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**STANDING COMMITTEE
ON COMMUNICATIONS
(1996-97)**

ELEVENTH LOK SABHA

**MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF TELECOMMUNICATIONS)**

*[Action Taken by the Government on the Recommendations contained
in the Second Report (Eleventh Lok Sabha) of Standing Committee
on Communications on Demands for Grants (1996-97)]*

SEVENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 1997/Phalgun, 1918 (Saka)

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*[Action taken by Government on the Recommendations contained in the
Second Report (Eleventh Lok Sabha) of Standing Committee on
Communications on Demands for Grants (1996-97)]*

*Presented to Lok Sabha on 10.3.1997
Laid in Rajya Sabha on 10.3.1997*



LOK SABHA SECRETARIAT
NEW DELHI

March, 1997/Phalgun, 1918 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE
ON COMMUNICATIONS (1996-97)

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri K.L. Sharma
3. Shri Harin Pathak
4. Dr. S.N. Jatiya
5. Prof. Rasa Singh Rawat
6. Smt. Sheela Gautam
7. Smt. Bhavna Chikhalia
8. Shri Mahesh Kanodia
9. Shri Pankaj Chaudhary
10. Shri Harpal Singh Sathi
11. Shri Tarachand Bhagora
12. Shri Th. Choaba Singh
13. Shri Girdhar Gamango
14. Smt. Sukhbuns Kaur
15. Shri Somjibhai Damor
16. Shri Mrutyunjaya Nayak
17. Shri Mohanbhai Delkar
18. Shri Thomas Hansda
- *19. Shri Neil Aloysius O' Brien
20. Shri Dinesh Chandra Yadav
21. Shri T. Veera Bhandram
22. Shri R. Devadas
23. Dr. Shafiqur Rehman Barq

* Appointed as Member w.e.f. 26.2.1997 in place of Shri M.P. Veerendra Kumar, who ceased to be Member of the Committee on his appointment as Minister w.e.f. 20 February, 1997.

24. Shri V.P. Shanmuga Sundram
25. Shri Kothapalli Subbarayudu
26. Shrimati Geeta Mukherjee
27. Shri Budh Sen Patel
28. Shri Keshab Mahanta
29. Shri Joachim Baxla
30. Shri Churchill Alemao

Rajya Sabha

31. Smt. Veena Verma
32. Shri Iqbal Singh
33. Shri S.S. Ahluwalia
34. Shri Ahmed Patel
35. Shrimati Jayanthi Natarajan
36. Shri Govindram Miri
37. Shri O. Rajagopal
38. Shri Shatrughan Prasad Sinha
39. Shri Narendra Pradhan
40. Dr. Ramendra Kumar Yadav Ravi
41. Shri Md. Salim
42. Shri S. Austin
43. Shri Ish Dutt Yadav
44. Shri Satish Pradhan
- *45. Vacant

SECRETARIAT

- | | | |
|-----------------------|---|-----------------------------|
| 1. Dr. A.K. Pandey | — | <i>Additional Secretary</i> |
| 2. Shri J.P. Ratnesh | — | <i>Joint Secretary</i> |
| 3. Shri Ram Autar Ram | — | <i>Director</i> |
| 4. Shri S.K. Sharma | — | <i>Deputy Secretary</i> |

* Vacancy caused due to retirement of Shri R.K. Karanjia from Rajya Sabha w.e.f. 10 January, 1997.

INTRODUCTION

I, the Chairman, Standing Committee on Communications (1996-97) having been authorised by the Committee to submit the Report on its behalf, present this Seventh Report on Action Taken by Government on the recommendations of the Committee contained in the Second Report (Eleventh Lok Sabha)—Demands for Grants (1996-97) relating to Ministry of Communications (Department of Telecommunications).

2. The Second Report was presented to Lok Sabha on 2 September, 1996 and also laid in Rajya Sabha the same day. The Government furnished their replies indicating Action Taken on the Recommendations contained in the Report on 6 January, 1997.

3. The Report was considered and adopted by the Committee at its sitting held on 27 February, 1997.

4. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

5. An analysis of Action Taken by Government on the Recommendations contained in the Second Report of Standing Committee on Communications (Eleventh Lok Sabha) is given in Appendix-II.

NEW DELHI;
February 27, 1997
Phalgun 8, 1918 (Saka)

SOMNATH CHATTERJEE,
Chairman,
Standing Committee on Communications.

CHAPTER I

REPORT

This report of the Standing Committee on Communications deals with the action taken by Government on the Recommendations contained in its Second Report (Eleventh Lok Sabha) on Ministry of Communications (Department of Telecommunications) relating to Demands for Grants (1996-97)

2. The second Report was presented to Lok Sabha on 2.9.1996 and also laid on the Table of Rajya Sabha on the same day. It contained 22 observations/recommendations.

3. Action taken notes in respect of all the observations/recommendations contained in the Report have been received and have been categorised as under:

- (i) Recommendations/observations which have been accepted by the Government.

Para Nos. 7, 16, 35, 37, 51, 53, 54, 59, 61, 73, 74, 75 & 84

Total 12

Chapter II

- (ii) Recommendations/observations which the Committee does not desire to pursue in view of the reply of the Government.

Para Nos. 15, 23, 52, 76 & 88

Total 5

Chapter III

- (iii) Recommendations/observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.

Para Nos. 8, 22, 36, 58 & 72

Total 5

Chapter IV

- (iv) Recommendations/observations in respect of which replies are interim nature.

NIL

Chapter V

4. The Committee will now deal with action taken by Government on some of its recommendations.

Recommendations (Para No. 8)

5. The Committee in its second Report had expressed surprise at the fact that when the satisfaction rate in respect of housing facilities in DOT was only about 11.12% against 20% in general pool accommodation there had been a reduction in the BE 1996-97 for staff quarters in General, Rural and Tribal areas. It desired to know how DOT planned to improve the housing facilities, as committed, with reduction in the budgetary provision. The Committee had, therefore, impressed upon the Department to examine the matter and apprise it accordingly.

6. The Department of Telecommunications in its action taken note has stated that all possible efforts are made to improve the satisfaction rate in respect of housing. The Department has further stated that in the 8th Plan (1992-97) it was originally contemplated that the level of satisfaction would be improved to approximately 20% by the end of the 8th Plan. But severe constraints like difficulty in getting suitable land at reasonable price at proper locations, litigation on government land and encroachment in certain cases, delay in approval of building plans, delay in service connections, and resource constraints forced the Department to restrict its target to 14% by the end of the 8th plan.

7. It was further been stated that as a result of sustained efforts the percentage of satisfaction has increased from 9.47% at the beginning of the 8th plan (1992-97) to 11.15% by the end of March, 1996 as against the overall target of 14% fixed for the 8th plan.

8. The Department have also stated that owing to the constraints in allotment of adequate funds for the construction of staff quarters, it appears very difficult to improve the satisfaction level significantly in line with the target of 14% satisfaction rate by the end of the 8th plan. However, a lot of efforts have been made by the Building Works (BW) Branch of the Department in impressing upon the Telecom circles

time and again the urgency and importance of achieving 14% satisfaction rate and making adequate preparations such as acquisition of land and making perspective planning etc.

9. The Committee is not satisfied with the reply of the Department of Telecommunications. It notes with concern that the original idea of achieving 20% satisfaction rate in housing facilities by the end of 8th plan was reduced to 14% due to some constraints in getting suitable land sites at reasonable price and at desired locations, land encroachments and litigations, delay in approval of building plans, service connections etc. but by the end of March, 1996 the Department could not achieve even the revised target of 14% due to constraints in allotment of adequate funds for construction of staff quarters. The Committee under the circumstances disagrees with the statement of the Department that a lot of efforts have been made to improve the situation, more so when even the reduced target of 14% is to remain unachieved and particularly such explanation does not hold good for construction in rural and tribal areas. The Committee, therefore, urges upon the department to make all out serious efforts to see that the constraints are overcome which are not insurmountable and adequate funds are allotted to achieve atleast the revised VIII Plan target of 14% in housing facilities. It would also like the Department to continue impressing upon the different Telecom circles the importance of achieving 14% satisfaction rate.

Recommendation (Para No. 15)

10. In its second Report the committee had expressed concern on the fact that the actual expenditure by C-DoT during 1995-96 was Rs. 40 crores against the BE and RE provision of Rs. 70 crores. In its previous report also the Committee had expressed its displeasure over non-utilisation of funds by C-DoT. The reasons advanced for non-utilisation of funds were not found convincing in the light of the earlier recommendation of the Committee in its Seventeenth Report (Para No. 8) where the Committee had desired that formalities of purchase of land and building works etc. should be completed expeditiously. It seemed that appropriate steps were not taken in pursuance of the earlier recommendation of the Committee. The DoT was therefore asked to explain the position. The Committee again strongly urged DoT as well as C-DoT to ensure the expeditious completion of formalities of land and building works so that funds allocated for the purpose were utilised without any shortfall.

11. The Department in its action taken notes have stated that the following steps have been taken in pursuance of the recommendation of the Committee.

- (i) Land has already been acquired. The process for getting the land registered in C-DoT's name is in progress. It is hoped that the registration process will be completed during the financial year 1996-97.
- (ii) Layout plans of Campus and utility services have been approved by local authorities. DESU is in the process of issuing the tenders for 66/11 KV station.
- (iii) 'RITES' has been finalised as a Construction Supervision Management Consultant (CSM). Negotiations for finalising the detailed terms and conditions are in progress and the agreement is likely to be signed with them by December, 96.
- (iv) A tender for short-listing of construction agencies was issued. The detailed 'scope of the works' will be handed over to the selected agencies for their quotes after consulting with the CSM. This is likely to be completed during this financial year.
- (v) Construction activities are expected to commence in April, 1997. Efforts are being made to execute the building work in a timely manner and appropriate utilisation of funds.

