

ESTIMATES COMMITTEE

1960-61

HUNDRED AND THIRTEENTH REPORT

(SECOND LOK SABHA)

POSTS AND TELEGRAPHS DEPARTMENT

PART IV

Workshops and Stores Organisations



सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

March, 1961

Phalgun 1882 (Saka)

Price : Re 0.50 nP.

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CORRIGENDA

Hundred and Thirteenth Report of the Estimates Committee on the Posts and Telegraphs Department — Part IV — Workshops and Stores Organisations.

Page 3, para 11, line 1. *for* 'that meet' *read* 'that to meet'

Page 3, para 11, line 13, *for* 'he' *read* 'the'

Page 7, para 30, line 13, *for* 'manufatcuring' *read* 'manufacturing'

Page 7, para 32, in marginal heading *for* 'Machanisation' *read* 'Mechanisation'

Page 12, para 49, item (6)(a) *for* '1/.092' *read* '1/ 29'

Page 13, para 51, in col. 2 of the statement, *for* 'V ue' *read* 'Value'

Page 27, Serial No. 2, line 2, *for* 'Wprkshops' *read* 'Workshops'

Page 27, Serial No. 2, line 5, *for* 'due' *read* 'view'

Page 27, Serial No. 4, line 1. *for* 'Statistica' *read* 'Statistical'

Page 27, Serial No. 4, line 2, *for* 'wil' *read* 'will'

Page 27, Serial No. 6, line 2, *for* 'ands cientific' *read* 'and scientific'

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1960-61

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(iv)

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Shri K. Ranganadham—*Under Secretary.*

INTRODUCTION

1. the Chairman, Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present this Hundred and Thirteenth Report on the Posts and Telegraphs Department—Part IV—Workshops and Stores Organisations.

2. The Committee wish to express their thanks to the Director-General, Posts and Telegraphs and other officers of the P & T Department for placing before them the material and information that they wanted in connection with the examination of the estimates.

3. A statement showing an analysis of the recommendations contained in this Report is also appended to the Report (Appendix III).

NEW DELHI-1,

H. C. DASAPPA,
Chairman,
Estimates Committee.

The 15th March 1961

The 24th Phalguna 1882 (Saka)

WORKSHOPS ORGANISATION

A. Introduction

The P & T Department has three workshops under it at Calcutta, Bombay and Jabalpur. The Calcutta Workshop was established about 1875 for centralised repair of telegraph and telephone instruments in use. Subsequently manufacture of tele-communication equipment which included line stores as well as instruments was taken up. At present the Workshop manufactures many instruments and line stores for telegraphs and telephones as well as tools, jigs and fixtures. Organisation.

2. The Bombay Workshop was originally a repair workshop under the ex-Bombay Telephone Company and was taken over along with the Telephone system in 1943. Immediately thereafter, it was developed into a production unit to meet the war-time requirements of the P & T and Defence for telecommunication expansion. The principal items manufactured are manual and trunk switch-board equipment.

3. The Workshop at Jabalpur was started in 1942 as a war-time measure of dispersal. The Workshop produces tubes and associated line stores, magneto switch-boards and protective telecommunication equipment and accessories.

4. The General Manager is the chief executive of the Workshops Organisation. Each Workshop is under the control of a Manager who is directly responsible to the General Manager.

B. P & T Workshops Board

5. The P & T Workshops Board controls the finances and coordinates the activities of the different units of the P & T Workshops. It arranges for procurement of raw materials and looks after staff amenities. The Board exercises also all the powers vested in the Director-General, Posts and Telegraphs in respect of administrative and disciplinary matters. Functions.

6. The composition of the Board is as follows:—

Members of
the Board.

1. Chief Engineer, P & T—Chairman.
2. Additional Chief Engineer, P & T—Vice-Chairman.
3. Joint Secretary, Ministry of Finance—Member.

4. General Manager, P & T Workshops—Member Secretary.
5. Deputy General Manager, P & T Workshops—Member Deputy Secretary.
6. A non-official Member.
7. An employee of the Workshops possessing specialised knowledge of labour problems.

It will be seen that the P & T Stores Organisation which is vitally interested in the programme and volume of production of the Workshops is not represented on this Board.

7. The Committee were informed of two cases of cancellation of orders while in the process of manufacture in the Workshops:—

- (i) Lightning Dischargers, numbering 3859, involving a loss of about Rs. 41,000; and
- (ii) G. P. O. Relays, numbering 1912, involving a loss of Rs. 1.6 lakhs.

This infructuous expenditure could have been avoided if there was better coordination between the Stores and Workshops Organisations. *It would, therefore, be advisable if the Chief Controller of Telegraph Stores could be associated with the P & T Workshops Board.*

C. Workshops as an autonomous body

Views of
P & T Work-
shops Board.

8. The Committee were informed that the P & T Workshops Board had recently reviewed the working of the P & T Workshops in the context of the increased demand of stores from the P & T Department and had come to the conclusion that it would not be possible for the Workshops to meet the demand in full unless the Workshops Organisation was set up on the lines of the Indian Telephone Industries, Hindustan Cables Ltd. etc. and made into an autonomous body. The Board were of the view that at present the difficulties and delays in sanction of works, procurement of raw materials, provision of machines and plant, recruitment of staff and construction of additional accommodation caused due to the procedure to be followed as a government department were so great that any large scale improvement in production was not possible within a reasonable period. The Committee were informed that the question of changing the set-up of the P & T Workshops Organisation to a fully autonomous body had been taken up.

Efficient
working
under De-
partmental
management.

