

PUBLIC ACCOUNTS COMMITTEE (1978-79)

(SIXTH LOK SABHA)

HUNDRED AND EIGHTEENTH REPORT

**MINISTRY OF COMMUNICATIONS
(P&T BOARD)**

[Action taken by Government on the recommendations of the Public Accounts Committee contained in their 71st Report (Sixth Lok Sabha)]

*Presented in Lok Sabha on 4-4-1979
Laid in Rajya Sabha on*



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 1979/Chaitra, 1980 (S)

Price: Rs. 3.30

336.39516L

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CORRIGENDA TO 118TH REPORT OF THE PUBLIC
ACCOUNTS COMMITTEE (SIXTH LOK SABHA)

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PUBLIC ACCOUNTS COMMITTEE
(1978-79)

Shri P. V. Narasimha Rao—Chairman.

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1. Shri H. G. Paranjpe—*Joint Secretary.*
2. Shri D. C. Panday—*Chief Financial Committee Officer.*
3. 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 Hundred and Eighteenth Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their Seventy-First Report (Sixth Lok Sabha) on Paragraphs 7, 13 and 14 of the Report of the Comptroller and Auditor General of India for the year 1975-76, Union Government (Posts and Telegraphs).

2. On 31st May, 1978, an 'Action Taken Sub-Committee' consisting of the following Members was appointed to scrutinise the replies from Government in pursuance of the recommendations made by the Committee in their earlier Reports:

1. Shri P. V. Narasimha Rao—Chairman	} Members
2. Shri Asoke Krishna Dutt—Convener	
3. Shri Vasant Sathe	
4. Shri M. Satyanarayan Rao	
5. Shri Gaurishankar Rai	
6. Shri Kanwar Lal Gupta	

3. The Action Taken Sub-Committee of the Public Accounts Committee (1978-79) considered and adopted the Report at their sitting held on 15 March, 1979. The Report was finally adopted by the Public Accounts Committee (1978-79) on 29 March, 1979.

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

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

NEW DELHI;
March 29, 1979
Chaitra 8, 1901 (S)

P. V. NARASIMHA RAO,
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

1.1. This Report of the Committee deals with the action taken by Government on the conclusions or recommendations of the committee contained in their 71st Report (Sixth Lok Sabha) presented to the Lok Sabha on 17 April, 1978, on paragraphs 7, 13 and 14 of the Report of the Comptroller & Auditor General of India for the year 1975-76, Union Government (Posts and Telegraphs).

1.2. Action Taken Notes in respect of all the 40 conclusions or recommendations contained in the Report have been received from the Government and these have been categorised as follows:—

(i) *Conclusions or Recommendations that have been accepted by Government:*

S. Nos. 1, 2, 3, 4, 8, 13, 19, 23—25; 35; 40.

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

S. Nos. 7, 9, 12, 22, 26, 27—31, 34, 36, 38.

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

S. Nos. 6, 10-11, 14, 15, 17, 18 & 20.

(iv) *Conclusions or Recommendations in respect of which Government have furnished interim replies:*

S. Nos. 5, 16, 21, 32, 33, 37, 39.

1.3. The committee expect that final replies, duly vetted by Audit, to those recommendations or observations in respect of which only interim replies have so far been furnished will be submitted to them expeditiously.

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

Accumulation of arrears of telephone revenue against Government subscribers (Paragraph 1.32—Sl. No. 6)

1.5. Expressing displeasure over the alarming position of outstandings of telephone revenues not only against individuals and or-

ganisations but against Government subscribers also, the Committee, in paragraph 1.32 of the Report had observed:—

“The Committee are also not happy about the position of arrears in respect of Government subscribers. The figures furnished in this regard show that Government subscribers continue to account for substantial amount of arrears of telephone revenue. Out of total arrears of Rs. 6.28 crores during 1970-71, Government subscribers accounted for Rs. 2.33 crores (37 per cent). Similarly, a sum of Rs. 2.29 crores (30 per cent) out of Rs. 7.71 crores was outstanding against this category of subscribers during 1975-76. The Committee note that for expediting collections of outstanding bills from Government Departments, Chief Secretaries of all the State Governments as late as in 1973 to issue instructions to their officers and Secretaries of Central Ministries were addressed to arrange expeditious settlement of telephone bills and also to nominate Liaison Officers to whom cases of outstanding bills could be referred by Departmental Officers for expediting realisation. Inspite of these instructions, there is no significant change in the volume of arrears towards Government subscribers from 1973 till now. The Committee desire that the whole question of recovery of telephone arrears from Government bodies may be examined *de novo* and suitable measures taken for their expeditious recovery within a time bound programme. The Committee urge that the progress made in this regard should be watched every three months so that further steps not only to eliminate the earlier arrears but also to contain their further accumulation could be taken in time.”

1.6. In their note* dated 21st September, 1978 the Ministry of Communications (P&T Board) have stated:

“Instructions have been issued in P&T Directorate D.O. letter No. 2-32/73-TR dated 26.5.78 (Copy enclosed) to all the Heads of Circles|Districts to review personally the outstandings against exempted category of Telephones once in three months and a quarterly statement has also been prescribed for watching the progress of liquidation of arrears. In respect of other Government subscribers also, instructions have since been issued (copy enclosed) for review of arrears once in three months and a quarterly

*Not vetted in Audit.

statement has also been prescribed, as in the case of exempted category connections.

The Secretary (Communications) has demi-officially addressed all Secretaries of Government of India and Chief Secretaries of State Governments once again requesting them to arrange prompt payment of Telephone bills including old bills."

1.7. The Committee, in para 1.32 of their earlier report, had expressed anxiety about the mounting arrears of telephone revenue from all quarters, be they private subscribers, Government subscribers or exempted categories. Since efforts made earlier by the P&T Directorate to get the arrears reduced to the previous quarter (the current level), if not completely eliminated, had not borne fruit, the Committee had desired that the "whole question of recovery of telephone arrears from Government bodies may be examined de novo" and suitable action taken for their expeditious recovery within a time bound programme. Instead of doing so, the only further step taken in this direction is the issue of instructions as usual to the heads of Circles/Districts to review personally outstandings against Government subscribers, including exempted categories of telephones, once in three months and submit a quarterly statement showing the progress of liquidation of arrears. The Committee is constrained to note that no seriousness has been shown for the follow-up action to ensure implementation of the instructions in letter and spirit. Though the first quarterly progress report as per DG, P&T circular letters dated 27 May 1978 and 26 July 1978 in respect of these two categories of subscribers must have been furnished by the Head of each Circle/District by 10 August 1978 and 10 September 1978 respectively, the Action Taken Note furnished to the Committee on 21 September 1978 is silent about the result of such instructions. The Committee feel that unless the problem is tackled on all fronts and in all seriousness in a well thoughtout and resolute manner, the mere issue of instructions in a routine fashion will not yield the desired results. The Committee, therefore, reiterate their earlier recommendation that the problem should be studied in its proper perspective so as to take more effective measures to meet the challenge of increasing arrears. The Committee need hardly emphasise that the heads of Circles/Districts should be made personally responsible for bringing down current arrears to a reasonable limit and also clear the old outstandings in a phased quarterly programme. The progress reports so furnished to the Centre, should be critically analysed to take further follow-up action, where necessary.

1.8. The Committee would like to point out that the slackness in realisation of telephone dues from Government Departments and

Undertakings is also encouraging misuse of telephone for unauthorised purposes.

Lapses in billing and accounting procedure (Paragraphs 1.64 and 1.65—Sl. Nos. 10—11)

1.9. Commenting on the increasing trend in the cases of short recoveries, failure to issue bills, and excess billing, the Committee in paragraphs 1.64 and 1.65 of the Report had observed:

"1.64. The Committee take a serious view of the short recoveries as well as failure to issue bills by the Department. In paragraph 1.7 of their 122nd Report (Fifth Lok Sabha) they had desired to be informed about the outcome of the study regarding billing and accounting procedure then being made by a Committee. The Government in their reply reproduced in Chapter II of the Committee's 143rd Action Taken Report (Fifth Lok Sabha) had stated that the P&T Board had generally accepted recommendations of that Committee and the revised billing/accounting procedure based on those recommendations had been introduced in small and medium size Telephone Revenue Units with effect from 1-7-1970. Likewise, in respect of major Telephone Districts, computerised billing on Service Bureau basis had been introduced at Delhi, Bombay, Madras and Calcutta. However, the Committee regret to find that all these and other measures, such as issue of instructions etc., stated to have been taken by the Directorate have not yielded the desired result of eliminating these lapses. The position on the other hand has rather deteriorated and taken alarming proportion. According to the information furnished to the Committee, the short-recoveries of Rs. 8.01 lakhs during 1974-75 have risen to Rs. 21.69 lakhs during 1976-77 and similarly in the case of failure to issue bills the figure of Rs. 2.43 lakhs in 1974-75 has gone up to Rs. 18.52 lakhs in 1976-77.

1.65. Surprisingly enough, the Member (Finance) P&T Board has conceded during evidence that 'it has never come to the notice of the Directorate as a serious issue which needs issue of a directive from this place' and that 'nothing has been done centrally about it.' The Committee cannot but deplore the indifferent attitude of the Department to this serious lapse. They would like to urge that responsibility for failure to issue bills, short billing or excess billing

should be fixed at all levels so as to ensure that there is no recurrence of these lapses. The Committee 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 if found to have done with a *mala-fide* intention or for any pecuniary gain."

