drawing pay more than Rs. 500/- on the analogy of the practice followed in the Central Government Health Scheme in Delhi and elsewhere was considered earlier when it was felt that the working of the P. & T. dispensaries had not stabilised and that the medical and para medical staff were inadequate even to attend to the existing beneficiaries. It was accordingly decided that the question may be taken up later after the dispensaries have been wellstaffed and a hierarchy of medical officers providing machinery for control etc. has been developed. Another factor contributing to this decision was the apprehension that officers drawing pay of Rs. 500/- and above may get disproportionately greater attention from

With the establishment of the General Services (Medical) Rules referred to in para 1 above, the legal difficulty mentioned above has now been removed. A Director (Medical) has also since been appointed in the P. & T. Board to ~~control~~ and exercise technical supervision over the working of the P. & T. dispensaries.

The entire question has since been re-examined in the light of the altered circumstances. While the proposal has been considered unexceptionable in principle, it has been found that the addition of the new class of beneficiaries to the P. and T. Dispensaries would result in some strain on the existing medical and para-medical staff of some of the dispensaries and that the staff of such dispensaries will have to be strengthened simultaneously. Further, some of the staff unions are opposed to the principle of extending treatment at the P. & T. Dispensaries to officers drawing pay exceeding Rs. 500/- p.m. on the ground that such officers get disproportionately greater attention, etc. thereby affecting the quality of service to the staff drawing pay less than Rs. 500/- p.m. Further, the suggestion involves a major shift in policy in respect of medical facilities of officers drawing pay in excess of Rs. 500/- p.m. The matter is being considered by the P. & T. Board for a final decision.

[P. & T. Board O.M. No. 12-15/69-WL(ii) dated, 11th February, 1972]

Further Information

It is submitted that the matter was considered by the P. & T. Board in its 12th meeting held on the 28-2-72, and it was decided that the present system of the medical facilities available to officers drawing pay not less than Rs. 500 per month may continue for the time being.

[P. & T. Board O.M. No. 12-15/69-WL (Medical) dated 7th June 1972].

Recommendation

The Efficiency Bureau has suggested that the present scheme of medical reimbursement should be reviewed and reimbursement allowed only for hospitalisation cases granting a fixed allowance for other ailments with an option to be given to the employees to receive treatment from P. & T. Dispensaries or the C.G.H.S. where they exist. This suggestion deserves careful examination in consultation with Ministry of Health and Finance. The Committee would also like Government to consider the feasibility of referring this suggestion to the Pay Commission.

[S. No. 20 (Para 1.93) of Appendix IV to the 2nd Report (Fifth Lok Sabha).]

Action Taken

The suggestion of the ~~Examiner~~ ~~Bureau~~ in the P. & T. Board to substitute the existing system of reimbursement of medical expenses by the grant of fixed monthly medical allowance was considered by the Study Group constituted by the Ministry of Posts and Telegraphs meeting held in September, 1970, but it was not found feasible for the following reasons:-

- (a) the proposal involved larger expenditure and was not economical;
- (b) the small monthly allowance would be insufficient by the low-paid staff for their day-to-day needs and in the event of sickness of their family members, they will have no means to avail themselves of the required medical treatment; and
- (c) the employees will never be satisfied with the quantum of medical allowance and there will be a constant demand for higher rate of allowance.

[P. & T. Board O.M. No. 12-15/69-WL(V) dated 11th February, 1972].

CHAPTER V

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

Recommendation

The Committee note that the capacity of the Hindustan Cables Factory at Rupnarainpur is being expanded to 8,000 standard Kilometres and that it is expected to go into full production by March, 1972. A second factory is also expected to be commissioned in about two to three years. The Committee trust that these projects will proceed according to schedule. In this connection the Committee would like to know the decision of Government on the Administrative Reforms Commission's recommendation that the responsibilities discharged by the then Ministry of Industrial Development, Internal Trade and Company Affairs in respect of the Hindustan Cables Ltd., should be transferred to the P. & T. Board.

