

**2**

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

**ELEVENTH LOK SABHA**

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

**DEMANDS FOR GRANTS  
(1996-97)**

**SECOND REPORT**



सत्यमेव जयते

**LOK SABHA SECRETARIAT  
NEW DELHI**

*September, 1996/Bhadra, 1918 (Saka)*

SECOND REPORT

STANDING COMMITTEE ON  
COMMUNICATIONS

(1996-97)

ELEVENTH LOK SABHA

MINISTRY OF COMMUNICATIONS  
(DEPARTMENT OF TELECOMMUNICATIONS)

DEMANDS FOR GRANTS (1996-97)

*Presented to Lok Sabha on 3.9.1996*  
*Laid in Rajya Sabha on 2.9.1996*



LOK SABHA SECRETARIAT  
NEW DELHI

*September, 1996/Bhadra, 1918 (Saka)*

C.O.C. No. 02

Price : Rs. 20.00

LC  
328.3657R  
N6.2;3

95048 (4)  
4/9/96

© 1996 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Eighth Edition) and printed by Jainco Art India, 13/10, W.E.A., Saraswati Marg, Karol Bagh, New Delhi-110005.

# CONTENTS

## PAGE

COMPOSITION OF THE COMMITTEE (1996-97) .....	(iii)
--	-------

INTRODUCTION .....	(v)
--------------------	-----

## REPORT

### I. Financial Provision and Utilisation

A. Revenue Section .....	1
--------------------------	---

B. Capital Section .....	4
--------------------------	---

### II. Physical Target and Achievement

C. Direct Exchange Lines .....	7
--------------------------------	---

D. Village Public Telephones .....	10
------------------------------------	----

E. TAX Capacity .....	14
-----------------------	----

F. UHF .....	15
--------------	----

### III. Public Sector Undertakings

G. Indian Telephone Industries Ltd. (ITI Ltd.) .....	15
--	----

H. Videsh Sanchar Nigam Limited (VSNL) .....	20
--	----

I. HTL Ltd. ....	21
------------------	----

Minutes of 12.8.1996 (Annexure I) .....	23
---	----

Minutes of 13.8.1996 (Annexure II) .....	25
--	----

Minutes of 21.8.1996 (Annexure III) .....	27
---	----

Minutes of 26.8.1996 (Annexure IV) .....	28
--	----



COMPOSITION OF 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 Sukh Ram
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 M.P. Veerendra Kumar
20. Shri Dinesh Chandra Yadav
21. Shri T. Veera Bhadram
22. Shri R. Devadas
23. Dr. Shafiqur Rehman Barq
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 Joachain Baxla
30. Shri Churchill Alemao

*Rajya Sabha*

31. Shrimati 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. Shri R.K. Karanjia

SECRETARIAT

1. Dr. A.K. Pandey – *Additional Secretary*
2. Shri J.P. Ratnesh – *Joint Secretary*
3. Shri Ram Autar Ram – *Deputy Secretary*
4. Shri S.K. Sharma – *Under Secretary*

## INTRODUCTION

1. The Chairman, Standing Committee on Communications (1996-97) having been authorised by the Committee to submit the Report on its behalf, present this Second Report, on the Demands for Grants 1996-97 relating to Ministry of Communications (Department of Telecommunications).

2. The Standing Committee on Communications was constituted on 2 August, 1996. One of the functions of the Standing Committee as laid down in Rule 331 E of the Rules of Procedure and Conduct of Business in Lok Sabha, is to consider the Demands for Grants of the concerned Ministry/Department and make a Report on the same to the Houses.

3. The Committee considered the Demands for Grants pertaining to the Ministry of Communications (Department of Telecommunications) for the current year i.e. 1996-97 which was laid on the Table of the House on 1.8.1996. Thereafter the Committee took evidence of the representatives of the Ministry of Communications (Department of Telecommunications) on 12.8.1996 & 13.8.1996.

4. The Committee wishes to express its thanks to the Officers of the Ministry of Communications (Department of Telecommunications) for placing before it the detailed written notes on the subject and for furnishing the information, the Committee desired in connection with the examination of the subject.

5. The Sub-Committee 'B' on Department of Telecommunications at its sitting held on 21.8.1996 considered and finalised the draft Report which was then placed before the main Committee.

6. The Report was considered and adopted by the Committee at its sitting held on 26.8.1996.

NEW DELHI;  
August 27, 1996  
Bhadra 5, 1918 (Saka)

SOMNATH CHATTERJEE,  
*Chairman,*  
*Standing Committee on Communications.*

## REPORT

MINISTRY OF COMMUNICATIONS  
(DEPARTMENT OF TELECOMMUNICATIONS)  
DEMAND NO. 14

The Budget Estimates for 1996-97 showing Plan and Non-Plan Expenditure separately has been stated to be as follows:

(Rs. in Thousands)				
		Revenue	Capital	Total
Voted	Plan	131,00,00	787,500,00	800,60,000
	Non-Plan	124,488,800	220,00,00	126,688,800
	Total	125,798,800	809,500,00	206,748,800
Charged	Plan	—	—	—
	Non-Plan	30,00	1,00	31,00
	Total	30,00	1,00	31,00
Grand Total		125,801,800	809,501,00	206,751,900

### I. FINANCIAL PROVISION AND UTILISATION

#### A. Revenue Section

MAJOR HEAD "3225"	—	Working Expenses
Sub-Head C.5 (4.)	—	Petty Works
MAJOR HEAD "3275"	—	Other Communication Services
Sub-Head F. 4 (1) (1)	—	Centre for Development of Telematics
F.4 (1) (1) (2)	—	Grants to ITI for R&D Work.

