

ELEVENTH REPORT

PUBLIC ACCOUNTS COMMITTEE (1980-81)

(SEVENTH LOK SABHA)

ARREARS OF RENT OF TELEPHONE CIRCUITS ETC.
AND PURCHASE OF LEAD SLEEVES

MINISTRY OF COMMUNICATIONS

(P & T BOARD)

[Action taken on 148th Report (Sixth Lok Sabha)]

145



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November, 1980/Agrahayana, 1902 (Saka)

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ON POSTS AND TELEGRAPHS PRESENTED TO LOK SABHA ON
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PUBLIC ACCOUNTS COMMITTEE (1980-81)

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3. Shri Subhash Chandra Bose Alluri
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Shri H. G. Paranjpe—*Joint Secretary.*

Shri D. C. Pande—*Chief Financial Committee Officer.*

Shri T. R. Ghai—*Senior Financial Committee Officer.*

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Eleventh Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their Hundred and Forty-Eighth Report (Sixth Lok Sabha) relating to Ministry of Communications. The 148th Report, *inter alia*, dealt with heavy accumulation of arrears of rent of telegraph, telephone and teleprinter circuits and telex/intelex charges. In this Action Taken Report, the Committee have reiterated that effective and appropriate measures at higher level should be taken to recover the old arrears.

2. On 20 August, 1980, the following 'Action Taken Sub-Committee' was appointed to scrutinise the replies received from Government in pursuance of the recommendations made by the Public Accounts Committee in their earlier Reports:

Chairman

Shri Chandrajit Yadav

Members

2. SHRI K. P. Unnikrishnan
3. Shri K. P. Singh Deo
4. Shri V. N. Gadgil
5. Shri Satish Agarwal
6. Shri N. K. P. Salve

3. The Action Taken Sub-Committee of the Public Accounts Committee (1980-81) considered and adopted the Report at their sitting held on 15 October, 1980. The Report was finally adopted by the Public Accounts Committee (1980-81) on 27 November, 1980.

4. For reference facility and convenience, the recommendations and observations of the Committee have been printed in thick type in the body of the Report, and have also been reproduced in a consolidated form in the Appendix to the Report.

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

NEW DELHI;
November 27, 1980

Agrahayana 6, 1902 (S)

CHANDRAJIT YADAV,
Chairman.
Public Accounts Committee

CHAPTER—I

REPORT

1.1. This Report of the Committee deals with the action taken by Government on the recommendations and observations of the Committee contained in their 143th Report (Sixth-Lok Sabha) presented to the Lok Sabha on 30 April, 1979, on paragraphs 7 and 18 of the Report of the Comptroller and Auditor General of India for the Year 1976-77. Union Government (Posts and Telegraphs) relating to arrears of rent of telegraph, telephone and teleprinter circuits and telex/intelex charges ; and purchase of lead sleeves.

1.2. Action Taken Notes in respect of all the 8 recommendations contained in the Report have been received from the Government and these have been categorised as follows :

- (i) Recommendations or observations that have been accepted by Government :

S. Nos : 1, 3, 4, 5, 6, 7, 8.

- (ii) Recommendations or observations which the Committee do not desire to pursue in view of the replies received from Government :
NIL

- (iii) Recommendations or observations replies to which have not been accepted by the Committee and which require reiteration :

S. No. 2

- (iv) Recommendations or observations in respect of which Government have furnished interim replies :

NIL

1.3. The Committee will now deal with the action taken by Government on their following recommendation.

Slow progress in collection of arrears of telephone revenue (Paragraph 1.14. S. No. 2)

1.4. Expressing concern over the slow progress in liquidation of arrears of rent of telegraph, telephone and teleprinter circuits and telex/intelex

Charges including outstandings pertaining to bills issued as early as 1971-72, the Committee in paragraph 1.14 of their 148th Report (Sixth Lok Sabha) had *inter alia* observed as follows :