9. *The Committee are not convinced of the need for such a basic and radical alteration in the existing set-up. They feel that instead of constituting the Workshops Organisation as an*

independent autonomous body, it would be better to run it under departmental management as in the case of the Chittaranjan Locomotive Works and the Integral Coach Factory, Perambur. Such administrative changes and procedural modifications as are necessary in the interest of efficient management could be effected within the existing frame-work. Even more important than the form, it is the manner of functioning which has a vital bearing on productivity. For example if Workshop accounts are drawn up as in a commercial enterprise, a comparative and analytical study of the performance of the three Workshops could be made with a view to increase productivity.

D. Shifting of Calcutta and Bombay Workshops

10. The Committee were informed that it was proposed to shift the Calcutta and Bombay Workshops to new sites. Calcutta Workshop. The West Bengal Government had suggested the shifting of the Calcutta Workshop to Kalyani. No final decision had however been taken in the matter. The Committee were also informed that the staff had expressed their unwillingness to shift to the proposed new site.

11. The Committee understood that meet the increasing demands during the War, considerable increase in production took place. It was stated that attention however was devoted more to production than to planned expansion, with the result that there was hardly any space left for planned expansion now. Considerable difficulty was also felt because of the absence of a railway siding. The expansion of the Workshop had become imperative for meeting the increasing demands of the Department. *In view of these considerations, the Committee urge that no further time should be lost in settling the question of selection of site for the future location of the Calcutta Workshop. Once the site is selected, all arrangements for the construction of buildings, installation of machinery etc. may be expeditiously undertaken.*

12. The Bombay Workshop was proposed to be shifted to a new site at Mankhurd, about 11 miles from the existing Bombay Workshop Bombay Telephone Workshop where land for the factory had been acquired. The whole project would cost a sum of Rs. 87.19 lakhs (approx.).

13. The Committee were informed that the C. P. W. D. had stated that it would take them 40 months to complete the buildings, while private architects had offered to do it in 18 months. *The Committee see no reason why if private architects can finish the construction in 18 months, the*

C. P. W. D. should require more than twice this period. As the land for the new workshop has already been acquired, every effort may be made to complete the construction work early and shift the workshop there expeditiously.

14. As the Bombay and Calcutta Workshops at present are on sites which are in highly developed areas, it should prove of considerable value on release and would provide substantial funds necessary for constructions in their new locations. If however they propose to retain the same they must put the lands etc. to the most advantageous use.

Margin for future expansion.

15. The requirements of the P & T Department are increasing year by year. With the development that is taking place in the country under the Five Year Plans, the demands for telecommunication facilities will also naturally increase. Increased demands are therefore likely to be placed on the P & T Workshops to meet these growing needs. In finalising the plans for the new workshops, therefore, it may be ensured that sufficient margin is kept for future expansion.

Exports.

16. While settling plans for future production, the Committee would suggest that the possibilities of export of telephone and telegraph stores to foreign countries may be investigated and kept in view.

Better layout.

17. During their visits to the Workshops the Study Groups of the Committee noticed that the maintenance of some of the workshop sheds was unsatisfactory. At one place the roof of a shed was leaking causing frequent interruption in work.

18. The Study Groups of the Committee also felt that in some of the shops, the layout could be better and that the conditions of work, lighting, environment, hygiene etc. were not upto the mark. The Committee hope that in the new workshops, adequate attention will be paid to layout, lighting and environment which are important factors, in increasing efficiency. Meantime, it is hoped that the conditions in the existing workshops would be improved as far as possible.

E. Production

Actual production.

19. The value of stores produced by the workshops during the last four years was as follows:—

1956-57	Rs. 184·91 lakhs
1957-58	Rs. 182·81 „
1958-59	Rs. 204·69 „
1959-60	Rs. 227·29 „

The production target for 1960-61 was placed at Rs. 475 lakhs which was more than double the production of 1959-60.

The Committee were informed that higher production was proposed to be achieved by increasing the capacity of existing shops and sections, working additional shifts, improving techniques and productivity and introduction of incentives. These hopes have however not been realised. The production in 1960-61 was expected to total only Rs. 310 lakhs.

20. The Committee also understand that due to inadequate production of galvanised steel tubes at Jabalpur, tubes worth Rs. 44.54 lakhs had to be imported in 1957-58 from abroad. Apart from the foreign exchange requirements, the price paid for imported tubes was higher than workshop rate as will be seen from the following figures:—

Item	Imported Rate	Workshops Rate
Tubes A 8 ft.	Rs. 28.00	Rs. 17.45
Tubes C 8 ft.	Rs. 39.58	Rs. 32.67

21. It is interesting to note in this connection the extent of net pending orders with the workshops at the end of the last three years:—

1957-58	Rs. 64 lakhs
1958-59	Rs. 122 lakhs
1959-60	Rs. 185 lakhs
1960-61	Rs. 230 lakhs (expected)

The Committee are concerned to note that the gap between the production in the Workshops and requirements has been increasing with the years.

22. The main obstacle in achieving the production targets was stated to be the difficulty in obtaining raw materials, with the result that other measures like working of additional shifts, etc. were actually not resorted to.

23. The Committee were shown a list of items of raw materials which were in short supply and which hampered production. The indigenous items were (1) mild steel (900 tons) for tubes, (2) channel iron (2400 tons) for brackets, (3) pig iron (1200 tons) for casting articles, and (4) hard coke (400 tons) also for casting articles. It was stated that the last two items were in short supply because of "shortage of wagons."