2. After scrutinizing the Demands for Grants 1996-97 the Committee desired to know the reasons for reduction in the Budget Estimates for Local and Trunk Exchanges in General and for Tribal and Rural Areas during 1996-97.

3. In reply it was submitted that though the provision under "petty works" (expenditure of Capital nature of less than Rs. 25000,00) for Head Local and Trunk Exchange in General, Tribal and Rural Areas in the BE 1996-97 was less, a corresponding increase had been made under the

"Capital Head" where allocation for Rural and General Areas has gone up inspite of an overall Plan reduction in the Plan outlay from Rs. 8285 crores in the RE 1995-96 to Rs. 8000 crores in the BE 1996-97.

4. However, it was further stated that in respect of "Tribal Areas" based on the demand received from field units, provision had been somewhat reduced in BE 1996-97.

5. As regards the reason for reduction in the provision under staff quarters in General, Tribal and Rural Areas under "other Telecom Building" the Committee were informed that it was due to reduction of provision of Rs. 50 crores in 1996-97 BE under petty works as compared to the Rs. 90 crores RE of 1995-96.

6. To a further query it has been replied that satisfaction in respect of housing in Telecom Department was 10.50% as on 31.03.95 and about 11.51% as on 31.3.1996. It has also been stated that all possible efforts are being made to improve the housing facilities. However, the Committee learns that the rate of satisfaction in respect of Government housing in general pool accommodation is in the range of 20 percent.

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, desires the Department of Telecommunications to rectify this position expeditiously.

8. 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 percent 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.

#### **C-DOT**

9. The Committee has been informed that the BE 1996-97 has provided a sum of Rs. 75 crores to C-DOT. The actual expenditure during 1995-96 was Rs. 40 crores against the BE and RE provision of Rs. 70 crores.

10. Asked about the reasons for under-utilisation of funds by C-DOT during 1995-96, the representative of Department of Telecommunications stated that during that year C-DOT planned to create infrastructural facilities in South Delhi, but due to various reasons, they could not start the work and hence the under-utilisation of funds.

11. To a specific query as to how C-DOT plans to spend the BE amount 1996-97 of Rs. 75 crores, the representative apprised the Committee that C-DOT wanted to spend Rs. 40 crores on the on-going projects like switching systems; Rs. 14 crores for the new projects like IN, ATM and SDH (transmission systems) and Rs. 18 crores for campus infrastructure besides spending on small software projects.

12. About the future products and on-going projects of C-DOT, the representative of the Department of Telecom apprised the Committee that C-DOT was working on the development of Remote Switching Units which could work in non-airconditioned environment besides being cost-effective. In transmission side they have already developed the ten channel VHF system. In addition, after creating a small V-SAT equipment for use in INSAT-2C, C-DOT plans to develop it for higher capacities.

13. Regarding the use of V-SAT in Intelligence Network System, the representative stated that it was new project which C-DOT had taken up and studies have been made and many new technologies are coming up. For further development of this project, C-DOT being autonomous in status does not require the sanction from the Department of Telecom which only provides grants.

14. In reply to a query pertaining to the revenue generation by C-DOT, the representative submitted that on transfer of technology and by selling their products C-DOT could get money.

15. The Committee is concerned to note 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 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 for 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 allotted for the purpose are utilised without any shortfall.

16. The Committee trusts that allocations of Rs. 75 crores in the Budget of 1996-97 to C-DOT will 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.

## **B. Capital Section**

### **Major Head 5223 BB — Capital Outlay on Telecommunication Services**

17. Major head-wise/scheme-wise break-up of capital (plan) expenditure *vis-a-vis* Budget provision and Revised Estimates during the years 1994-95 and 1995-96 along with reasons for variation in expenditure in the Budget Estimates and Actual Expenditure have been given vide Table on page 5.

18. From the above statement the Committee observes that both during 1994-95 and 1995-96, major savings shown under this Head have taken place in the schemes of Telex System, Long Distance Switching Systems, Long Distance Transmission System, Ancilliary system and Administrative Office and Staff Quarters. However, there is an excess expenditure under the scheme Local Telephone System due to more expenditure under the scheme Local Telephone System due to more expenditure on A&P cable and works expenditure to clear more Telephone connections.

19. As regards the reason for under-utilisation of funds for different schemes the "Committee has been informed that under the sub-heads Telex System, Long Distance Switching System, Long Distance Transmission System and Ancilliary Systems, funds could not be fully utilised during 1994-95 due to less receipt of A&P and Cables from suppliers, whereas in the case of Administrative Office and Staff Quarters funds could not be utilised due to non-completion of building works and land deal.

20. The Committee has been informed that during 1995-96 the same constraints still persisted for which the savings under the aforesaid schemes went on increasing and as much as Rs. 916.53 crores was surrendered. The most glaring disparity is noticed in the category of local telephone system where during 1995-96 there was less expenditure whereas during the previous year under this Head there was an excess expenditure.