[S. No. 12 (Para 1.68) of Appendix IV to the 2nd Report (Fifth Lok Sabha)].

Action Taken

The information as received from the Ministry of Industries is given below :—

Expansion of dry core cables :—The project was approved by Government in April, 1966. It was scheduled to be commissioned in December, 1970. A number of factors have contributed to the delay in the timely commissioning of the project such as (i) unsatisfactory performance of certain machines procured indigenously, which were fabricated in the country for the first time and subsequent decision to go in for imported machines in lieu thereof (ii) the failure of the State-owned Heavy Building Plant and the Mining and Allied Machinery Corporation, Durgapur to adhere to their delivery schedules for machinery ordered on them and (iii) the unstable industrial relations in the factory.

However, plant and machinery, which have been ordered are being installed progressively as and when they are received. An imported lead press has already been installed and this would enable the company to take up manufacture of cables of sizes up to 100 pairs by middle of 1972. The completion of the project is however, expected only by middle of 1974.

Second Cable Factory

The project was approved by the Government in January, 1971 and the scheduled date of commissioning was indicated as 1974-75. The land

required for housing the factory has already been handed over by the State Government. Construction of factory sheds, including water supply, sanitary installations, electrical installations etc. have been completed at the construction site.

The project was originally conceived for production capacity of 5,000 s.k.m. of conventional type i.e. paper insulated lead sheathed cables. The D. G. P. & T. however, have now come up with a proposal that cables in sizes up to 100 pairs should be of the jelly filled polythene sheathed and for sizes above this in the conventional type. This meant recasting of the entire project report. A revised project report has accordingly been drawn up. The technology involved in the manufacture of this item is entirely new to the country. The company have, therefore, approached three renowned manufacturers for making available the know-how required. Tentative proposals which have been received from them are under examination of the company and Government. This revision in the scope of the project at this stage is, however, not expected to seriously set back in any way the schedule for commissioning of the project.

The NIDC who have been appointed as consulting architects have almost completed the Master lay out plan and the design of the structures for the factory building is under preparation. A conscientious effort is being made to complete civil construction by about 1972 so that real production could commence by July 1973. The contract has also been awarded to M. s. Hindustan Steel Construction Ltd., another Public Sector Undertaking.

The ARC in their recommendation No. 22 have recommended *inter-alia* that "the administrative responsibilities at present discharged by the Ministry of Industrial Development in respect of Hindustan Cables Ltd., should be transferred to the P. & T. Board, in case the sector corporation designated as the 'Engineering Corporation' recommended by us in our report on Public Sector Undertakings, does not come into existence."

The Government have since taken a decision that the recommendation of the ARC for setting up Sector Corporation need not be accepted in principle. The recommendation of the ARC regarding transfer of the administrative responsibility of Hindustan Cables Ltd., has accordingly been taken up with the Ministry of Industrial Development. No decision has so far been taken on this recommendation of the ARC.

[P. & T. O.M. No. 46-16/70-TPS(C) dates, 11th February 1972].

Recommendations

The Committee would like to know the action taken finally on the 28 cases of malpractices in collusion with chemists and doctors noticed at Jaipur during the period 1st April 1966 to 31st March 1967. The Committee would also like to know the outcome of the case of suspected

Fraud at Vellore involving 64 persons of whom 53 are reported as postal employees.

[Sl. No. 19 (para 1.92) of Appendix IV to the Second Report (Madras Local Bodies).]

Action taken

In regard to the 28 cases of Jaipur, the present position is that out of the 12 cases pending in the court, one case has since been decided and the official convicted by the court and consequently dismissed from service. Eleven cases are still pending in the court and two are still under departmental action. The remaining 14 cases are pending investigation with the police. Both the departmental authorities as also the police have been asked to finalise the cases quickly.