24. The Committee are not fully convinced that it was impossible for the Workshops Organisation to secure sufficient raw materials or arrange for their transport and to achieve the production targets laid down. The Committee were informed that most of the raw materials were obtained through the Directorate General, Supplies and Disposals and

that considerable delays often took place in their supply causing difficulty in production planning and timely execution of plans. Difficulties were also said to be experienced in the matter of procurement of steel through the Iron and Steel Controller.

Closer liaison with DGS&D.

25. *These appear to be the general complaints of the user Ministries and Departments. The representatives of different Ministries who appeared before the Committee have time and again referred to delay in procuring equipment and stores through DGS&D. While the Committee do not belittle the problems and the immensity of the task they must stress the need of advance planning and closer liaison at appropriate levels between the indenting departments and DGS&D with a view to see that procedural and other delays are removed.*

Shortage of wagons.

26. *As regards shortage of wagons, the Committee feel that the Department should have taken up the matter in earnest with the Railways with a view to ensure that there was no transport bottle-neck in moving the raw materials etc. to Workshops.*

Shortage of iron and steel.

27. As far as iron and steel are concerned, the Committee were informed by the Department that the following measures, if taken, would expedite procurement:—

- (1) The system of allotment of quarterly quota should be replaced by a system of yearly quota with staggered quarterly supplies so as to cut out procedural delays in applying for quota every quarter.
- (2) Quota certificates should be abolished entirely in respect of items, the indigenous production of which is adequate. This has since been done in respect of all items except M.S. sheets. Sheets and channels should be imported to the extent the indigenous supplies are inadequate.
- (3) The order of the Iron and Steel Controller on the indigenous firm or importer should carry with it a definite delivery date. This is not the case in respect of indigenous firms, who always complain in turn about the delay of supplies to them of billets.
- (4) The P & T Department should be included in the hard core of the Plan.

28. *The Committee suggest that the P & T Department may take up the question of supply of iron and steel with*

the Iron and Steel Controller and if necessary with the Planning Commission. They hope that a satisfactory solution for assuring regular supply of iron and steel to Workshops will be reached soon. This should not be much of a problem with the increase in output of iron and steel in India.

29. The General Manager and Managers of Workshops may constantly watch the position and take timely and adequate steps to ensure that the stock balances are not allowed to fall. The P & T Workshops Board may also pay special attention to this matter.

30. The Committee would like to emphasise in this connection the importance of obtaining the help of ancillary industries. The Committee are glad that even now, some of the work was being done by outside agencies, for example, rubberising of tinsel wires, manufacture of core for relays etc. but are of the view that much more can be done in this direction. They recommend that a list of all items for which the help of ancillary industries can be taken in the manufacture of stores may be prepared, and given adequate publicity so as to attract interested producers. In the United States, large Corporations obtain their requirements from small business—for instance BELL Telephone System's manufacturing and supply unit (the Western Electric Co.) does business with more than 30,000 small units. In 1958 their purchases from these units were said to have totalled one billion dollars.

31. If there is a co-ordinated plan for manufacturing a large number of items in this manner, the Committee are convinced that it would not only increase production but also result in economy. It would obviously be better if the Workshops concentrated on items which were not available economically elsewhere within the country.

32. The Committee feel that there is great scope for mechanisation of operations in the Workshops. They learnt that some studies were being made in this respect in the foundry at Calcutta and for galvanised tubes in Jabalpur. The Committee recommend that constant studies may be undertaken in all the Workshops to explore possibilities of mechanisation and rationalisation of operations, with a view to achieve greater efficiency and production.

33. The Committee were glad to note that there was an Employees Suggestion Scheme for improving the working and increasing the output of the Workshops. The importance of such a scheme needs no stress. To the organisation, it is capable of bringing advantages of improved working and increased

efficiency and economy; to the employees, it gives a sense of pride and participation besides monetary benefits and chances for betterment. Several industrial undertakings give such schemes a position of importance and nurture them with liberal payments. For example, the Committee understand that in the ten years upto 1960, the employees of the Tata Iron and Steel Company Limited have put forward a total of 10,165 major and minor suggestions—an average of three a day. In the latest year, 445 suggestions were received, 54 of which have merited rewards. It is also understood that a foreman was recently awarded Rs. 3,000 by the company for an invention that he made.

Productivity techniques.

34. The Committee were informed that a few members of the staff—managerial, supervisory and workers—had been trained in productivity techniques by the National Productivity Council and that the results had been helpful in improving methods and layout of plant and flow of work. *They recommend that more persons may be trained in modern productivity techniques and steps taken to apply these techniques to increase output.*

Statistical quality control.

35. The Committee were informed that statistical quality control had been introduced in the Calcutta Workshop since 1958. It was stated that besides ensuring the requisite quality level during all stages of production, it had also helped in effecting considerable economy by reducing rejection percentages in various products. For example, the rejection percentage had been reduced in the Calcutta Workshop for Foundry from 16·5 per cent to 10·5 per cent and for Stalks from 9·6 per cent to 4·5 per cent besides saving about 50 per cent re-work on special screws.

36. The Committee were glad to know that statistical quality control was being extended to the Bombay and Jabalpur Workshops from April 1961 and that one officer from each of the Workshops was being trained for this purpose. *They hope that the application of this modern productivity technique in all the Workshops will bring about economy in production costs by reducing wastage. At present the statistical quality control technique was applied only to a few selected products. The scope of this control may be extended gradually to all products where its application is possible.*

Piece rate system of wages.

37. The piece rate system of wages was in force in Workshops upto 1947, when as a result of the First Pay Commission, time scales were introduced. The Committee were informed that with the introduction of the system

of monthly wages, productivity fell and that it was even now low.