## 2ND COMMUNICATION REPORT

Name of Item	1994-95				Reasons for variation	1995-96				1996-97		
	BE	RE	Actuals	Variation		BE	RE	Surrender	FC	Actuals	Variations Averages	
1. Telegraphs Telex System	99.00	95.00	55.14	-33.8	Less receipt of A&P than anticipated and less procurement of equipment due to less demand of telex connections	150.00	150.00	47.00	101.00	-49.31	-50.69	150.00
2. Local Telephone System	3291.00	3431.00	4303.35	714.25	Excess was due to more expenditure on A&P	3950.00	1957.00	282.53	4674.47	4183.64	-494.83	1965.00
3. Long Distance Switching System	158.00	195.00	94.09	-61.81	Savings was due to less receipt of A&P than anticipated.	205.00	198.00	50.00	148.60	61.48	-83.30	190.00
4. Long Distance Transmission System	1840.00	1317.00	1358.07	-578.83	Savings was mainly due to less receipt of A&P and cables from suppliers.	2180.00	2558.00	472.00	2006.00	1291.45	845.50	2305.00
5. Ancillary System	37.00	60.00	36.07	-23.93	Savings was due to less receipt of A&P from suppliers	75.00	87.00	13.00	74.00	55.25	18.65	90.00
6. Other Land and Bldg. Administrative Office and Staff Quarters	94.00	94.00	83.24	-10.76	Savings was mainly due to non completion of anticipated Bldg. works and land deal.	175.00	175.00	50.00	125.00	98.87	36.13	179.00
										131.33	137.33	
	5617	5815	5815.86	0.86		6735	8125	916.03	7208.47	6833.65	-1389.82	797



21. During evidence the Committee desired to know whether the Department of Telecommunication was in a position to fully utilise the 1996-97 BE amount of Rs. 7875 crores for various schemes. The Secretary, DOT replied in affirmative.

22. The Committee is distressed to note that there has been under-utilisation 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 Ancillary 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 proper planning and implementation, such important schemes remain incomplete and unimplemented which discloses continued failure on the part of the Authorities in a 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 the 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.

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.

## II PHYSICAL TARGET AND ACHIEVEMENT

24. The Committee has been furnished the following statement showing the 8th Plan Physical Target for different items and the achievement made from 1.4.1992 to 31.3.1996.

Sl.No.	Item	Unit	8th Plan Target (1992-97)		Achievement from 1.4.92 to 31.3.1996
			Original	Revised	
1	2	3	4	5	6
1.	Net Switching Capacity	lakh Lines	93.0	93.0	78.45
2.	Direct Exchange Lines	lakh Lines	75.0	75.0	61.69

1	2	3	4	5	6
3.	Village Public Telephones	Nos.	3,09,000	3,38,000	1,42,173
4.	TAX capacity	K Lines	2.72	7.0	7.12
5.	Coaxial (Automatic Exch. lines)	R Kms.	3000	3000	3641
6.	Microwave	R Kms.	20,000	20,000	13,978
7.	Optical Fibre	R Kms.	20,000	40,000	30,264

25. As will be seen from the above figures in the case of Village Public Telephones the achievement has been only 1,42,173 against the target of 3,38,000 telephones.

26. With regard to the reasons for such shortfalls the Committee was informed that it was primarily due to delay in supply of equipment.

### C. Direct Exchange Lines (DELs)

27. In Direct Exchange Lines (DELs), the target for 1996-97 is planned at 24.52 lakh lines and thus the achievements are likely to be 86.21 lakh lines, which is more than the target of 75 lakh lines for the 8th Plan period.

28. During evidence the Committee wanted to know the number of pending demand all over the country and whether the Department would be able to achieve the target. In reply the Secretary, DOT submitted that as on 31.3.1996 the registered demand in the country was 22.77 lakh telephones registered which rose to 28 lakh lines as on 30.6.1996. Thus, there is a progressive increase in demand which may not be fulfilled because of the zone-wise position of equipments plus technical feasibility depending upon whether the cables could be laid or not.

29. It was, however, assured that the demand registered for telephone connections upto 31.3.1996 would be fully met during the current year. In this context, the Committee wanted to know the rationale behind increasing the target for telephone connections from 75 lakhs to 100 lakh lines as mentioned elsewhere and the perceptions and programmes to tackle the progressive demands for the 9th Five Year Plan besides meeting the backlog of the 8th Plan.

30. In a note furnished to the Committee, it has been stated that the target for telephone connections was raised because it was expected that

the additional telephone connections would be provided by the Private Sector, about which, the Committee finds, there is no definite indication now.

31. It was further stated that even after meeting the original 8th Plan target of 75 lakhs lines, there would still be a shortfall of around 25 lakhs lines due to the progressive increase of demand. During the 9th Plan, the estimated demand is stated to be to the tune of 152.87 lakhs, thereby raising the target upto 177.87 lakh lines during the next five years. During evidence the Secretary apprised that in their strategy supply always follows demand.

32. The Eighth Plan Objectives emphasise availability, accessibility and reliability of telephones. Asked in this context, the DOT have stated that availability of telephone on demand depends mainly on the participation of Private Sector to complement the efforts of Department of Telecommunications. However, the commissioning programme on year to year basis would be based on the waiting list at the beginning of each year and likely new registration during the year as well as availability of funds. During evidence the Committee was apprised that DOT has a scheme called 'Tatkal' where Telephone connection is guaranteed within 15 days whereas no such time limit has been fixed for OYT scheme.