12. The matter may be expedited vigorously and the Committee may be apprised from time to time the progress made in this regard.

Recommendation (Para No. 22)

13. The Committee in its Second Report was distressed to note that there had been underutilisation of funds both during 1994-95 and 1995-96 meant for various schemes like Telex system, Long Distance Switching system, Long Distance Transmission system and Ancilliary system due to less receipt of Apparatus and Plant (A & P) and cables from suppliers. The Committee was also of the view that due to lack of proper planning and implementation, such important schemes remained incomplete and unimplemented which disclosed continued failure on the part of the authorities in a very vital sector, namely the modernisation and expansion of Telecom Network.

The position was also deplorable in the case of Administrative office and staff quarters where funds could not be utilised due to non-completion of anticipated building works and land deal. The committee failed to understand why no remedial action was being taken by the department. The committee therefore impressed upon the government to ensure that equipments were received from suppliers in time and land deal and building works were completed well in advance so that funds earmarked for the aforesaid schemes were utilised fully and properly.

14. The Department in their action taken note have stated that under utilisation of funds both during 1994-95 and 1995-96 for various schemes like Telex system, Long Distance Transmission system and Ancilliary system due to less receipt of Apparatus and Plant (A & P) and cables from supplies does not fall under jurisdiction of BW Branch.

15. It has further been stated that the under utilisation of funds for staff quarters during 1995-96 is 9% only against the permissible variation of 10% in general. In case of Administrative office buildings, the under utilisation of funds is generally attributed to non-clearance of building plans by a number of local bodies.

16. The Department have also stated that owing to the emphasis on improving the housing facilities to the DoT staff with target to achieve 14% satisfaction ratio by the end of 8th Plan (1992-97) and improve this ratio further to 20% by the end of 9th plan (1997-2002) efforts are being made to get adequate funds for construction of more quarters during the 9th Plan. Administrative offices are generally housed in rented buildings to make optimum utilisation of the capital resources. However, departmental buildings for such offices are being constructed on need based considerations subject to availability of adequate funds and suitable lands.

17. The Committee takes strong exception to the reply of the Department that under utilisation of funds both during 1994-95 and 1995-96 for various schemes like Telex system etc. due to less receipt of Apparatus and Plant (A&P) and cables from suppliers does not fall under jurisdiction of the BW Branch of the Department of Telecommunications. It is needless to mention that the Recommendations of the Committee are meant for the Department of Telecommunications as a whole and not for any particular Branch. Therefore, this sort of reply speaks volumes of carelessness,

irresponsibility and lack of inter-branch coordination in the Department of Telecommunications. The Committee recommends the Department to guard against such casual reply in future. It simultaneously urges upon the Department to ensure that Apparatus and Plant (A & P) and Cables are received from suppliers well in time so that the process of modernisation and expansion of Telecom Network does not remain incomplete and unimplemented.

18. The Committee is not satisfied with the reply of the Department that in case of administrative Office building the under-utilisation of funds is generally attributed to non-clearance of building plans by a number of local bodies. Although a number of local bodies are involved in formal clearance of the plans, nowhere it has been stated that the Department has made any efforts to liaison with these local bodies for expeditious clearance of building plans. The Committee therefore, recommends that the Department of Telecommunications should vigorously pursue the matter with different local bodies at appropriate levels whenever delay in the clearance of building plans is anticipated so that funds earmarked for construction of administrative office building are utilised to the optimum.

19. The Committee is not also convinced of the reasoning that there was only 9% variation in the utilisation of funds for staff quarters during 1995-96 which is within permissible limit of 10 per cent. It is of the view that under-utilisation of funds to the tune of Rs. 3.70 crores in 1995-96 assumes added significance when the allocation under this head has not been utilised fully in the previous year also and the total allocations already very low.

Recommendation (Para No. 36)

20. The Committee in its Second Report had recommended that a certain time limit, say 30 days, should be prescribed of giving telephone connections under the OYT scheme as in the case of 'Tatkal Scheme'.

21. The Department in its action taken note has replied that under the 'Tatkal' scheme, the number of applicants is very small due to high amount of registration of Rs. 30,000/-. But in the case of OYT scheme, the number of applicants is very large and the demand can not be met out of available small spare capacity in the exchange system. such connections are released after expansion of the exchange system

capacity. This involves planning procurement and installation of the exchange system which takes time. This time also varies from place to place and on the availability of funds with the Department. As such it was not practicable at this stage to provide a time limit for release of connections against OYT registration. It has further been stated that the OYT applicants were given priority in release of connections over other categories, 60% of capacity was allocated to OYT applicants, 30% to general category applicants while the remaining 10% for special category applicants.

22. The Committee is not satisfied with the reasoning advanced by the Department in not fixing a time-limit for providing telephone connections under the OYT scheme. It is of the view that with a timely planning, procurement and installation of the exchange system a certain time limit should be prescribed for giving telephone connections under the OYT scheme. Otherwise there appears to be little justification for continuation of OYT scheme except generation of more revenue for the DoT. The Committee recommends the Department to come out with a suitable perspective planning in near future taking all the factors into account and prescribe a fixed time limit to provide telephone connections to the OYT applicants.

Recommendation (Para No. 58)

23. In the earlier report the Committee had expressed grave concern over the delay in procurement of equipment for expansion of TAX capacity. Advance Purchase Order for TAX equipment was placed as late as on 14.9.1994 while the tenders were opened in April, 1994. The process of getting the equipment validated took unusually long time. The DOT was asked to explain the position to the Committee. The Committee had also desired to be apprised of the lowest price quotation in the tender and the negotiated price and also the aggregate loss sustained by the Department in the entire deal.

24. The Department of Telecom in their action taken note has stated that the tenders for TAX equipment were opened in April, 1994 and the bids were evaluated by July, 1994. The ATO was placed on 14.9.1994 after getting concurrence of the hon. Minister of State (Communications). On 19.8.1995, the time taken in placing the ATO is stated to be quite normal and in confirmity with such orders in most of the tenders. It has been stated that there was no specific delay in placement of ATO. The Department has further contended that

whatever delay took place during evaluation test was due to delay in offering by the supplier. The pending tests and providing solution to the problems observed. As regards the lowest rates quoted, it has been stated to be Rs. 3,306/- per circuit. However, this rate was not acceptable to the vendors on account of various reasons such as depreciation of almost 30%, inflation, delay in validation and change in some site specification by the DOT. The Empowered Committee of the DOT considering the resultant loss in revenue on account of the delay in supplies of the equipment, solicited sealed bids from both the parties and based upon the same finalised price of Rs. 4,266/- per circuit. Cancellation of the tender would have entailed long delays in procurement of the equipment and consequent loss of revenue. The Telecom Department held that it was beneficial even at the increased rate of Rs. 4,266/-

25. The Committee is not at all impressed by the argument that there was no delay in placement of order. The ATO was placed on 14.9.1995 after getting concurrence of Minister of State on 19.8.1995. It is pertinent to note that tenders were opened as early as in April, 1994. It took more than 5 months for the department to finalise the ATO. Further, when there was no delay on the part of the Department in validations tests this factor should not have been taken into account in enhancing the tendered rate of Rs. 3,306/- per circuit to Rs. 4266/-. Raising the tendered rates by 29% on account of the factors like depreciation of rupee by 30 per cent, inflation etc. seems to be highly inflated. The Committee would therefore, like the matter to be looked into afresh. The aggregate loss sustained in the entire deal has also not been intimated to the Committee as asked in the earlier recommendation.

Recommendation (Sl. No. 72)

26. In its earlier Report the Committee took a serious note of the fact that an utterly misleading statement had been made in the Performance Budget about the likely profits of ITI Ltd. during the year 1996-97. Whereas the CMO, ITI informed the Committee that there would be no profits, the Performance Budget had indicated that the Company would earn profits of about Rs. 17 crores. The Committee desired to be informed how a misleading statement was made in the Performance Budget and that responsibility might be fixed.

27. The Department in their reply have stated that the Company has informed that they were required to submit the financial figures

of the coming year on three occasions viz. (i) at the time of IEBR during September; (ii) Performance Budget during November; and (iii) MOU during December. The IEBR projections were made by ITI and the same were maintained while submitting the Performance Budget. It was, however, indicated by ITI that these figures were provisional subject to the approval of Board of Directors. ITI have further intimated that subsequently at the time of preparation of MOU document the total plan was reviewed based on the projections available on the basis of DOT's requirements for 1996-97, tenders already floated, position of the tender rates etc. Based on these figures the projections had to be revised for MOU which was submitted in March, 1996 and a loss of Rs. 139 crores was estimated. Since the difference in figures in the Performance Budget Document an MOU document occurred due to the reasons given above and there was no intention to mislead, it may not perhaps be appropriate to fix responsibility.

28. The Committee is not satisfied with the reply of the Department that the discrepancy occurred due to the fact that ITI was required to submit figures at three different occasions and the figures were provisional subject to approval by the Board of the Directors. The Committee finds that ITI supplied figures for IBER in September; for performance budget during November and for MOU during December, 1995. all this was done within a short span of 4 months. The reasons for wide variation in figures as submitted by DOT are therefore not convincing. It is of the view that such a grave mistake should not have occurred at all in such an important document, reasons notwithstanding. The Committee, therefore, desires the Department to guard against such lapse in future.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation/Observation (Para No. 7)

The Committee notes that although a corresponding increase has been made under the 'Capital Head' for Local and Trunk Exchanges in General and Rural Areas, the provision has been reduced in the BE 1996-97 for 'Tribal Areas' based on the demands received from field units. The Committee is of the view that more effective steps should be taken to meet the needs of Tribal Areas, more so as the expansion of overall Telecom Network in Tribal Areas lags far behind the requirement. The Committee, therefore, desired that Department of Telecommunications to rectify this position expeditiously.