“The Committee, however, note that not only old arrears continue to rule high year after year (*e.g.* the arrears for bills issued upto 1971-72 standing at Rs. 22.47 lakhs as on 1 July, 1977) but huge new arrears have also been added, particularly from the year 1976-77. The Committee have, therefore, come to the inescapable conclusion that the instructions of March 1971 have not been followed seriously but have met the same fate as has happened in series of periodical instructions issued by the Directorate General Posts & Telegraphs from time to time in the past in respect of arrears of telephone revenues and rent of circuits or telex charges so far as their implementation at the lower formations under the Department is concerned. Since the problem has assumed an alarming proportion, the Committee would urge that the whole question of arrears should be reviewed in all seriousness at a higher level and more effective and stringent measures taken to ensure that not only the old arrears are liquidated early but the mounting of new arrears is also checked to a reasonable limit, if not eliminated altogether.

1.5. In their Action Taken Note dated 3 December, 1979, the Ministry of Communications (P & T Board) have stated :

“A continuous watch is kept over the liquidation of arrears through periodical review. Strict instructions (reproduced below) have been issued again to all the units calling upon them to review and accelerate the pace of recovery so that the arrears are brought down to the barest minimum and also urging them to ensure that further arrears are not allowed to accumulate.”

Instructions dated 27-8-1979

The Public Accounts Committee in their 148th Report (Sixth Lok Sabha) has taken a very serious view of the arrears of rent of Telegraph, Telephone and Teleprinter Circuits and Telex/Intelex Charges, which stood at Rs. 135.26 lakhs as on 1-7-1978. This amount included outstandings, pertaining to bills issued in earlier years (as early as 1971-72). The Committee observed that serious efforts should be made to liquidate these arrears.

2. In view of the adverse criticism by the PAC over the mounting arrears relating to Circuits etc., it is imperative that immediate and effective steps are taken to review all the old cases and to recover the dues speedily. The current arrears should also receive prompt attention for recovery and in no case these should be allowed to accumulate further.

Vigorous pursuit action by constant review and by arranging co-ordination meetings with the authorities concerned at the level of General Manager must be taken immediately so as to wipe out the old arrears completely by 31-10-1979.

3. The outstandings as on 1-7-1979 in respect of bills issued upto 31-3-1979 relating to telegraph, telephone and teleprinter circuits and telex, intellex charges may please also be intimated by 31-8-1979. The reasons for increase, if any, over the figures for the last year may please also be reported. This may please be treated as urgent.

4. The performance of the Units would be watched with keen interest.

1.6. In this connection, the Committee ndā that according to Paragraph 6 of the Report of the Comptroller and Auditor General of India for the year 1978-79, Union Government (Posts and Telegraphs), for bills issued upto 31 March, 1979, a sum of Rs. 370.49 lakhs as rent of telegraph, telephone and teleprinter circuits and telex/intellex charges was in arrears as on 1 July, 1979 against Rs. 243.00 lakhs as on 8 July, 1977 as brought out in Paragraph 7 of Audit Report for the year 1976-77 (Posts and Telegraphs). The arrears instead of showing any downward trend have in fact increased over the years.

1.7. The Committee are, not satisfied by the mere issue of fresh instructions in a routine manner by the Director-General Posts and Telegraphs directing the various Units to review and accelerate the pace of recovery of the arrears of telephone bills etc. In para 1.14 of their 148th Report, the Committee had made a definite recommendation that the whole question of arrears should be reviewed in all seriousness at a higher level and more effective and stringent measures taken to recover the old arrears. The Committee are of the opinion that had effective and appropriate measures at higher level been taken the arrears would not have increased over the previous years. They would, therefore, like to know what further steps have been taken or are proposed to be taken to recover the arrears.