2. As regards the case of suspected fraud at Vellore involving 64 persons of whom 57 (not 53 as mentioned in the report - perhaps due to a printing mistake) were postal employees, the latest position is that the case was last heard by the Principal Judge, City Civil Court Madras on 20th September 1971 when it was posted for further hearing on 7th October. So far 64 prosecution witness have been examined.

3. The question of laying down suitable guidelines for the Controlling Officers on the basis of the findings in the above cases is under consideration.

[P & T Board O.M. No. 12-15/69-WL(iv) dated 11th February 1972.]

Further Information

It is stated that in regard to the 28 cases of Jaipur, the present position is that out of the 12 cases pending in the court, 1 case has since been decided and the official convicted by the court dismissed from service. 11 cases are still pending in the court and 2 are still under departmental action. The remaining 14 cases are pending investigation with the police. Both the departmental authorities as also the Police has been asked to finalise the cases quickly.

2. As regards the case of suspected fraud at Vellore involving 64 persons of whom 57 were postal employees, the latest position is that the case was last heard by the Principal Judge, City Civil Court, Madras on 26th April 1972.

3. The question of laying down suitable guidelines for the controlling officers on the basis of the findings in the above cases is under consideration.

[P & T Board O.M. No. 12-15/69-WL(Medical)-iii dated 7th June, 1972.]

Recommendation

The Committee regret to note that on account of the delay in deciding the tenders by the Postmaster General in both the cases and the partial acceptance of the tenders in one case, Government had to incur an extra expenditure of Rs. 32,192 during 1966-67 and 1967-68 in making payments for the transport of departmental stores at higher rates, applicable to the previous years' contracts of the same contractor. The Committee are at a loss to understand why negotiation could not be held to have the rates reduced to his tendered rates for the periods of delay in deciding the tenders and on what authority his rates of the expired contracts were continued. The Committee would like to be assured that there was no collusion between the contractor and any departmental official.

[Sl. No. 23 (para 1.119) of Appendix IV to the Second Report (Fifth Lok Sabha).]

Action taken

Responsibility for belated acceptance of tenders for 1966-67 and 1967-68 could not be attributed on any individual official. As already explained to the P.A.C., the work had to be continued through the previous years' contractor to avoid dislocation of work. It may be stated that there was no delay in the acceptance of tenders in the previous years and tenders for the subsequent years were accepted in due time. As regards the Committee's observations that they would like to be assured that there was no collusion between the contractor and any departmental official, it may be stated that there does not appear to be any *mala fide* intention in the delay that had taken place in deciding the case.

2. The Divisional Engineer concerned initially proposed negotiating with the contractor to continue the work on the basis of the new rates tendered by him which were lower than the rates existing in the current contract which expired in March, 1967. He was however advised by the Divisional Accountant, who was an official deputed from the Audit Department, that this would not be in order pending finalisation of the new contract. However, action is being taken to obtain the explanation of the DET as to why he could not override the advice of his accountant and record reasons or even refer this aspect to Audit or Circle Office. The question as to why negotiation on the basis of the lower rate was not held is under examination.

[P & T Board O.M. No. 29-8 69-NA dated 11th February, 1972]

Further Information

Responsibility for belated acceptance of tenders for 1966-67 and 1967-68 could not be attributed to any individual official. As already explained to the P.A.C., the work had to be continued through the previous years' contractor to avoid dislocation of work. It may be stated that there was no delay in the acceptance of tenders in the previous years and tenders for the subsequent years were accepted in due time. As regards the Committee's observations that would like to be assured that there was no collusion between the contractor and any departmental official, it may

be stated that there does not appear to be any *mala fide* intention in the delay that had taken place in deciding the case. The question as to why negotiation on the basis of the lower rate was not held, is under examination.

[P & T Board O.M. No. 29-8/69-NA dated New Delhi 7th June, 1972.]

Further Information

Divisional Engineer Telegraphs, Siliguri had proposed for adoption of new rates after expiry of the old contract in March 1967. He was, however, advised by the Divisional Accountant that adoption of new rates would not be in order pending finalisation of the new contract. The question why negotiations were not thought of to ask to contractor to adopt the reduced new tender-rates is still under examination.