38. Help of a United Nations Expert was obtained under the United Nations Technical Assistance Programme from November 1956 to May 1958 to introduce improved techniques in productivity and train officers in Time and Motion Study and rate fixing in the P & T Workshops. The U.N. Expert in his report has observed:—

“To introduce time and motion studies is not easy in any workshop. Poor organisation and under-developed production methods can be hidden to some extent when the workshop has not implemented time and motion study. When this technique is introduced, many problems will, of course, be faced and these will have to be solved and within a limited time, if time and motion study should prove successful. It took too long a time to solve the problems, and most of the main ones were still not solved when I felt.

“In addition to this, the P & T Workshops has the problem of diverting sufficient staff to deal with new schemes. As a result of this, five officials only out of thirteen trained were practising time and motion study at the end of my stay.

39. *The Committee regret to note that in spite of the training given to the officers of the Workshops and the recommendations of the U.N. Expert, no effective action has been taken by the Workshops Organisation to complete “Time and Motion Studies”. The Committee hope that necessary studies will be initiated in all the Workshops and norms fixed for different categories of workers.*

40. The Committee were informed that as it was not possible to go back to a straight piece rate system, incentives linked with output were proposed to be fixed. *The Committee hope that the incentive scheme would be finalised speedily and given effect to.*

41. *The Committee also feel that it might be desirable to have a technical review of the working of the Workshops by a competent independent engineering authority once every five years so as to learn from experience and make sure that they were not lagging behind as compared to advances made in technical fields elsewhere.* Technical review.

**Absenteeism
of workers.**

42. The Study Group of the Committee were informed during their visit to Jabalpur Workshop that absenteeism in the Workshop was high in May and June owing to the marriage season, etc. The Study Group also noticed that a number of machines were not in operation as the workers were absent. *This contingency can be easily met by keeping a panel of workmen qualified to work on the machines in each Workshop so that the machines are not kept idle in the absence of regular operators.*

II

STORES ORGANISATION

A. Introduction

43. The Stores Organisation of the P & T Department is under the charge of the Chief Controller of Telegraph Stores, Calcutta, who functions directly under the Director General, Posts and Telegraphs. The Organisation was set up in 1884. Prior to that year, since 1855, the Telegraphs Stores Organisation was a part and parcel of the Telegraph Workshops. In 1884, there was only one main depot at Calcutta which supplied the stores throughout India and Burma. At present, the Organisation has 5 main depots, 7 branch depots and 10 divisional depots spread all over the country. For supplies to the postal side, each Head of Circle is assisted by a Manager Postal Stock Depot. ^{Present set-up.}

44. The main functions of the Stores Organisation are ^{Functions.} as follows:—

- (a) Procurement of stores required by the Engineering Branch of the Department for maintenance, construction and re-construction of telegraph, telephone and wireless assets.
- (b) Proper custody of the stores so procured before their issue.
- (c) Issue of the stores for consumption on works.
- (d) Disposal of unserviceable and obsolete stores returned from works.

B. Procurement of stores

45. The main sources of supply of stores are the Directorate General, Supplies and Disposals, Hindustan Cables Ltd., Rupnarainpur (through DGS&D), Indian Telephone Industries Ltd., Bangalore, and the P & T Workshops who supply manufactured articles.

Purchases
through

46. The value of stores indented through the DGS&D and those actually supplied during the last four years are indicated below:—

(figures in thousands of rupees)

Year	Value of stores indented	Value of stores received
1956-57	6,23,35	4,62,02
1957-58	2,07,46	4,36,39
1958-59	1,34,96	3,02,54
1959-60	2,42,23	2,86,40

Delay in
supplies.

47. The Committee were informed that considerable delays took place in the supply of the stores purchased through DGS&D. Very often it took 12 to 18 months for the completion of supplies. In the case of rate and running contracts, owing to heavy demands placed on the suppliers, they did not complete the supplies in less than 12 months.

48. The P & T Department had appointed a Liaison Officer with the DGS&D at New Delhi for effecting coordination and expediting supplies. The delays continued nevertheless.

Direct pro-
curement of
stores.

49. The Committee were informed that the Chief Controller of Telegraph Stores was authorised to make local purchases of stores in certain cases *e.g.* telegraph instruments, telephone instruments, batteries, rectifiers etc. The Department desired that the powers of the Chief Controller of Telegraph Stores should be enlarged so as to include the following types of stores which are used almost exclusively in the P & T but which have to be procured at present through the DGS&D:—

- (1) Telegraph and Telephone underground cables.
- (2) Insulators of all types.
- (3) Copper wires of sorts for line construction.
- (4) Cadmium copper wires of sorts for line construction.
- (5) Copper weld wires of sorts for line construction.
- (6) Insulated wires for indoor use, such as—
 - (a) Tinned copper 1/.092.
 - (b) Jumper wires.

(c) House Wiring Cables.

(d) Switchboard cables (braided or L.S.).

(7) T|P Tapes of sorts.

(8) Paper sleeves for u|g cables.

50. The Committee were informed during evidence that the Railways were allowed to make purchases of a large number of stores direct without the intervention of DGS&D. *In view of the difficulties faced by the P. & T. Department in obtaining their stores requirements in time, which ultimately have the effect of retarding progress of works, the Committee suggest that the matter may be examined in detail by the P & T Department in conjunction with the Ministry of W.H. & S. and suitable remedial action taken.*

C. Indigenous and imported stores

51. The value and percentage of stores manufactured in the country and imported from abroad during the last four years were as follows:—

Import due to inadequate production.