1.10. In their Action Taken Note dated 16 October, 1978 the Ministry of Communications (P&T Board) have stated:

"Suitable instructions have again been issued to all Heads of Circles/Districts by name to make surprise enquiries occasionally to see that short billing/failure to issue bills are not due to *mala-fides*/collusion on the part of any employee(s). The Heads of Circles/Districts have also been requested to make a review of all such cases and take suitable action against the officials found responsible for such lapses so as to avoid recurrence of such lapses."

1.11. The Committee had observed in their earlier recommendations that in the matter of failure to issue bills, short billing or excess billing the measures taken by Government so far had not succeeded in achieving the desired results and had emphasised that responsibility should be fixed at all levels to avoid recurrence of such lapses in future. The Committee have been informed that suitable instructions have again been issued to the heads of circles/districts by name and they have been requested to make a review of all cases of short billing, failure to issue bills and excess billing and take suitable action where found necessary. The Committee feel that mere issue of instructions would not serve the purpose unless these are followed up scrupulously and a strict watch is kept through periodical reports over the performance of those who are entrusted with this job. The Committee would, therefore, reiterate their earlier recommendation for necessary action in the matter.

**Complaints of excess metering and wrong billing (Para 1.68
Sl. No. 14).**

1.12. Emphasising the need to reduce the number of complaints regarding wrong billing/excess billing, the Committee in paragraph 1.68 of the Report had observed:

"Closely connected with the failure to short-billing is the problem of wrong billing/excess billing. The Committee learn that this happens primarily due to fault in meter or unnoticed STD calls made at the subscriber's end. The

number of complaints received during 1975 was 63,000 involving 14.59 lakh telephones and the number of bills being 58.36 lakhs during that year. Rebate had to be given in as many as 8581 cases. The Committee are perturbed to find that the number of such complaints is on the increase every year, these being 134176 during 1976-77 as against 78264 during 1972-73—an increase of 71 per cent over the last 5 years. The Committee concede that over the years the number of telephone connections have also increased. Even so, the number of complaints is suggestive of the fact that the wrong billing is perhaps a regular feature. The Committee, therefore, recommend that whereas genuine cases should be dealt with promptly to restore confidence in the service, test check of the over-billing and rebate given over and above a reasonable limit should be made to identify the actual causes of over-billing with a view to taking remedial measures for the future and to ensure that the rebate given is genuine and the powers delegated in this regard are not misused."

1.13. The Action Taken Note dated 30 December, 1978 furnished by the Ministry of Communications (P & T Board) in response to the Committee's observations is reproduced below.

"At present all the Heads of Telecom Circles/Telephone Districts have the powers to grant rebate upto Rs. 3000 per quarter in respect of complaints of excess metering at STD stations subject to a maximum of 2 quarters in a year. In respect of 4 metropolitan Telephone Districts at Delhi, Bombay, Calcutta and Madras these powers have since been increased upto Rs. 5,000/- per quarter subject to a maximum of 2 quarters in a year. Necessary orders are under issue.

In view of the enhanced powers delegated and with a view to ensuring that the rebate at Circle/District level is given in genuine cases instructions have been issued that:—

- (i) In Telecom Circles and Telephone Districts under General Managers (other than 4 metropolitan Telephone Districts) all cases of rebate above Rs. 2000 will be decided personally by the General Managers.
- (ii) In Minor Telephone Districts all cases of rebate will be decided by the District Managers personally.
- (iii) In 4 metropolitan Telephone Districts all cases of rebate above Rs. 3000 will be decided by the General Managers or Addl. General Managers at their personal level.

- (iv) Director (Vig.) Vigilance Officers in Circle/District shall exercise a test check of 5 per cent to total cases in which rebate has been allowed subject to a maximum of 10 cases per month.
- (v) Instructions have also been issued that whenever there is fault in meter circuit or in the associated equipment it should be covered in the category of faulty meters and Divisional Engineers should satisfy themselves and record in writing the occurrence and nature of such faults before revising any bills for local calls. Instructions have also been issued that subscribers whose meters were out of order for a quarter or more should be charged for such period on the basis of average number of calls made by them during the preceding 2 quarters."

1.14. The Committee note that some remedial measures have been taken by the P & T Directorate to tackle the problem of wrong billing and excess billing. They, however, feel that these measures are not adequate and they would like to caution the department that any slackness in the implementation of the steps contemplated or failure to follow-up the instructions issued in this regard would negate the efforts made so far in this direction. The Committee would, therefore, like the Department to review the position quarterly to take further steps in the matter, where considered necessary.

Litigation (Paragraph 1.69—S. No. 15)

1.15. Commenting on the huge amount spent on litigation for recovery of outstanding of telephone charges each year, the Committee in para 1.69 of the Report had observed:—

"Coming to litigation, the Committee find that this recourse had to be resorted to for recovery of Rs. 25.36 lakhs as on 1st July, 1976 from private subscribers. The Committee would like to place on record some interesting statistics in this regard. The number of cases under litigation was 3237 for bills involving less than Rs. 250 each and 3423 were in respect of bills for more than Rs. 250 as on 1-7-1977. The oldest case under litigation relates to the year 1956-57 involving Rs. 1530. The highest amount involved in litigation is Rs. 1,15,000 due from M/s. J&K Cotton Mills, Kanpur and the lowest amount is Rs. 120 pertaining to a Raipur subscriber. The amount spent on litigation during 1974-75 was Rs. 53,002.08 and the number of cases decided was 152. As against this, in 100 cases decided during 1976-77, Government had to spend Rs. 51,042.37. The Committee have

been informed that instructions have been issued to all the Units that since litigation is a long drawn and expensive process, no litigation should be taken up for amount of bills below Rs. 250. In view of the heavy amount spent on litigation each year, the Committee would like to urge that the problem should be studied in depth with reference to its economics and the results achieved in the past for formulating further policy in this regard. They would also like the Department to lay down more comprehensive and clear cut guidelines for going in for litigation as the last resort."

1.16. In their Action Taken Note dated 16 October, 1978, the Ministry of Communication (P&T) have stated:

"Instructions have again been issued to Circles/Districts to meticulously follow the guidelines issued from time to time in this respect. However, the recommendations of PAC to study the problem in depth with reference to its economics and the results achieved in the past for formulating further policy, has been noted for necessary action."

1.17. 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.

Loss of Departmental Records (Paragraph 1.71—Sl. No. 17)

1.18. Dealing with the problem of loss of Departmental records pertaining to telephone revenue and consequent write off of outstandings, the Committee in paragraph 1.71 of the Report, had observed as follows:—

"The Committee feel equally concerned about the loss of departmental papers pertaining to telephone revenues which have become a regular feature each year. Rs. 35,000 during 1975-76 and Rs. 25,000 during 1976-77 had to be written

off as a result of loss of files. In this context the Committee would like to reiterate their earlier recommendations made at paragraph 1.8 of their 122nd Report (Fifth Lok Sabha) on this very issue and desire that the Directorate should take a serious view of this problem and ask the authorities concerned to investigate thoroughly all cases involving big amounts with a view to finding out whether any *mala fide* intention was involved, fix responsibility and take remedial measures for the future. The Committee recommend that deterrent punishment should be given in case of proven collusion."

1.19. In their Action Taken Note dated 16 October, 1978 the Ministry of Communications (P & T Board) have stated:—

"Instructions had been issued to all Heads of Circles|Districts to fix responsibility and initiate disciplinary action against those officials found responsible for the loss of records, which necessitated write off of dues, before approving such write off. The instructions have been reiterated stressing the need for thorough investigation of cases involving write off of revenue due to loss of records and for awarding deterrent punishments to such officials as are found responsible for the loss."

1.20. The Committee are not satisfied with the reply of the Government. The seriousness of the problem of loss of Departmental files pertaining to telephone revenues could be gauged by the fact that this matter had earlier been the subject of the Committee's observations in 1973-74 and the P & T Directorate had then drawn the attention of all Heads of Circles/Telephone Districts to this lapse and had also requested them to review each case and fix responsibility wherever necessary. The instructions were thus already there. In spite of that the matters did not improve but had rather deteriorated as brought out in the earlier recommendation of the Committee. The Committee, therefore, feel that mere issue of instructions in response to the Committee's observations whenever it comes before them would not lead to any tangible results. What is actually required is to follow-up action once the instructions are issued. Besides, the Committee feel that the procedure of maintenance and recording of files also needs to be gone into thoroughly to ensure a more methodical and efficient system regarding their movement at different levels and ultimately leading to recording and proper custody.