Action Taken by the Department

As desired by the Hon'ble Committee the provision in respect of Tribal Area may be stepped up at the time of finalising the RE 96-97, based on requirement from circles. This has been approved by the Member(F) in File 6/N of 4-5/96-CB.

File No. 4-5/96-CB

Dated : 4-11-96

Recommendation/Observation (Para No. 16)

The Committee trusts that allocations of Rs. 75 crores in the Budget of 1996-97 to C-DOT be spent as per the Plan on the on-going new and small software projects, as also on the development of infrastructural facilities. The Committee desires that there should not be any further unfulfilled targets this year on the part of C-DOT. The Committee also feels that the Department should ensure proper use of technology evolved by C-DOT for expanding the Telecom Network.

Action Taken by the Department

The Steering Committee of the C-DOT met on 23rd August, 1996 and approved a list of on-going projects and new projects which will

be taken up by C-DOT during 1996-97. Clear target dates for different phases of the projects have also been spelt out and except for unforeseen situations, it is expected that the R & D projects will be carried out as per the plans.

The products which are developed with C-DOT technology are always accorded first priority for use in the Department, for expanding the telecom network.

File No. 51-25/96-IDN

Dated: 1/11/96

Recommendation/Observation (Para No. 35)

The Committee notes with concern that even after exceeding the 8th Plan target of Direct Exchange Lines (DELs), the Department would still be left with a shortfall of around 25 lakh lines. The Committee derives that in fixing plan target the progressive increase in the demands should be taken note of. The Committee also notes that 8th Plan target was increased anticipating the entry of private sectors into basic Telecom services, which has not yet materialised. In the opinion of the Committee, DOT is facing a paradoxical situation due to lack of any perspective planning and advance strategy. The Committee, therefore, urges upon the Department to evolve a suitable Perspective Plan to cope with the increased progressive demand for telephone connections. Irrespective of the entry of private sectors, which appears uncertain, the DOT should prepare itself to meet the target on its own, for which a perspective plan is absolutely necessary. The Department of Telecom should not slow down its process of acquiring modern equipment as also extending its network on the assumption that private operators will provide the basic services.

Action Taken by the Department

The observation of the Standing Committee that there will be a shortfall of about 25 lakh lines even after exceeding the 8th five year plan target of 75 lakh lines is correct. Eighth plan targets for providing DEL's were fixed at 75 lakhs at the time of the formulation of 8th five year plan and the targets were not raised.

The National Telecom Policy framed in May' 1994 envisaged telephone on Demand by 1997. In order to achieve this objective it

was decided to provide 100 lakh DEL's during 8th five year plan with the help of the private sector participation.

DOT has been preparing Perspective Plans. The latest Perspective Plan is for the period from 1990-2000. The telephone demand projections made in this Perspective Plan for the year 2000 is 189.27 Lakhs. The likely demand for the year 2000, based on the actual demand upto 1994, is 237.77 lakhs. Thus the variation is about 25%, which is felt to be due to the surfacing of the hidden demand due to the increased availability of telephones. DOT is also working on a new Perspective Plan.

Department of Telecommunications has been continuing its efforts of modernisation and installation of the equipments for expansion of Telephone Network in various circles. There has not been any let up in this regard, anticipating the entry of Private Sectors.

The number of Direct Exchange Lines working on 31st March' 1992 was 58.1 lakhs. The 8th five year plan set a target of providing 75 lakhs new telephone connections. This provision was not made anticipating private entry in basic services. There has been steady progress in the number of DEL's provided by the Department since 92-93 upto 95-96. A total of 61.69 lakhs of DEL's were provided by 31st March, 1996 and further 24.52 lakhs of DEL's are expected to be given during the current year. Thus the likely achievement will be around 86 lakhs DEL's which is more than targets set and the status of telephone in the country is likely to be 144 lakhs as on 31-3-97, thus there is an increase of 148% in 5 years.

In the process of providing additional telephone connections DOT has also been improving the network by replacing the old analog telephone exchange systems with digital systems. It is expected that the process of replacement of electro-mechanical telephone exchanges in the country with electronic exchanges will be completed during the 9th five year plan. There has been large scale introduction of digital transmission media in the network. During the 8th five year plan up to March' 1996, more than 30000 Rkms of optical fibre cable has been laid. Similarly 14000 Rkms of Microwave systems and 26000 Rkms of UHF systems were also commissioned up to 31-3-96.

The above details indicates that DOT has been continuing its efforts in modernisation and installation of the equipment for expansion of Telephone Network.

However as the telephones are becoming available in many areas on demand the hidden demand surfaces and the recent trend indicates an increase from the projections made in 1990.

The Department of Telecommunication is seized of this problem and has proposals to review the projections annually and make necessary corrections.

This issues with the approval of Member (S).

File No. 6-11-96-LTP (Vol-II)

Dated : 10-10-96

Recommendation/Observation (Para No. 37)

The Committee would expect that the DOT would be able to suitably bring down maintenance disorders and redress other complaints/grievances relating thereof throughout the Country and there should be proper monitoring at every stage.

Action Taken by Department

Following specific steps have been taken/are planned. All our efforts are being made to reduce the number of complaints/grievances by upgradation/modernisation of the network as well as improving the skills of maintenance staff:

1. Induction of modern tools and testing aids for more effective network operations.
2. Replacement of life expired cables by Jelly filled cables in external plant.
3. Periodic refresher training to O&M staff to upgrade their skill.
4. Computerisation of Fault Repair Service.
5. Monitoring of performance of services of Managerial levels.
6. Introduction of ducts on large scale.
7. Replacement of old and life expired exchanges and external plant equipments.
8. Use of modern and reliable transmission media.

9. The monitoring of performance parameters of long distance transmission systems are already prescribed. Performance of long distance ccts. is under continuous watch through the monitoring of these parameters periodically. Daily Health Checks are also provided for MARR Systems meant for Village Public Telephones. Network Management Systems are being introduced to take care of the congestions and route failures of Long Distance routes automatically, which will result in reduction of complaints and grievances of the customers.

The improvements achieved as a result of these measures are indicated in the enclosures.

This issue with the approval of Advisor (O).

(File No. 8-54/95-PHM
dated : 4.11.96)

Quality of Telecom Service

1.1 Quality of Service is largely a measure of call completion rate which indicates percentage of calls actually answered by the called party to the total attempts made by the calling subscribers.

1.2 In the previous years when electromechanical exchanges were available in large number, the success rate was measured by manually dialling a set number of calls to a free telephone. The performance in the past has been as follows:

	Local	STD
1993-94	94.7%	88.7%
1994-95	95.0%	88.8%

1.3 From this year the methodology has been changed as the electronic exchange has the capability to automatically measure the Call Completion Rate on live traffic. The figures in the previous months have been as follows:

Months	Local	STD
Jan.' 96	54.7%	39.6%
March' 96	55.5%	38.3%
May' 96	55.8%	39.2%

1.4 The causes for the failure of calls can be broadly classified in the following categories:—

(i) Subscriber abandoning the call without full dialling	15%—20%
(ii) Calls successful but Subs. found busy	15%—20%
(iii) Calls successful but Subs. not answering	8%—10%
(iv) Technical failure	8%—12%

1.5 The reason of subscriber “found busy” is primarily because of heavy usage of telephones due to low density of telephones in the country which prompts many people to use one single line. With the increase in telephone density it is expected that this will improve leading to better resource utilisation of the exchange equipment.

1.6 The other major reason of late has been that while number of subscribers have increased at a very fast rate in the last few years. STD network has lagged behind which creates congestion in the long distance network. More and more TAXs are being planned and it is expected that as and when fully TAX capacity is built up the congestion leading to call failure will reduce.

2.0 Delay in Execution of the New Telephone Connections (Technically Non-feasible areas)

2.1 With change in switching technology over the years from Electromechanical to Electronic Exchanges the time taken for commissioning has reduced drastically. While the electromechanical exchanges took around 18 months to 2 years the Electronic Exchange hardly take 6 months for its installation.

2.2 On the contrary the construction of outdoor plants is labour intensive and time consuming. Moreover the cable laying work is stopped during rainy season to avoid road cutting and also ingress of moisture in the cables.

2.3 Cable laying work in the Electronic Exchange era has started lagging as a result when exchange is ready, certain pockets in town do remain without cables and hence become technically Non-feasible.

2.4 To improve upon the system new technologies and work methods like the following are being adopted:—

- (a) Introduction of pair gain system wherein on one cable pair more than one Telephone can be worked.

Two system have been in use in the Department One 1 + 3 the other 1+7. In 1+3 four telephone can work on one physical pair wherein in 1+7 eight telephone work on one pair.

- (b) Use of optical fibre in the Subs. Loop.
- (c) Use of wireless in local loops.
- (d) Faster cable jointing techniques on copper cable.
- (e) Constructing of cable ducts for quick laying of cables and also to avoid damage to cables.

3.0 Telephone fault repair service

3.1 The quality of performance of Subscriber Telephones is measured as number of faults encountered per hundred telephone per month. The performance has been as follows:

1991-92	19.0 faults/100 subs./month
1992-93	18.2 "
1993-94	18.3 "
1994-95	17.6 "
1995-96	15.8 "

There has been some improvement in the past but still much is required to be done. Following steps have been initiated to improve upon the fault.

