

**TWENTY-EIGHTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(1991-92)**

(TENTH LOK SABHA)

**SHORT-BILLING OF TELEPHONE CALL
CHARGES OF HEAVY CALLERS**

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

**[Action taken on the 79th Report of Public Accounts Committee
(8th Lok Sabha)]**



*Presented to Lok Sabha on 30 April 1992
Laid in Rajya Sabha on 30 April 1992*

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1992/Vaisakha, 1914 (Saka)

***Price:* Rs. 11.00**

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Seventh Edition) and printed by the Manager, Photo Litho Unit, Govt. of India Press, Minto Road, New Delhi.

CORRIGENDA TO 28TH REPORT OF PUBLIC
ACCOUNTS COMMITTEE (10TH LOK SABHA)

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PUBLIC ACCOUNTS COMMITTEE

(1991-92)

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INTRODUCTION

1. I, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Twenty-eighth Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their Seventy-Ninth Report (Eighth Lok Sabha) on short-billing of telephone call charges of heavy callers.

2. The question of loss of revenue as a result of short-billing due to the four digit-meters installed in telephone exchanges in the country has engaged the attention of the Public Accounts Committee way back in 1968-69, when in their 40th Report (Fourth Lok Sabha), the Committee had stressed the need for replacing the four digit meters by five digit meters at the earliest to avoid loss of revenue. A test check in audit of two exchanges in Rourkela in July 1982 revealed short recovery of Rs. 6.92 lakhs. Audit had also pointed out 398 more such cases of short billing involving an amount of Rs. 16.60 lakhs during the year 1980-81 relating to Calcutta Telephone District. To obviate the loss of revenue on this account the Committee in their 79th Report (Eighth Lok Sabha) had again recommended that Government should undertake an emergent review of the entire position with a view to issuing strict directions for ensuring the replacement of all existing four digit meters by five digit meters in the shortest possible time. The Department of Telecommunications have intimated the Committee on 9.3.1992 that the work of replacement of 4 digit meters by 5 digit meters have been completed in all the exchanges in the Department. In this Report the Committee have expressed their unhappiness over the fact that the Department took more than 20 years to complete the project since the Committee had first stressed the need for replacement of the 4 digit meters in 1968-69 in their 40th Report (Fourth Lok Sabha).

3. This Report was considered and adopted by the Public Accounts Committee at their sitting held on 28 April, 1992. Minutes of the sitting form Part II of the Report.

4. For facility of reference and convenience the recommendations 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 Appendix to the Report.

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

NEW DELHI;
28 April, 1992

8 Vaisakha, 1914 (Saka)

ATAL BIHARI VAJPAYEE
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

1.1 This Report of the Committee deals with the action taken by the Government on the recommendations and observations contained in their 79th Report (Eighth Lok Sabha) on Paragraph 15 of the Report of the Comptroller & Auditor General of India for the year 1982-83 Union Government (P&T) relating to Short-Billing of Telephone Call Charge of Heavy Callers.

1.2 The 79th Report (Eighth Lok Sabha) was presented to Lok Sabha on 10 April 1987 and contained 15 recommendations and observations. Action taken replies in respect of all the recommendations have been received from the Government and these have been broadly categorised as follows:

- (i) Recommendations/observations that have been accepted by Government:
Sl. Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13 and 14.
- (ii) Recommendations/observations which the Committee do not desire to pursue in the light of the replies received from Government:
Sl. No. 12.
- (iii) Recommendations/observations replies to which have not been accepted by the Committee and which require reiteration:
-NIL-
- (iv) Recommendations/observations in respect of which Government have furnished interim replies:
Sl. No. 15.

1.3 The Committee recommend that final reply to the recommendation at Sl. No. 15 in respect of which only interim reply has been furnished so far should be made available to the Committee expeditiously.

1.4 The Committee will now deal with the action taken by Government on some of their recommendations.

Replacement of 4 digits meters by 5 digits meters in all the Telephone Exchanges in the Country

(Sl. No. 4—Paragraphs 1.31 to 1.33)

1.5 The Director General, Posts and Telegraphs decided in 1970 that the 4 digits meters of all heavy traffic subscribers should be replaced by 5 digit meters.

1.6 The 4 digits meters can record a maximum of 9,999 call after which the meter reverts to 0000 position. Thus, if meter reading is delayed,

10,000 calls (or a multiple thereof) may be overlooked. To avert this possibility, the departmental rules prescribed certain safeguards including maintenance of list of heavy callers and fortnightly meter readings. However, there have been instances of short billing of telephone call charges of heavy call charges. For instance a test check of the bills in the telephone exchanges in Bombay conducted in 1966-67 disclosed that in 32 cases, under billing to the extent of Rs. 48,838 due to infrequent reading of 4 digit meters during the period April 1960 to June 1967 had occurred.

1.7 In 1968-69, the Public Accounts Committee in their 40th Report (Fourth Lok Sabha) had noted that the Deptt. of Telecommunications had decided to replace 4 digit meters in heavily worked exchanges by 5 digit meters. As the capacity of the Indian Telephone Industries to supply 5 digit meters was limited, the Committee had then suggested that, "the Government may examine the possibility of getting the telephone meters of 5 digits from manufacturers of other types of meters like electricity meters so as to replace the 4 digits meters at the earliest to avoid loss of revenue."

1.8 A test check in audit of 2 exchanges in Rourkela in July, 1982 revealed that the various checks prescribed in the departmental rules were not followed strictly either by the exchanges or by TRA Branch. The register of heavy callers was not maintained by the TRA branch and consequently 157 full revolution (in the meters of 146 private-subscribers) for the period from January 1980 to January 1982 were not billed for by TRA branch, which resulted in short recovery of Rs. 6.92 lakhs. Audit has also pointed out 398 such cases of short billing involving in a amount of Rs. 16.60 lakhs during the year 1980-81 relating to Calcutta Telephone District.

1.9 Tracing out the history of this problem, the Public Accounts Committee in Paragraphs' 1.31 to 1.33 of their 79th Report (Eighth Lok Sabha) had recommended as follows:

"1.31 It was in 1968-69 that the Committee had in paragraphs 2.25 and 2.26 of their 40th Report (Fourth Lok Sabha) made following recommendations in regard to installation of 5-digit meters:

2.25 The Committee noted that a test checking of bills for the Telephone Exchange in Bombay had revealed that in 32 cases, short billing to the extent of Rs. 48,838 had resulted owing to infrequent readings of meters with provision for 4-digits only. The Committee note that the Department have now decided to replace the 4-digit meters in heavily worked exchanges by 5-digit meters. The Committee feel that if the Department had exercised due care in the beginning they would have provided 5-digit meters *ab-initio* in heavy exchanges, as is now being done for exchanges fitted with crossbar equipment.

2.26 The Committee note that the capacity of the Indian Telephone Industries to supply 5-digit meters is limited and that it would take three years to replace 4-digit meters by 5-digit meters in heavily worked exchanges. The Committee suggest that Government may examine the possibility of getting the telephone meters of 5-digit from manufacturers of other types of meters like electricity meters so as to replace the 4-digit meters at the earliest to avoid loss of revenue. In the meantime the Committee stress that every care should be taken to ensure that meter readings from the 4-digit meters are undertaken at least once a fortnight to avoid under-billing of the nature indicated in the Audit para.