Delay in completion of tele-communication project (Paragraphs 2.23 and 2.25—Sl. Nos. 8 and 20)

1.21. In paragraph 2.23 and 2.26 of the Report, the Committee had dealt with the inordinate delay in completion of 8-channel Transis-

torised carrier system between Dumka and Deogarh and escalation of cost thereof. The Committee had made the following observations in paragraphs 2.23 and 2.25 regarding the factors which had caused delay at the execution stage of the project:

"2.23. The Committee note that the project for the installation 8-Channel transistorised carrier system in replacement of the existing 8-Channel system between Dumka and Deogarh for providing adequate tele-communication services in Dumka, District Headquarters of Santhal Parganas, a backward area in Bihar State, was approved in March, 1970 at an estimated cost Rs. 1.15 lakhs. Detailed estimates for the work sanctioned in October, 1972. Though according to the Original estimate, the work has to be completed in two months time, it took as long as 6 years in commissioning the system in October, 1976, after its approval. The principal reasons for delay in execution of this project are stated to be (1) the replacement of the alignment of existing AB line by A4 BC line so that it can carry additional NCJ pairs for use in future, the existing line being not in a position to carry this load of NCJ pair in a Section of 16 Km. between Dumka and Jarna and (2) realignment of the line between Deogarh and Ghormara to avoid 'induction' due to high tension power line laid by Electricity Department. So far as the first factor is concerned, the Department have admitted that it was a case of oversight on the part of engineer. So far as the second one is concerned, it seems that although the Electricity Department laid that line subsequently the P&T Department had agreed to shift their own A4 BC line to avoid induction on the specific understanding that the Electricity Department, would pay the cost of such realignment. The Committee also understand that a sum of Rs. 0.24 lakh towards the cost of realignment has been accepted by the State Electricity Board. However, what is noteworthy is that due to these alterations having to be made there was a delay in the execution of the project. The Committee would urge that a Departmental enquiry be conducted to identify the reasons for delay at every stage so as to fix responsibility for taking action against those found responsible for dereliction of duty.

"2.25. Yet another disquieting aspect of the case is that at the time of preparation of the estimate the fact that the existing AB line could not bear the load of NCJ pair was not foreseen. This led to the provision of A4BC posts thus

increasing the cost of re-transposition of the pair from Rs. 0.31 lakh to Rs. 3.13 lakhs. The overall cost of the project thus increased from Rs. 1.15 lakhs to Rs. 4.39 lakhs. The Committee desire that responsibility for this lapse should also be fixed."

1.22. In their reply dated 24 October, 1978, the Ministry of Communications (P&T Board) have stated as follows:—

"2.23. The delay in the execution of the work has been investigated on the basis of the records of the Circle Office, Divisional Office and Sub-Divisional Office, Deogarh.

The following facts have been gathered:

1. The Directorate approved proposal for 8-Channel Carrier System between Dumka and Deogarh in March, 1970.
2. Matters related to traffic data, engineering details etc. for the preparation of the project and detailed estimates were under correspondence between the Circle, Division and Sub-Division as well as T&D Circle and RTS upto 6-4-72.
3. DET submitted the project and detailed estimates to the Circle on 6-4-72.
4. The Circle sanctioned the estimate based on AB posts on 4-10-72.
5. Sanctioned copy of the estimate was received by SDO(T) Deogarh on 21-2-73, and indents were released on 27-2-73.
6. The Electricity Authorities erected a power line during 72-73 in proximity to the Telecom. lines without the clearance of PTCC, and the Department objected to this.
7. SDO(T) asked the Circle Office to allot stores on priority basis on 3-11-73.
8. SDO(T) released indents for A4 BC posts on 21-2-73 since the load could not be carried AB posts and informed DET on 24-12-73 that he had started the work on 19-12-73 with some available A4BC posts in the Sub-Division and he had obtained 50 A4 BC posts from AE Stores, Patna and he had indented for 1000 A4 BC posts.

9. As far as the necessity for shifting is concerned, the matter was taken up with the Electricity Authorities and the route was jointly inspected by P&T and the Electricity Authorities and finally the Electricity Authorities agreed to pay the shifting charges for the P&T alignment on 2-2-73.
10. During the execution of the work, Director Telegraphs, Patna asked for further shifting of posts away from the powerline on 1-8-74.
11. The work was completed by October, 75 and offered for acceptance testing but the line failed due to power induction. The case was referred to PTCC. The PTCC advised provision of GD tubes, and these were procured and fitted and the line passed the test on 20-10-76. Simultaneously the system was commissioned.
- *12. It is seen that the delay has been due to two reasons:
 - (a) Lack of foresight on the part of DET, who processed the case for sanction of the proposal with AB posts. He should have taken into account the load carrying capacity of the line and the future expansion.
 - (b) The action of the Electricity Authorities in erecting the power line in close proximity to the telephone lines without first getting the PTCC clearance. This resulted in the necessity of shifting the line.
13. As far as 12(a) is concerned, the DET concerned retired in August, 1976. It is felt that it will be too harsh to take action at this stage for an error of oversight.
14. As far as 12(b) is concerned, the matter has been taken up with the Central Electricity Authorities and the State Electricity Board to issue strict instructions to see that such cases do not recur."
- "2.25. General Manager, Tele-communications, Patna investigated the case and came to the conclusion that the Divisional Engineer, Telegraphs, who processed the case for the sanction of the estimate in 1972 did not foresee the future requirements. This was clearly a case of oversight as was admitted earlier before the P.A.C. The Divisional Engineer, however, retired in August, 1976. It is felt that it would be too harsh to take action against the officer after retirement."

*Not vetted in Audit.

1.23. From the reply of the Government the Committee find that the P&T Directorate has attempted to explain away the delay as lack of foresight on the part of the DET who had processed the case for sanction of the proposal with AB posts and the action of the Electricity Authorities in erecting the power line in close proximity to the telephone lines without getting the PTCC clearance. While the Committee take a lenient view at this stage of the lapse on the part of the concerned DET who has since retired, they would like that the Directorate should bring this case to the notice of all the officers connected with the processing and sanction of projects in various units under the Ministry of Communications for future guidance.

CHAPTER II

RECOMMENDATIONS AND OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

The Committee note that the telephone revenues were outstanding to the tune of Rs. 5.50 crores for the bills issued upto 31st March, 1976. Another Rs. 3.11 crores relating to bills issued during 1976-77 were added, thus making the total arrears of telephone revenue as on 1st July, 1977 to Rs. 8.61 crores for the bills issued upto 31st March, 1977, an increase of 57 per cent as compared to all the outstandings in the past (i.e. upto 1975-76). While Rs. 6.92 crores (4.6 per cent) were outstanding as on 1st July, 1972, against Rs. 149.59 crores billed during 1971-72, those relating to the year 1976-77 were Rs. 8.61 crores (2.3 per cent) as on 1st July, 1977, against the total billing of Rs. 370.02 crores during that year. The position is worse in the latest six months period the amount billed from 1-4-77 to 30-9-77 being Rs. 167 crores and the amount of arrears being Rs. 13 crores which comes to 8 per cent.

[Sl. No. 1 (Para 1.27) of Appendix VI of 71st Report of the PAC (6th Lok Sabha)]

Action Taken

There has been an improvement in the position of over-all outstandings. During 1971-72, the amount billed for was Rs. 149.59 crores and the outstandings on 1-7-72 i.e. after 3 months period were 6.92 crores (4.6 per cent). During 1976-77, the amount billed for was of the order of Rs. 370.02 crores and the three months old outstandings were just 2.3 per cent. In regard to the period 1-4-77 to 30-9-77, the position is not worse. Rs. 13 crores was the amount that was found outstanding on 1-10-77 and that included all the amounts that were billed for upto 30-9-77. That amount included about 9 crores for the bills which were issued on 21-9-77. These bills became due for payment only on 5-10-77. Therefore, strictly speaking, they cannot be construed as outstanding on 1-10-77. For a fair comparison, three months, time is generally allowed between the dates of the amounts billed and the amounts taken as outstanding. The percentages referred to above for 1971-72 and 1976-77 have been worked out on the same and according to the same principle,

the position in respect of the bills issued between 1-4-77 to 30-9-77 shows an improvement. Against the amounts of Rs. 167 crores billed for during the said period, only 3.60 crores (2.16 per cent) remained outstanding on 31-12-1977.

[Ministry of Communications (P&T Board) O.M. No. 23-33/78-TR dated 21-9-1978].

Recommendation

The Committee, appreciate that there has been a continued increase in the number and amount of bills issued each year by the Directorate due to rapid expansion of tele-communications net-work during the past several years coupled with the increase in tariff. They also appreciate that there has been progressive decrease in the percentage of outstandings to the amount billed, but if the amount outstanding for the period 1-4-77 to 30-9-77 is any indication the percentage of arrears to the amount billed is on high side which is disquieting. Moreover, even with the declining trend of arrears between 1971-72 and 1976-77 the overall figures of outstandings continue to rule in the range of Rs. 7 to 10 crores for the last many years, these being Rs. 6.92 crores on 1st July, 1972; Rs. 7.12 crores on 1st July 1973; Rs. 7.28 crores on 1-7-1974; Rs. 10.35 crores on 1-7-75, Rs. 7.71 crores on 1-7-76 and Rs. 8.61 crores on 1-7-1977. This indicates that though current arrears might have been checked to some extent, progress in the clearance of old outstandings is very slow and no significant progress has been made in this respect. This is also evident from the fact that against the outstanding amount pertaining to the years upto 1964-65 standing at Rs. 0.55 crores on 1-7-1972, an amount of Rs. 0.16 crores, was still outstanding on 1st July, 1976. The Committee is all the more justified in arriving at the conclusion that even after writing off some arrears yearly, as for instance Rs. 28.03 lakhs and Rs. 22.50 lakhs in 1975-76 and 1976-77 respectively, old outstandings continued to be shown year after year thus making the arrears list still bigger.

[Sl. No. 2 (Para 1.28) of Appendix VI of 71st Report of the PAC (6th Lok Sabha)]

Action Taken

As already explained against para 1.27, there has been improvement not only in the overall position but also during the period 1-4-77 to 30-9-77.