CHAPTER II

RECOMMENDATIONS AND OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

From the information furnished by the Ministry of Communications in reply to the various points brought out in the Audit para, the Committee note that the arrears of rent of telegraph, telephone and teleprinter circuits and telex/intellex charges as on 1st July, 1977, for bills issued upto 31st March, 1977 were Rs. 243.00 lakhs, of these Rs. 135.26 lakhs were outstandings as on 1st July, 1978. This amount included outstandings pertaining to bills issued in earlier years (as early as 1971-72). The Committee are disturbed by these heavy old arrears and recommend that serious efforts should be made to liquidate these arrears.

[Sl. No. 1 (para 1.13) of Appendix II to 148th Report of PAC (6th Lok-Sabha)]

Action Taken

A continuous watch is kept over the liquidation of arrears through periodical reviews. Instructions have been issued from time to time to the units for effective pursuit of the outstandings.

It may, however, be pertinent to point out in this connection that the outstandings have considerably come down since the review by the PAC in 1977. The statement given below will indicate that the old outstandings have shown a steady downward trend signifying the effectiveness of the review and the action taken.

(Rs. in lakhs)

Position as on	Arrears relating to							Total	Amount billed for
	Upto 71-72	72-73	73-74	74-75	75-76	76-77	77-79		
1-7-74 .	61.06	40.22	234.72	..				336.00	..
1-7-75 .	45.59	34.33	81.81	163.68	..			325.41	..
1-7-76 .	34.97	21.03	35.59	35.20	156.69	..		283.48	2876.6
1-7-77 .	22.47	13.35	19.42	19.26	36.95	131.55	..	243.00	4552.6
1-7-79 .	Upto	1973-74	44.95	15.93	19.91	33.48	256.22	370.49	..

It will be observed from the above statement that notwithstanding the substantial increase in the amounts billed for, the old outstandings have been going down steadily. The total outstandings in respect of the bills issued for 1975-76 and 1976-77 as on 1-7-79 (as on 31-1-79 in respect of Delhi Telephone District) is only 0.70% of the bills issued in the relevant year.

3. Instructions have again been issued (copy enclosed) to all the units directing them to review and accelerate the pace of recovery so that the arrears are brought down to the bare minimum and also urging them to ensure that in no case further arrears are allowed to accumulate in future.

[Ministry of Communications (P&T Board) O.M. No. 23-8/79-TR (Part)
dated 25-9-80]

INDIAN POSTS & TELEGRAPHS DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL POSTS & TELEGRAPHS
New Delhi 110001

No. 23-8/79-TR

Dated 27-8-1979

To

All Heads of Telecom Circles (by name)

All Heads of Telephone Districts (by name)

Sub: Arrears of rent of Telegraph, Telephone and Teleprinter Circuits etc.

The Public Accounts Committee in their 148th Report (Sixth Lok Sabha) has taken a very serious view of the arrears of rent of Telegraph, Telephone and Teleprinter Circuits and Telex/Intelex Charges, which stood at 135.26 lakhs as on 1-7-1978. This amount included outstanding pertaining to bills issued in earlier years (as early as 1971-72). The Committee observed that serious efforts should be made to liquidate these arrears.

2. In view of the adverse criticism by the PAC over the mounting arrears relating to Circuits etc. it is imperative that immediate and effective steps are taken to review all the old cases and to recover the dues speedily. The current arrears should also received prompt attention for recovery and in no case these should be allowed to accumulate further.

Vigorous pursuit action by constant review and by arranging co-ordination meetings with the authorities concerned at the level of General Manager must be taken immediately so as to wipe out the old arrears completely by 31-10-1979.

3. The outstandings as on 1-7-79 in respect of bills issued upto 31-3-79 relating to telegraph, telephone and teleprinter circuits and telex, interlex

charges may please also be intimated by 31-8-1979. The reasons for increase if any; over the figures for the last year may please also be reported. This may please be treated as urgent.

4. The performance of the Units would be watched with keen interest;

Sd/-

(R.C. RASTOGI)

Dy. Director General (TA).