The then Department of Communications (P&T Board) in their Action Taken Note dated 17.7.1969 had, *inter alia*, stated that in addition to the supply from ITI, they were also trying to establish independent indigenous sources in private sector for manufacture and supply of 5-digit meters. According to the then supply programme of these meters for the five years (1969-70 to 1973-74) indicated by M/s ITI, the total availability of this item both from the undertaking and through indigenous purchase was estimated to be 13.84 Lakhs out of which 6.81 Lakhs were earmarked for replacements. The Department had assured that they would continue to pursue the question of supplies with the ITI. They had also then given assurance that unless 4-digit meters were replaced by 5-digit meters, meter reading would be taken every fortnight.

1.32 Despite these decisions and the assurances the Committee are appalled to find that hardly any improvement in the situation has taken place today, that is after 23 years. On 1.4.1986, there were still in use 5,19,000 four-digit meters, very nearly the same number as on 1968-69.

1.33 The Committee can only reiterate their earlier recommendations and in addition record their desire that Government undertake an emergent review of the entire position with a view to issuing strict directions for ensuring the replacement of all existing four digit meters in the shortest possible period, laying down at the same time a machinery for ensuring that the progress in the implementation of the direction is adequate."

1.10 Action Taken notes furnished by the Department of Telecommunications on paragraph 1.31 reads as follows:

"The question of supplies of 5-digit metres from M/s ITI is being pursued vigorously. As on 18-9-86, 95,174 meters were pending supply from M/s ITI against the original order placed in August, 1981. Since then 37620 more 5-digit meters have been supplied upto 31st August, 1987. Subsequently an order for 1.33 lakh metres has been placed on M/s ITI in 1986. M/s ITI are confident

of completing supplies against both these orders in three years time.

So far as reading of meters every fortnight is concerned, DDG (TRF) has already reiterated the earlier instructions *vide* his office letter No. 23-15/87-TR dated 12th May and 20th May, 1987. This has been vetted by Director Audit, P&T, Delhi *vide* their UO No. RR-III/2(d) 2287/Vol-III/652 dated 10-3-1988".

1.11 In their subsequent note the Department of Telecommunications had stated that the supply effected by ITI from 1-4-1986 to 31-3-1990 was 1.84 lakhs P.O. Meters.

1.12 Action Taken note furnished by the Department of Telecommunications on Paragraph 1.32 reads as follows:

"As mentioned in reply to item No. 2.33 4-digit meters are expected to be replaced in the next five years provided the supplies from ITI pick up and they supply the five digit meters at the rate of about 1 lac per year. This has been vetted by Director Audit, P&T, Delhi *vide* their U.O. NO. RRIII/2(d) 2287/Vol. III/652 dated 10-3-88 with remarks that the dept. in its reply has not given the action proposed to be taken to meet the requirement for completing the replacement by 5-years. The Indian Telephone Industries being under the administrative control of the Ministry itself, the action taken to increase the production and supply have not been indicated. The position in this respect may please be clarified to PAC and Audit."

1.13 In a note subsequently furnished by the Department of Telecommunications, it has been stated:—

"Total requirement was 2.28 lakhs. An order of about 95000 was already pending against ITI and an order of 1.33 lakh was placed in ITI in September 1986 and 20000 on M/s Rao Insulating Co. ITI supplied 1.84 lakh in last 3½ years. M/s. Rao Insulating Co. has also completed supply of 20000 Nos. Thus, there is a pending order of 44000 Nos. on ITI which is expected to be completed by 31-3-1991. M/s ITI has been able to increase supply from 14000 Nos. per year during past to 40000 per year during last three years inspite of two constraints given below:—

- (a) P.O. meters are not manufactured by ITI. These are bought out items. ITI is purchasing these items from M/s Keltron Meters and M/s Moroli Meters. These companies are also under commitment that they will supply meters to ITI only.
- (b) P.O. Meters are also required in development work i.e., in new exchanges/expansions."

1.14 Action taken note furnished by the Department of Telecommunications on paragraph 1.33 reads as follows:—

“Review of the replacement of four digit meters by five digit meters is being done continuously and the progress is watched. The progress is not as fast as is desirable mainly due to the poor supplies from the manufacturers which has been brought out in the report itself. 95,174 meters were pending as on 18-9-86 against the original order placed in Aug. 1981. Since then, 37,620 more five digit meters have been supplied upto 31-8-87. Subsequently, an order for 1.33 lakh meters has been placed on M/s ITI in 1986. M/s ITI are confident of completing the supplies against both these orders in three years time. As the total requirement of five digit meters is around 5 lakhs for complete replacement of all the four digit meters, the process is likely to take about five years. However, all the stations having STD as on 31-3-86 are likely to be covered in about 3 years time. This has been vetted by Director of Audit, P&T, Delhi vide their UO No. RR-III/2(d) 2287/Vol-III/652 dt. 10-3-88 with remarks that the Deptt. in its reply has not given the action proposed to be taken to meet the requirement for completing the replacement by 5 years. The Indian Telephone Industries being under the administrative control of the Ministry itself. The action taken to increase the production and supply have not been indicated. The position may in this respect please be clarified to PAC.

Reply to point raised by Audit

For meeting this one time demand it is not economical to increase the production capacity of ITI since the electro-mechanical meters are being phased out. Vigorous efforts have therefore been made to identify new vendors to meet this demand. Earlier M/s. Keltron of Trivandrum and M/s. Maroli Meters of Bangalore were the two vendors. One more vendor M/s. Rao Insulating of Bangalore has been located.”

1.15 In a note subsequently furnished by the Department of Telecommunications it has been stated:

“Review of replacement of four digit meters by five digit meters is being done continuously and the progress is watched. M/s ITI have submitted the supply position of five digit meters and as on 10.10.89. 69731 meters are pending for supply against an order of 1.33 lacs of 1986. They have finally committed to complete the full supply by March 1990. However all the stations with STD as on 31.3.1986 are likely to be completely covered by 1990-91 as assured in the last action taken note.”

1.16 In the final action taken note furnished by the Department of Telecommunications on 9th March, 1992, it has been stated:—

“In fulfilment of the above recommendations, the department hereby informs that the work of replacement of 4 digit meters by 5 digit meters has been completed in all the exchanges in the department. This has the approval of Advisor (O).”

1.17 The question of loss of revenue as a result of short billing due to the four digit-meters installed in telephone exchanges in the country had engaged the attention of the Public Accounts Committee way back in 1968-69, when in their 40th Report (Fourth Lok Sabha), the Committee had stressed the need for replacing the four digit meters by five digit meters at the earliest to avoid loss of revenue. A test check in audit of two exchanges in Rourkela in July 1982 revealed that the various checks prescribed in the departmental rules were not followed strictly which resulted in short recovery of Rs. 6.92 lakhs. Audit had also pointed out 398 more such cases of short billing involving an amount of Rs. 16.60 lakhs during the year 1980-81 relating to Calcutta Telephone District. To obviate the loss of revenue on this account the Committee in their 79th Report (Eighth Lok Sabha) had again recommended that Government should undertake an emergent review of the entire position with a view to issuing strict directions for ensuring the replacement of all existing four digit meters by five digit meters in the shortest possible time. The Department of Telecommunications have intimated the committee on 9.3.1992 that the work of replacement of 4 digit meters by 5 digit meters have been completed in all the exchanges in the Department. The Committee cannot resist expressing their unhappiness over the fact that the Department took more than 20 years to complete the project since the committee had first stressed the need for replacement of the 4 digit meters in 1968-69 in their 40th Report (Fourth Lok Sabha).