(Figures in thousands of rupees)

Year	Indigenously manufactured		Imported	
	Value	Percentage	Value	Percentage
1956-57	49,998	53%	43,960	47%
1957-58	38,668	67%	18,777	33%
1958-59	40,516	97%	1,316	3%
1959-60	50,978	88%	6,716	12%

The Committee are glad to notice that the percentage of indigenous stores used has been increasing in recent years.

52. The Committee understand that several items of stores had sometimes to be imported from abroad for want of adequate production in the country. For example in 1958-59, Rs. 6·85 lakhs worth of switch board cables had to be imported.

53. The Committee understand that the following 5 items of stores cost Rs. 45·86 lakhs out of Rs. 67·16 lakhs spent on imports in 1959-60.

Jumper wire	..	Rs. 4·42 lakhs
House wiring cables	..	Rs. 3·00 lakhs
Cadmium copper wire	..	Rs. 6·44 lakhs
Copper weld wire	..	Rs. 12·00 lakhs
Galvanised iron wire	..	Rs. 20·00 lakhs

Rs. 45·86 lakhs.

54. The Committee were informed that the Department were making efforts for getting indigenously manufactured, stores which were at present being imported from abroad. The steps taken to get them manufactured in the Departmental workshops or in the State owned factories are indicated in Appendix I. While appreciating the efforts being made to step up indigenous manufacture of these stores, the Committee observe that the largest single item of import is galvanised iron wire. They understand that the galvanised iron wire is now being manufactured in the country, but the quantity produced is inadequate to meet the requirements. The Committee were further informed that while the price of galvanised iron wire supplied by indigenous sources was Rs. 1,100 per ton approximately, the price for imported galvanised iron wire was Rs. 1,497 per L/ton (F.O.R.) approximately. *The Committee consider that in view of the need for conserving foreign exchange resources and of the difference in the price, it is of imperative importance that adequate capacity for manufacturing galvanised iron wire and other requirements of P & T is developed within the country. The Committee would also urge the Department to consult the Development Wing of the Ministry of Commerce and Industry in this regard and to give wide publicity to their stores requirements so as to enlist the cooperation of the manufacturers. In suggesting this, the Committee have in view not only the P & T Department but also others which are major indentors of imported stores.*

Production of specialised items in workshops.

55. The representative of the Department stated in his evidence that it was intended to produce in the Workshops certain specialised items of stores which were now being imported from abroad. *The Committee recommend that decision should be taken early as to what items are to be produced in the Workshops and what items could be left for manufacture by the private sector. There may be quite a number of items which it may be more profitable to obtain from the private sector.*

D. Storage in Depots

Shortage of accommodation.

56. The Committee were informed that with the exception of the Main Depot at Jabalpur, all the other four Main Depots at Calcutta, Bombay, Madras and New Delhi and the Branch Depots at Ahmedabad, Lucknow and Patna were short of accommodation for proper stocking of stores.

The representatives of the P & T Department stated that the extent of shortage in the Main Depots was as follows:—

Calcutta	..	..	68,274 sq. ft.
Bombay	..	..	19,200 sq. ft.
Madras	..	..	37,000 sq. ft.
Delhi	..	..	15,650 sq. ft.

57. It was stated that a proposal was under consideration for the construction of a suitable godown at Calcutta in replacement of two existing dilapidated godowns, which the C.P.W.D. had decided to demolish. There was a proposal to acquire additional land for the extension of the Stores Depot at Bombay. No decision had been taken on a proposal for the construction of sheds, pending finalisation of purchase of the rented premises in which the Depot was situated at Madras. Additional land was being acquired at New Delhi for the Depot.

Proposals for additional accommodation.

58. Difficulties for proper storage of stores and equipment caused by insufficient accommodation were brought to the notice of the Study Group of the Committee which visited the Bombay Main Depot and the Ahmedabad Branch Depot. For example, at the Bombay Main Depot, the Study Group were informed that for want of sufficient covered accommodation, the loss sustained due to damage of stores (packing cases) was Rs. 23,890 in 1958-59. It was also noticed by the Study Group that cable kit which should have been stored on raised platforms was getting damaged as it was lying on open ground.

The Committee recommend that the question of shortage of accommodation for stores may be looked into without delay.

59. During their visit to the Stores Depots, the Study Groups of the Committee felt that there was considerable scope for improvement in the method of stacking of stores so as to make optimum use of available space. *The Committee recommend that this matter may be studied and a rational and scientific method of stacking adopted so as to achieve maximum utilisation of space.*

Stacking of stores.

60. The Committee were informed that in most of the Main and Branch Stores Depots, the stock of stores in respect of many items were far below the prescribed minimum stock balance limits. For example, in Ahmedabad Branch Depot, stocks of the following items in July, 1960

Stock limits of stores.

were less than one-third of the prescribed minimum balances:—

Items	Percentage of working balance	
Tubes of sorts	..	13%
Caps of sorts	..	33%
Sockets of sorts	..	20%
Soleplates of sorts	..	30%
Wire iron	..	10%

The main reason given was the difficulty in the matter of procuring stores.

61. *As inadequate stock balances lead to delays in supply of stores to the Engineering Divisions, action may be taken to ensure that the working balances are not allowed to fall below the prescribed limit.*

Despatch of stores.

E. Supply of stores from the Depots

62. The Committee were informed that at the Bombay Main Stores Depot, it normally took about 5 weeks to despatch stores after the receipt of indents. Sometimes, longer delays took place on account of transport difficulties and booking restrictions.