3.2 Replacement of fault prone and old cable by jelly filled cables.

3.3 Laying of cables in cable ducts.

3.4 Use of modern testing instruments for quick localisation of faults and its early restoration.

3.5 Computerisation of Fault Repair Services.

3.6 Phasing out of old Electromechanical Exchanges.

4.0 Customer Interphase

Emphasis is being given to improve customer interphase in cases of fault repairs, commercial and billing activities.

4.1 Computerised customer centres are being established which are closely monitored at higher level to solve problems of customer under one roof.

4.2 For delayed faults monitoring is done right upto Area GM level and prompt action is taken wherever required.

4.3 During monsoon season to keep watch cable faults and their restoration throughout country, a control room is open at DOT HQ.

4.4 Bill collection centres are being increased to facilitate subscribers to pay up the bills.

Recommendations/Observations (Para No. 51)

The Committee deprecates that there would be huge short fall in the achievements of target of Village Public Telephones (VPTs) during the 8th Plan period mainly due to non-supply of Multi Access Rural Radio (MARR) Systems and matching accessories in the phased manner and within the stipulated time-frame. Revised target for the plan period is 3.38 lakh telephones and the achievements made during the first year *i.e.* upto 31.3.96 is 1,42,173 telephones. Another 75,000 connections are expected to be provided during the current year making a total of 2,17,143 VPTs leaving a shortfall of around 1.21 lakh telephones. The Committee has been assured that for the current year DoT has placed sufficient purchase orders well in advance with reliable indigenous vendors under cash procurement basis instead of deferred payment basis (Lease Financing Agreement). The Committee feels that such steps should have been taken right from the beginning to avert the present unsatisfactory position. The Committee, however, recommends DoT to adhere to the above measures in future also. The Committee is of the opinion that an enquiry is called for why a very important projects of providing telephones to each village within the 8th plan period could not be achieved. The Committee feels concerned that such a vital project

was not attended to with the seriousness and administrative set up that was required. Further the Committee expresses its concern that though MARR system has not been found to be very suitable, yet VPTs are proposed to be provided by expanding the MARR system network. The committee strongly recommends that DOT should immediately evaluate the functioning of the MARR system within a given time to decide its utility and efficiency. An indepth study should also be undertaken to consider the use of other alternative technologies. The committee is surprised to note that the Department has not stated as to at what level the decision was taken to use MARR technology in VPTs. The Committee would, therefore, like the Department to furnish the details showing at what level it was decided to acquire the MARR system.

Action Taken by Department

The target for 1996-97 is 0.75 lakhs and with the achievement of target, the VPTs on 31.3.97 will be 2.91 lakhs i.e. by the end of 8th Five Year Plan. Still there will be a shortfall of 1.21 lakh VPTs. This shortfall is due to the fact that indigenous suppliers of Shared Radio Systems—MARR chosen for supply of equipments for VPTs commissioning failed to supply the equipment in time as mentioned earlier.

The suggestion of the Standing Committee will be strictly adhered to. In earlier years tenders were called item-wise which resulted in delay in commissioning due to non-availability of even one item of matching accessories. Now the concept of package-wise tendering has been brought in by DoT and with this measure, the installation programme of VPTs will improve.

Regarding Committee's comments on unsuitability of MARR systems:

MARR technology has been improving and in future more reliable MARR systems will be available in the market from the indigenous manufacturers and Committee's views will be taken for evaluation of the systems. Already our QA has incorporated a number of tests which will ensure better quality product.

Regarding evaluation of the functioning of the MARR system, the department is carrying out in-depth study. Maintenance is a continuous process. Remedial actions are being taken on receipt of the

feedbacks from field units. The faulty MARRs are being repaired and department is also going in for Repair Centres and Annual Maintenance Contracts with the manufacturers for there maintenance. Also daily maintenance schedules have been formulated.

Regarding the Study for alternative Technologies:

It is to intimate that we are carrying out intensive and quick study for finding the alternate technologies for providing VPTs to the villages. A few proposals of modern and promising technologies have been received from the various manufacturers of National and International repute. The Department is carrying out the study.

Regarding the decision making for the selection and use of MARR technology in VPT:—

It is to be intimated that a Task Force was set up by Department in 1979 to study the technologies for Rural Telecom. This report was submitted in 1981 and its recommendations for use of MARR were approved by P & T Board on 26.4.1982.

Since 1988 onwards different types of MARR systems have been chosen for the Village Public Telephones (VPTs) by the appropriate authorities of the Department as per the procedure. Telecom Engineering Centre (TEC) has been the agency for drawing the specifications of the MARR system.

File No: 2-1/95-RD, Dated: 1.11.96

Recommendations/Observations (Para No. 53)

The committee urges upon the Department to expedite the negotiation with Asian Development Bank (ADB) so that the estimated 30,000 villages in Eastern U.P. Circle are covered with VPTs at an early date.

Action taken by the Department

In this regard the negotiations with the ADB are being vigorously pursued and it is taking a final shape. An inter-departmental team of DoT & Ministry of Finance has gone to Manila recently. A draft agreement has been approved. Further negotiations are going on.

File No. 2-1/95-RD Dated: 1-11-96

Recommendation/Observation (Para No. 54)

The Committee trust that utmost efforts will be made to ensure that the remaining 51 sub-divisional headquarters out of a total of 115 in North-East region are connected with STD facilities at an early date for which a working plan should be drawn up.

Action Taken by the Department

A working plan has been drawn up for providing STD facility for the remaining 51 SHQs out of the total of 115 in the North-East region. 25 of these station are to be covered by UHF links during 1996-97, while the balance 26 stations will be covered by MCPC-V SAT links during 1996-97 and 1997-98.

Recommendation/Observation (Para No. 59/61)

The Eighth Plan target for UHF has been stated to be 150000 R Kms. which was reduced to 90,000 R Kms. in the Revised target. The achievements made during the first four years of the Plan is 26,295 R Kms. The target for the year 1996-97 is 8000 R Kms. The net achievement during the Eighth Plan would thus, amount to 34295 R Kms leaving a staggering shortfall of 55,705 R Kms.

The Committee views with great concern that at the end of the Eighth Plan period the shortfall in UHF category would be as high as 55,705 R Kms. against a total plan target of 90,000 R Kms. The Committee is of the opinion that either an unrealistic target was fixed or there has been an administrative failure in achieving the target. The Committee expects the Department to take suitable measures so that the realistic target of 8000 R Kms to 10,000 R Kms. of UHF in remote and rural areas is achieved without fail.

Action Taken by the Department

The targets for Route Kms. for UHF systems were somewhat unrealistic. The targets have now been reassigned for the 2 GHz UHF systems and same for the current years are 8,000 R Kms. This target is likely to be fully achieved this year. For the next year, a target of 10,000 RKM has been proposed and the same is likely to be achieved.

Recommendation/Observation (Para No. 73)

The Committee notes that the Department of Telecommunications proposed to take a number of steps for revival of ITI. However, they find that bold policy initiatives to turn around the sick unit are missing. Only half-hearted adhoc measures have been taken which may not be of much help. The Committee, therefore, desires the Department to thoroughly examine the package required by ITI *vis-a-vis* the measures taken by DOT and thereafter augment suitably the required help.

Action Taken by the Department

The issues where ITI wants Ministry's help are at various stages of examination. In addition to the measures already taken by DOT to help ITI, certain decisions have been taken which are as follows:—

(a) Adhoc payment against outstanding financial issues

In order to give immediate help to the Company, it has been decided to grant an amount of Rs. 62 crores as advance to ITI against the outstanding financial issues which are under consideration of two Committees constituted for this purpose.

(b) Increase in the equity of the Company by Rs. 200 crores by Government

The DOT have already agreed to the proposal of ITI for increase in equity of the Company by Rs. 200 crores by the Government and the case is being referred to Ministry of Finance/Planning Commission.

(c) Grant of soft loan for Rs. 150 crores

It has been decided to refer the proposal for grant of a soft loan of Rs. 150 crores to ITI Ltd. to Ministry of Finance/Planning Commission for consideration.

(d) Reimbursement of social cost incurred by the Company

It has been decided to set up a Committee for examining the additional cost incurred by ITI on account of social obligations and to suggest the ways and means for reimbursing the amount spent on this account.

(e) Compensation for VRS paid by Company and losses suffered in Srinagar Unit

The compensation for VRS paid by the Company is reimbursed through NRF. It is mentioned that in the Revised Estimates for 96-97, a requirement of Rs. 27 crores has been indicated towards VRS for ITI. As regards compensation for losses suffered in Srinagar Unit, the case will be examined on receipt of complete proposal from ITI. However, a requirement of Rs. 10 crores has been indicated in the R.E.

(f) Extending Government Guarantee to the Banks and accepting the appointment of Banks nominee on the ITI Board

It has been decided to take up the case to extend Government guarantee to the Banks with the Ministry of Finance for which some more details have been called for from ITI. The proposal shall be referred to Ministry of Finance on receipt of the same. It is, however, not feasible to accept the proposal of the Company for appointment of Banks nominee on the Board of Directors of ITI.

F. No. U-55015/1/96-FAC Date: November 12, 1996.

Recommendation/Observation (Para No. 74)

The Committee would also like ITI to intensify its diversification activities into new areas so that it can sustain the on slaught of foreign companies and survive in the competitive market.

Action Taken by the Department

As desired by the Committee, ITI has been intimated to intensify diversification activities into new areas. The Company has intimated that they are taking action to diversify into new areas as follows:—

- Value added services like VSAT, MRTS and Paging etc.
- Provide total solutions for Banking, Video Conferencing, etc.