Recommendation

The Committee take a serious view of the short recoveries as well as failure to issue bills by P&T Department. It will be seen from the details furnished in this regard that for six cases of short billing during 1977-78 exceeding Rs. 5,000 the total amount involved is Rs. 2,48,823 and for 4 cases of failure to issue bills during 1975-76 exceeding Rs. 5,000/- the total amount involved is Rs. 37,074.00. For circuits to Railways at Nagpur, short billing to the tune of Rs. 1,73,598.00 during 1977-78 (on the Government side) and for non-exchange lines 70 to a private firm to the extent of Rs. 5,580.00 during the same year have been detected. In case of failure to issue bills all the four cases relate to Circuits to Army in Andhra Pradesh. The Committee would like that responsibility for failure to issue bills or short billing should be fixed at all levels so as to ensure that there is no recurrence of these lapses. They would also stress the need of conducting a thorough investigation into the working of the billing system with a view to clearly identifying reasons for individual cases of short recoveries and of non-issue of bills thus bringing the defaulters to book.

(Sl. No. 3 (Para 1.15) of Appendix II to
148th Report of PAC (6th Lok Sabha).

Action Taken

The concerned Heads of Circles/Districts have been directed to identify the reasons for short billing/failure to issue bills and to take action to fix responsibility in each case. They have also been asked to intimate the remediate measures adopted to avoid recurrence of such cases in future.

[Ministry of Communications (P&T Board) O.M. No. 23-10-79-TR
dated 27-11-79].

Recommendation

Coming to litigation aspect, the Committee find that the total number of cases in excess of Rs. 5000/- under litigation or dispute as on 31-1-1979 is 23 with the break up (i) Bombay Telephone Distt. 8, Madras Telephone Distt. 3, Bihar Circle 1 and Delhi Distt. 11. The total amount involved for all these Distts. and Circles comes to Rs. 7,58,090.62. The oldest case under dispute relates to the year 1966 involving Rs. 7,427/- due from a private firm. The highest amount involved under dispute is Rs. 1,89,389.00 under Delhi Telephone Circle pertaining to Indian Air Force and under litigation (Court Case) in Madras Telephone Distt. is Rs. 1,70,689.68 pertaining to M/s. Universa₁

Press Service, Madras. The Committee would like the Department to lay down more comprehensive and clear cut guidelines so that steps for realisation by the Department are made more effective and litigation can be avoided.

[Sl. No. 4 (Para 1.16) of Appendix II to 148th Report of PAC
(6th Lok Sabha).]

Action Taken

The Heads of Circles have been addressed (copy enclosed) to send us information about the litigation cases to enable the Department to study the problem in depth. On receipt of the same, the matter will be processed further.

[Ministry of Communications (P&T Board) O.M. No. 23-11/79-TR
dated: 30-1-79.]

INDIAN POSTS AND TELEGRAPHS DEPARTMENT OFFICE OF THE DIRECTOR GENERAL POSTS & TELEGRAPHS New Delhi- 110001.

No. 23-32/78-TR

Dated : 23-8-79

To All Heads of Telecom Circles (by name)
All Heads of Telephone Districts (by name)

Subject : PAC Para 1-16 of 148th Report relating to litigation and laying down clear cut guidelines.

The Public Accounts Committee in para 1-17 of their 118th report has observed as follows :—

“The Committee in paragraph 1.69 of their earlier Report had pointed out that litigation was not only a long drawn process of realising telephone dues but was also expensive and as such had desired Government to study the problem in depth with reference to its economics and the results achieved in the past for formulating further policy in this regard. The Committee, however, regret to find from the action taken note furnished by Government after six months of the presentation of the original report that the P&T Directorate have merely noted the recommendation for necessary action. The Committee take a serious view of the casual manner in which their specific recommendation has been dealt with. They would, therefore, like to be enlightened as to what necessary action, if any, has specifically been taken in this regard.”