CHAPTER II

RECOMMENDATIONS AND OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation

Four digit meters installed in earlier years in certain telephone exchanges to record the number of local calls (including units of STD calls) record a maximum of 9999 calls, after which they revert (with the next call) to 0000 position again. As such, if total number of calls made during any billing period exceeds 10,000. The meter would indicate calls in excess of 10,000, with the result that there might be short-billing for 10,000 calls for that period. To obviate such short-billing more frequent meter readings in the case of all heavy callers were prescribed in the telephone exchanges at Bombay. However, a test check of the bills in the telephone exchanges in Bombay conducted in 1966-67 disclosed that in 32 cases, under-billing to the extent of 48,838 had resulted due to infrequent reading of meters of 4-digits during the period April, 1960 to June, 1967. Replacement of 4-digit meter in all heavily worked exchanges by 5-digit meters was then decided by the Government. This was brought out in the audit report on P&T for the year 1968. The Committee while commenting on this anomaly had recommended that the capacity of the Indian Telephone Industries (ITI) to supply 5-digit meters being limit Government should explore the possibility of getting this item from manufacturers of other types of meter electricity meters so as to replace all the 4-digit meters by 5-digit meters at the earliest to avoid loss of revenue. The committee had also suggested that till 4-digit meters were replaced by 5-digit meters, it should be ensured that readings of 4-digit meters of all heavy callers were undertaking at least every fortnight to avoid under-billing and consequent loss of revenue. While accepting both these recommendations, Government had stated that in addition to supply from ITI they were trying to establish independent indigenous sources in private sector for manufacture and supply of 5-digit meters. Government had also assured the Committee that fortnightly readings of all 4-digit meters would be taken.

[Sl. No. 1, Para No. 1.28 of Appendix to 79th Report of PAC (8th Lok Sabha)]

Action Taken

Two independent indigenous sources in private sector for manufacture and supply of 5-digit meters have since been established. These are M/s Rao Insulating Company, Bangalore and M/s Lucon Communications,

Bangalore. An order for supply of 20,000 Nos. of 5-digit meters has been placed on M/s Rao Insulating Company and an LOI for 20,000 Nos. of 5-digit meters has been placed on M/s Lucon Communications, Bangalore as stated in ATN for para 1.29. So far as reading of 4-digit meters fortnightly is concerned, instructions have again been reiterated *vide* letter No. 23.15/87-TR dated 12th May and 20th May, 1987.

This has been vetted by Director of Audit, P&T, Delhi *vide* their U.O.No. RR-III/ 2(d) 2287/Vol-III/652 dated 10.3.88.

[Ministry of Communications (DOT) F.No 41-7 / 87-MMC]

Recommendation

The Committee also noted that the Indian Telephone Industries (ITI) are not in a position to meet the total requirements of the Department for the 5-digit meters. Their present production is barely sufficient to take care of the expansion schemes of the Department. As against the order for 1,45,376 pieces placed on ITI during 1981-82, only 25,753 Nos. (about 18%) were supplied by March 1981 and during the next 5 years 1982-83 to 1986-87 (upto 30-9-1986) a paltry 34,849 were supplied (no supplies were made during 1983-84) leaving a balance of 95,174 pieces pending supply with the ITI as on 1.10.1986. An additional purchase order for supply of 1,33,000 5-digit meters was placed on the Undertaking on 18.9.1986. Thus the total orders pending now with ITI are for 2,28,174 Nos. This illustrates the gap between demand and supply. The ITI is procuring these DMs from two indigenous sources M/s Keltron and M/s Maroli Meters, Bangalore. The annual production capacity of each of these vendors is stated to be 50,000 Nos. The supplies from these manufacturers are not sufficient to meet the total requirement of ITI and the DOT. Moreover, these are not found to be of required specifications. Large numbers were found to fall short of specified rigorous tests. The supplies from each of these manufacturers during the 4 years 1983-84 to 1986-87 were 1,74,856 and 96,726 (total 2,71,582) respectively. Whereas average production of this item at M/s Keltron had reached its maximum capacity (about fifty thousand per year). M/s Maroli Meters could achieve only 55 per cent of their rated capacity although supplies from that unit were regular. Since the machines for production of 5-digit meters are available indigenously, the Committee desire that M/s Keltron may be encouraged and helped to increase their production capacity to at least 1,00,000 pieces per year. The Department of Telecommunications should also provide all technical assistance to M/s Maroli Meters and ensure that this unit attains its rated capacity of 50,000 meters per year. The Committee also hope that efforts would be made to come over labour and power problems being faced by these two units. The Committee are happy to note that two Units M/s Lucon Engineering, Bangalore and M/s Rao Insulating Co., Bangalore are being developed as alternate sources for supplying these meters and their samples have since been approved. The Department expected about 20,000 meters per year from each of these new sources. The Committee hope that

orders have been placed and bulk supplies since commenced from these units. They would like to be informed of the progress made in this regard.

[Sl. No. 2, Para No. 1.29 of Appendix to 79th Report of PAC (8th Lok Sabha)]

Action Taken

M/s Keltron and M/s Moroli Meters supply their production to M/s ITI. No direct order on these vendors from DOT are pending at present. M/s Moroli supplied 47,084 Nos. of five digit meters to various code numbers to ITI during 1986-87 and 56404 Nos. during 1987-88 upto 31st October 1987. However supplies from M/s Keltron had been only 19452 during 1986-87 and 14164 during the period 1st April, 1987 to 31st October, 1987. G.M. Kerala Telecom. Circle, Trivandrum has been requested to check up with M/s Keltron as to the problems they are facing in increasing their production capacity and the type of help/encouragement they need from DOT in achieving the production capacity. As mentioned in reply to para 1.28 earlier, two more vendors i.e. M/s Rao Insulating Co., Bangalore and M/s Lucon Communications Bangalore have since been developed. An order for supply of 20,000 Nos. of 5-digit meters has been placed on M/s Rao Insulating Co. supply of which is to be completed by December, 1987. Out of this they have already supplied 2000 Nos. An LOI for 20,000 Nos. of 5-digit meters has also been placed on M/s Lucon Communications, Bangalore. It may be mentioned that Moroli Meters have already achieved production capacity of more than 50000 meters per year. This has been vetted by Director of Audit, P&T, Delhi *vide* their U.O. No. PA-III / 2 (d) 2287 / Vol-III / 652 dated 10.3.88.

Further Reply

M/s Rao Insulating Company has completed supply of 20000 Nos., M/s Lucon's Proto Type Model was not approved. Therefore this firm has not accepted L.O.I. Instead of M/s Lucon another source is being developed. Status of Order / Supply is given below:

S.No.	Name of Supplier	Order placed	Supplied as on 31.3.90	Balance
1.	I.T.I.	2.28 lakhs	1.84 lakhs	44000
2.	Rao Insulating Co.	20,000	20,000	NIL

There is a further final additional demand of 66,000 Nos. for which orders placed. Supply is expected by Sept. 91.

[Ministry of Communication (DOT) F.No. 41-7/184-MMC]

Recommendation

To bridge the gap between demand and supply of 5-digit meters, the ITI made efforts to import meters by floating global tenders but it did not fully succeed in its efforts. One lakh 5-digit meters imported were for crossbar exchange but a supplier for these meters for strowger exchanges could not be located. The Department has, however, to depend on indigenous sources only. A comprehensive programme is stated to have been drawn up recently with the ITI to replace all the 4-digit meters in all exchanges having STD facility, in a phased manner. The Committee regret to note that all the efforts of the Department of Telecommunications are directed towards replacing 4-digit meters only in exchanges having STD facilities. They have made no mention of the existing 4-digit meters in the country numbering 5,19,200 as on 1.4.1986 covering all exchanges having measured rate tariff structure. While the Committee appreciate the various steps that are being taken to resolve this urgent problems, it is clear that much more needs to be done in this direction and whatever has to be done is done expeditiously. Taking note of the fact that the average indigenous supply rate of 5-digit meters from ITI is about 14,000 pieces per year and the item is not available for import in the world market, the Committee apprehend that the work of replacement of 4-digit meters even in the exchanges having STD facilities may take the Department another two decades to accomplish this first phase of the project. Complete elimination of 4-digit meters from all exchanges (whether strowger or others) having this type of meters would need a further period of 15 years i.e. in all about 35 years are required to do the job. This is squarely a situation which cannot be viewed with equanimity.