63. The advantages of speedier and more timely despatch of supplies are obvious. Apart from expedition of works, it will also result in release of much needed storage accommodation. *The Committee recommend that adequate attention should be paid to this matter and methods devised to reduce the time taken in issuing supplies from Stores Depots on receipt of indents and despatching them to work spots.*

64. *As regards difficulty in booking of wagons, the Committee suggest that the matter may be taken up with the Railway Board to see if a higher priority can be assigned to P & T stores specially those required for operational requirements than given at present.*

F. Surplus stores

Surplus Stores Committee.

65. The Committee were informed that there was a Surplus Stores Committee with the General Manager, P & T Workshops, as Chairman, the Chief Controller of Telegraph Stores, the Chief Accounts Officer, Stores and Workshops, the Senior Electrical Engineer, Calcutta, the Controller of Telegraph Stores, Calcutta, and the Manager, Telegraph Workshops, Calcutta as members and the Divisional Engineer, Telegraphs (Disposals) as Secretary. This Committee had the following functions:—

- (a) Scrapping of unserviceable stores and approval of schedules of such stores. These stores are

examined by Regional Technical Survey Committees and their recommendations are considered;

- (b) Fixing the rates of issue for obsolete items of stores which are in demand;
- (c) Scrutiny and evaluation of stores held in excess of 2 years requirements;
- (d) Disposal of excess stores by use as substitutes in the Department, sale to other Government Departments or in any other suitable manner.

The Surplus Stores Committee ordinarily met once a week.

66. It was stated that the value of serviceable stores disposed of during the last four years was as follows:—

Year	Total value Rs.	Percentage of such stores to the total quantity purchased annually	Value of serviceable stores.
1956-57	2.26 lakhs	31%	
1957-58	8.49 lakhs	97%	
1958-59	7.97 lakhs	104%	
1959-60	2.7 lakhs	55%	

67. The Committee noticed considerable delays in the disposal of unserviceable stores. For example, in July 1960, the Bombay Depot had Rs. 28 lakhs worth of unserviceable stores while decision had been taken only for the disposal of stores worth Rs. 2,37,553. It was stated that delays usually occurred because of the following reasons:—

- (i) Unserviceable stores are reviewed by the Regional Technical Survey Committee which examines the stores at site. Its recommendations are considered by the Central Surplus Stores Committee at Calcutta which has been entrusted with powers for final recommendations on the disposal of such unserviceable stores.
- (ii) The list of unserviceable stores in the prescribed Form ACE-9 has to pass through several stages.
- (iii) The sanction of the ACE-9 is held up pending investigation on the deterioration of the stores, if any, before their prescribed lives.

- (iv) There is some delay in extraction of the useful components due to limited capacity of the Workshops.

Delays in disposal of stores.

68. The Committee were also informed that the following proposals were under consideration for reducing delays in disposal of stores:—

- (i) to entrust the scrutiny of unserviceable stores to Regional Technical Survey Committees to be reconstituted at the headquarters of the Controllers of Telegraph Stores at Calcutta, Bombay, Jabalpur, Madras and New Delhi and treat their recommendations as final for issue of sanction of competent authority for their disposal; and
- (ii) to reconstitute the Surplus Stores Committee with inclusion of a representative of the Ministry of Finance, so as to deal only with serviceable surplus stores and furnish final recommendations thereon, for issue of necessary sanction.

69. *The Committee are of the view that the delays taking place at present are avoidable to a great extent and should be reduced by implementing the measures under consideration as also of any others that may be necessary to expedite the work.*

NEW DELHI,

The 15th March, 1961.

The 24th Phalguna, 1882 (Saka).

H. C. DASAPPA,

Chairman,

Estimates Committee.

APPENDIX I

(Vide para 54)

A note showing the imported items of stores used by the P & T. Department and the efforts made so far for their manufacture indigenously.

The imported equipment and the raw materials that are imported for the manufacture of the equipments are indicated below. Steps taken to get some of the imported items manufactured in the Departmental Workshops or in any State-owned factories are shown against each.

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| 1. Wireless equipments and spares. | M/s Bharat Electronics Ltd., Bangalore are taking steps to expand their programme of manufacture in respect of wireless equipments and spares of various types. |
| 2. Carrier equipment and spares. | The Indian Telephone Industries are manufacturing these equipments. They will also be manufacturing coaxial cable carrier systems of value Rs. 30 lakhs in a year.
At present carrier spares for equipment other than of Indian Telephone Industries and Automatic Telephone and Electric Co. in service are imported for maintenance work. |
| 3. Teleprinter equipments and spares. | A state-owned Teleprinter Factory has been set up in technical collaboration with M/s Olivetti and production has commenced. |
| 4. Switch board plug three-way. | This is under development in P & T. Workshops. |
| 5. Cable terminal boxes. | These are under development in P. & T Workshops. |
| 6. Switch board cables and terminating cables. | } M/s Hindustan Cables Ltd. are expanding their capacity and taking up production of these items. Some of these are also being manufactured by other indigenous sources. |
| 7. House wiring cables and cables of other types. | |
| 8. Electrical Measuring instruments. | A number of instruments have been developed in the P. & T. Research Centre and are under manufacture in the Indian Telephone Industries. |
| 9. Ringing machines . . . | Electronic ringers are under development in the P. & T. Research Centre, and manufacture will be taken up as early as possible. |