As regards old arrears, the progress is slow as in the cases of closed telephones, all formalities have to be observed before taking

them to a court of law or writing off the amount involved. However, the following table would indicate that the progress is comparatively quite steady:

Outstanding for the period	As on 1-7-75	As on 1-7-76	As on 1-7-77	As on 1-5-78
Upto 69-70	116.30	85.17	80.82	36.81
70-71	41.36	28.16	26.55	16.72
71-72	59.84	40.98	35.53	23.23
72-73	91.58	61.42	51.79	28.93
73-74	139.27	71.99	58.93	34.87
74-75	586.59	149.79	92.22	40.61
75-76	..	333.92	136.49	47.16
76-77	388.42	101.13

The Department is fully seized of the problem and taking all possible steps to wipe out the arrears as fast as possible.

[Ministry of Communications (P&T Board) O.M. No. 23-23/78-TR dated 21-9-1978].

Recommendation

Apart from the magnitude of arrears, which itself is a disturbing situation, the Committee are perturbed to note that huge amounts ranging from as high as Rs. 39,000/- in the case of one private individual (Maharaja of Sikkim and his family members and Government of ex-Chogyal of Sikkim) and Rs. 1,79,700 on Government side (Civil/Defence, West Bengal) and others were due during 1974-75. Similar position exists for the years 1975-76 and 1976-77, both for private as well as Government subscribers. The cases of ten top individuals and organisations including Government subscribers (Appendix II) from whom highest amounts of arrears of telephone revenue are due, are illustrative of the seriousness of the problem. This situation needs to be remedied early.

[Sl. No. 9 (Para 1.29) of Appendix VI of 71st Report of PAC (6th Lok Sabha)].

Action Taken by the Department

Instructions have again been issued on 2/6-9-78 to the Circles/Districts to enforce the Rules rigidly and make all out efforts to liquidate the outstanding against individual subscribers.

[Ministry of Communications (P&T Board) O.M. No. 23-24/78-TR dated 16-10-1978]

INDIAN POSTS AND TELEGRAPHS DEPARTMENT
 OFFICE OF THE DGP&T
 PARLIAMENT STREET, NEW DELHI-110001.

Memo. No. 23-24/78-TR.

Dated 2-8-78.

To

All Heads of Telecom. Circles/Telephone Districts.

SUBJECT.—*Prompt realisation of heavy outstandings against individual Govt./Private subscribers*

In their observations on the C.&A.G.'s Audit Report on P. & T. for the year 1975-76, the Public Accounts Committee have taken a serious view regarding persistency of heavy outstandings against individual subscribers—both Government and Private—and have desired immediate remedial action. A copy of their observations is enclosed.

So far as the arrears against closed telephone connections are concerned, detailed instructions have been issued, time and again, emphasising the need for vigorous pursuit for recovery of the outstandings. Attention is particularly invited to the communications listed below:—

4.43/71-TR	dated 15-6-71.
4-43/77-TRP (Pt)	dated 23-12-71.
—d6—	dated 8-5-72.
4-14/71-TR	dated 23-11-72
2-82/73-TR	dated 15-11-73
2-31/77-TR	dated 28-1-78.
2-31/77-TR	dated 4-2-78.

It is again reiterated that all-out efforts may be made to liquidate the old arrears and where the dues are found to have become irrecoverable, cases may be initiated to write them off at the appropriate level.

As regards the dues against working connections it is observed that the telephones are not being disconnected promptly in cases of default of payment. Arrears are allowed to accumulate over

months and even years before disconnection which is not only irregular but undesirable. It is also seen that the investigations are not expeditiously concluded in cases of complaints of excess metering, thus seriously delaying the realising of the dues. It is once again enjoined on all units that the telephones should be disconnected promptly and on due dates in cases of default of payment and the investigations in the complaints of excess metering should be decided as quickly as possible, within two weeks, so that the recovery of the outstanding dues is not unduly delayed.

Suitable instructions may be issued to all concerned. Receipt of this letter may please be acknowledged.

Sd/-

(MOHINDAR PAL SINGH)

Deputy Director General (TA)

TELEPHONE NO. 380640.

Recommendation

The Committee have been informed that further steps have been taken to reduce the arrears as also to increase financial powers of Circle/District Heads for writing off the outstandings of telephone dues especially in cases where the amounts of closed telephone connections, do not exceed Rs. 250/- in each case provided the outstandings are more than 5 years old. Guidelines to Heads to Tele-communication Circles/Telephones Districts are also stated to have been issued on 4th December, 1975 and repeated on 22nd January, 1976 for achievement of substantial improvement over the existing position of recovery of arrears. The Committee also find that the P&T Board have issued orders on 4th July 1974 to set up a High Power Committee in each Circle/Telephone District with the Head of the Circle/Telephone District as Chairman assisted by the Internal Financial Adviser and two other senior officers to review all cases of arrears and to determine what should be written off. All these and other measures are welcome. But from the figures placed before the Committee, they feel that in spite of their highlighting the problem in their 122nd Report (Fifth Lok Sabha) and reiterated in 143rd Action Taken Report (1974-75) and in spite of assurance of the Government that "the Committee's recommendations have been noted and will be acted upon" the position continues to be unsatisfactory. The Committee therefore, feel that the whole question of arrears should be gone into thoroughly with the seriousness that it deserves so that the factors for slow progress could be identified

and remedial measures taken. Specific responsibility should be fixed for recovery of arrears. Targets should also be fixed separately for cases which are very old, those relating to last five years, and the fresh cases. Special drive on the lines launched in January, 1972 vide paragraph 1.5 of 122nd Report, should be started to recover the outstanding of 1960s and in case these have become irrecoverable, prompt action should be taken to write them off in consultation with the Internal Finance.

[Sl. No. 4 (Para 1.30) of Appendix VI of 71st Report of P.A.C.
(6th Lok Sabha)]

Action Taken

The Committee's recommendations have been complied with and instructions have been issued to the subordinate units regarding quick clearance of outstanding, fixing targets separately for old and current outstanding. A copy of the instructions issued is appended.

[Ministry of Communications (P&T) Board O.M. No. 2-39/78-TR dated 16-10-78]

D.O. No. 4-2/78-TR

GOVERNMENT OF INDIA

MINISTRY OF COMMUNICATIONS

Sardar Patel Bhavan, Parliament St.

NEW DELHI-110001.

Secretary,

dated 20-7-1978.

My dear,

Please refer to my d.o. letter No. 4-3/77-TR (Pt.), dated the 28th December, 1977 regarding the necessity for improving the collection efficiency of the TRA units. I have reviewed the position of performance for the period ended 31-3-78. While I am happy that the Districts/Circles are taking positive steps not only to achieve the targets but also to reduce the outstanding over and above the limits fixed, I am sorry to note that Calcutta, Bombay, Kanpur, Nagpur, Patna and Lucknow Districts have not shown the desired improvement in the collection of revenues. I hope they will make up the deficiency during this year. In the case of Delhi Telephones, I hope computer figures would be available in the next few months and it will then be possible to know the correct position. The Public Accounts Committee have desired that the P&T Department, while clearing the arrears of revenue, should lay special

emphasis on the clearance of older outstandings. I expect the Circles/Districts to keep this especially in view and plan accordingly.

2. I have had the outstandings as on 31-3-78 analysed into three categories viz.:

- (i) Arrears for bills issued upto 31-3-72;
- (ii) Arrears for bills issued between 1-4-72 & 31-3-77; and
- (iii) Arrears for bills issued from 1-4-77 to-date.

So far as arrears in respect of category (i) are concerned these are very old arrears and need very special attention and positive steps to be taken. It would be necessary to make an in-depth analysis of these outstandings and initiate immediately new measures to clear them promptly and without loss of much more time. As regards arrears of categories (ii) and (iii) targets to be achieved by the Circles/Districts upto 30-9-1978 have been fixed separately for each category in the enclosed statement. I shall have the performance under all the three categories reviewed in October, 1978. I would, therefore, request you to look into this matter personally so that the outstandings are brought down substantially.

With my best wishes,

Yours sincerely,
(J. A. DAVE)

Achieved by 30-9-1978

(In lakhs of Rupees)

Units	Total O/S as on 30-9-77	Target to be achieved by 31-3-1978	Outstanding as on 31-3-78 relating to			Total O/S as on 31-3-78	Targets to be achieved by 30-9-78 in respect of outstanding upto	Total of 76-77 77-78 & 78-79
			Prior to 72-73	72-73 to 76-77	77-78			
<i>Districts</i>								
Delhi	399.0	270	**	**	264.9	264.9	**	236 236
Calcutta	502.7	380	9.3	52.0	450.6	511.9	53	327 380
Bombay	389.2	300	8.6	49.1	300.5	358.2	51	249 300
Madras	113.9	90	0.1	24.0	62.2	86.6	22	62 84
	1404.8	1040	18.0	125.1	1078.2	1921.6	126	874 1000