33. Circle Wise Waiting List and Provision of Direct Exchange Lines made by DOT is stated to be as under:

**(V) Circle-wise Waiting List-and Provision  
of Direct Exchange Lines**

Sl. No.	Circle	Wait list 31.3.96	Wait list 30.6.96	DELS Target 96.97
1		2	3	4
1.	Andhra	135054	175379	123000
2.	Assam	19648	22590	18000
3.	Bihar	42481	48856	47000
4.	Gujarat	211799	254602	198000
5.	Haryana	76914	91888	64000
6.	Himachal	24768	37696	27000
7.	J&K	27919	32288	23000
8.	Karnataka	153663	195300	133000

1	2	3	4
9. Karala	415321	505870	228000
10. M.P.	35806	48326	45000
11. Maharashtra	226144	278507	203000
12. Northeast	5961	10510	18000
13. Orissa	14682	22427	27000
14. Punjab	173005	206872	153000
15. Rajasthan	138150	161462	123000
16. Tamil Nadu	258642	307265	188000
17. UP East	52733	65662	80,000
18. UP West	65813	86453	75000
19. West Bengal	46998	55751	55000
20. A&N	1179	2183	2000
21. Mumbai	10572	41682	250000
22. Delhi MTNL	9221	51165	250000
23. Calcutta	47588	69116	55000
24. Madras	83187	87733	75000
Total	2277248	2859583	2450000

34. The Committee enquired as to what extent the increase in the BE amount in maintenance activity would bring down the maintenance disorders and complaints/grievances thereto. In reply it has been stated that the increase in the Budget Estimates was not more than the proposed increase in the number of telephone lines. However, all efforts would be made to improve the maintenance and reduce the number of complaints/grievances during 1996-97.

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 desires 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 basis 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.

36. From the circle-wise waiting list and provision of DELs furnished to the Committee, it is noticed that the worst affected circles where the waiting list is of high magnitude even after the fulfilling the 1996-97 targets are Kerala, Gujrat, Maharashtra, Tamil Nadu, Mumbai, Delhi, Calcutta and Madras. The Committee trusts that the Department will take effective steps to meet the rising demand in these circles and prepare a time schedule to meet the same. 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.

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

#### **D. Village Public Telephones (VPTs)**

38. The original 8th Plan target for Village Public Telephones was 3,09,000 which was subsequently revised upward to 3,38,000. The achievement during the first four years (1992-96) i.e. 1,42,173 and the target for this year is 75000 thereby making the likely achievement during the 8th Plan to 217,173 VPTs, leaving a shortfall of around 1.21 lakh VPTs.

39. As regards the reasons for such a huge shortfall in the achievement of VPTs, the Committee was informed that the target could not be achieved mainly because of non-supply of Multi Access Rural Radio (MARR) equipment and matched accessories in a phased manner within the stipulated time framed by the vendor. When the Committee enquired whether there was no proper planning on the part of DOT, the representative of the Department admitted that there was definitely some lacuna in the planning.

40. During evidence, the Committee wanted to know how this MARR technology was accepted and at what level and how many VPTs were actually working through this system. The DOT in a note have stated that MARR system provided the readymade solution for the unreliable Long Distance Public Telephones (LDPTs), which used to suffer from the vagaries of weather, theft etc. This MARR system could cater to the provision of a minimum of 15 villages besides being cost effective and less prone to maintenance disorders.

41. It was further stated that as on date 7921 number of MARR systems costing about Rs. 355 crores had been inducted into Telecom Network and 96,652 number of VPTs were actually working on this system.

42. As regards the steps taken to do away with the short supply of MARR systems and other matched accessories, it was stated that there would be no dearth of equipment and matched accessories during the current financial year because sufficient purchase orders had been placed well in advance on reliable indigenous vendors under cash procurement basis instead of under deferred payment basis (Lease Financing Agreement).

43. In reply to another query about the steps taken for providing the required number of VPTs, the Secretary, DOT has stated:—

“We have taken up from this year the identification of villages beforehand as a measure of meeting the target.....since the first quarter of this year the identification of villages has been done.”

44. The Committee enquired whether there were any guidelines for such identification and if not, how this was being done. In reply the representative submitted that there were no guidelines and the technical feasibility and the Gram Panchayat's participation were the criteria for identification of villages.

45. The Committee further pointed out that the initial plan target for VPTs was 3,09,000 was subsequently increased to 3,38,000 and enquired about the basis for such an increase. The Secretary, DOT in evidence replied that the basis of the increase was due to the assumption that private operators would provide for ten percent of their lines for Village Telephones. But their work has not yet even commenced.

46. In a subsequent note furnished to the Committee, DOT has stated that since the provision of telephones by private operators for basic services had been delayed by about three years, the plan for covering all the villages by 1997 has also suffered. The Department expected that

with the contribution towards installation of VPTs by private operators who are expected to start their operation by 1997, all the villages would be covered during the next three years.