[Sl. No. 3, Para No. 1.30 of Appendix to 79th Report of PAC
(8th Lok Sabha)]

Action Taken

As mentioned in reply to item No. 2.33 total requirement of 5-digit meters for replacement of all 4-digit meters in the existing STD stations alone is about 2.33 lakhs. In these stations the 4-digit meters are expected to be replaced by 5-digit meters in about 3 years time. For complete replacement of all the 4 digit meters in all the exchanges additional 3 lac 5-digit meters would be needed. The complete replacement may be feasible in another five years provided the supplies from ITI pick up and they are able to supply the 5-digit meters at the rate of about 1 lac per year.

This has been vetted by Director of Audit, P&T, Delhi vide their U.O.No. RR-III/1(d) 2287/Vol-III/652/dated 10.3.88 with remarks that the deptt. in its reply has not given the action proposed to be taken to meet the requirement for completing the replacement by 5 years. The Indian Telephone Industries Ltd. being under the administrative control of the

Ministry itself, the action taken to increase the production and supply have not been indicated. The position in this respect may please be clarified to PAC and audit.

Further Reply

Total requirement was 2.28 lakhs. An order of about 95000 was already pending against ITI and an order of 1.33 lakh was placed on ITI on September 1986 and 20000 on M/s Rao Insulating Co. ITI supplied 1.84 lakh in last 3½ Years. M/s Rao Insulating Co. has also completed supply of 20000 Nos. Thus, there is a pending order of 44000 Nos. on ITI which is expected to be completed by 31.3.91. M/s ITI has been able to increase supply from 14000 Nos. per year during past to 40000 per year during last three years inspite of two constraints given below:—

- (a) P.O. meters are not manufactured by ITI. These are bought out items. ITI is purchasing these items from M/s Keltron Meters and M/s Moroli Meters. These companies are also under commitment that they will supply meters to ITI only.
- (b) P.O. Meters are also required in development work i.e. in new exchange/expansions.

[Ministry of Communications (DOT) F.No. 41-7/84-MMC]

Recommendation

It was in 1968-69 that the Committee had in paragraphs 2.25 and 2.26 of their 40th Report (Fourth Lok Sabha) made following recommendations in regard to installation of 5-digit meters:-

- 2.25. "The Committee note that a test checking of bills for the Telephone Exchange in Bombay had revealed that in 32 cases, short billing to the extent of Rs. 48,838 had resulted owing to infrequent readings of meters with provision for 4-digits only. The Committee note that the Department have now decided to replace the 4-digit meters in heavily worked exchanges by 5-digit meters. The Committee feel that if the Department had exercised due care in the beginning, they would have provided 5-digit meters *ab-initio* in heavy exchanges, as is now being done for exchanges fitted with crossbar equipment."
- 2.26. "The Committee note that the capacity of the Indian Telephone Industries to supply 5-digit meters is limited and that it would take three years to replace 4-digit meters by 5-digit meters in heavily worked exchanges. The Committee suggest that Government may examine the possibility of getting the telephone meters of 5-digit from manufacturers of other types of meters like electricity meters so as to replace the 4-digit meters at the earliest to avoid loss of revenue. In the meantime the Committee stress that every care should be taken to ensure that meter

readings from the 4-digit meters are undertaken at least once a fortnight to avoid under-billing of the nature indicated in the Audit para." The then Department of Communications (P&T Board) in their Action Taken Note dated 17.7.1969 had, inter alia, stated that in addition to the supply from ITI, they were also trying to establish independent Indigenous sources in private sector for manufacture and supply of 5-digit meters. According to the then supply programme of these meters for the five years (1969-70 to 1973-74) indicated by M/s ITI, the total availability of this item both from the undertaking and through indigenous purchase was estimated to be 13.84 lakhs out of which 6.81 lakhs were earmarked for replacements. The Department had assured that they would continue to pursue the question of supplies with the ITI. They had also then given assurance that unless 4-digit meters were replaced by 5-digit meters, meter reading would be taken every fortnight.

[Sl. No. 4, Para No. 1.31 of Appendix to 79th Report of PAC
(8th Lok Sabha)]

Action Taken

The question of supplies of 5-digit meters from M/s ITI is being pursued vigorously. As on 18.9.86, 95,174 meters were pending supply from M/s ITI against the original order placed in August, 1981. Since then 37620 more 5-digit meters have been supplied upto 31st August, 1987. Subsequently an order for 1.33 lakhs meters has been placed on M/s ITI on 1986 M/s ITI are confident of completing supplies against both these orders in three years time.

So far as reading of meters every fortnight is concerned, DDG (TRF) has already reiterated the earlier instructions vide his office letter No. 23-15/87-TR dated 12th May and 20th May, 1987. This has been vetted by Director Audit, P&T, Delhi vide their UO No. RR-III/2(d)2287/Vol-III/652 dated 10.3.88.

Further Reply

Supply effected by ITI from 1-4-1986 to 31-3-1990 is 1.84 lakh P.C. Meters.

[Ministry of Communications (DOT) F.No. 41-7/84-MMC]

Recommendation

Despite these decisions and the assurances the Committee are appalled to find that hardly any improvement in the situation has taken place today, that is after 23 years. On 1.4.1986, there were still in use 5,19,000 four-digit meters, very nearly the same number as on 1968-69.

[S.No 4, Para No.1.32 of Appendix to 79th Report of PAC
(10th Lok Sabha)]

Action Taken

As mentioned in reply to item No. 2.33 4-digit meters are expected to be replaced in the next five years provided the supplies from ITI pick up and they supply the five digit meters at the rate of about 1 lac per year. This has been vetted by Director Audit, P&T, Delhi vide their UO No. RRIII/2(d)2287/Vol-III/652 dated 10.3.88 with remarks that the deptt. in its reply has not given the action proposed to be taken to meet the requirement for completing the replacement by 5-years. The Indian Telephone Industries being under the administrative control of the Ministry itself, the action taken to increase the production and supply have not been indicate. The position in this respect may please be clarified to PAC and Audit.

Further Reply

Total requirement was 2.28 lakhs. An order of about 95000 was already pending against ITI and an order of 1.33 lakh was placed on ITI on September 1986 20000 on M/s Rao Insulating Co. ITI supplied 1.84 lakh in last 3½ years. M/s Rao Insulating Co. has also completed supply of 20000 Nos. Thus, there is a pending order of 44000 Nos. on ITI which is expected to be completed by 31.3.1991. M/s ITI has been able to increase supply from 14000 Nos. per year during past to 40000 per year during last three years inspite of two constraints given below:—

- (a) P.O. meters are not manufactured by ITI. These are bought out items. ITI is purchasing these items from M/s Keltron Meters and M/s Maroli Maters. These companies are also under commitment that they will supply meters to ITI only.
- (b) P.O. Meters are also required in development work i.e. in new exchanges/expansions.