- Manufacturing and marketing of pagers, cordless phones, pay phones and cellular phones, etc. for non-DOT Market.
- New Technology areas like wireless in local loop, digital loop carrier and digital MARR, etc.
- Productionisation of power plants.
- National card operated pay phone network.
- Tie up with M/s AWA, Australia to provide vehicle-actuated traffic control system.
- Software control systems for use by Railways and pipe lines of oil and gas.
- Undertaking sub-contracting work for effective utilisation of spare capacity and extra manpower.
- Making of identity cards.
- Emphasis on export.
- Emphasis on other customers like Defence, Railways, Power Sector and Oil Sector, etc.
- Special attention to cater to the requirements of Private Basic Service providers and Cellular Mobile Service providers.

F. No. U-55015/1/96-FAC Date : November 12, 1996.

Recommendation/Observation (Para No. 75)

The Committee would like ITI to ascertain areas where reduction in production costs can be effected without affecting the quality of its products.

Action Taken by the Department

ITI has been taking various measures for reducing the cost of production which are mainly due to the high manpower cost owing to surplus manpower and high overhead cost and burden of social cost. Some of the measures taken by the Company to reduce the cost of production are indicated below:—

- The Company has started voluntary retirement scheme and a total of 3816 employees have taken advantage of the scheme.

- Travelling Allowance Rules have been revised.
- The total overheads have gone down during 1995-96 as compared to 1994-95.
- ISO 9000 certificate has been obtained for some of the divisions/Plants. The Company is contemplating to have certificate for all the Plants.
- The Company proposes to implement total quality management (TQM). This will bring in overall improvement in the functioning of the Company.
- Special attention is being paid to:—
 - (a) Inventory Control
 - (b) Sundry Debtors
 - (c) Disposal of Dormant Inventory and Machinery.

No. U-55015/1/96-FAC Date: November 12, 1996.

Recommendation/Observation (Para No. 84)

The Committee appreciates the confidence expressed by VSNL in facing competitions and recommends DOT to look into the pressure exerted upon VSNL by the developed countries as a result of which the Company might incur a shortfall of 2,000 to 2,500 crores of rupees in implementing its plans and projects.

Action Taken by the Department

It is true that there is an increasing imbalance in Incoming/Outgoing traffic ratio, but this does not effect the revenue earnings of VSNL, as VSNL get its share in both the I/C & O/G calls.

The decrease in Total Accounting Rate is also not likely to directly effect the VSNL as the fall in rates results in increased traffic and more often than not decreased rate would result in overall increase of revenue and profitability.

The feared short fall of Rs. 2000 to 2500 crores is also based on expectation of certain projects being cleared.

However whatever assistance is required by VSNL in meeting its demands will be provided.

File No. 38-12/96-OC Dated: 1-11-96

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DOES NOT WANT TO PURSUE IN VIEW OF THE REPLY OF THE GOVERNMENT

Recommendation/Observation (Para No. 15)

The Committee is concerned to note that the actual expenditure by C-DOT during 1995-96 was Rs. 40 crore against the BE and RE provision of Rs. 70 crores. In its previous Reports also, the Committee had expressed its displeasure over non-utilisation of funds by C-DOT. The reasons advanced for non-utilisation of funds are not convincing because in its Seventeenth Report (Para No. 8) the Committee had desired that formalities of purchase of land and building works etc. should be completed expeditiously. It seems that appropriate steps have not been taken in pursuance of the earlier Recommendation of the Committee. The DOT owe an explanation to the Committee in this regard. The Committee again strongly urges DOT as well as C-DOT to ensure the expeditious completion of formalities of land and building works so that funds allocated for the purpose are utilised without any shortfall.

Action Taken by the Department

1. Land has already been acquired. The process for getting the land registered in C-DOT's name is in progress. It is hoped that the registration process will be completed during the financial year 1996-97.
2. Layout plans of Campus and utility services have been approved by local authorities. DESU is in the process of issuing the tenders for 66/11 KV station.
3. 'RITES' has been finalised as a Construction Supervision Management Consultant (CSM). Negotiations for finalising the detailed terms and conditions are in progress and the agreement is likely to be signed with them by December, 96.
4. A tender for short-listing of construction agencies was issued. The detailed 'Scope of the works' will be handed over to the selected agencies for their quotes after

consulting with the CSM. This is likely to be completed during this financial year.

5. Construction activities are expected to commence in April, 1997. Efforts are being made to execute the building work in a timely manner and appropriate utilisation of funds.

File No. 51-25/96-IDN Dated: 1/11/96

Comments of the Committee

Please *see* Para No. 22 of Chapter I.

Recommendation/Observation (Para No. 23)

Under the category local telephone system, the Committee note that there was less expenditure during 1995-96 although it was in excess during 1994-95. The Department owes an explanation on this account.

Action Taken by the Department

The expenditure under the category local telephone system is higher than the budgeted amount to meet the requirement of circles to achieve the targets of provision of telephones.

The actual expenditure in respect of local telephone system' for 1995-96 is placed at Rs. 5359.11 crores. The amount is higher than the budgeted amount for Rs. 4674.47 crores by 14.64%. This has been approved by the Member (F) in File 6/N of 4-5/96-CB.

File No. 4-5/96-CB Dated : 4-11-96

Recommendations/Observation (Para No. 52)

The Committee notes that from this year the process of identification of villages for providing telephones has been initiated well before procurement of equipments. But surprisingly no guidelines have been laid in this regard. The Committee therefore recommends the Department to frame suitable guidelines for identification of villages so that the entire process is streamlined and a copy of such guidelines should be furnished to the committee for its perusal.

Action Taken by Department

It is stated that as per National Telecom Policy, all the villages of the country have to be provided with Village Public Telephones (VPTs) facility. As such the selection process amounts to prioritising the Villages on the basis of following criteria already circulated vide Memo No. 3-91/90-RD dated 07.1.1991, No. 3-91-90/RD dated 01.01.1992 and No. 3-91-90-RD (Vol. II) dated 05.10.1994: Vide Annexure-I, II, III

- (i) Areas affected by Law & Order situation;
- (ii) Sensitive Border Areas;
- (iii) Hilly & Tribal Areas;
- (iv) Cyclone Prone areas

Apart from the above, the backward villages Industrial Growth Centres, Tourist Resorts, Pilgrim Centres etc. in rural areas are also given priority by the concerned field units as per local situation.

The villages falling within the local jurisdiction of the Exchange (say within 5 Kms.), the VPT is provided on Under Ground Cable/ Over Head alignment depending upon technical feasibility.

For larger distance upto 25 Kms., MARR technology is adopted. This has been chosen after a number of field trials and experimentations by TEC.

For very difficult terrain, other form of technologies like Satellite technologies etc. are also being considered.

File No: 2-1/95-RD Dated: 1.11.96

GOVERNMENT OF INDIA
TELECOM COMMISSION
DEPARTMENT OF TELECOMMUNICATIONS
(R.D. CELL)

F. No. 3-91/90-RD

POLICY PAPER OF THE PROVISION OF TELEPHONE FACILITY
TO ALL THE GRAM PANCHAYAT VILLAGES

1. DEFINITION OF RURAL COMMUNITY

1.1 The criteria for classifying a human settlement as urban are:

- a minimum population of 5000
- a population density of at least 400 persons per sq. km. (i.e.) the above population of 5000 should not be spread over an area exceeding 12.5 sq. kms.
- at least 75% of the male population is employed in non-agricultural occupations.

1.2 Settlements not conforming to the above criteria are classified as rural. While the average population per village is 1190, 92.7% of the villages have a population of less than 2000 and 6.3% have a population between 2000 to 5000.

2.0 MAGNITUDE OF THE PROBLEM

2.1 The problem is to provide a telephone facility in each of the 5,75,495 villages, which offer no return but will require heavy investments, which were not available due to priority given in terms of investments in earlier plans to other core sectors.

3.0 GOVERNMENT POLICY (UPTO END OF 7TH PLAN)

3.1 The need for extension of public telephone facility in rural areas was recognised soon after independence, the recognition found eloquent expressions in various plans for fulfillment as it was noticed that there were 338 PCOs in the country at the commencement of the first plan.

3.2 In the first few years after independence, telecommunication facilities were essentially provided in the urban centres where the investment had a reasonable return. The demand for telecommunications was very poor in the rural sector. Since the policy was to provide the telecommunication Facility on the basis of profitability, there was uneven distribution of telephones in the country.

3.3 The policy was then changed so as to provide installation of a long distance public telephone regardless of loss at:

- (i) District Headquarters
- (ii) Sub-Divisional Headquarters
- (iii) Tehsil Headquarters
- (iv) Sub-Tehsil Headquarters
- (v) Block Headquarters
- (vi) Places with a population of 5000 crore more in ordinary areas and 2500 or more in backward or hilly areas.

And with varying subsidy at:

- (i) Places with police stations under the charge of an officer of the rank of a sub-inspector of police or above.
- (ii) Project sites and pilgrim centres.
- (iii) Out of the way places which are 40 Kms. away from the main telephone exchange.

3.4 The population criteria adopted above resulted again in an uneven distribution particularly in hilly and sparsely populated rural areas of the country.

3.5 A detailed study was therefore undertaken as to how best the service could be provided so that a public telephone (PT) would be ordinarily within the reach of the villages. After considering several options it was thought best to group together a number of villages coming within a hexagonal cell of 5 km size, extending over an area of 65 sq. kms. The country was nationally divided into a number of hexagons. One PT would be provided at a relatively important place

in that hexagon without going into remunerativeness. This would mean that the telephone would be within easy reach (about 5 kms. on foot) from any village thus providing accessibility.