47. It was further stated that a plan has been proposed yearwise for the years 1997-98, 1998-99 and 1999-2000 by the Department so that all the villages are covered by the turn of the century. In addition, negotiation is going on simultaneously with the Asian Development Bank (ADB), to secure a loan so that about 30,000 villages in Eastern U.P. can be covered. Major efforts have also been made to cover villages in M.P., Maharashtra, Bihar and West Bengal.

48. The Following statement showing the tentative targets for both DOT and the Private Operators for the next three years has been furnished to the Committee.

S.No.	Year	Operator	Target
1.	1997-98	DOT	83100
2.	1998-99	DOT	76300
3.	1999-2000	DOT	55100
SUB TOTAL (I)			214500
4.	1997-98	PRIVATE	29300
5.	1998-99	PRIVATE	47100
6.	1999-2000	PRIVATE	21300
SUB TOTAL (II)			97700
TOTAL (I + II)			312200

49. As regards the STD facilities, the Committee has been informed that all the 522 District Headquarters in the country have been connected with STD facilities whereas out of 1159 sub-divisional Headquarters, 1092 have been covered and 67 are yet to be covered.

50. The Committee desired to know the number of sub-Divisional Headquarters in North-East Region yet to be covered with STD facilities. In reply it was stated that out of the 67 remaining Sub-Divisional Headquarters to be connected with STD facilities, as many as 51 are in North East Region. It was elaborated that out of the 115 SDHQs in North East Region 64 were already provided with STD facilities whereas the remaining 51 would be covered during the next two years.

51. The Committee deprecates that there would be huge shortfall in the achievements of target of Village Public Telephones (VPTs)

during the 8th Plan period mainly due to non-supply of Multi Access Rural Ratio (MARR) Systems and matching accessories in a 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 years *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 project 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 the 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.

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.

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



**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.**

#### **E. TAX Capacity**

55. The original 8th plan target for TAX capacity was 2.72 lakh K lines which was increased to 7 lakh K lines in the Revised target. The achievement for the first four years *i.e.* 1992 to 1996 is 4.12 K lakh lines and the target for the last year is 3.5 K lakh lines thereby making the anticipated achievement as 7.62 lakh lines, which is more than the target of 8th plan.

56. The target for 1995-96 was 370 K lines for TAX capacity whereas the achievement was 197.2 K lines. The reason for such shortfall during the last year was stated to be on account of delay in price negotiation. Clarifying the position in reply to a query by the Committee in this regard, DOT has stated that tender was opened in April, 1994 and Advance purchase Order was placed on 14.9.1994. Before the placement of purchase order the equipment was required to be validated in order to test the same in the Indian Traffic requirement. But there was delay in getting the equipment validated and after the validation was over the supplier was not willing to supply the equipment at the same price as quoted in the tender due to variations in the foreign exchange and increase in the cost of material. Thus after holding a negotiation the price was finalised and orders placed in May, 1996.

57. It was further stated that such problem is not anticipated in future as the equipment of two technologies have already been validated and action is being taken in advance for validating the other technologies by TEC.

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 197.2 K lines. It is a matter of grave concern that advance purchase order was placed as late as on 14.9.1994 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.

## F. UHF

59. The 8th 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 8th Plan would thus, amount to 34295 R Kms. leaving a staggering shortfall of 55, 705 R Kms.

60. The Committee enquired about the reasons for such shortfalls . In reply, DOT has stated that there was considerable delay in getting infrastructure ready in remote and rural areas for installing and commissioning VHF systems. Hence, from 1995-96 onwards a realistic target of 8000 R Kms. to 10000 R Kms. per year is being aimed at.

61. The Committee views with great concern that at the end of the 8th 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.

## III. PUBLIC SECTOR UNDERTAKING

### G. Indian Telephone Industries Ltd. (ITI)

62. The capital expenditure incurred by ITI Ltd. during 1994-95 was Rs. 35.90 crores against the proposed capital outlay of Rs. 130 crores. The proposed capital outlay for the years 1995-96 and 1996-97 are Rs. 132 crores and 196 crores respectively. The company incurred a loss of Rs. 81.91 crores in 1994-95 and Rs. 283.98 crores in 1995-96 even though it had earned a pre-tax profit of Rs. 176.35 crores in 1993-94.

Asked whether the company would make any profit during 1996-97, the CMD, ITI replied in negative.

However, the Committee drew attention of the witness to the fact that it has been indicated in the Performance Budget that the company would show an improve performance and make a profit of Rs. 17 crores. The Secretary, DOT clarified the position as under:—

“This is diametrically opposite to what he had submitted. I cannot disown it. It is printed.”

63. Asked if any Budgetary support was given to ITI, the representative of ITI stated that Budgetary support was given only up to the year 1984. It was further stated that the company got a setback because they had low purchase orders from DOT.

64. The Company has become sick. In order to turn it around, the Committee enquired about the quantum of financial assistance which is required to make it financially sound as even the bankers are reluctant to finance it further. In reply the CMD the ITI replied:

“We need about Rs. 350 crores. The Bankers are not giving cash credit and they are asking for Government guarantee. They also want a nominee on the Board for which we have requested the Ministry. Presently, we have an authorised capital worth Rs. 100 crores and a paid up capital worth Rs. 88 crores. Moreover, issues worth Rs. 160 crores are outstanding. We are negotiating all these things with the Ministry and if we get lumpsum amount, we hope to swim through the crisis.”