Hyderabad	.	40.5	35	..	2.6	25.3	27.9	2	23	25
Bangalore	.	37.1	35	..	2.7	30.1	32.8	2	28	30
Allahabad	.	32.8	25		1.4	23.0	24.4	1	22	23
Poona	.	11.3	8	..	0.3	6.7	7.0	..	6	6
Kanpur	.	26.6	18	2.9	6.3	16.7	25.9	8	10	18
Nagpur	.	7.2	8	0.1	1.4	9.2	10.7	1	7	8
Patna	.	24.8	16	0.9	0.6	19.3	20.8	..	16	16
Jaipur	.	18.2	17	0.8	2.9	6.3	10.0	2	6	8
Coimbatore	.	6.4	4	..	0.9	1.7	2.6	..	2	2
Lucknow	.	27.9	18	0.2	4.9	19.8	24.9	4	14	18
Ernakulam	.	11.9	9	..	0.3	8.4	8.7	..	7	7
Indore	.	6.6	5	0.1	0.2	1.3	1.6	..	1	1
Amritsar	.	3.6	3	..	0.3	1.6	1.9	..	1	1
Surat	.	5.3	4	0.1	1.0	2.8	3.9	..	3	3
Ludhiana	.	..	8	..	0.4	5.0	5.4	..	4	4
		260.2	210	5.1	26.2	177.2	208.5	20	152	172

Circles

Andhra	.	35.1	33	0.1	2.2	21.0	23.3	2	18	20
N. E.	.	110.1	105	27.6	38.3	46.65	102.4	58	33	91
Bihar	.	30.0	29	2.8	7.6	12.5	22.9	9	10	19
M. P.	.	77.0	60	5.6	23.1	21.5	50.2	24	20	44
M. H.	.	40.2	39	0.4	3.6	28.5	32.5	2	25	27
Gujarat	.	27.9	26	0.4	2.0	9.5	11.9	1	7	8
J. & K.	.	80.5	60	7.7	22.8	29.3	59.8	25	26	51
Kerala	.	14.5	12	0.1	1.0	6.1	7.2	..	5	5
T. Nadu	.	41.0	35		2.6	33.6	36.2	1	30	31
K. T. K.	.	14.9	13	..	1.3	9.6	10.9	1	7	8
Orissa	.	46.5	40	4.2	11.7	22.8	38.7	13	20	33
N. W.	.	80.7	56	0.4	2.1	31.2	33.7	1	27	28
Rajasthan	.	25.1	20	..	0.6	5.1	5.7	..	4	4
U. P.	.	85.3	65	4.0	14.6	41.6	60.2	14	37	51
W. B.	.	80.4	75	7.8	27.7	42.8	78.3	32	98	70
		788.7	650	61.1	161.2	351.6	573.9	183	307	490
G. TOTAL	.	2453.7	1900	84.2	312.5	1607.3	2004.0	329	1333	1662

**Indicates "Details not available".

Recommendation

The Committee are further concerned to note the increasing trend in the number of firms/individuals who continue to enjoy the telephone facility by getting new connections in the name of new firms/persons although their telephones were cut off for non-payment of bills. While the Committee have been furnished with the particulars of such firms numbering 7, 15 and 45 during each of the years 1974-75, 1975-76 and 1976-77 respectively, they believe their number would be much more on account of those subscribers who still remained undetected. Even in respect of detected cases the amount of revenue involved appears to be very high. The Committee would like the Ministry of Communications to investigate the matter in depth so as to ensure that there is no collusion between the subscribers and the officers of the Department in the matter of recovery of telephone revenue.

[Sl. No. 8 (Para 1.34) of Appendix VI of 71st Report of PAC
(Sixth Lok Sabha)].

Action Taken

While there is no provision in the I.T. Act for outright refusal to provide telephones for the relatives of the defaulters, the issue was considered in consultation with the Ministry of Law and necessary Administrative Instructions issued to all Heads of Circles/Telephone Districts as early as in March 68 to scrutinize such cases and forward such cases where refusal of telephone is considered desirable, to P & T Directorate for exercising the power to refuse to provide telephone under Sec. 4(1) of the I.T. Act. However the recommendation of the P.A.C. has been taken note of and instructions issued to all Heads of Telecom. Circles/Telephone Districts vide this office letter No. 2-26/78-PHA dated 21-9-78 to forward all cases where relatives of defaulters or other parties in the garb of new names of the defaulting firms etc. apply for new telephone to P&T Directorate to consider the question of refusal to grant telephone connection to such applicants.

To check any possibility of collusion between subscribers and the Officers of the Department creation of flying vigilance squads in the Districts has been agreed to.

[Ministry of Communications (P&T Board O.M. No. 23-27/78-TR
dated 7-11-1978)]

Recommendation

The Committee have been given to understand by the Secretary, Ministry of Communications that computer system has been introduced or billing and accounting in certain big cities and Telephone Districts. They are happy to note further that after some initial difficulties, the system has now come to stay and the working of computers is generally satisfactory. At the same time the Committee are somewhat distressed to learn that in Delhi District there has been of late approximately 2 months delay in issue of telephone bills due to non-availability of Computer time to the extent of actual requirement. They learn that due to the inability of the Delhi Computer Centre to handle the work of telephone billing in Delhi tenders from outside agencies had been invited and as on 12 December, 1977 three to four months time was required for switching over to another agency. The Committee hope that a watch on the performance of the new agency shall be kept from the beginning so that the type of defects which were noticed when the billing was being done at Delhi Computer Centre do not recur. The Committee also hope that with more and more computerisation in the coming days, the time taken in billing will come down.

[Sl. No. 13 (Para 1.67) of Appendix VI of 71st Report of P.A.C.
(6th Lok Sabha)]

Action Taken

The new Computer Agency for Delhi Telephone District has commenced functioning from 1-4-1978 and a close watch is being kept on its performance to safeguard against difficulties faced earlier with the Government Computer Centre.

[Ministry of Communications (P&T Board) O.M. No. 23-30/78-TR
dated 16-10-78]

Recommendation

The Committee would also like to point out that the action of the State Electricity Board is also not appreciated. The P&T line was already existing there when the State Electricity Board started erection of their high power tension line parallel to the telecommunication line, without first referring the proposal to the Co-ordination Committee set up to deal with such issues. The Committee hope that in future, every care would be taken to see that the prescribed procedure in this regard is followed scrupulously.

[Sl. No. 19 (Para 2.24) of Appendix VI of 71st Report of P.A.C.
(6th Lok Sabha)]

Action Taken

The matter has been taken up with the Ministry of Energy, Government of India and the Central Electricity Authority for issue of instructions to all the State Electricity Boards to ensure that, in future, every care is taken to follow the prescribed procedure scrupulously.

[Ministry of Communications (P&T Board) O.M. No. 97-5/76-TPL(P) Part dated 24-10-1978]

Recommendation

In the instant case, the Committee find that the project estimate for Rs. 21.87 lakhs for expansion of the Varanasi Telephone Exchange from 5100 lines to 6600 lines or meeting growing demand for telephone was sanctioned in February 1967. Another project estimate for Rs. 50.19 lakhs was sanctioned in March 1969, barely two years after formulation of the first expansion proposal for further increase in the exchange capacity from 6600 to 9600 lines (an increase of 3000 lines). The Project estimate of 1967 was revised to Rs. 38.29 lakhs in May, 1971 but was cancelled in July, 1974 on the basis of a review conducted in August, 1971 which indicated that the capacity of 8100 lines would be adequate to meet the demands.

[Sl. No. 23 (Para 3.90) Appendix VI of 71st Report of P.A.C.
(6th Lok Sabha)]

Action Taken

The observations of the Committee have been noted. As indicated in the action taken note on para 3.89, action is in hand to improve the planning process to the extent possible.

[Ministry of Communications (P&T Board) O.M. No. 362-5/76-TPS(XP) dated 16-10-1978]

Recommendation

Though according to original schedule the 3000 lines sanctioned in March, 1969 should have been completed in nine months time, only 1000 lines could be commissioned in April, 1973 and the remaining 2000 lines were commissioned in April, 1974. Thus the work of expansion of the Varanasi Telephone Exchange sanctioned in February, 1967 was completed after a period of seven years. The Committee are not satisfied by the explanation given by the Department for this inordinate delay.

[Sl. No. 24 (Para 3.91) of Appendix VI of 71st Report of P.A.C.
(6th Lok Sabha)]

Action Taken

The observations of the Committee have been noted. The Department would like to assure the Committee that the Department is taking a critical look at the entire project planning and implementation process with a view to improve the quality of planning and periods for executions.

[Ministry of Communications (P&T Board) O.M. No. 362-5/76-TPS
dated 16-10-78]

Recommendation

From the facts brought out during evidence, the Committee have come to the inescapable conclusion that this project is symptomatic of bad planning, apathy and lack of functional co-ordination between the various executing agencies within the same department. The Secretary (Communications) had conceded in evidence that "it (Project) was done only on the piecemeal basis. It was not in its totality. That is why I admitted in the beginning that it was not only lack of coordination but also there was no proper planning." The various aspects of the execution of the project are dealt with as under.

[Sl. No. 25 (Para 3.92) of Appendix VI of 71st Report of P.A.C.
(6th Lok Sabha)]

Action Taken

The observations of the Committee have been noted. Steps are being taken to improve the planning and implementation procedures.