[Ministry of Communications (DOT) F.No. 41—7/84—MMC]

Recommendation

The Committee can only reiterate their earlier recommendations and in addition record their desire that Government undertake an emergent review of the entire position with a view to issuing strict directions for ensuring the replacement of all existing for digit meters in the shortest possible period, laying down at the same time a machinery for ensuring that the progress in the implementation of the direction is adequate.

[S. No. 4, Para No. 1.33 of Appendix to 79th Report of PAC (8th Lok Sabha)]

Action taken

Review of the replacement of four digit meters by five digit meters is being done continuously and the progress is watched. The progress is not as fast as is desirable mainly due to the poor supplies from the manufacturers which has been brought out in the report itself. 95,174 meters were pending as on 18.9.86 against the original order placed in Aug. 1981. Since then, 37,620 more five digit meters have been supplied upto 31.8.87. Subsequently, an order for 1.33 lakh meters has been placed on M/s ITI in 1986. M/s ITI are confident of completing the supplied against both these orders in three years time. As the total requirement of five digit meters is around 5 lakhs for complete replacement of all the four digit meters, the process is likely to take about five years. However, all the stations having STD as on 31.3.86 are likely to be covered in about 3 years time. This has been vetted by Director of Audit, P&T, Delhi vide their UO No. RR-III/2(d) 2287/Vol-III/652 dt. 10.3.88 with remarks that the Deptt. in its reply has not given the action proposed to be taken to meet the requirement/for completing the replacement by 5 years. The Indian Telephone Industries being under the administrative control of the Ministry itself. The action taken to increase the production and supply have not been indicated. The position in this respect may please be clarified to PAC and Audit.

Reply to point raised by Audit

For meeting this one time demand it is not economical to increase the production capacity of ITI since the electro-mechanical meters are being phased out. Vigorous efforts have therefore been made to identify new vendors to meet this demand. Earlier M/s. Keltron of Trivandrum and M/s. Maroli Meters of Bangalore were the two vendors. One more vendor M/s. Rao Insulating of Bangalore has been located.

Further Reply

Review of replacement of four digit meters by five digits meters is being done continuously and the progress is watched. M/s ITI have submitted the supply position of five digit meters and as on 10.10.89 69731 meters are pending for supply against an order of 1.33 lacs of 1986. They have finally committed to complete the full supply by March 1990. However all the stations with STD as an 31.3.1986 are likely to be completed covered by 1990-91 as assured in the last action taken note.

In fulfilment of the above recommendations, the department hereby informs that the work of replacement of 4-digit meters by 5-digit meters have been completed in all the exchanges in the department.

This has the approval of Adviser(O)

[Ministry of Communications (DOT) F.No. 20-10/86-PHM]

Recommendation

According to the latest position furnished by the Department of Telecommunications in this regard on 27.11.1986, the Committee understand that all the heavy traffic subscribers in the country have been identified upto 31.3.1986 and their 4-digit meters numbering 86,394 been replaced by 5-digit meters. The Ministry of Communications intimated on 6.6.1986 that the remaining 2,74,271 4-digit meters relating to all the exchanges in the country having STD facility would be replaced by 5-digit meters progressively depending upon the supply position and this is being kept under watch. In addition to the above, field units have also been asked to provide all STD subscribers with 5-digit meters from the STD-barred subscribers groups.

[Sl. No. 5, Para No. 1.34 of Appendix to 79th Report of PAC (8th Lok Sabha)]

Action Taken

As mentioned in reply to item 2.33 the total requirement of five digit meters for replacement of the four digit meters in the existing STD stations is about 2.33 lakhs. All these four digit meters in these STD stations are expected to be replaced by five digit meters in about three years time.

Regarding replacement of five digit meters working for STD barred subscribers by four digit meters etc. necessary instructions have already been issued vide D.O. No. 20-10/84-PHM dated 18th December, 1984.

This has been vetted by Director of Audit, P&T Delhi vide their UO No. RR-III/2(d) 2287/Vol-III/652 dated 10.3.88.

[Ministry of Communications (DOT) F. No. 41—7/84—MMC]

Recommendation

The Committee feel that as the calling rates of telephone subscribers vary from time to time depending on the exigencies of their needs it is all the more necessary to complete this job at the earliest. The Committee, therefore, desire that keeping in view the need of replacements and expansion, more vigorous efforts are called for to procure 5 digit meters from all possible sources and instal them in place of existing 4 digit meters in the country under a phased time bound programme. The Committee would emphasise the need for locating more new sources of supply of 5 digit meters from amongst the manufacturers/suppliers of electricity/water and other types of meters in private/cooperative sector. The committee feel that in this age of high technology, it could not be impossible to establish adequate production of this item howsoever critical it may be.

[S. No. 5, Para No. 1.35 of Appendix to 79th Report of the PAC 8th Lok Sabha]

Action Taken

Vigorous efforts continue to be made for locating new vendors. M/s ITI have reported that one more vendor i.e. M/s Rao Insulating of Bangalore has been located. Earlier M/s Keltron of Trivandrum and M/s Maroli Meters of Bangalore were the two vendors. DOT has also placed a purchase order for 20,000 meters on M/s Rao Insulating. As indicated in the note against para 1.33, complete replacement of all the four digit meters by five digit meters can be possible in another five years if the promised supplies come up. However, all the stations having STD as on 31.3.86 are likely to be covered in about 3 years time. This has been vetted by Director of Audit, P&T, Delhi vide their U.O. No. RR-III/(d) 2287/Vol-III/652 dated 10.3.88.

Further Reply

Vigorous efforts are still continuing for locating new vendors and the CTS Calcutta has taken up the same. Purchase order of 20000 meters placed with M/s Rao Insulating Company placed by DOT is being reviewed for the actual status of supply to the field units. As indicated in the note against para 1.33, complete replacement of all the four digit meters by five digit meters at Stations with STD as on 31-3-86 are likely to be completed by 1990-91.

In fulfilment of the above recommendations, the department hereby informs that the work of replacement of 4-digit meters by 5-digit meters have been completed in all the exchanges in the department.

This has the approval of Adviser(O)

[Ministry of Communications (DOT) F. No. 20—10/86 PHM (pt)]

Recommendation

The Committee note that with the introduction of large scale STD in the country around 1970, the DGP&T have repeated their resolve to replace 4-digit meters, of all heavy traffic subscribers by 5-digit meters, as they were satisfied that shortbilling could only be overcome through this change.

[Sl. No. 6, Para No. 2.29 of Appendix to 79th Report of PAC (8th Lok Sabha)]

Action Taken

In order to indentify the subscribers with heavy traffic in the telephone exchanges with STD facility, lists/registers of heavy callers are being maintained. The prescribed checks for watching the completed revolutions of 4-digit meters are being exercised. Action is taken to replace the 4-digit meters of heavy callers by 5-digit meters as early as possible. Instructions have also been issued to all the field units for taking urgent steps to indentigy heavy callers and

for carrying out prescribed checks to watch complete revolutions of 4-digit meters strictly so as to prevent incidence of short-billing.

This has been vetted by Director of Audit, P&T, Delhi *vide* their letter No.RR III/2(d) 2287/271 dated 28.7.87

[Ministry of Communications (DOT) OM No. 23-13/87-TR]

Recommendation

STD facilities were introduced in the Rourkela Steel Plant and township telephone exchanges from August 1979. This made it necessary to provide 5-digit meters in that township without delay. However, upto June 1982, the Department was successful in installing 5-digit meters only for 360 out of the 3138 working connections in that exchanges. The remaining 2778 connections continued to have 4-digit meters. The Committee further observe that a test check by Audit of two exchanges at Rourkela in July 1982 revealed that the various checks prescribed in the Departmental Rules were not strictly carried out either by the exchanges or by the TRA (Telephone Revenue Accounts) Branch. The Register of heavy callers was not maintained by TRA Branch and meters of heavy callers were not checked every fortnight with the result that 157 full revolutions (in the meters of 146 private subscribers) for the period January 1980 to January 1982 were not billed for by TRA Branch resulting in short recovery of Rs. 6.92 lakhs.