3.6 There are 48,344 inhabited hexagons in the country and as on 31.3.90, 32,758 have provided with telephone facility. The slow progress is due to heavy investment required for constructing the open wire lines which costs Rs. 30,000/- per km. Apart from this, it is not possible to construct open wire lines in some areas where there is heavy power parallelism. Radio medium in such cases is the only solution. The availability of cost effective radio equipments such as Single channel VHF systems and radio sharing systems in the last year of the 7th plan would give a fillip to the rural telecommunications.

4. EIGHTH PLAN POLICY (90-95)

4.1 The eighth plan aims at narrowing down the gap further that exists between rural and urban telecommunications both in qualitative and quantitative terms. Several small capacity electronic exchanges and UHF transmission systems are planned to be installed in the rural areas which will improve accessibility, availability and reliability.

- (i) Provision of telephone connection practically on demand from rural exchanges.
- (ii) Automatisation of all rural exchanges.
- (iii) Provision of a public telephone in each of 2.2 lakh Gram Panchayat villages with priority for inhabited hexagons.
- (iv) Replacement of worn out, life expired electro mechanical exchanges by electronic exchanges.

4.2 The inharited hexagons will be provided with telecom facility during the first two years of the eighth plan on priority. Out of 2,20,000 Gram Panchayats, 32,75 have telephone facility, leaving 1,87,242 still to be covered. Subject to availability of funds, these uncovered Gram Panchayat villages will be provided with a telephone by the end of the eighth plan as per annual targets fixed by DOT. The total allocation for rural telecommunications is Rs. 3000/- crores in the total plan outlay of Rs. 19,700 crores. A Commitment to cover all Gram Panchayats with a telephone facility during the Eighth plan has

been made to the PM's office vide our letter 5-86/87-LTP dated 1.8.89 and as desired in PM's office letter number 180/50/C/89/ESI dated 5.7.89. In view of our commitment and the Eighth plan objective and in view of the fact that most of the LDPT projects are expected to be on loss and beyond the sanctioning powers of the Heads of Circles, it is imperative to include all Gram Panchayats villages under the category station as mentioned in para 3.3 to facilitate provision of LDPT without condition of minimum revenue and on loss basis. The main consideration will be minimum costs, maximisation of coverage and priority being accorded to centres producing more revenue e.g. pilgrim centres, tourist resorts etc.

5. FINANCIAL IMPLICATIONS

5.1 Radio systems would be installed for providing LDPT's in Gram Panchayat villages. These radio systems are (I) Single channel VHF systems (II) 2/15, 4/30, 8/60 Radio sharing systems. It may be possible utilise TDMA systems during 92-93. On this basis and as per our recent orders, each is expected to cost Rs. 1,00,000/- which includes proportionate cost of base station equipment, subscriber equipment, antennas, masts, towers and solar power panels for 100% utilisation of the radio system.

5.2 The total investments for covering the remaining Gram Panchayat villages would be Rs. 1,800/- crores.

6. ADMINISTRATIVE PROCEDURES

6.1 The LDPT should preferably connected by shared radio system or single channel VHF system or by open wire line to the most suitable rural telephone exchange. Least cost solution needs to be worked out in each case.

6.2. The LDPT's should be located at (a) post offices (b) panchayat offices (c) grocers shop or other suitable places with public access. The selection of the location will be decided by the head of secondary switching area. No security deposit need be taken unless considered necessary by the head of the SSA.

6.3 The safe custody of the equipment shall be ensured through the person incharge of the establishment at the location.

6.4 The Trunk tariff applicable to LDPT is the same as that applicable to the exchange to which the LDPT is connected. Calls

between the telephones connected to the same exchange will be treated as local calls and charged as per local PT charges. In other words the LDPT is treated as a local subscriber connected to the exchange by means of a radio medium. Presently, a concession of 50% is applicable to charges for calls made from LDPTs both for Trunks and PT charges. This is valid upto 31.3.1993.

6.5. The TRA unit of the area will prepare the bills which will include local calls and trunk calls and present these to the person incharge of the LDPT and ensure its collection. The person incharge of the LDPT shall collect the revenue from their public as when the calls are made and at rates applicable in the department and remit the revenue to the TRA unit of the area on receipt of the bill. A suitable record of the calls made and revenue collected will be maintained by the in-charge of LDPT. This register will be produced for scrutiny by Telecom. Authorities, when so desired.

6.6. In order to encourage the use of LDPT, the person incharge of the LDPT shall be paid a commission of 20% of the actual revenue collected from the LDPT. No other charges or commission late fees shall be payable. Instructions regarding commission applicable to LDPTs located in Post Offices will be issued separately.

7. APPROVAL SOUGHT

7.1 The Telecom Commission is requested to approve the placement of all Gram Panchayat villages under category stations for which LDPT's will be provided on loss basis and without any condition of minimum revenue. Annual targets will be fixed by D.O.T. on the basis of availability of funds and equipment.

7.2 Such project estimates to provide LDPT's on the most appropriate media irrespective of any loss may be sanctioned by the Heads of Telecom Circles within their financial powers, with the concurrence of associate finance.

7.3 The Telecom, Commission is requested to also approve the Tariff proposed for these LDPTs and the commission payable as in Paras 6.4 and 6.6.

3-91/90-RD

Dated 07.01.1991.

This policy has been approved by Member (P), Member (T), Member (S) & Member (F) of Telecom Commission. This may be followed to commission LDPTs to each of the Gram Panchayats.

Sd.-
(T.C. Raghavan)
D.D.G. (Tx)

Copy for information:

1. P.S. to M.O.S. (C).
2. P.S. to Dy. Minister (C)
3. Chairman, Telecom, Commission
4. Member (P), Member (T), Member (S) & Member (F).
5. Adviser (P), Adviser (T), Adviser (O) & Adviser (HRD)/
Addl. Secy (T).
6. All Senior DGs & DDGs.
7. Senior DDG, T.E.C.

Copy for information & necessary action:

1. All Chief General Managers, Telecom. Circles.
2. Chief General Manager, MTNL., New Delhi/Bombay.
3. All Chief General Managers, Telecom. Projects.
4. All Chief General Managers, Maintenance.
5. Chief General Manager, Task Force, Gauhati.
6. Chief General Manager, R.E. Project.
7. Chief General Manager, T & D Circle/Q.A./Telecom. Stores/
ALTTC/Training Centre, Jabalpur.

GOVERNMENT OF INDIA
DEPARTMENT OF TELECOMMUNICATIONS

No. 3-91/90-RD

Dated: 1st January, 1992.

ALL CGMs TELECOM CIRCLES

SUBJECT : *Provision of Telephone facility in Panchayat Villages*

Instructions have been issued vide this office letter of even number dated 8th August, 1991 for providing Telephone facility in all the Panchayat Villages by 31st March, 1995.

It has been decided that priority may be given to the following areas for providing Telephone facility in the Panchayat Villages:

- (i) Areas affected by Law and Order situation.
- (ii) Sensitive Border areas.
- (iii) Hilly and Tribal areas.
- (iv) Cyclone prone areas.

SD.-
(N.C. GUPTA)
DY. DIRECTOR GENERAL (RN)

TELECOM COMMISSION
DEPARTMENT OF TELECOMMUNICATIONS
(R.D. CELL)

To

All CGMs Telecom Circles
All CGMs Metro Districts
All GMs Major Districts.

No. 3-91/90-RD (Vol. II)

Dated October 05, 1994.

*SUB: Policy for providing Village Public Telephones (VPTs)
during 8th Five Year Plan—Administrative Order.*

The Department has hitherto been following the policy of providing telephone facility to all Panchayat villages progressively and it was envisaged that by March 1995, all the Panchayat villages would be covered with such facility.

2. In supersession of the above policy and all other policies in this regard, Government, in National Telecom Policy, have adopted a policy of providing a public telephone to every village during the 8th Five Year Plan. This policy objective has to be achieved progressively by March 1997, subject to availability of resources.

3. Stipulation of minimum revenue as a pre-condition for providing VPTs has been removed and may be sanctioned by Heads of Telecom Circle even on more than 5% loss basis within their overall financial powers with the concurrence of their internal finance. A proper project estimate shall be prepared. The main consideration will be minimum cost, maximum coverage and priority accorded to centres producing more revenue e.g. pilgrim centres, tourist resorts etc.

4. The VPTs should preferably be provided by Shared Radio systems or by open wire line to the most suitable nearby rural telephone exchange on least cost basis.

5. The VPTs should be located at (a) Post Office, (b) Panchayat Headquarters, (c) Grocers Shop or (d) other suitable places easily accessible to the public. The selection of the location will be decided by the head of the Secondary Switch Area (SSA). No security deposit need be taken unless considered necessary by the head of SSA.

6. The safe custody of the equipment shall be ensured through the person incharge of the establishment at the location.

7. The trunk tariff applicable to VPT will be the same as that applicable to the exchange to which the VPT is connected. Calls

between the telephones connected to the same exchange will be treated as local calls and charged as per local PT charges. In other words, the VPT is treated as a local subscriber connected to the exchange by means of a long distance medium. Presently a concession of 50% is applicable to charges for calls made from VPTs both for Trunks and PT charges.

8. The TRA unit of the area will prepare the bills which will include local calls and trunk calls and present these to the person in-charge of the VPT and ensure its collection. The person incharge of the VPT shall collect the revenue from their public as and when the calls are made and at rates applicable in the department and remit the revenue to the TRA unit of the area on receipt of the bill. A suitable record of the calls made and revenue collected will be maintained by the in-charge of VPT. This register will be produced for scrutiny by Telecom authorities, when so desired.

9. In order to encourage the use of VPT, the person in-charge of the VPT shall be paid commission of 20% of the actual revenue collected from the VPT. No other charges or commission/late fees shall be payable.