[Ministry of Communications (P&T Board) O.M. No. 362-5/76-
TPS (XP) dated 16-10-1978]

Recommendation

Equally unaccountable is the delay in Planning, indenting, receiving, installing, commissioning and handling over of the air-conditioning plant meant for protecting the delicate and sophisticated exchange equipment, which in all took more than 70 months from October, 1971 to August, 1977. The extension of the exchange building was completed in February, 1971 and installation of equipment was started in June 1971 but the detailed estimate for air-conditioning plant for the exchange was sanctioned for Rs. 2.77 lakhs only in October, 1971 and the indent for procurement of the plant could be placed on the Director General Supplies and Disposals about 20 months later in June, 1973. The reasons advanced for this delay is that re-arrangement of the available rooms in the

exchange building to accommodate the air-conditioning plant was desired and to finalise these and other arrangements for supply of electricity and water and also providing a hole in the roof for the air-conditioning conduct a meeting at site of the authorities concerned with the execution of different works was considered necessary which took some time and was finally arranged on 2nd March, 1973. The detailed arrangements were finalised at that meeting but the indent could finally be placed on D.G.S.&D. in June, 1973, about 4 months thereafter. In this regard the Secretary (Communications) has admitted during evidence that 'unfortunately there has been lack of coordination in this particular project, in all the 3 operations, starting from equipment and construction of the building and finally in the matter of air-conditioning'. He had further admitted that there was no justifiable explanation with the Department for unwarranted delay. Another representative of the Ministry had also conceded during evidence that '..... the building came up in 1971 and they started working on air-conditioning thereafter. This should have been started earlier'. The Committee desire that responsibility should be fixed for this costly lapse at Senior supervisory levels.

[Sl. No. 35 (Para 3.102) of Appendix VI of 71st Report of PAC
(6th Lok Sabha)]

Action Taken

The observations of the Committee have been noted for future guidance.

2. In regard to the installation of air-conditioning plant, a specific decision has been taken that in all cases of telephone exchange projects involving building construction and installation of air-conditioning plants, planning for the latter, action for its procurement and installation should be taken up simultaneously with the planning and construction of the building.

3. As already mentioned with reference to para 3.89, a detailed investigation is being made to look into the reasons for delays in various projects in the past primarily to learn lessons for future and improve the planning and implementation processes. While undertaking the investigation, the recommendation of the Committee regarding fixing responsibility for lapses in this particular case will be kept in view.

[Ministry of Communication (P&T Board) O.M. No. 528-11/78-
TPS (BT) dated 7th November, 1978
(6th Lok Sabha)]

Recommendation

While commenting on the delays and other irregularities committed in the installation of air conditioning plants at Bhubaneshwar, Belgaum, Madras and Agra telephone exchanges, the Committee in paragraphs 6.96 to 6.98 of their 14th Report (Sixth Lok Sabha) have already stressed the necessity of quantifying the adverse effects on the exchange equipment due to non-commissioning of the air-conditioning plant for taking note of the loss sustained on this account while deciding the course of action against the supplier firm. The committee have also urged upon the Department to have a close look at this problem and devise elaborate measures to ensure that air-conditioning package units are installed, tested and pressed into service to synchronise with the commissioning of the sophisticated telephone exchange equipment. The Committee have further recommended that the P&T Department and the D.G.S.&D. should jointly review the position and suitably modify the terms of the contract to be given in future so that the supplying firms feel the urgency of commissioning and running satisfactorily the plants to synchronise with the installation of sensitive telephone exchange equipment. The Committee would watch with interest the action taken by Government in pursuance of these observations.

[Sl. No. 40 (Para 3.107) of Appendix VI of 71st Report of
PAC (6th Lok Sabha)]

Action Taken

The observations of the Committee have been noted.

2. Action Taken Notes on the observations of the Committee contained in paragraphs 6.96 to 6.98 of their 14th Report (6th Lok Sabha) have already been furnished which explain the position in detail.

3. As already mentioned in the Action Taken Note on para 3.102, a decision has been taken that planning for air-conditioning plants should start with the planning for the building construction. Orders are being finalised permitting sanction of preliminary estimates for air-conditioning plants at the same time for the construction of the building. The work of contracting the for Air-Conditioning Plants has been taken over by P&T and an "Air-conditioning Cell" created for this function. The main feature of the contracts being finalised by the Cell have been intimated in the action taken note furnished to P.A.C. regarding recommendation contained at Sl. No. 60 para 6.98 of the 14th Report.

4. A preliminary review of the supply and commissioning of air-conditioning plants since the taking over of the work by the Department indicates that some improvement has already taken place with regard to the timely completion of the contracts. A watch is being kept in this regard and it is hoped that the position will improve further during the next two to three years.

[Ministry of Communication (P&T Board) O.M.
No. 528-11/78-TPS (BT) dated 7-11-78]

As the procurement of the Air-conditioning Plants for Technical Buildings has been taken over by the Posts and Telegraphs authorities themselves from November 1974, the P&T have been requested to apprise the Committee of the action taken in the matter.

[Department of Supply O.M. No. P-III-17(9)/78 dated 8-12-78]

CHAPTER III

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

Recommendation

While the position of arrears from Government Departments is alarming, the position of arrears from other is still worse. The amount of arrears from non-Government subscribers was Rs. 3.95 crores in 1970-71. It has now touched Rs. 6.38 crores. Apparently the measures taken from time to time have not succeeded to discipline the private subscribers. The Committee feel that the stringent measures should be taken to ensure that the arrears do not increase.

One of the deterrent measures that could have been adopted but has not so far been adopted is the disconnection of telephones. The Department seems to be very indulgent to the subscribers in this respect. Only after personal contacts fail that the action is taken for disconnection. The Committee do appreciate that it may not be practicable to disconnect telephones, particularly in respect of Defence installations and other sensitive Departments, but there is no reason why the Department should not take deterrent measures in other cases.

[Sl. No. 7 (Para 1.33) Appendix VI of 1st Report of P.A.C.
(6th Lok Sabha)]

Action Taken

The rules lay down that the telephones should be disconnected promptly in case of default of payment. Accordingly telephones of defaulters are as a rule disconnected in the event of non-payment of dues and action, as per rules, is taken for recovery of those dues. Action to follow the rule more strictly are being reiterated. Legal action is also resorted to, where necessary.

2. In certain cases, however, the telephones cannot be disconnected. Such cases include:—

- (i) Cases in which the subscribers have disputed the bills and their complaints remain under investigation.
- (ii) Cases which have been referred to Arbitration under Indian Arbitration Act.

- (iii) Cases where the subscribers have secured stay orders or injunctions from the Courts of Lay.
- (iv) Cases in which, in special circumstances, the parties have been allowed to pay the dues in instalments.
- (v) In some cases where the amount involved does not exceed Rs. 25/-.

3. The increase in arrears of Telephone Revenue is due, *inter alia*, to enhancement of tariffs, rapid expansion of telephone network, and provision of large scale STD Facilities.

[Ministry of Communications (P&T Board) O.M. No. 23-26/78-TR dated 21-9-1978]

Recommendation

The Committee are surprised to note that due to certain disputes and court injunctions etc. telephones were not disconnected in a large number of cases in spite of the fact that the telephone bills of the subscribers concerned had gone in arrears for more than 6 months. The number of such cases during 1974-75, 1975-76 and 1976-77 was 582, 256 and 294 respectively. The Committee see no reason why as many as 243 disputed cases in 1974-75, 202 cases in 1975-76 and 196 cases in 1976-77 of the above total cases should remain unsettled. They would urge that those cases should be settled expeditiously without loss of further time.

[Sl. No. 9 (Para 1.35) of Appendix VI of the 71st Report of PAC (6th Lok Sabha)]

Action Taken

The figure of 196 cases shown as remaining unsettled in 1976-77 is inclusive of all cases shown similarly outstanding in earlier years. In the case of court injunctions, the Department cannot disconnect the telephones till the case is decided by the court. For others, instructions to settle the case expeditiously have been issued.

[Ministry of Communication (P&T Board) O.M. No. 23-28/78-TR dated 16-10-1978]

Recommendation

The role of the Internal Audit also does not appear to be effective. The Committee have noted that augmentation of the Internal Check Organisation is now under consideration of the Directorate. They

would like to be informed of the concrete steps taken in this direction and the result achieved. In order to keep abreast of the functioning of the Internal Audit, the Committee feel that periodical checking at the Directorate level is also essential.

[Sl. No. 12 (Para 1.66) of Appendix VI of 71st Report of PAC (6th Lok Sabha)]

Action taken

Internal Check started functioning in all the Telecom. Units *w.e.f.* 1975-76, with the following staff sanctioned on *ad-hoc* basis.

Accounts Officers.....26
 Junior Accounts Officers....49
 Telecom. Accounts Clerks....80

2. The strength of Internal Check was reviewed in Feb., 1978 and the following additional posts were again sanctioned on *ad-hoc* basis.

Accounts Officers.....8
 Junior Accounts Officers....17
 Telecom Accounts Clerks....17

From the experience gained it appears that the strength of the Internal Check needs further augmentation and the case is being processed to sanction the additional posts found justified.

3. Internal Check of Circles/Districts and Telecom. Accounts sections in the Circles is undertaken by the Director (Internal Check) functioning in the Directorate in order to ensure that Internal Check work is being done properly by the A.Os (Internal Check) sanctioned for circles. Important irregularities are discussed by him with the heads of Circles for requisite action. Shortcomings found in the working of the Internal Check parties are brought to the notice of Internal Financial Advisors concerned in course of personal discussion with them by the Director (Internal Check) and also through circular letters issued from the Directorate.