[Sl. No. 8, Para No. 2.31 of Appendix to 79th Report of PAC (8th Lok Sabha)]

Action Taken

The Committee has observed that although the STD facility was introduced in Rourkela Steel Plant and Township Exchanges in August, 1979, the department could instal 5 digit meters only for 360 out of the 3138 working connections in that exchanges and the remaining 2778 connections continued to have 4 digit meters.

2. It is stated that after the introduction of STD facility at Rourkela Steel Plant and Township Exchanges in August, 1979 efforts were made to procure 5 digit meters from M/s I.T.I. Ltd. The supply of 5 digit meters by the ITI has been far less than the requirements. The matter was pursued vigorously M/s ITI and consequently 5 digit mater for 810 connection were installed by June, 1984 against 3598 working connections in Rourkela. The work of replacement of 4-digit meters by 5-digit meters has since been completed on 26.8.85.

3. The PAC has observed that the Registers of Heavy callers were not maintained in the TRA Branch, and the various checks prescribed for meter readings in the Telephone Exchange were not being carried out regularly. The matter has been thoroughly investigated and the officials who were found responsible for the lapse have been punished. The various checks prescribed for meter reading are now being carried out periodically in the exchange. Meters of heavy callers are being checked every fortnight. The registers of heavy callers are now being maintained in the TRA Branch.

4. As far as the recovery of short billed amount is concerned only an amount of Rs.1881.00 remains to be recovered against total short billed amount of Rs.92 lakhs pointed out by the Audit. The steps taken to recover the outstanding amount have been explained in reply to Para 2.34.

5. The instructions have, however, again been issued vide this office No. 23-13/87-TR dated 20.5.87 (Anexure I) to all the units to take necessary action to avoid such lapses in future. This has been vetted by Director of Audit, P&T, Delhi vide their letter No. RR III/2 (d) 2287/271 dated 28.7.87.

Further Reply

A watch over the completed revolutions of four digit meters is being kept, and a list of heavy callers is being maintained invariably.

The amount involved has been recovered in full.

[Ministry of Communications (DOT) OM. No. 23-14/187-TR & F No. 2.14/187-TR]

ANNEXURE I

Government of India
Ministry of Communications
Department of Telecommunications
Sanchar Bhawan, 20, Ashoka Road
New Delhi-110001

No. 23-13/87-TR.

dated : 20-5-87.

To

All Heads of Telecom Circles/Telephone Districts.

SUB : *Short billing of Local calls in respect of heavy Traffic subscribers due to non-replacement of meters.*

Sir,

Your attention is invited to the following circulars issued by the Directorate.

- (1) No. 5-63/70-PHB- (1) dated 23-9-70.
- (2) No. 27-19/72-TC (50) Rs. TR dated 8-4-76.
- (3) No. 17-2/83-TR dated 19-11-1983.
- (4) No. 2-36/84-TR dated 6-8-1984.

The instructions regarding reading of Meters, recording of number of revolutions, test check of meter readings, preparation of list/Register of heavy callers etc. were reiterated therein. But it is distressing to note that inspite of these instructions, the checks prescribed are not being carried out regularly with the result, the audit has pointed out a number of cases of short billing of subscribers for completed revolutions of 4 digit meters. The Public Accounts Committee has also been highly critical of such instances. In their recent report they have seriously viewed Rourkela Telephone Exchange's omission to record the number of revolutions of the meters in the register and non-preparation of list of heavy callers and has asked that responsibility should be fixed in each such case of failure.

It therefore, becomes imperative that the checks prescribed for watching the completed revolutions of 4 digit meters are strictly enforced, by the staff of telephone exchanges, T.R.A. Branch as well as the internal check units. Special case is required in the stations where S.T.D. is introduced. It may therefore be ensured that all the checks are carried out effectively and action is also taken to identify the subscribers with

heavy traffic & to get their 4 digit meters replaced by 5 digit meters immediately.

The receipt of this letter may please be acknowledged.

Yours faithfully,

Sd /-

Deputy Director General (TRF)

Recommendation

Instructions were issued in 1970 that meters of all heavy callers should be checked fortnightly. Nevertheless, the Ministry was forced to note later that "there has been failure on the part of the supervisory staff in not checking the revolution of the meters. The disciplinary action initiated by the DET Rourkela against the delinquent officials is still in progress and in the meantime instructions have been issued to ensure correctness in future". The committee would like to be informed of the nature of action finally taken against the officials responsible for such a costly lapse. They would also like the Department of Telecommunications to strengthen their system of monitoring the implementation of various rules and instructions issued by them from time to time by their field formations in letter and spirit.

[S. No. 8, Para No. 2.31 of Appendix to 79th Report of PAC (8th Lok Sabha)]

Action Taken

The PAC has observed that despite the instructions issued in 1970 regarding fortnightly checking of meters of all heavy callers, there has been a failure on the part of the supervisory staff in not checking the revolutions of the meters. It has asked for the nature of action finally taken against the officials responsible for such a serious lapse. The lapses which occurred in these exchanges were thoroughly investigated and the officials at fault were identified. Disciplinary proceedings under departmental rules were initiated against eight such officials. After completion of the proceedings, one of the section supervisors has been given recorded warning while severe warning has been administered to the other 7 officials. The meters of heavy callers are being checked every fortnightly and the other checks as prescribed are also being carried out regularly.

The Committee has further desired the department to strengthen its system of monitoring the implementation of various rules and instructions

issued from time to time by the field units in letter and spirit. The monitoring of rules and instructions issued by the department is done through supervisory checks at various levels and stages. There are periodical administrative/internal check inspections of the working of units. Their records etc. are also subjected to periodical inspections.

However, instructions have also been issued under this office Memo No. 23-15/87-TR dated 12.5.87 and 23-13/87-TR dated 20.5.87 to all Heads of Telecom. Circles/Districts stressing upon the importance of proper implementation of various rules and instructions on the subject in letter as well as spirit to avoid recurrence of such lapse in future. This has been vetted by Director of Audit, P & T, Delhi vide their letter No. R. III/2(d) 2287/271 dated 28.7.87.

[Ministry of Communications (DOT) OM No. 23-15/87-TR]

Recommendation

The Committee are informed that maintenance of lists of heavy callers in the Rourkela Steel Plant and Township telephone exchanges by the TRA Branch was not done due to shortage of staff. It has been reported that on staff being posted as per sanctioned strength in the TRA Branch in Rourkela Engineering Division, defects and safeguards provided in the Departmental rules were remedied. The Committee hope that this situation will continue to be maintained in future by undrelenting maintenance of close vigil on the performance of the concerned staff.

[S.No. 9, Para No 2.32 of Appendix to 79th Report of PAC (8th Lok Sabha)]

Action Taken

The Committee have expressed the hope that maintenance of the heavy caller's Lists and carrying out various prescribed checks will continue and a close watch on the performance of the staff will be kept. It may be mentioned that the maintenance of lists/registers of heavy callers which suffered on account of shortage of staff, is now being done, properly. The various checks prescribed are also being exercised regularly to avoid and recurrence of such a lapse in future. Instructions have been issued to all the field units to keep a watch over the proper compliance of various rules and regulations in letter and spirit vide this office Memo No. 23-15/87-TR dated 12.5.87 and 23-13/87-TR dated 20.5.87, (Copies are enclosed). This has been vetted by Director of Audit, P&T Delhi vide their letter No. RRIII/2(d) 2278/271 dated 28.7.87.