10. This issues with the concurrence of Finance *vide* File No. 3-91/90-RD (Pt.).

The receipt of this letter may kindly be acknowledged.

Recommendation/Observation (Para No. 76)

The Committee would like to stress that whatever steps are ultimately found to be necessary to revive ITI. The same should be done before any possible reference of the Company to BIFR.

Action Taken by the Department

DOT fully accepts the views of the Committee as given in the above recommendation. It is however, informed that ITI has intimated that based on the audited Annual Accounts for the year ended 31.3.96, the peak network of Rs. 484 crores during the preceding 4 years has eroded more than 50% on account of losses amounting to Rs. 365.87 crores incurred by the Company during 1994-95 and 1995-96. Consequent to the erosion of peak network by more than 50%, the provisions of Section 23 of Sick Industrial Companies (Special Provisions) Act, 1985 are applicable to ITI Ltd. Accordingly, a report under Section 23 of the aforesaid Act has to be made by the Company to the BIFR.

It is further informed that the Company has initiated a number of actions to face the challenge and ensure that the Company earns profit after the transition phase. Efforts have been made to increase value addition by means of products and services apart from more inhouse components, sub-assemblies and products. The exercise on cost cutting is on. Some savings in expenditure have been made and more are likely to be achieved. The organisation is being restructured for better marketing, customer satisfaction, authority and responsibility, etc. The Company also proposes to take assistance from experts in the field to draw a turn-around plan for the Company. DOT, on its part, would also extend full assistance to the Company as desired by the Committee.

F.No. U-55015/1/96-FAC

Date: November 12, 1996.

Recommendation/Observation (Para No. 88)

The Committee draws some satisfaction from the fact that HTL Ltd., had taken timely diversification into manufacture of C-DOTs switching equipment etc. For that reason the Company is making good profits. However, for long term survival of the Company in the developing competitive environment, it would be prudent to take further product diversification. In this context the Committee appreciates Company's gesture in taking up Basic Telephone Services. The Committee trusts that DOT will take suitable steps to award some basic Services areas in Metro/States to HTL.

Action Taken by the Department

As desired by the Committee, the Company has been advised to take suitable steps for further product diversification. However, as regards awarding some areas in Metro cities/States to HTL for provision of Basic Telephone Service is concerned, the same is not feasible because of the following:—

The decision to preclude PSUs for operating Basic Services was taken to avoid competition between PSUs and DOT. Moreover, the decision to open up Basic Telephone Service to private sector has been done keeping in view the large amount of resources required to achieve the targets laid down in the new telecom policy. Paucity of resources is, therefore, the main reason for not permitting the Govt. companies to take part in the operation of Basic Telephone Service. Moreover, it is felt that entering in service sector is not crucial to HTL and they should concentrate mainly in the manufacturing areas.

F.No. U-55015/1/96-FAC

Date: November 12, 1996.

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT REPLIES HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation/Observation (Para No. 8)

It reads as under:—

The Committee is surprised to note that when the satisfaction rate in respect of housing facilities in DOT is only about 11.15%, against 20 per cent in general pool accommodation, there has been a reduction in the BE 1996-97 for staff quarters in General, Rural and Tribal Areas. It fails to understand how DOT plans to improve the housing facilities as committed, with reduction in the Budgetary provision. The Committee, therefore, wishes to impress upon the Department to examine the matter and apprise it accordingly.

Action Taken by the Department

Housing for the staff in the Deptt. of Telecommunications is considered as a Welfare measure and all possible efforts are made to improve the satisfaction in respect of housing. In the 8th plan (1992-97), it was originally contemplated that the level of satisfaction would be improved to approximately 20% by the end of the 8th Plan but severe constraints as given below forced the Department to restrict its target to 14% by the end of the 8th Plan:—

- (a) Difficulty in getting suitable land at reasonable price at proper locations;
- (b) Litigation on government lands and encroachments in certain cases;
- (c) Delay in approval of building plans. A number of local bodies such as Corporations, urban authorities, fire department, civil aviation, etc., are involved in formal clearance of the plans in urban areas;
- (d) Delay in service connections—electrical, water and sewerage connections, etc.; and
- (e) Resource constraints.

2. Performance During the Last Five Years

As a result of sustained efforts, the yearly performance in construction of quarters has improved from 1318 quarters in 1991-92 to 1979 qtrs. (Say about 2000 qtrs. during 1995-96. The percentage of

satisfaction has, however, increased from 9.47% at the beginning of the 8th Plan (1992-97) to 11.15% by end of March, 96 against overall target of 14% fixed for the 8th Plan.

3. Review of Progress in Construction of Qtrs.

- (a) Some of territorial telecom circles have already exceeded the target of 14% satisfaction level. These are:—

Andaman & Nicobar/Madhya Pradesh/North East/
Orissa/West Bengal/N.T.R., New Delhi/ALTTC, GZB/
T&D Circle, Jabalpur.

- (b) Quarters required to be constructed to achieve
14% satisfaction 12293
- (c) Quarters likely to be added during the current year
(by end of March, 1997) 2500
- (d) Shortfall of quarters for 14% satisfaction
(to be carried forward to the 9th Five Year Plan) 9793
- (e) Names of the telecom circles where large number of staff
quarters are required to be constructed to achieve 14%
satisfaction:—

Sl. No.	Name of circle	No. of existing qtrs. including rented.	No. of qtrs. required for 14% satisfaction	Balance number of qtrs. to be added (shortfall)
(a)	Andhra Pradesh	2419	4433	2014
(b)	Gujarat	1840	3587	1747
(c)	Karnataka	1832	2872	1040
(d)	Kerala	1848	3019	1171
(e)	Maharashtra	2956	4568	1612
(f)	Tamil Nadu	2228	3489	1261
(g)	U.P. (E)	1596	2732	1136
(h)	Madras Telephone District	740	1456	716

4. Review of Allocation Vis-A-Vis Expenditure on Construction of Quarters During the Last Two Years; an Overall Summary

These Figures are as Under:

Year	Allocation	Expenditure	% age difference
94-95	45.41 Crs	66.80 Crs	(allotted 32% less)
95-96	78.89 Crs	72.12 Crs	(Excess of 9% only)

(These figures are inclusive of EIs and O/Hs)

Owing to the constraints in allotment of adequate funds for the construction of staff quarters. It appears very difficult to improve the satisfaction level significantly in line with the target of 14% satisfaction by end of the 8th Plan. However, lot of efforts have been made by the 'BW Branch' in impressing upon the Telecom. Circles time and again the urgency and importance of achieving 14% satisfaction and making adequate preparations such as acquisition of land and making perspective planning etc.

With the anticipated additions of about 2500 quarters during the current year ending 31-3-97 i.e., by end of the 8th Five Year Plan, the backlog of 8th Plan in achieving 14% satisfaction level, would be around 9793 qtrs. To achieve 20% satisfaction by end of the 9th Plan, a total of around 25766 qtrs. (including backlog of 8th Plan) at a total estimated cost of about Rs. 1200 Crs. will have to be added.

5. Efforts are being made to get adequate funds for construction of more quarters by suitable projections for requirement of funds during the 9th Five Year Plan with a view to achieve an overall satisfaction of 20% by end of the 9th Plan.

6. There is no reduction in the overall provision under the Head of Account BB-6 (2): Staff Quarters, as evident from the figures given below:

(Rs. in Crores)			
Sl. No.	Area	Provision in RE 95-96	Provision in BE 96-97
1.	General Ara	127.73	121.57
2.	Tribal Area	10.07	8.18
3.	Rural Area	2.20	10.25
TOTAL		140.00	140.00

Since the demand from the circles under Rural area was more, the B.E. 96-97 provision under Rural area was stepped up by reducing the provisions under General Area & Tribal Area.

This has the approval of Member (P)

Comments of the Committee

Please see Para No. 9 of Chapter I.

Recommendation/Observation (Para No. 22)

"The Committee is distressed to note that there has been underutilisation of funds both during 1994-95 and 1995-96 meant for various schemes like Telex System, Long Distance Switching System, Long Distance Transmission System and Ancilliary System due to less receipt of Apparatus and Plant (A&P) and Cables from suppliers.

The Committee is of the view that due to lack of pro planning and implementation, such important schemes remain incomplete and unimplemented which discloses continued failure on the part of the Authorities in very vital sector, namely, the modernisation and expansion of Telecom Network.

The position is also deplorable in the case of Administrative Office and staff quarters where funds could not be utilised due to non-completion of anticipated building works and land deal. The Committee fails to understand why no remedial action is being taken by Department. The Committee, therefore, impresses upon the Government to ensure that equipments are received from suppliers in time and land deal and building works are completed well in advance so that funds earmarked for the aforesaid schemes are utilised fully and properly."

Action Taken by the Department

1. Under-utilisation of funds both during 1994-95 and 1995-96 for various schemes like Telex System. Long Distance Switching System, Long Distance Transmission System and Ancilliary System due to less receipt of Apparatus and Plant (A & P) and Cables from suppliers does not fall under jurisdiction of BW Branch.