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| 10. Vacuum Cleaner | No indigenous sources are available ; possibilities are being explored. |
| 11. Underground cable including coaxial cables. | M/s Hindustan Cables Ltd. are increasing their production capacity for these cables, and have also taken up manufacture of coaxial cables. |
| 12. V.F.T. Equipment | This has been developed in P. & T Telecommunication Research Centre and is under manufacture by M/s Indian Telephone Industries Ltd. |
| 13. Alnico Generators | Steps have been taken up to manufacture this in the P & T Workshops. |
| 14. Nickel silver sheet . . . | } These are now manufactured by Ordinance Factory and National Insulated Cable Co. |
| 15 Bare copper wire 42 SWG. | |
| 16. Lead pig . . . | |
| 17. Line slab . . . | } Indigenous sources for these raw materials are limited and insufficient to meet requirements of P. & T Workshops at present. |
| 18. Tin ingot . . . | |
| 19. Airconditioning Plant . | Items of component except large size compressors are manufactured by indigenous sources. |
| 20. Other miscellaneous items like Gas filled Arrestor Boxes with Gas-discharge Tubes Field Service, Cable and Wire Copper Weld 8 AWG. 242 lbs. p.m | } No indigenous sources are available; possibilities are being explored. |
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APPENDIX II

Summary of recommendations/conclusions contained in the Report

Sl. No	Reference to paragraph No	Summary of recommendations/conclusions
1	2	3
1	7	It would be advisable if the Chief Controller of Telegraph Stores could be associated with the P & T Workshops Board.
2	9	The Committee were informed that the question of changing the set-up of the P. & T. Workshops Organisation to a fully autonomous body as recommended by the P. & T. Workshops Board had been taken up. The Committee are not convinced of the need for such a basic and radical alteration in the existing set-up. They feel that instead of constituting the Workshops Organisation as an independent autonomous body, it would be better to run it under departmental management as in the case of the Chittaranjan Locomotive Works and the Integral Coach Factory, Perambur. Such administrative changes and procedural modifications as are necessary in the interest of efficient management could be effected within the existing frame work. Even more important than the form, it is the manner of functioning which has a vital bearing on productivity. For example, if Workshop accounts are drawn up as in a commercial enterprise, a comparative and analytical study of the performance of the three Workshops could be made with a view to increase productivity.
3	11	The Committee urge that no further time should be lost in settling the question of selection of site for the future location of the Calcutta Workshop. Once the site is selected, all arrangements for the construction of buildings, installation of new machinery etc. may be expeditiously undertaken.
4	13	The Committee see no reason why if private architects can undertake to finish the construction of the new Bombay Workshop in 18 months, the C.P.W.D. should require more than twice this period. As the land for the new Workshop has already been

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- acquired, every effort may be made to complete the construction work early and shift the Workshop there expeditiously.
- 5 14 As the Bombay and Calcutta Workshops at present are on sites which are in highly developed areas, it should prove of considerable value on release and would provide substantial funds necessary for constructions in their new locations. If however they propose to retain the same they must put the lands etc. to the most advantageous use.
- 6 15 In finalising the plans for the new Workshops, it may be ensured that sufficient margin is kept for future expansion.
- 7 16 While settling plans for future production, the Committee would suggest that the possibilities of export of telephone and telegraph stores to foreign countries may be investigated and kept in view.
- 8 18 The Committee hope that in the new Workshops, adequate attention will be paid to layout, lighting and environment which are important factors, in increasing efficiency. Meantime, it is hoped that the conditions in the existing Workshops would be improved as far as possible.
- 9 21 The Committee are concerned to note that the gap between the production in the Workshops and requirements has been increasing with the years
- 10 25 The committee stress the need of advance planning and closer liaison at appropriate levels between the indenting departments and D.G.S. & D. with a view to see that procedural and other delays are removed.
- 11 26 As regards shortage of wagons because of which the Workshops could not get adequate supplies of raw materials, the Committee feel that the Department should have taken up the matter in earnest with the Railways with a view to ensure that there was no transport bottle-neck in moving the raw materials etc. to Workshops.
- 12 28 The Committee suggest that the P & T Department may take up the question of supply of iron and steel with the Iron and Steel Controller and if necessary with the Planning Commission. They hope that a satisfactory solution for assuring regular supply of iron and steel to Workshops will be reached soon. This should not be much of a problem with the increase in output of iron and steel in India.
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13	29	The General Manager and Managers of Workshops may constantly watch the position and take timely and adequate steps to ensure that the stock balances of raw materials are not allowed to fall. The P&T Workshops Board may also pay special attention to this matter.
14	30—31	The Committee would like to emphasise the importance of obtaining the help of ancillary industries in the production of equipment and stores in the Workshops. They recommend that a list of all items for which the help of ancillary industries can be taken in the manufacture of stores may be prepared, and given adequate publicity so as to attract interested producers. If there is a coordinated plan for manufacturing a large number of items in this manner, the Committee are convinced that it would not only increase production but also result in economy. It would obviously be better if the Workshops concentrated on items which were not available economically elsewhere within the country.
15	32	The Committee feel that there is great scope for mechanisation of operations in the Workshops. The Committee recommend that constant studies may be undertaken in all the Workshops to explore possibilities of mechanisation and rationalisation of operations, with a view to achieve greater efficiency and production.
16	33	The importance of the Employees Suggestion Scheme needs no stress. To the organisation, it is capable of bringing advantages of improved working and increased efficiency and economy, to the employees, it gives a sense of pride and participation besides monetary benefits and chances for betterment.
17	34	The Committee recommend that more persons may be trained in modern productivity techniques and steps taken to apply these techniques to increase output.
18	36	The Committee were glad to know that statistical quality control was being extended to the Bombay and Jabalpur Workshops from April 1961 and that one officer from each of the Workshops was being trained for this purpose. They hope that the application of this modern productivity technique in all the Workshops will bring about economy in production