[Ministry of Communications (DOT) O.M. No. 23-16/87—TR]

Recommendation

The Committee are happy to note that all the 4-digit meters including those of heavy traffic subscribers in the Rourkela Steel Plant and Township telephone exchanges have since been replaced by 5-digit meters. The Committee trust that Government taking a lesson from what was done in Rourkela, ensure that introduction of STD facilities and replacement of existing 4-digit meters by 5-digit meters is done simultaneously.

[S. No. 10, Para No. 2.33 of Appendix to 79th Report of PAC (8th Lok Sabha)]

Action Taken

Instructions have already been issued to replace all the 4-digit meters by 5-digit meters before introduction of STD facility in any station. A copy of orders, issued in this regard is enclosed.

This has been vetted by Director of Audit, P&T, Delhi vide their U.O. No. RR-III/2(d) 2287/Vol-III/652 dated 10.3.88

Further Reply

In fulfilment of the above recommendations, the department hereby informs that the work of replacement of 4-digit meters by 5-digit meters have been completed in all the exchanges in the department.

This has the approval of Adviser(O)

[Ministry of Communication's (DOT) No. 20-10/86 PHM(Pt) dated 9.3.1992.]

Recommendation

The Committee note that out of the short billed amount of Rs. 6.92 lakhs, only an amount of Rs. 1,881.00 remains to be recovered soon.

[Sl. No. 11, Para No. 2.34 of Appendix to 79th Report of PAC (8th Lok Sabha)]

Action Taken

It is confirmed that there was a short billing of Rs. 6.92 lakhs out of which only Rs. 1881.00 remains to be recovered. This amount is due from M/s Orissa Textile and Steel Ltd. for their telephone No. 3807 for their Branch Office at Rourkela. Since the Branch office has been closed, the Telephone at Rourkela has also been disconnected. In order to put Pressure on the company to make the payment, their two telephones Nos. (23079 and 23173) at Cuttack which are working for the Head Office of the Company have also been disconnected on 4.2.86. The case is being pursued vigorously. This has been vetted by Director of Audit, P&T, Delhi vide their letter No. RR III/2(d) 2287/271 dated 28.7.87.

Further Reply

The balance amount of Rs. 1881/-plus cost of instrument-Rs. 700/-, and bills dated 1-4-84, 1-6-84 and 1-8-84, amounting to Rs. 200/65, have since been recovered.

[Ministry of Communications (DOT) No. 23-18/87-TR]

Recommendation

The Committee note that the number of cases of short-billing due to revolution of 4-digit meters in the country as a whole detected by Internal Check Parties of the Department for the 6 year period from 1980-81 to 1985-86 were only 121 in number. Against this C&AG's office detected 544 cases both for private and Government subscribers (398 in 1980-81 and 146 in 1982-83). A close scrutiny of the above figures gives an interesting reading. 398 cases involving an amount of Rs. 16.60 lakhs during 1980-81 relate to Calcutta telephones and 146 cases during 1982-83 involving Rs. 6.92 lakhs relate to Rourkela Plant and Township exchanges, which is also one of the subject matters of the Audit para. Whereas the ICO of the Department could not detect a single case of short-billing throughout the country during 1980-81 and 1981-82 due to revolution of meters, the Audit could find as many as 398 cases in 1980-81 and 146 cases during 1982-83 at 2 exchanges at Rourkela. The solitary case brought out by IC Organisation during 1982-83 was in respect of a Government subscriber involving Rs. 5,000. It is difficult to resist the conclusion that the Internal Check Organisation of the DOT have been functioning most unsatisfactorily. The Committee desire that the Department should devise a more effective system of monitoring their functioning at the Circle/District level as well as at the Directorate level.

The Committee note that the proper observance of the rules is being test checked by the ICO of the Unit and the functioning of the I.C. Parties is in turn checked up by the Director of Internal Check of Telecom Directorate. The lapses noticed are pointed out to the units for remedial action and the defaulting officials are pulled up. The information showing amount of Short/non-billing is also annually put up to the Telecom Board through performance reports of the ICO in each calendar year. The observations of the Board are communicated to the Heads of Circles/Districts for further necessary action at their end. In addition to this, common serious irregularities/lapses are circulated among all Telecom Circles/Districts etc for their information and guidance and for such remedial action as is deemed fit to avoid their recurrence.

[S. Nos. 13 & 14, Para Nos. 2.36 & 2.37 of Appendix of 79th Report of PAC (8th Lok Sabha)]

Action Taken

As indicated in para 2.35, since the existing instructions in the Internal Check Manual did not contain the quantum of checks to be exercised, the

Internal Check Parties being under staffed could not take up a complete check of the records to detect cases of completed revolutions remaining unbilled. The quantum of checks to be exercised by the Internal Check has since been prescribed and with the issue of these instructions, it is felt that such omissions to detect missed revolutions may not occur in future.

This has been vetted by Director of Audit, P&T, Delhi vide their U.O. No. RR III/2(d) 2287/Vol. III/652 dt. 10.3.88 with remarks that the department in the ATN has prescribed quantum of checks in respect of only one item relating to complete revolutions shown in the Meter Reading register of Chapter VI of Internal Check Mannual.

The quantum of Checks in respect of other items of work relating to Telephone Revenue in the above Chapter have not been prescribed and indicated in ATN. The position in respect of these items may also be intimated to PAC and Audit.

As desired by the director of Audit, P&T, Delhi in the ATN above, the items of work relating to I.C. Inspection of TR shown in Chapter VI of I.C. Manual have been reviewed and quantum of Checks, where possible, have been proposed. Instructions on the subject will be issued shortly.

This has been approved by the Member(F).

[Ministry of Communication (DOT) No. 9-8/87—TA(IC)]

CHAPTER III

RECOMMENDATIONS AND OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES RECEIVED FROM GOVERNMENT

Recommendation

The Committee note that the Internal Check Organisation of Orissa Circle failed to point out the short-billing and its extent although it is entrusted with the responsibility of generally test checking all the items of work being done in TRA Branch including checking of meter reading register with reference to completion of revolutions. The Department of Telecommunications have asked the G.M. Orissa Circle to fix responsibility for the failure on the part of Internal Check Staff. The Committee desire to be informed of the nature of action taken against the staff of Internal Check Organisation of Orissa Circle responsible for such negligence. They would also like to be apprised of the nature of further instructions issued in this regard and the extent to which their implementation had brought about improvement in the day to day working of the field formations.

[S. No. 12, Para No. 2.35 of Appendix to 79th Report of PAC (8th Lok Sabha)]

Action Taken

It is true that the responsibility of generally test checking all the items of work being done in TRA including the checking of meter reading register with reference to the completed revolutions of the meters has been entrusted to the Internal Check but the exact quantum and type of checks to be exercised by the Internal check during their test check of the accounts had remained to be specified. The Internal Check parties of the Units could not take up a detailed scrutiny of the entire accounts to ascertain the cases of completed revolutions remaining unbilled.

The G.M., Orissa Telecom Circle who was addressed to fix responsibility for the failure of the Internal Check to detect cases of completed revolutions not billed, has stated that the responsibility could not be fixed as the Internal Check parties were under-staffed due to ban on the creation of posts and therefore, could not carry out the check prescribed fully.