65. The Committee enquired whether for such provisions the Planning Commission was approached. In reply, the Secretary, DOT stated that so far as equity provision was concerned they had to approach both the Ministry of Finance and the Planning Commission.

66. To a specific query of the Committee, it was stated that neither the Ministry of Finance nor the Planning Commission has yet been approached in the matter.

67. The Committee during its visit to ITI at Bangalore in September, 1995 was apprised that major reasons for reduction in turnover and profit of the company were lower price realisation, inadequate supply order, the high manpower cost, interest burden, high overhead cost and also social cost. It was also stated that there was under-utilisation of the capacity of ITI due to non-compliance of MOU conditions (Government Assistance) and Government Directives, unfavourable tender conditions of DOT, unreasonable policy of preferential reservation in order placement, obsolescence of some products developed by ITI's own R&D etc.

68. In that context the Committee desired to know the steps taken by the Government to revive ITI. In reply it has been stated that the Government took the following measures to help ITI:—

- (i) A policy of reservation of orders for ITI outside the tender has been evolved.

- (ii) The losses incurred by Srinagar unit of ITI have been compensated to the tune of Rs. 9.30 crores.
- (iii) The Company has been partly reimbursed the expenditure on account of their payment towards Voluntary Retirement Scheme.
- (iv) DOT Circles were instructed to clear the ITI dues expeditiously and decision taken to make payment to ITI through PAOs located in various Units of ITI.
- (v) Decision taken to give advance payment of 35% against DOT orders which has been recently enhanced to 50%.
- (vi) ITI authorised to undertake cable laying jobs in DOT circles.
- (vii) ITI encouraged to enter into new products/services.
- (viii) The Company has been advised to exploit potential of Telecom markets other than DOT and to reduce their cost of production and increase its productivity.
- (ix) The Company has also been advised to strengthen their marketing set up, make special efforts to realise their outstanding payments and to develop a mechanism at Corporate level to monitor the aspects of diversification, to improve their exports, reduce their inventories and ensure even production throughout the year.
- (x) Two Committees of departmental officers, having representatives of ITI also set up for expeditious settlement of pending liquidated damages cases and financial issues.
- (xi) The Company has been advised to engage a firm of Consultants having sound experience to suggest remedial measures and turn around strategy for the Company.

69. The CEO of the Company however submitted that for revival of the Company following steps may be taken by the DOT.

- (i) Reimbursement of social cost per year to the tune of Rs. 140 crores over next five years.
- (ii) Increase in the equity of the Company by Rs. 200 crores by Government.
- (iii) Grant of soft loan for Rs. 150 crores.
- (iv) Compensation for VRS paid by Company to the tune of Rs. 49 crores and losses suffered in Srinagar Unit to the tune of Rs. 10 crores.

- (v) Extending Government Guarantee to the Banks and accepting the appointment of Banks nominee on the ITI Board.
- (vi) Finalisation of all the outstanding issues within one month as referred to in the letter to Member (Production) *vide* letter No. EDRM/13 dated 25.7.1996.
- (vii) Adhoc payments to the tune of Rs. 120 crores against outstanding issues.
- (viii) Sufficient orders to ensure atleast 85% capacity utilisation. Alternatively, all reserved quota to be increased to 50% for ITI alone.
- (ix) As of now, ITI is a loss making Company. The Multinationals are reluctant to tie up with ITI for new technology. At the same time, they show keenness once the reservation is assured to ITI. It is necessary that whenever a new technology such as Wireless in Local Loop is introduced, ITI may be given 30% reserved quota even at the time of Planning. This will help ITI to attract multinationals to enter into transfer of technology agreements at reasonable terms. This way technology base can be updated very fast.

70. To a specific query as to the action taken by ITI to diversify into new areas, the following information was furnished to the Committee.

- (i) Services like VSAT, MRT and Pagers. Out of these VSAT services have already been launched.
- (ii) Provide total solutions for Banking video conferencing etc.
- (iii) Manufacturing and marketing of Pagers, Cellular Phones, Cordless Phones and Pay Phones etc.
- (iv) Efforts are being made to tie up in the new technology areas like wireless in local loop, Digital Loop Carrier, Digital MARR etc.
- (v) In addition, in negotiations with the Department of Telecommunications to work as its extended arm in providing services.
- (vi) Also in negotiations with the Department of Telecommunications for undertaking turn-key projects like laying of cables and installations of exchanges etc.
- (vii) In contact with Private Basic Service Providers for providing total solutions to their requirement of networking.

- (viii) Efforts are on to undertake sub-contracting working for effective utilisation of spare capacity and extra manpower.
- (ix) Bid competitively for all the tenders being floated by the DOT and if necessary, change the technology tie up so that the technology procured is competitive in the Indian market.
- (x) Diversification of customer base.
- (xi) Cost Reduction in areas like material cost, inventory cost, value engineering, waste elimination and over-head reduction.
- (xii) Export of equipment.

71. The Committee enquired whether ITI has already started manufacturing Cellular Phones and pagers and whether it was aware of a duty reduction on these items. In reply, the CMD, ITI submitted that they would manufacture pagers and cellular—phones in near future. The Company expects to have a turnover of over 300 to 400 pagers per month. In case of cellular phones, it is also likely to grow. As regards the effect of duty reduction on cellular phones and pagers, the company is in constant touch with the Ministry/Department to consider the whole aspect. But the CMD expressed the apprehension that reduction in duty and import of equipment will tell on the company's performance.