[P & T Board O.M. No. 29-8/69-NA dated, New Delhi 7th June, 1972.]

Recommendations

The Committee would like to be apprised of the results of investigation into "the apparent failure to carry out any survey at the time of preparation and sanction of the detailed estimate" which was responsible for the delay in commissioning the project and consequently locking up of capital and loss of potential revenue.

[Sl. No. 34 (para 1.165) of Appendix IV to the Second Report (Fifth Lok Sabha).]

Action taken

Investigations are in progress with a view to fix responsibility on the officials concerned who failed to carry out a detailed survey before the sanction of the detailed estimate. The results of the investigations and the action taken thereon will be estimated as soon as these are finalised.

[P & T Board O.M. No. 97-8/69-TPL dated 18th December, 1971].

Further Information

During the investigations, some new information on the case has come to light and this is being enquired into in detail. The results of investigations and action taken thereon will be intimated to the Committee at the earliest.

[P & T Board O.M. No. 97-8/69-TPL dated 1st December, 1972].

ERA SEZHIYAN.

*Chairman,
Public Accounts Committee.*

NEW DELHI;

December 14, 1972

Agrahayana 23, 1894 (Saka).

APPENDIX

Summary of main conclusions recommendations

S.N.	Para No.	Ministry/Department concerned	Conclusions/Recommendations
1	2	3	4
1	1.8	P&T Board	<p>The Committee had reason to believe that existence of large number of extensions (146 per cent of the direct connections as against 30 per cent mentioned in the project estimate) in the Bombay Fort Exchange had limited its capacity to handle remunerative calls thereby reducing the revenue potential, as in the cross-bar exchange even internal calls between the extension and main telephone instructions, which are not paid for, loaded the exchange. The Committee desired that the matter should be investigated to avoid recurrence. The reply of the P. & T. Board does not meet this point. As the instrument designed to obviate internal calls loading the exchange has not as yet gone into mass production, the Committee would like to reiterate that the advisability of giving larger number of extensions in cross-bar exchanges till the corrective is applied should be carefully considered.</p>
2	1.11	Do	<p>The Committee would like to stress the urgency for production of the necessary instruments with the modified design which would obviate the internal calls loading the Cross-Bar Exchanges.</p>
3.	1.14	Do	<p>The Committee regret that they are unable to accept the P. & T. Board's view that there has been adequate utilisation of the exchange capacity at Kanpur from the beginning after counting the connections</p>

temporarily closed (i) under shift; and (ii) due to non-payment as working connections. The relevant Audit paragraph clearly stated that such cases were covered by the normal reserve of 6 per cent kept by the Department. During evidence the official witness also confirmed this position [*Vide* paragraph 1.32 of second Report (Fifth Lok Sabha).] Even granting that these could be regarded as working connections, the utilisation of the capacity of the exchange should have been at least 94 per cent, if not more. The Committee therefore, desire that the inadequate utilisation of the capacity should be investigated.

P & T Board

The Committee note that orders have since been issued by the P & T Board to the effect that a line disconnected for non-payment of dues may be utilized after 3 months. The present period of 6 months upto which the subscriber of the disconnected telephone is allowed to settle his accounts for getting the telephone reconnected, however, remains unchanged. The Committee would like the Board to review the position after some time taking into account the number of persons in default for more than three months with a view to considering the feasibility of curtailing the period of re-connection also to 3 months.

Do

The Committee are unable to accept the Department's view that an overall target of 85 per cent utilisation of capacity of the telephone exchanges would be reasonable. This was a view that they had already expressed and the Committee had observed that 94 per cent utilisation after allowing for 6 per cent reserve should be aimed at. The Committee

note that the percentage utilisation of capacity of telephone exchanges increased from 79.5 on 31st March, 1970 to 82.2 on 31st March, 1971 and that with the availability of more underground cables the percentage is further likely to go up. The Committee would like to emphasise that concerted steps should be taken to step up the percentage to 94.