[Ministry of Communications (P&T Board) O.M. No. 23-22/78-TR dated 21-9-1978]

Recommendation

The Committee consider that the manner in which the expansion of the Varanasi Telephone Exchange was proceeded with is an indicative of lack of planning, foresight and coordination on the part of the Project authorities which resulted in an enormous delay in execution of the project besides substantial loss to the public exchequer

due to escalation of costs. The Committee take a serious view of the repeated lapses on the part of P&T Department in the matter of planning and execution of projects for installation of new telephone exchanges or expansion of the existing ones. The Committee in their 14th Report (Sixth Lok Sabha) 1976-77 had dealt with some glaring cases of long delays that occurred in the completion and commissioning of some telephone exchanges. According to paragraphs 1.71 to 1.91 of that report, an indefensible delay of 12 years had taken place in the completion and commissioning of 6000 lines automatic telephone exchange at Ludhiana in 1973. Likewise, in paragraphs 4.66 to 4.80 of the same report the Committee had deplored the delay of more than five years in the completion and commissioning which resulted in more than 50 per cent increase in the actual expenditure over the original estimates on the project for the expansion of Calcutta '24' Telephone Exchange sanctioned in 1965.

[Sl. No. 22 (Para 3.89) of Appendix VI of 71st Report of PAC
(6th Lok Sabha)]

Action taken

The observations of the Committee in the present case and in their 14th Report (6th Lok Sabha) have been noted.

2. The Department is conscious of the delays that have occurred in the implementation of the projects. The Department is also conscious of the need for greater care in planning and coordination in implementation of projects. It would, however, be pertinent to indicate that during the successive five-year plans, the Department has had to undertake planning for putting up new exchanges and expansion of existing ones under severe constraints of limited financial and foreign exchange allocations limited indigenous manufacturing capacities and recurrent slippages in production and supply of equipment, cables accessories, etc. The Department has also had to undertake planning in the face of fairly wide fluctuations in the economic situation in the country in the wake of border conflicts with China and Pakistan and recurrent monsoon failures, oil crisis etc. All these factors have combined to create serious difficulties in the process of planning and in the implementation of projects.

3. Certain escalation of costs of projects has also been inevitable. The telephone exchange projects even under the best of circumstances take 3 to 6 years depending on the size and scope of the project. The Project Estimates are drawn up on the basis of actual cost during the preceding years, while the costs of both men and materials, have been subject to an escalation of 5 to 10 per cent per annum due to persistent inflationary pressures. An excess of

20 to 50 per cent on the original estimates will therefore be quite normal.

4. Considering the serious constraints and difficulties in this regard, the Department recognises the greater need for care in planning and implementation of projects. The Department is undertaking a detailed review of major projects executed in last few years to identify reasons for delays in execution of different components and to evolve improved procedures to avoid such delays to the extent possible.

5. The department has also created Project Coordination and Monitoring Committees at the Directorate and in each Circle/District to watch the progress of projects and take remedial measures when delays appear imminent.

Considerable improvement in the planning and execution of projects is expected over the next two to three years.

[Ministry of Communications (P&T Board) O.M. No. 362-5/76-
TPS (XP) dated 16-10-1978]

Recommendation

Though on the basis of the review, the question of cancellation of 1967 programme was initiated on 5 October 1971, the final decision in this regard was taken in July 1974 at the level of Member (Technical Development). That a decision on a matter of factual nature at such a higher level should have taken about three years shows the casualness with which the case was handled by the Department. The Committee cannot but regrettably conclude that the expansion programme was ill-conceived and drawn up piecemeal without proper projections of effective demands in even near future. They would like the Government to investigate thoroughly into the authenticity of the basis of first expansion of the exchange in February, 1967, why the correct assessment for expansion (1969) could not be made in 1967 itself, the reasons which necessitated review of the expansion programme in 1971 when and second estimate had already been sanctioned, the reasons for revision the first expansion estimate in May, 1971 when the review of the project was in progress and the reasons why it took three years to cancel the first expansion programme in July, 1974 after the review had been completed in August, 1971. The Committee would urge that responsibility for the lapses in each case should be fixed and action taken

against those found derelict in the performance of their duty so as to derive a lesson for the future.

[Sl. No. 26 (Para 3.39) of Appendix VI of 71st Report of PAC (6th Lok Sabha)]

Action taken

The observations of the Committee have been noted for future guidance.

A critical review of the entire planning and implementation of this and other major projects carried out in the last 10 years is being undertaken primarily with a view to learn lessons for the future and improve the planning and implementation processes. A preliminary review indicates that the planning for telephone exchanges during this period had been subject to very serious constraints and problems. In regard to the forecasting of demands, considerable fluctuations in the growth of demands were noted not only in this particular case but at many other stations also. The economic situation in the country and in different regions has been subject to wide fluctuations which in turn has affected the growth of telephone demands. Further, there had been an acute shortage of the switching equipment as well as underground cables and accessories. The total switching equipment supplies from indigenous sources have been inadequate to meet the growth of demand in full. The department has therefore had to undertake piecemeal expansions of exchanges whereas it would have been desirable to undertake expansion to make provision for growth of demand for a few years after the date of commissioning.

2. During the same period, the out-put of underground cables in the country dropped seriously due to critical industrial relations situation prevailing in the region in which the main underground cable factory was located. Under the circumstances the entire planning process suffered a severe set-back and created very serious problems in the implementation of projects.

3. The Department recognises that under such difficult circumstances much greater care is required in the planning and implementation of projects. A complete review of the planning process is underway and steps will be taken to improve the situation to the extent possible. During these reviews, as desired by the Committee, the question of fixing the responsibility of individual officers in regard to any serious dereliction of duty will be kept in view.

[Ministry of Communications (P&T Board) O.M. No. 362-5/76-
TPS (XP) dated 16-10-1978]

Recommendation

The Committee further note that due to delay in the completion of the extension of the existing exchange building equipment worth Rs. 7.62 lakhs out of a total of Rs. 8.55 lakhs meant for expansion of 1500 lines in this exchange had to be diverted to another exchange at Kanpur. The Committee further find that whereas order for equipment for 1500 lines expansion was placed in Indian Telephone Industries in July 1966 in advance of the formal sanction of the project estimate in February 1967, order for equipment for second expansion of 3000 lines sanctioned in March 1969 was placed on ITI only in October 1969. There was thus a delay of 7 months in placing order for equipment for the second expansion scheme after the sanctioning of the project estimate. The Committee take a serious view of this delay and would urge the P&T Department to streamline the procedure of placing orders for equipment at least synchronising with the sanctioning of the project estimate, if not earlier with the planning of the project.

[Sl. No. 27 (Para 3.94) of Appendix VI of 71st Report of PAC (6th Lok Sabha)]

Action taken

The observations of the Committee have been noted for future guidance.

2. The diversion of equipment received for 1,500 lines expansion to Kanpur was undertaken after careful consideration of both the possibilities of implementation of the project in full in Varanasi and at Kanpur. There was a large demand at Kanpur, but equipment had not earlier been allotted to that station because certain difficulties were envisaged in regard to accommodating the same. After very careful review, it became possible to create some accommodation in the existing exchange by structural re-arrangement of certain rooms. Since the equipment was available at Varanasi and some delay was expected in the completion of the building extension there, the equipment was diverted to Kanpur. This enabled substantial demands to be met in Kanpur and revenue being earned. Such flexibility in planning is necessary and desirable.

3. As far as placing of orders on ITI is concerned, it may be explained that this is a formality required essentially for the payment of ITI bills, and does not affect the delivery of equipment. ITI is given intimation of the rough quantum and size of equipment to be supplied for different exchanges in a given year about 18 months in advance of the beginning of the year. The exchange

specifications are also generally supplied about 12 months in advance of expected commencement date of supplies and a tentative delivery schedule is agreed to.

4. The dates of formal orders for exchange equipment, thus have no major implication as far as the actual delivery of equipment is concerned and are therefore not treated a critical activity.

[Ministry of Communications (P&T Board) O.M.
No. 362-5/76-TPS (XP) dated 16-10-1978]

Recommendation

The Committee further note that the second project estimate for further expansion of the exchange capacity from 6600 lines to 9600 lines was sanctioned in March, 1969. The scheme was based on the trend of growth of demand during the past years which had increased at the average rate of 800 per year from 1964 to 1968 after taking into account the equipped capacity and the total demand during each year. On this analogy the future anticipated growth of demand as calculated uniformly at the rate of 800 connections per year from 1968 to 1978 was projected from 6009 in 1968 to 10009 lines in 1973. However, from the figures of demand furnished by the Department, the Committee find that the total actual demand as on 31 March, 1973 was 7409 against the equipped capacity of 5100 and it was 8068 on 31 March, 1976 when the equipped capacity was raised to 8100 with the completion of 3000 lines expansion project. While the Committee generally agreed with the plea advanced by the P&T Department that due to introduction of priced application form of Rs. 10 in 1970 and again on account of introduction of another scheme of advance deposit of Rs. 1000/- in September, 1975 the demand for telephone connections came down considerably from 7246 in 1970 to 6251 in 1971 and then from 8429 in 1975 to 8068 in 1976, they feel that there is need to evolve a more authentic and scientific system of ascertaining prospective demand taking into consideration the future trend of development of the area/town in respect of industry, business or housing complex or some other Government projects for that area.

[Sl. No. 28 (Para 3.95) of Appendix VI of 71st Report of PAC
(6th Lok Sabha)]

Action taken

The observations of the Committee have been noted for future guidance.