Again the Public Accounts Committee in para 1.16 of 148th Report has *inter-alia* stated that :—

“Coming to litigation aspect, the Committee find that the total number of cases in excess of Rs. 5000/- under litigation or dispute as on 31-1-1979 is 23 with break up (i) Bombay Telephones District 8, Madras Telephone District 3, Bihar Circle 1 and Delhi District 11. The total amount involved for all these District and Circles comes to Rs. 7,58,090.62. The oldest case under dispute relates to the year 1966 involving Rs. 7,527, due from a private firm. The highest amount involved under dispute is Rs. 1,89,000

under Delhi Telephone District pertaining to Indian Air Force and under litigation (Court case) in Madras Telephone District is Rs. 1,70,629.68 pertaining to M/s. Universal Press Service, Madras. The Committee would like the Department to lay down more comprehensive and clear cut guidelines so that steps for realisation by the Department are made more effective and litigation can be avoided."

2. In this connection, attention is invited to para 11 of the P&T Volume XII. According to it cases involving Rs. 250/- except in special circumstances, are not to be taken to the Court unless there is a reasonable prospect of the dues being realised, The PAC in their above para has pointed out that litigation is not only a long drawn process of realising telephone dues but also very expensive and as such as desired that Government should study the problem in depth with reference to its economics and the result achieved in the past for formulating further policy in this regard.

3. In regard to cases involving amount in excess of Rs. 5000/- they have stressed that Department should lay down more comprehensive and clear cut guidelines so that the steps for realising are made more effective and litigation is avoided.

4. In order to examine the problem in detail, you are kindly requested to have a survey of cases finally closed during the years 1976-77 1977-78 and 1978-79 (upto June, 1979) and to furnish the following:—

Year	Brief particular of the case	Estimated total expenditure	Period it took to decide the case	Amount realised if any
1	2	3	4	5

5. You are also requested to send your considered views on the economic of the present limit of Rs. 250/- for filing the case in a court of law. The suggestion for revising the limit may also be given.

As a report is due to PAC this may be given top priority and your report sent to the undersigned by name by 31st of August, positively.

Sd/-

(R.L.NAGPAL)
DIRECTOR (TR)
TEL. NO 380861

Recommendation

The Committee note that in response to the tender enquiry floated by the General Manager Telecommunications stores, Calcutta in April 1975, for supply of lead sleeves of various sizes for use by the Department in under ground cable jointing work three quotations were received namely from Firm 'A' (M/s R.L. Dutta and Sons, Calcutta, firm 'B' (M/s. Hooseini Metal Rolling Mill Pvt.

Ltd., Bombay) and firm 'C' (M/s Waldies Limited. Calcutta). The quotation of firm 'A' was not considered being conditional, and the quotation of firm 'B' was also not accepted as it had quoted of firm 'A' the rates on weight basis which was not in conformity with the tender inquiry which was invited for a unit of each number. Thus firm 'C' which had quoted the rates on unit basis was awarded the contract for supply of all the sizes of lead sleeves valued at Rs. 44.10 lakhs excepting two items which were not in accordance with the Department's specifications. These remaining two items were however, purchased from firm 'B' on a weight basis as a result of second tender enquiry floated by the General Manager, Telecommunication stores, Calcutta. The Committee are of the opinion that the additional expenditure of Rs. 2.94 lakhs approximately could have been saved if the entire order had been placed on firm 'B' by working out the rate per unit with reference to the rate per kilogram quoted by firm 'B' in accordance with the relevant Indian Telegraph Department specifications which specified weights of various sizes of lead sleeves also and according to which it was possible to convert rates by weight into unit rates and vice-versa. This conversion would have given rates of firm 'B' lower than the rates of firm 'C'. The Committee regret that instead of accepting this grave commission gracefully, the Ministry have come forward with an unacceptable explanation that the comparison of prices was not possible on the offer of firm 'B' since the exact weights of sleeves of different sizes were not easily available. The facts brought out in the Audit para and the further information supplied by the Ministry in this regard speak otherwise as would be seen from the succeeding paragraphs.