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.

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.

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.

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

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.

#### H. VIDESH SANCHAR NIGAM LIMITED (VSNL)

77. The Videsh Sanchar Nigam Ltd. (VSNL) caters to the country's international communication needs by providing telephone, telex, telegraphy, international maritime mobile communication, Internet Service and a host of other modern service through its network.

78. During evidence the representative of VSNL submitted:—

“For the Plan period 1992-93, our investments were Rs. 900 crores in the initial stages. But in the mid-term review, they were revised to Rs. 1800 crores ..... We have already completed projects worth Rs. 1450 crores and we expect to complete the remaining projects upto the completion of its present plan period, that is by 31 March, 1997.”

79. He further stated that they have a plan of installing 15,000 International Terminations for operation by the end of 1997 and they had already made about 13,500 terminations in operation till date. They would instal another 14,000 lines during 1996-97. Their target for the 9th Five Year Plan is somewhere between 35,000 to 40,000 terminations which they are confident of achieving.

80. When the Committee desired to know whether VSNL was facing any competition, the representative replied:—

“Sir, at present we are not facing any competition in the core business of international divert lines. But we also provide some of the value added services, for example, providing lines videos electronic make... But I am very confident that we are ahead of the competition and we are able to face it.”

81. The Committee was informed that one problem which VSNL was concerned with was the declining ratio of outgoing to incoming traffic which affected the entire revenue. It was simultaneously stated that this aspect was being specifically looked into.

82. During evidence it was elaborated that for every incoming and outgoing call VSNL has a settlement rate. They get on an average one dollar for every minute of the call which they receive and send. In this transaction the earning from the USA alone is Rs. 250 million worth of foreign exchange on an average per year. During 1995-96 the earning was about 800 million dollars of exchange. But of late the developed countries are of the view that its standard rate of one dollar per minutes should be reduced thereby putting VSNL under tremendous pressure, because if it really happens so, VSNL would face a shortfall of Rs. 2,000 crores to Rs. 2,500 crores to implement their plans.

83. When the Committee enquired in the eventuality of such a huge shortfall, how the VSNL would be able to raise the required amount the witness replied:—

“There are only two options for us. One is either we may have to look as to what are the priority areas so that we are able to withstand the competition. Otherwise we have to go in various other types of funding, may be even borrowing.”

**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.**

## **I. HTL Limited**

85. HTL was established in 1960 in Madras as a single product company. With the phasing out of electronic teleprinters, the Company has diversified initially into Main Distribution Frames and then took up manufacture of C-DOT Switching Equipment followed by Large Digital Electronic Exchanges with Siemens Technology. Besides this, the company has also undertaken production of Transmission and Data Products covering the entire range of Data Modems. HTL is well equipped with up-to-date technology and skill and possesses expertise to manufacture any hardware item and to integrate the hardware with micro processor based electronic systems. The company has an excellent R & D with a dedicated team of about 50 Engineers.



86. HTL is also contemplating to add state of the art products/technology like cellular phones, Surface Mount Technology, etc. The company also has a plan to establish a Telecom. Training Institute for imparting telecom training in collaboration with two other Indian partners. In order to make their products more competitive, HTL is making consistent efforts to reduce the overhead and manpower costs. Voluntary Retirement Scheme was also introduced in the company.

87. CMD, HTL in a note has given certain suggestions for improvement, which *inter-alia* include restructuring of the Capital; Budgetary support; Advance payment against purchase orders; realistic delivery schedule; exclusive rights to development' manufacture and deployment of certain items of equipments. Besides, it has been submitted that existence of the company would depend on continuously getting the benefits from supplementing manufacture in service activity by undertaking basic services. The company, therefore, expects provisions for Basic Services atleast in one large Metro/States earmarked HTL.

88. The Committee draws some satisfaction from the fact that HTL Limited 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.

NEW DELHI;  
August 27, 1996  
Bhadra 5, 1918 (Saka)

SOMNATH CHATTERJEE,  
Chairman,  
Standing Committee on Communications.

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

The Committee met on Monday, the 12th August, 1996 from 15.00 to 17.40 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

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 Pankaj Chaudhary
9. Shri Somjibhai Damor
10. Shri M.P. Veerendra Kumar
11. Shri R. Devadas
12. Shri V.P. Shanmuga Sundram
13. Shrimati Geeta Mukherjee
14. Shri Churchill Alemao

*Rajya Sabha*

15. Shrimati Venna Verma
16. Shri Ahmed Patel
17. Shri Govindram Miri
18. Shri O. Rajagopal
19. Shri Narendra Pradhan
20. Shri Md. Salim

SECRETARIAT

1. Shri J.P. Ratnesh - *Joint Secretary*
2. Shri S.K. Sharma - *Under Secretary*

REPRESENTATIVES OF THE MINISTRY OF COMMUNICATIONS

DEPARTMENT OF TELECOMMUNICATIONS

- |                          |  |
|--------------------------|--|
| 1. Shri M.P. Modi        | Chairman Telecom Commission<br>and Secretary DOT |
| 2. Shri G.C. Iyer        | Member (Finance)                                 |
| 3. Shri P.S. Saran       | Member (Services)                                |
| 4. Shri N.K. Sinha       | Member (Tech.).                                  |
| 5. Shri K. Sridhara      | DDG (LTP)  |
| 6. Smt. Anita Soni       | DDG (Budget)                                     |
| 7. Shri R.K. Panicker    | Director (TPS)                                   |
| 8. Shri Jainendra Kumar  | Director (CP)                                    |
| 9. Shri V. Nagabhushanam | Director (PFR)                                   |

2. At the outset the Chairman welcomed the officials of the Ministry of Communications, Department of Telecommunications.