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		costs by reducing wastage. At present the statistical quality control technique was applied only to a few selected products. The scope of this control may be extended gradually to all products where its application is possible.
19	39	The Committee regret to note that in spite of the training given to the officers of the Workshops and the recommendations of the U.N. Expert, no effective action has been taken by the Workshops Organisation to complete "Time and Motion Studies". The Committee hope that necessary studies will be initiated in all the Workshops and norms fixed for different categories of workers.
20	40	The Committee hope that the incentive scheme would be finalised speedily and given effect to.
21	41	The Committee feel that it might be desirable to have a technical review of the working of the Workshops by a competent independent engineering authority once every five years so as to learn from experience and make sure that they were not lagging behind as compared to advances made in technical fields elsewhere.
22	42	The Study Group of the Committee who visited Jabalpur Workshop noticed that a number of machines were not in operation as the workers were absent. This contingency can be easily met by keeping a panel of workmen qualified to work on the machines in each Workshop so that the machines are not kept idle in the absence of regular operators.
23	50	In view of the difficulties faced by the P&T Department in obtaining their stores requirements through D.G.S. & D. in time, which ultimately have the effect of retarding progress of works, the Committee suggest that the question of making purchases of a larger number of stores direct without the intervention of the D.G.S. & D., as in the case of the Railways, may be examined in detail by the P&T Department in conjunction with the Ministry of W.H. & S. and suitable remedial action taken.
24	54	The Committee consider that in view of the need for conserving foreign exchange resources and of the difference in the price between imported and indigenously produced stores, it is of imperative importance that adequate capacity for manufacturing

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		galvanised iron wire and other requirements of P&T is developed within the country. The Committee would also urge the Department to consult the Development Wing of the Ministry of Commerce and Industry in this regard and to give wide publicity to their stores requirements so as to enlist the co-operation of the manufacturers. In suggesting this the Committee have in view not only the P&T Department but also others which are major indentors of imported stores.
25	55	The Committee recommend that decision should be taken early as to what items of stores at present imported are to be produced in the Workshops and what items could be left for manufacture by the private sector. There may be quite a number of items which it may be more profitable to obtain from the private sector.
26	58	The Committee recommend that the question of shortage of accommodation in the Stores Depots may be looked into without delay.
27	59	The Committee recommend that the method of stacking of stores in Stores Depots may be studied and a rational and scientific method of stacking adopted so as to achieve maximum utilisation of space.
28	61	Inadequate stock balances of stores in Stores Depots lead to delays in supply of stores to the Engineering Divisions. Action may be taken to ensure that the working balances are not allowed to fall below the prescribed limit.
29	63	The Committee recommend that adequate attention should be paid to the question of speedier and more timely despatch of stores and methods devised to reduce the time taken in issuing supplies from Stores Depots on receipt of indents and despatching them to work spots.
30	64	As regards difficulty in booking of wagons for despatch of stores, the Committee suggest that the matter may be taken up with the Railway Board to see if a higher priority can be assigned to P & T stores specially those required for operational requirements than given at present.
31	69	The Committee are of the view that the delays taking place in the disposal of stores at present are avoidable to a great extent and should be reduced by implementing the following measures under consideration

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as also of any other that may be necessary to expedite the work :—

- (i) entrusting the scrutiny of unserviceable stores to Regional Technical Survey Committees to be reconstituted at the headquarters of the Controllers of Telegraph Stores at Calcutta, Bombay, Jabalpur, Madras and New Delhi and treating their recommendations as final for issue of sanction of competent authority for their disposal; and
 - (ii) reconstituting the Surplus Stores Committee with inclusion of a representative of the Ministry of Finance, so as to deal only with serviceable surplus stores and furnishing final recommendations thereon, for issue of necessary sanction.
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APPENDIX III

Analysis of Recommendations Contained in the Report

I. CLASSIFICATION OF RECOMMENDATIONS

	TOTAL
A. Recommendations for improving organisation and working S. Nos. 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 16, 19, 20, 21, 22, 23, 25, 26, 28, 29, 30, and 31 .	22
B. Recommendations for effecting economy S. Nos. 14, 15, 17, 18, 24 and 27 .	6
C. Miscellaneous S. Nos. 1, 2, and 9 .	3

II. ANALYSIS OF THE MORE IMPORTANT RECOMMENDATIONS DIRECTED TOWARDS ECONOMY

Serial No.	No. as per summary of recom- mendations	Particulars
1	14	Help of ancillary industries should be taken in the production of equipment and stores. This will not only increase production but also result in economy.
2	15	There is great scope for mechanisation of operations in the Workshops. Constant studies may be undertaken in all the Workshops to explore possibilities of mechanisation and rationalisation of operations with a view to achieve greater efficiency and production.
3	17	More persons may be trained in modern productivity techniques and steps taken to apply these techniques to increase output.
4	18	The Committee hope that application of Statistical quality control techniques in all Workshops will bring about economy in production costs by reducing wastage.
5	24	In view of the need for conserving foreign exchange resources and of the difference in the price between imported and indigenously produced stores, it is of imperative importance that adequate capacity for manufacturing galvanised iron wire and other requirements of P & T is developed within the country.
6	27	Method of stacking of stores in Depots may be studied and a rational and scientific method of stacking adopted so as to achieve maximum utilisation of space.