As regards the extent of unutilised capacity on account of shortage of cables, the P. & T. Board have stated that 1.8 per cent of the total equipped capacity of all the exchanges of 1,000 lines and above could not be utilised due to absence of cable pairs. The Department have not conducted any such review in respect of smaller exchanges in the country. The Committee, however, note that creation of a 'Utilisation and Project Control' Cell has been approved. This Cell is expected to keep a close watch on the utilisation of the capacity of the telephone exchanges. The Committee would suggest that this Cell should identify the reasons for the shortfall in optimum utilisation in all the exchanges so as to take necessary steps to reach the optimum level.

The Committee are unable to understand the Board's inability to attempt a detailed analysis of unutilised capacity in smaller exchanges. They would suggest that this work should be done at the Telephone District/Circle level and that the "Utilisation and Project Control" Cell may review the position at longer intervals, say once in six months or once a year, as against once a quarter in the case of bigger exchanges.

6.

1.24

Do.

The Committee note that the recommendation of the Administrative Reforms Commission regarding the transfer of the administrative responsibility of Hindustan Cables Limited has been taken up with the Ministry

1	2	3	4
7.	1.27	P & T Board	<p>of Industrial Development and that no decision has been taken so far on this recommendation. The Committee would stress the need for an early decision in the matter.</p>
8	1.31	Do.	<p>The Committee had suggested that a High Power Committee should be appointed to go into the entire question of indigenous production <i>vis-a-vis</i> cable requirements with a view to attaining self sufficiency in cables before long. Government have since set up two High Level Committees (i) to go into all aspects of manufacture of tele-communication equipment including cables, and (ii) to undertake a comprehensive review of the research and developmental activities. These High Level Committees were expected to submit their reports by the end of September, 1972. The Committee would like to know the results of the review and the action taken by Government thereon.</p> <p style="text-align: right;">2/6</p>
9	1.35	Do.	<p>The Committee note that it has been decided by the P. & T. Board that the present system of medical facilities available to officer drawing pay not less than Rs. 500 p.m. may continue for the time being. As the Committee are still of the view that it is not desirable to continue the distinction between the staff getting more than Rs. 500 per month and those getting upto Rs. 500 per month, they desire that the position should be reviewed as early as possible. The final decision taken in the matter may be intimated to the Committee.</p>
			<p>The Committee would like to suggest that suitable guidelines for controlling officers regarding scrutiny of medical claims should be laid down</p>

10. 1.38 **11. 2.57** Do.

in consultation with the Ministries of Health and Finance so that uniformity is maintained in all the Departments of Government.

The Committee would like to know whether the question of referring to the Pay Commission the suggestion of the Efficiency Bureau that reimbursement of medical expenses should be allowed only for hospitalisation cases granting a fixed allowance for other ailments, with an option to the employees to receive treatment from the P. & T. dispensaries or CGHS wherever these exist, was considered.

11. 1.41 Do.

The Committee had advised that the P. & T. Department should go into the reasons for the persistence of Audit objections of the nature brought out in the relevant measures to obviate them. They are unable to accept the Board's reply that instructions have been issued from time to time to the Heads of Circles and other Administrative Offices in the matter and that the recommendations of the Committee have also been brought to their notice. It is obvious that a review as suggested by the Committee should be done at the Board's level. The Committee would, therefore, stress that the Board should analyse the reasons after obtaining such information as may be necessary from the lower formations and devise suitable remedial measures for strict implementation.

12. 1.44 Do.

The Committee note that in pursuance of their recommendation that Government should examine the position in all other large buildings maintained by the P. & T. Department so as to ensure that power is obtained at favourable rates, the P. & T. Board have issued a circular letter in November, 1971 *inter-alia* calling for a report by 15th December, 1971. The Committee would like to know results of this examination and the action taken thereon.

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