3. The Committee sought clarifications on issues relating to the Demands for Grants 1996-97 as well as other related points.

4. A verbatim record of the meeting has been kept.

*The Committee adjourned to meet again on 13th August, 1996.*

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

The Committee met on Tuesday, the 13th August, 1996 from 1100 to 1300 hrs. in Committee Room No. 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri K.L. Sharma
3. Dr. S.N. Jatiya
4. Prof. Rasa Singh Rawat
5. Smt. Sheela Gautam
6. Shri Pankaj Chaudhary
7. Shri Girdhar Gamango
8. Smt. Sukhbuns Kaur
9. Shri Somjibhai Damor
10. Shri M.P. Veerendra Kumar
11. Shri R. Devadas
12. Dr. Shafiqur Rehman Barq
13. Shri V.P. Shanmuga Sundram
14. Shri Kothapalli Subbarayudu
15. Shrimati Geeta Mukherjee
16. Shri Keshab Mahanta
17. Shri Churchill Alemao

*Rajya Sabha*

18. Shrimati Veena Verma
19. Shri Ahmed Patel
20. Shri Govindram Miri
21. Shri O. Rajagopal
22. Shri S. Austin
23. Shri Ish Dutt Yadav

## SECRETARIAT

1. Shri J.P. Ratnesh – *Joint Secretary*
2. Shri S.K. Sharma – *Under Secretary*

## REPRESENTATIVES OF THE MINISTRY OF COMMUNICATIONS

*Department of Telecommunications*

- |                          |   |                             |
|--------------------------|---|-----------------------------|
| 1. Shri M.P. Modi        | — | Chairman Telecom Commission |
| 2. Shri G.C. Iyer        | — | Member (Finance)            |
| 3. Shri P.S. Saran       | — | Member (Services)           |
| 4. Shri N.K. Sinha       | — | Member (Tech.)              |
| 5. Shri K. Sridhara      | — | DDG (LTP)                   |
| 6. Smt. Anita Soni       | — | DDG (Budget)                |
| 7. Shri R.K. Panicker    | — | Director (TPS)              |
| 8. Shri Jainendra Kumar  | — | Director (CP)               |
| 9. Shri V. Nagabhushanam | — | Director (PFR)              |

2. The Committee sought clarifications from the officials of Department of Telecommunications on issues relating to the Demands for Grants 1996-97 and other allied points which could not be completed the previous day.

3. The Committee thanked the officials of the Department of Telecommunications for furnishing valuable information to the Committee and for expressing free and frank views on various points raised by the Members.

*The Committee then adjourned.*

MINUTES OF THE FIRST SITTING OF THE SUB-COMMITTEE 'B'  
OF COMMITTEE ON COMMUNICATIONS (1996-97)

The Sub-Committee met on Wednesday, the 21st August, 1996 from 1100 to 1300 hrs. in Room No. 140 (Chairman's Room), Parliament House, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Smt. Sheela Gautam
3. Shri Somjibhai Damor
4. Shri Dinesh Chandra Yadav
5. Shri Kothapalli Subbarayudu

*Rajya Sabha*

6. Shri O. Rajagopal
7. Shri Md. Salim
8. Shri Satish Pradhan

SECRETARIAT

1. Shri J.P. Ratnesh — *Joint Secretary*
2. Shri Ram Autar Ram — *Deputy Secretary*

2. The Sub-Committee took up for consideration the Draft Report on Demands for Grants 1996-97 of the Ministry of Communications (Department of Telecommunications) and approved the same with some modifications.

3. The Sub-Committee desired that a Chapter on VSNL should be added in the Draft Report before it is placed before the main Committee.

4. The Sub-Committee then adjourned.

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

The Committee met on Monday, the 26th August, 1996 from 16.15 to 17.00 hrs. in Committee Room No. 53, Parliament House, 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 R. Devadas
8. Shri V.P. Shanmuga Sundram
9. Shrimati Geeta Mukherjee
10. Shri Keshab Mahanta

*Rajya Sabha*

11. Shrimati Veena Verma
12. Shri S.S. Ahluwalia
13. Shri Ahmed Patel
14. Dr. Ramendra Kumar Yadav Ravi
15. Shri Ish Dutt Yadav
16. Shri Satish Pradhan

SECRETARIAT

Shri J.P. Ratnesh — *Joint Secretary*  
Shri Ram Autar Ram — *Deputy Secretary*  
Shri S.K. Sharma — *Under Secretary*

2. The Committee took up for consideration the Draft Reports on Demands for Grants (1996-97) relating to the Ministry of Communications—Department of Post & Department of Telecommunications and Ministry of Information & Broadcasting and adopted the same without any modifications/amendments.

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

*The Committee then adjourned.*