[Sl. No. 5 (para 2.14) of Appendix III to 148th Report of PAC (6th Lok Sabha)]

Action Taken

Observations have been noted.

[Ministry of Communications (P&T Board)]

O.M. No. 204-9/77-MMS/Pt. II Dated 15-11-79]

Recommendations

The Committee find that in the Indian Telegraph Department specifications dated 10-5-1968 the corresponding weights of the lead sleeves of specific size internal diameter, radial thickness have been given, with the only stipulation that there could be very slight variations from the calculated weights shown therein due to the permitted tolerances. The Committee's view the contention of the Ministry of Communications that since the permissible variation in length, thickness and diameter as per specification gave tolerance upto about 12% in weight, the cost comparison after conversion of prices quoted on weight basis could result in substantial variation in actual expenditure as the weight of supplies could not be predicted to such a degree of accuracy or that exact weight of sleeves of different sizes were not easily available and there was also the possibility of the firm exploiting the tolerances to the disadvantage of the department, thus causing a loss to the extent of Rs. 1.4 lakhs, does not hold good. The fact of the matter is that for the purchase of the remaining two sizes, which were not ordered earlier on firm 'C' the General Manager, Telecommunication Stores, Calcutta had accepted later on in April 1976 the tender of firm 'B' which again was given only on

weight basis. Even if the plea advanced by the Ministry in support of their having accepted subsequently these items on the grounds of two sizes, their being small in number, on emergent need for these two sizes, the delays that had occurred in procurement of this item and to ensure supply of at least some materials which were urgently required, is accepted at its face value the fact remains that this supply was made possible only after converting the rates so quoted by firm 'B' from weight basis with unit rates on the basis of relevant Indian Telegraph Department specifications. The Committee thus fail to understand why this could not be done in the case of the initial supply ordered on firm 'C'. No one in the Department seems to have applied his mind seriously to such a feasibility to effect an economy for the Department and a substantial saving to the public exchequer. Not only that the other argument of the Ministry that accepting an offer on weight basis, where tender enquiry specified offers on number basis, was violation of purchase practice, is also not tenable in as much as it had in effect been violated when the supplies were subsequently obtained from firm 'B' after converting their rates into unit numbers. When the possibility of conversion had been established the quantity of an item required was immaterial. The same formula could and should have been applied to larger number also. This was however, not done. The Committee deprecate this casual attitude of the Department.

[Sl. No. 6 (para 2.15). of Appendix II to 148th Report of PAC (6th Lok Sabha)]

Action Taken

The observations have been noted.

[Ministry of Communications (P&T Board) O.M. No. 204-9/77-MMS.
(pt. II, dated 15-11-79)]

Recommendation

The Committee further find that, according to the Ministry, though the variation in weight allowing permissible tolerance being as much as about 12 percent could be termed 'as very slight variation' from technical consideration of weight on a cable joint, it was a significant factor from financial consideration on pricing involving an unknown factor contributing to the expenditure to the department if cost comparison was made between offers on weight basis and number basis. The Committee, however, feel that it was all hypothetical, as they fail to understand how the Ministry had presumed even without making necessary calculation physically in this particular case that there was possibility of the firm exploiting the tolerance variations to the disadvantage of the Department causing a loss to the extent of Rs. 1.4 lakhs. Prudence required that the General Manager, Telecommunication Stores, Calcutta should have negotiated with firm 'B' on this specific issue and resolved the bogey of tolerances and the imaginary resultant price variations to the advantage of the Department, particularly. When this firm was an established supplier of lead sleeves to various Government Departments through the Director General of Supplies and Disposals including Defence and Posts and Telegraphs, rather than finding 'alibi' afterwards for their inability to act in time. The Committee would be interested in knowing how and to what extent the Department was successful in checking firm 'B' to exploit the tolerances to its favour and minimising the loss on this account in respect of the subsequent order placed on that party.