2. The under-utilisation of funds in case of Administrative Office Buildings & Staff Qtrs. has been reviewed and an overall summary of the allocation *vis-a-vis* expenditure on these items is as under:

(Figure in Crores)

Sl. No.	Component	1994-95	Expenditure	1995-96	Expenditure
		Allotment		Allotment	
1	2	3	4	5	6
(i)	Staff Qtrs.	45.41	66.80	78.89	72.12
(ii)	Admn. Bldgs.	19.39	13.74	22.39	18.69

From a perusal to the above figures, it is seen that:

- (i) In case of staff qtrs. there had been an over-utilisation of funds during 1994-95 (the actual expenditure being 66.80 Crs. against allotment of Rs. 45.41 Crs). The under-utilisation of funds for staff qtrs. in 1995-96 was 9% only against permissible variation of 10% in general;
- (ii) In case of Administrative office buildings, the under-utilisation of funds is generally attributed to non-clearance of bldg. plans by a number of local bodies such as:— Delay in approval of buildings plans: a number of local bodies such as Corporations, urban authorities, fire department, civil aviation, etc., are involved in formal clearance of the plans in urban areas;

3. Owing to the emphasis on improving the housing facilities to the DOT staff with target to achieve 14% satisfaction ratio by the end of 8th Plan (1992-97) & to improve this ratio further to 20% by the end of 9th Plan (1997-2002), efforts are being made to get adequate funds for construction of more qtrs. during the 9th Plan. Administrative offices are generally housed in rented buildings to make optimum utilisation of the capital resources. However, departmental buildings for such offices are being constructed on need-based considerations subject to availability of adequate funds & suitable lands.

This has the approval of Member (P)

Comments of the Committee

Please see Para Nos. 17, 18 & 19 of Chapter I.

Recommendation/Observation (Para No. 36)

The Committee fails to understand why no time limit has been prescribed for giving telephone connections under OYT scheme as has been done under the 'TATKAL' scheme. The Committee therefore, recommends that a certain time limit, say, 30 days should be prescribed for giving telephone connections under the OYT scheme.

Action Taken by the Department

Under TATKAL scheme, the number of applicants is very small due to high amount of registration of Rs. 3000/-. These connections are provided within a period of two weeks subject to technical feasibility *i.e.* availability of capacity in the exchange and outdoor plant. If it is not technically feasible to provide the connection within two weeks, the registration deposit is returned. Thus, the demand for *Tatkal* connection is met out of a small spare capacity left in the exchange system.

In the case of OYT scheme, the No. of applicants is very large compared to TATKAL scheme and the demand cannot be met out of available small spare capacity in the exchange system. Such connections are released after expansion of the exchange system capacity. This involves planning, procurement and installation of the exchange system which takes time. This time also varies from place to place and the funds available with the Department. As such it is not practicable at this stage to provide a time limit for release of connections against OYT registration. The OYT applicants are given priority in release of connections over other categories. At the time of bulk release of connections 60% of capacity is allocated to OYT applicants, 30% to General category applicants while 10% for Special category applicants.

This has the approval of Members [Services], TC.

Comments of the Committee

Please *see* Para No. 22 of Chapter I.

Recommendation/Observation Para No. 58

The Committee is distressed to note that during 1995-96 the target under the TAX capacity could not be achieved due to delay in price negotiation. The target fixed was 370 K lines whereas the achievement

was 197.2k lines. It is a matter of grave concern that advance purchase order was placed as late as on 14.9.94 while the tender was opened in April, 1994. The process of getting the equipment validated took unusually long time. The DOT owes an explanation to the Committee in this regard. The Committee will also like to be apprised of the nature of the equipment, the lowest price quoted in the tender and that negotiated ultimately and the aggregate loss sustained in the entire deal. The Committee feels that such delay was altogether avoidable.

Action Taken by the Government

The tender for the TAX equipment was opened in April, 1994 and the bids were evaluated by July, 1994. The APO was placed on 14.9.1994 after getting concurrence of Hon'ble MOS (C) on 19.8.1995. The time taken in placing of APO is quite normal and is generally of the same order in most of the tenders. There was no specific delay in placement of APO.

There was no delay during validation tests on the part of the Department. Whatever delay occurred was due to offering by the supplier, the pending texts and providing solution to the problems observed during the course of validation tests.

In the DTAX tender, the lowest rate quoted was Rs. 3306 per circuit. This rate was not acceptable to all the vendors on account of various reasons such as depreciation of the rupee by almost 30%, inflation, delay in validation and change in some site specifications by the DOT.

As the equipment was urgently required an Empowered Committee was constituted by the Telecom Commission to sort out all issues with the vendors for getting early supply of the DTAX equipment. The Empowered Committee felt that in view of the delay in supplies the Department is likely to lose much in terms of revenue and the equipment must be obtained expeditiously. As per the directions of the Telecom Commission, the Empowered Committee solicited sealed bids from both the parties and based upon the same the prices were finalised at Rs. 4266.

Cancellation of the tender would have led to a long delay in procurement of the equipment and subsequent loss of huge amount of revenue. The Telecommunication Deptt. felt that the department would be benefited even at the increased price of Rs. 4266.

This issues with the approval of Member(s)

Comments of the Committee

Please *see* para No. 25 of Chapter I.

Recommendation/Observation Para No. 72

The Committee are surprised to note that no budgetary support has been given to ITI since 1984 even though it has fallen sick during the last 2 years. What is more a matter of concern is that this aspect has not even been taken up with the Finance Ministry and the Planning Commission. The Committee urges the Department to work out the feasibility of providing Budgetary support to ITI and pursue the matter urgently with the Ministry of Finance and Planning Commission. The Committee may also be apprised of the progress made in this regard. The Committee takes a serious note of the fact that an utterly misleading statement has been made in the performance Budget about the likely profits of ITI Ltd., during the current year. Whereas the CMD, ITI informed the Committee that there would be no profits, the Performance Budget has indicated that the Company would earn profits of about Rs. 17 crores. The Committee would like to be informed how a misleading statement has been made in the Performance Budget. Responsibility for this grave lapse may be fixed and the Committee be informed of it.

Action Taken by the Department

A proposal for enhancement of equity of the Company by Rs. 200 crores and soft loan of Rs. 150 crores by way of budgetary support to the Company is being referred to the Planning Commission/ Ministry of Finance for their consideration.

The observations of the Committee about the profit shown in the Performance Budget document were communicated to the Company. The Company has informed that they are required to submit the financial figures of the coming year on 3 occasions *viz.* (i) at the time of IEBC during Sept.; (ii) Performance Budget during Nov. 1; and (iii) MOU during Dec. The IEBC projections were made by ITI and the same were maintained while submitting the Performance Budget. It was, however, indicated by ITI that these figures were provisional subject to the approval of Board of Directors. ITI have further intimated that subsequently at the time of preparation of MOU document the

total plan was reviewed based on the projections available on the basis of DOT's requirements for 1996-97, tenders already floated, position of the tenders, rates, etc. Based on these figures the projections had to be revised for MOU which was submitted in March 1996 and a loss of Rs. 139 crores was estimated. Since the difference in figures in the Performance Budget document and MOU document occurred due to the reasons given above and there was no intention to mislead, it may not perhaps be appropriate to fix responsibility.

F. No. U-55015/1/96-FAC

Date : November 12, 1996

Comments of the Committee

Please *see* para No. 28 of Chapter I.

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

—NIL—

NEW DELHI;
February 27, 1997

Phalguna 8, 1918 (Saka)

SOMNATH CHATTERJEE,
Chairman,
Standing Committee on Communications.

APPENDIX I

MINUTES OF THE TWENTY-SECOND SITTING OF THE COMMITTEE ON COMMUNICATIONS (1996-97)

The Committee sat on Thursday, the 27 February, 1997 from 15.00 to 17.00 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri K.L. Sharma
3. Prof. Rasa Singh Rawat
4. Smt. Sheela Gautam
5. Smt. Bhavna Chikhalia
6. Shri Th. Choaba Singh
7. Shri V.P. Shanmuga Sundram
8. Smt. Geeta Mukherjee
9. Shri Budh Sen Patel
10. Shri Keshab Mahanta

Rajya Sabha

11. Smt. Veena Verma
12. Shri Govindram Miri
13. Shri O. Rajagopal
14. Dr. Ramendra Kumar Yadav Ravi
15. Shri Md. Salim
16. Shri Ish Dutt Yadav

SECRETARIAT

Shri Ram Autar Ram — *Director*
Shri S.K. Sharma — *Deputy Secretary*

2. The Committee took up for consideration Draft Reports on Action Taken by Government on the recommendations contained in the First, Second and Third Reports on Demands for Grants (1996-97) relating to Ministry of Communications (Department of Post & Department of Telecommunications) and Ministry of Information & Broadcasting respectively. The Committee adopted the First and Third Reports relating to Department of Post and Ministry of Information & Broadcasting without any modifications/amendments.

3. The Committee also adopted the Second Report relating to Department of Telecommunications with certain modifications as shown in the Annexure.

4. Thereafter the Committee authorised the Chairman to finalise and present the Report in both Houses of the Parliament.

The Committee then adjourned.

MODIFICATIONS AS CARRIED OUT IN THE
DRAFT ACTION TAKEN REPORT ON DEPARTMENT
OF TELECOMMUNICATIONS

Page No.	Para No.	Line No.	Modifications
3	9	6 from bottom	Add <i>after</i> unachieved:— “particularly such explanation does not hold good for construction in rural and tribal areas”.

APPENDIX II

(*Vide* Introduction of Report)

Analysis of Action Taken by Government on the Second Report of Standing Committee on Communications (Eleventh Lok Sabha)

- (i) Recommendations/observations which have been accepted by the Government.

Para Nos. 7, 16, 35, 37, 51, 53, 54, 61, 73, 74, 75 & 84

Total : 12

Percentage 54.5%

- (ii) Recommendations/observations which the committee does not desire to pursue in view of the reply of the Government.

Para Nos. 15, 23, 52, 76 & 88

Total : 5

Percentage 22.7%

- (iii) Recommendations/observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.

Para Nos. 8, 22, 36, 58 & 72

Total : 5

Percentage 22.7%

- (iv) Recommendations/observations in respect of which replies are of interim nature.

—NIL—