This has been vetted by Director of Audit, P&T, Delhi vide their U.O. No. RR III/2(d)2287/Vol. III/652 dt. 10.3.88.

[Ministry of Communicatons (DOT) No. 9/8/87-TA(IC)]

CHAPTER IV

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

—NIL—

CHAPTER V

RECOMMENDATIONS AND OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

Recommendation

Yet another disturbing feature in this case is incorrect reading of meters. The Audit have pointed out that in 57 out of 146 cases detected by Audit in test-check, bills were not issued as the notings of meter readings in thousandth and hundredth digit were found to be incorrect. The method of meter reading by an operator assisted by another person presently followed by the Department is stated to be foolproof. However, the Secretary, Communications, admitted during evidence that "still human mistake can be there. When the meter reading is done manually and then sent to the computer for preparing the bill, this can also result in a minor error and whenever the subscriber demands, we look into it." The need to improve the system of meter reading and the subsequent action of preparing bills in the interest of efficient subscriber service can hardly be over-emphasised. The Department of Telecommunications have prescribed some further checks such as reading of the meter by one person and nothing in the register by another person and then checking the readings by reverse process test checking of 10% of original work done by the meter-reading operators, and surprise checks of meters, meter rooms of recorded meter readings by inspecting Officers. The department has also stated that the existing instructions have been reiterated and the importance of correct meter reading brought home to all concerned to prevent recurrence of such mistake in future.

The Committee would like to know the percentage of reduction in the issued of incorrect bills as a result of above mentioned measures taken by the Department.

They would also like to be informed of the number of cases of non-observance of departmental rules and instructions detected during 1985-86 in each telecom. District/Circles and the action taken against the delinquent officials.

(S.No. 15, Para No. 2.38 of Appendix to 79th Report of PAC (8th Lok Sabha))

Action Taken

The Committee have expressed their concern about incorrect reading of meters. It is true that until the meters are read correctly and actual meter readings are recorded in the registers and meter-reading statements are

pre-pared carefully and correctly the instances of short billing may continue to happen. The instructions issued by the department were to check all such omissions and to prevent errors in nothing the meter readings. Since the recording of meter readings is done manually by the staff employed on the job, it may not be possible to eliminate the human errors altogether. The reiteration of instructions will, however, help draw the attention of the staff to likely errors and help in reducing a recurrence. Every effort is being made to keep such errors to them minimum.

As required by the Committee, the information regarding the percentage of reduction in the issue of incorrect bills as a result of issue of the instructions and the number of cases of non-observance of rules/instructions detected during 1985-87 in each telecom. District/Circle and the action taken against the delenquent officials. The same has been called for from the units and would be submitted in due course.

The ATN has been vetted by director of audit, P&T, Delhi vide their letter No. RR III/2(d) 2287/271 dated 28.7.87 with remarks that final reply may be sent to Audit/PAC

Further Reply

Further to the detailed information in the earlier action taken Note from Member (F), from the information received from the field units, it is evident that the instructions are being scrupulously followed in each Circle/Distt, and the incidence of such cases is now rare.

The following cases of non-observance of departmental instructions during 1985-86, were reported:

Madras Telephones	: 23
Andhra Circle	: 8
Tamil Nadu Circle	: 1

The other units have reported that there have been no such occurences in this jurisdiction.

No action could be taken against officials in this connection as there was no identifiable deliberate lapse on the part of any official. They have, however, been instructed to be careful.

[Ministry of Communications (DOT) 23/19—86 TR]

NEW DELHI;
28 April, 1992 -

ATAL BIHARI VAJPAYEE,
Chairman,
Public Accounts Committee.

8 Vaisakha, 1914 (S)

**MINUTES OF THE 21ST SITTING OF THE PUBLIC ACCOUNTS
COMMITTEE HELD ON 28 APRIL, 1992**

PRESENT

Shri Atal Bihari Vajpayee

MEMBERS

Lok Sabha

2. Shri Girdhari Lal Bhargava
3. Shri Nirmal Kanti Chatterjee
4. Shri Arvind Netam
5. Shri Kashiram Rana
6. Shri R. Surender Reddy
7. Shrimati Krishna Sahi
8. Shri Pratap Singh

Rajya Sabha

9. Shri Dipen Ghosh
10. Shri H. Hanumanthappa
11. Shri Vishvjit P. Singh
12. Shri Ish Dut Yadav

SECRETARIAT

1. Shri G.L. Batra — *Additional Secretary*
2. Shri S.C. Gupta — *Joint Secretary*
3. Smt. Ganga Murthy — *Deputy Secretary*
4. Shri S.C. Shekhar — *Under Secretary*

REPRESENTATIVES OF AUDIT

- | | |
|---------------------------------|---|
| 1. Shri N. Sivasubramaniam | — ADAI (Reports) |
| 2. Shri A.K. Menon | — ADAI (Air Force & Navy and Ordinance Factories) |
| 3. Shri A.K. Banerjee | — Pr. Director (Reports) |
| 4. Shri P.K. Bandhopadhyay | — Pr. Director (Indirect Taxes) |
| 5. Shri S.C. Anand | — Director General of Audit (P&T) |
| 6. Shrimati Sudershna Talapatra | — Director of Audit, Defence Services. |

2. The Committee took up for consideration the following draft Reports:

(i) **

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(ii) short-billing of telephone call charges of heavy callers [Action Taken on the 79th Report of Public Accounts Committee (8th Lok Sabha)]

(iii)	**	**	**	**
(iv)	**	**	**	**
(v)	**	**	**	**

3. The Committee adopted the draft Report at (ii) above without any amendment.

4. The Committee authorised the Chairman to present the Reports to the House after incorporating therein modifications/amendments arising out of factual verification by Audit.

The Committee then adjourned.

APPENDIX

Conclusions/Recommendations

Sl. No.	Para No.	Ministry/Deptt. concerned	Conclusions/Recommendation
1	2	3	4
1	1.3	Ministry of Communications (Deptt. of Tele-Communications)	The Committee recommend that final reply to the recommendation at Sl. No. 15 in respect of which only interim reply has been furnished so far should be made available to the Committee expeditiously.
2.	1.17	-do-	The question of loss of revenue as a result of short-billing due to the four digit-meters installed in telephone exchanges in the country had engaged the attention of the Public Accounts Committee way back in 1968-69, when in their 40th Report (Fourth Lok Sabha), the Committee had stressed the need for replacing the four digit meters by five digit meters at the earliest to avoid loss of revenue. A test check in audit of two exchanges in Rourkela in July 1982 revealed that the various checks prescribed in the departmental rules were not followed strictly which resulted in short recovery of Rs. 6.92 lakhs. Audit had also pointed out 398 more such cases of short-billing involving an amount of Rs. 16.60 lakhs during the year 1980-81 relating to Calcutta Telephone District. To obviate the loss of revenue on this account the Committee in their 79th Report (Eighth Lok Sabha) had again recommended that Government should undertake an emergent review of the entire position with a view to issuing strict directions for ensuring the replacement of all existing four digit meters by

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4

five digit meters in the shortest possible time. The Department of Telecommunications have intimated the Committee on 9.3.1992 that the work of replacement of 4 digit meters by 5 digit meters have been completed in all the exchanges in the Department. The Committee cannot resist expressing their unhappiness over the fact that the Department took more than 20 years to complete the project since the Committee had first stressed the need for replacement of the 4 digit meters in 1968-69 in their 40th Report (Fourth Lok Sabha).