[Sl. No. 7 (para 2.16) of Appendix II 148 th Report of PAC(6th Lok Sabha

Action Taken

The observations of the Committee have been noted for guidance.

In the supplies made by firm 'B' in the subsequent tender the supplier kept the weight of sleeves below the average weight given in the specification and hence no loss was incurred in accepting the tender on weight basis.

[Ministry of Communications (P&T Board,) O.M. No. 204-9/72-MMS-
(Pt.) dated 15-11-79]

Recommendation

The Committee would also like to be informed as to what procedure the Department had followed for their requirements of the lead sleeves after the supplies against April, 1975 order had materialised or were contemplating to follow for their future demand of this item from various Departments under the Ministry of Communications, Vis-a-vis conversion of rates quoted on weight basis to unit basis whenever such an eventuality arises. It would be worthwhile to consult the Directorate of Supplies and Disposals or the Defence Department and seek their guidance for coming to a definite conclusion in this regard for the future.

[Sl. No. 8 (para 2.17) of Appendix II to
148th Report of PAC (6th Lok Sabha)]

Action Taken

The offers received on weight basis in subsequent tender enquiries were also considered by the General Manager Telecom. Stores, Calcutta.

This Department has sought the advice of the Directorate of Supplies and Disposals and their comments will be given due consideration in coming to a conclusion in this regard for the future.

[Ministry of Communications (P&T Board) O.M.No. 204-9/77-MMS(Pt.)
dated 15-12-79]

Further Information

A Note on the 'Action taken' by the Department on this para was earlier furnished under No. 204-9/77-MMS (Pt.) dated 15-11-79. In that note it was stated that the Department had sought the advice of the Directorate of Supplies and Disposals and their comments would be given due consideration in coming to a definite conclusion in this regard for the future.

The Director General of Supplies & Disposals had advised that the indentors should indicate the quantity of lead sleeves required to be purchased in Kilograms and may also intimate approximate numbers which could be made out of that quantity. Accordingly the quotations from the trade should be invited on weight basis only and tenders decided on weight basis. It was also stated that such a procedure is all the more necessary for cases having price variation clause as variation in price is also only on weight basis as per notification of MMTC. DGS&D had also clarified that the procedure indicated by them is only a suggestion and P&T Board should satisfy themselves in all respects before implementing the same.

The suggestion of DGS&D has been considered. The requirement of lead sleeves are of different sizes to meet the size of the cables in which these are to be used. The requirement is expressed in numbers of different sizes. The quantities of lead sleeves in stock and issued are also expressed in numbers. If the orders for lead sleeves are placed on weight basis, there could be possibility of the firms supplying lead sleeves having weight more than the average weight but within the maximum permissible tolerance limit, and thereby supplying lesser numbers of lead sleeves than what could be supplied had the lead sleeves been manufactured keeping the average weight with lower permissible tolerance limit provided in the specification. With the present system of ordering on number basis. The Department is assured of the number of sleeves required. In the present system of procurement, the price variation of lead is allowed on MMTC for a particular size of lead sleeve in the average weight worked out and mentioned in the specification. Under these circumstances, it is considered appropriate to continue the present system of indenting and tendering on "number" basis instead of on "weight" basis. Any tender received quoting rate on weight basis will, however, continue to be considered by converging the price into "number" basis on the average weight given in the specification.

[Ministry of Communications (P&T Board) O.M. No. 204-9/77-MMS
dated 14-5-80]

CHAPTER III

**RECOMMENDATIONS AND OBSERVATIONS WHICH THE
COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE
REPLIES OF GOVERNMENT.**

-----NIL-----

CHAPTER IV

RECOMMENDATIONS AND OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation

The Committee find that rental for telegraph, telephone and teleprinter circuits is payable in advance annually, quarterly or monthly at the option of the subscriber. Rental for telex machines and the line provided to the subscriber is payable in advance annually. Bills for telex and intelex calls are issued on monthly basis in arrears and are payable within 15 days from the date of issue, as in the case of telephone bills. In case of non-payment of rent and call charges on or before in due date, the service is liable for disconnection by giving to the subscriber a notice in writing for a period of seven days. It would be appropriate to mention in this connection that the Committee in paras 1.12 and 1.13 of their 122nd Report (Fifth Lok Sabha) had desired the Department to ensure that the instructions issued on 20 March, 1971 and 30 March, 1971 laying down the procedure for withdrawal of circuits in case of default in payment were observed by the local authorities and no laxity was tolerated on this account. The Committee had also then hoped that with the introduction of special procedure in December 1972 for recovery of arrears due from Defence authorities the realisation would substantially improve. The Government in their reply reproduced in Chapter II of the Committee's 143rd Report (Fifth Lok Sabha) had stated that the concerned Heads of Circles and Telephone Districts where the outstandings continued to be heavy had been specifically instructed to ensure that instruction issued by the Directorate in March 1971 regarding withdrawal of Circuits in case of default in payment were observed by the local authorities and recovery action taken accordingly. It had also been stated by the Department that continuous efforts were being made to clear the arrears in respect of bills issued up to 31-3-1972 which stood at Rs. 76.45 lakhs as on 1-4-1974. The Committee, however note that not only old arrears continue to rule high year after year (e.g. the arrears for bills issued up to 1971-72 standing at Rs. 22.47 lakhs as on 1 July 1977) but huge new arrears have also been added, particularly from the year 1976-77. The Committee have, therefore, come to the inescapable conclusion that the instructions of March 1971 have not been followed seriously but have met the same fate as has happened in series of periodical instructions issued by the Directorate General Posts & Telegraphs from time to time in the past in respect of arrears of telephone revenues; rent of circuits or telex charges, so far as their implementation as the lower formations under the Department is concerned. Since the problem has assumed an alarming proportion, the Committee would urge that the whole question of arrears would be reviewed in all seriousness at higher level and more effective and stringent measures taken to ensure that not only the old arrears are liquidated early but the mounting of new arrears is also checked to a reasonable limit, if not eliminated all together.

[Sl. No. 2 (para 1.14) of Appenix II to 148th Report of PAC
(Sixth Lok Sabha)]

CHAPTER V

- N I L

CHANDRAJIT YADAV,
Chairman,
Public Accounts Committee.

Public Accounts Committee.

Agrahayana 6, 1902 (S)

APPENDIX

Consolidated statement of Recommendations and Conclusions

S. No	Para No.	Ministry/ Deptt. concerned	Conclusions/Recommendations
1	2	3	4
1	1.6	Ministry of Communi- cations (P&T Board)	In this connection the Committee find that according to Paragraph 6 of the Report of the Comptroller and Auditor General of India for the year 1978-79, Union Government (Posts and Telegraphs), for bills issued up to 31 March, 1979, a sum of Rs. 370.49 lakhs as rent of telegraph, telephone and teleprinter circuits and telex/intellex charges was in arrears as on 1 July, 1979 against Rs. 243.00 lakhs as on 1 July, 1977, as brought out in Paragraph 7 of Audit Report for the year 1976-77 (Posts and Telegraphs). The arrears instead of showing any downward trend have in fact increased over the years.
2.	1.7	do	The Committee are not satisfied by the mere issue of fresh instructions in a routine manner by the Director-General, Posts and Telegraphs directing the various Units to review and accelerate the pace of recovery of the arrears of telephone bills etc. In para 1.14 of their 148th Report the Committee had made a definite recommendation that the whole question of arrears should be reviewed in all seriousness at a higher level and more effective and stringent measures taken to recover the old arrears. The Committee are of the opinion that had effective and appropriate measures at higher level been taken the arrears would not have increased over the previous years. They would, therefore, like to know what further steps have been taken or are proposed to be taken to recover the arrears.