2. Serious difficulties are being experienced in regard to the forecasting of demand due to very wide variations in economic situation from time to time in different parts of the country. The Department has been in search of a scientific system of ascertaining demands taking into consideration of future trend of development of the area/town in respect of industry, business and housing complexes as well as other Government projects. However, in general, in most of the places, the plans for industry, business, other Government projects, housing complexes, etc. have experienced an uneven progress affecting the telephone demand also. The search for a suitable system is continuing. In the absence of any other reliable system, the demands are generally being projected on the basis of past trends of growth.

[Ministry of Communications (P&T Board) O.M.
No. 362-5/76-TPS (XP) dated 16-10-1978]

Recommendation

Yet another disturbing feature in planning projects for expansion of the exchange capacity was the admission made by the Government representative during evidence that when the first increase of 1500 lines was proposed it was for meeting the immediate requirements without projecting the requirements for the future and this was stated to be due to not having 'enough equipment and also enough funds' though the Department had no data to support their contention. The Committee feel strongly on bad manner of planning projects without collection of proper data and without estimation of the requirements for the next 4 or 5 years.

[Sl. No. 29 (Para 3.96) Appendix VI of 71st Report of
PAC (6th Lok Sabha)]

Action Taken

The observations of the Committee have been noted for future guidance. As mentioned in the note in regard to para 3.89, the Department has had to draw up plans for expansion of the larger telephone exchanges on the basis of immediate requirements on the expected date of commissioning of the exchange for the last two decades. The main reasons for this have been--

- (a) limited resources available in terms of plan finance both rupee and foreign exchange, for meeting the growth of telephone demands in the country.
- (b) limited indigenous production capacities for switching equipment, cables, line materials etc.

The P & T Department has been making representations while formulating successive plans for allocation of adequate resources to permit creation of adequate exchange capacities to provide telephones on demand and also to create adequate manufacturing capacities for switching equipment, cables and other stores for the same. However, it has not been possible to secure the resources to the required extent because of the limitations of the total investible resources in the country and competing demands for the same.

2. Faced with the problem of inadequate resources, the Department had to adopt the strategy of meeting the demands in smaller stations to the extent possible and on a limited basis at the larger stations.

[Ministry of Communications (P & T Board) O.M.
No. 362-5/76-TPS (XP), dated 16-10-1978]

Recommendation

The Committee feel unhappy that even after introduction of the scheme of advance deposit of Rs. 1000 alongwith the application, telephone connection were not provided in certain cases although equipped capacity was available. This is borne out by the facts that against the equipped capacity of 8100 lines, the working connections as on 31st March, 1976 were 7628 with 795 on the waiting list. Similarly, in March 1977 against the capacity of 9100 lines, there were only 8289 working connections with 181 on the waiting list. The Committee fail to understand why there should be any applicants on the waiting list when the capacity for such connections is available and the applicants have already deposited the requisite advances. As pointed out by Audit, due to delay in release of new telephone connections upto December 1975 the Department had to forego a potential revenue of Rs. 22.20 lakhs from October 1973 to December 1975. The Committee would, therefore, like the Department to review the whole position *de-novo* for issuing necessary guidelines in the matter. In the instant case the Committee would like that responsibility be fixed about these lapses.

[Sl. No. 30 (Para 3.97) of Appendix VI of 71st Report of
P.A.C. (6th Lok Sabha)]

Action Taken

The observations of the Committee have been noted for future guidance.

2. The Department shares the anxiety to ensure full utilisation of capacities to the extent of the waiting lists as soon as possible after an exchange is commissioned. During the period under review there had been difficulties in regard to shortage of cables which led to problems in full utilisation of exchange capacities. The shortage of cables particularly in the smaller sizes which are used for opening of DP's for provision of telephone connections has still been persisting. Steps are being taken to augment the production capacity in the country for such cables and resort to import for bridging the immediate gap. A greater vigilance is also being exercised in regard to the utilisation of exchange capacities. It may, however, be mentioned that the equipped capacity of 8100 lines was utilized upto 94.17 per cent as on 31-3-1976 and that of 9100 lines upto 91.08 per cent as on 31-3-1977. As already mentioned in action taken note on paras 3.89 and 3.93 a critical review of the implementation of this and other projects completed during the last few years is being undertaken primarily to derive lessons as to how to improve the situation in the implementation of projects and utilisation of exchange capacities. The recommendation of the Committee in regard to fixing of responsibility for any serious lapses on the part of the individuals will be kept in view while undertaking this review.

[Ministry of Communications (P & T Board) O.M.
No. 362-5/76-TPS(XP), dated 16-10-1978]

Recommendation

One of the major factors contributing towards haphazard planning and late execution of the project was the delay in completion of extension of the existing exchange building for installation of equipment for increased lines which had taken about 4 years from August 1967 to February 1971. The Committee note that an estimate for Rs. 2.37 lakhs for extension of the exchange building was sanctioned in August 1967 although the project estimate of February 1967 included provision for extension of the building. The contract was awarded 21 months thereafter in April 1969. Although the work, according to the Audit paragraph, was required to be completed by March 1970, it took 22 months for completion by February 1971 at a cost of Rs. 1.52 lakhs. The reasons advanced by the Department for delay at various stages of the construction work are not convincing. The preparation of detailed working drawings after the issue of administrative approval and sanction took 12 months instead of the normal period of 5/6 months. Even the checking of the building again with regard to its suitability for extension work took 2 months. Strangely enough, the preparation of detailed estimates and invit-

ing of tenders took as much time as about 5 months. The lowest tender had to be rejected because it was not valid. Re-invitation of tenders took another 2/3 months and the contract could be awarded in April 1969 to the only tenderer who had responded to the second tender enquiry for completion within 11 months from the 15th day after award of the work, i.e., by March 1970. The Committee feel that all these contributory factors for delay including shortage of cement could have been tackled by advance planning and making a cautious approach to each problem. They desire that the reasons for delay at each stage should be thoroughly analysed for fixing responsibility and taking remedial measures for future.

[Sl. No. 31 (Para 3.98) of Appendix VI of 71st Report of P.A.C. (6th Lok Sabha)]

Action Taken

The following is the analysis of the various time factors:—

(1) The sanction to the building estimate was issued in August 1967 and the final completion date of the building was in February, 1971.

(2) The preliminary estimate for the building work was initially forwarded by the S.E. P & T Civil Circle III, Calcutta on 2-12-1966 even before the sanction of the project estimate in February, 1967. On 8-3-1967, the Asstt. Chief Engineer (BT) had desired modifications in the preliminary drawings by the Senior Architect in order to provide for construction of first floor to cover-up fully the existing building including the laterally extended portion. The preliminary estimate required modifications and this was forwarded to D.G. P & T by the S.E. Calcutta in his letter No. 13(9)|61-SE(P&T)|2807, dated 8-5-1967. Thereafter, sanction was issued in August 1967. The normal time required for preparation|revision of preliminary drawings is about one to two months and so also is the time required for preparation or modifications of preliminary estimates. Thereafter the various dates would show that there were no appreciable delays upto the stage of issuing the sanction to the building estimate.

(3) It may appear that the time of 12 months taken for the preparation of working drawings by the Senior Architect was long when compared to the usual time of five to six months. However, a doubt was raised in this particular work about the feasibility of extension. PMG's letter No. Bldg|P-3|10, dated 12-3-1968 required inspection|investigations and the change of incumbency in the post of Senior Architect would justify the additional time taken in this particular case.

(4) After finalisation of all working drawings between July-September, 1968 the detailed estimate and N.I.T. were issued in November, 1968. This time of two months is reasonable.

(5) Thereafter, the tenders which were advertised in press were opened in December, 1968. This period is also reasonable. But these tenders had to be rejected by the S.E. and in the 2nd call the tenders were opened on 17th February, 1969. The work was awarded in April 1969. Tenders are opened after a period of 21 days from the date of advertisement in press. The tenders had to be opened by the Executive Engineer, Lucknow, scrutinised and then sent to the S.E. Calcutta for decision; therefore, the time taken in calling tenders and deciding them is reasonable.

(6) (a) The work commenced on 22-4-1969 was to be completed in 11 months, i.e., by 21-3-1970 but the work was actually completed in all respects on 23-2-1971. In order to facilitate commencement of installation work, the switch room was completed early by May 1970. External items such as thermal insulation of the roof and construction of the staircase to the roof were, however, incomplete at that stage.

(b) The scope of work had increased by Rs. 22,000 which justified an additional contract time of *two months*.

(c) (i) (22-4-1969 to 26-5-1969).

After the work was commenced, the building work could not be taken up because the cooling tower had to be shifted and this could be completed on 26-5-1969. This involved an initial delay of 34 days for which the building contractor could not be held responsible. Removal of cooling tower earlier might have meant difficulty in A/C system.

(ii) (16-7-1969 to 25-8-1969)

Thereafter, dismantlement of lime concrete terracing had to be restrained upto 25-8-1969 (from 16-7-1969) due to heavy rainfall. Thus it would be seen that due to commencement of the extension work in the month of April, initial hinderances existed upto 25-8-1969 i.e., 126 days say 4 months.

(d) Shortage of cement, on which department had little control had occurred during the following periods:—

(i)	22.4.69 to 8.6.69	126 days
(ii)	8.6.69 to 25.8.69	82 days
(iii)	13.8.70 to 2.11.70	21 days
(iv)	11.12.70 to 31.12.70	
		229 days

Of these 229 days, if we consider (iii) and (iv) only as effective delay it would be 103 days say $3\frac{1}{2}$ months.

(e) The additional time justified in (b), (c) and (d) is 2 months, 4 months and $3\frac{1}{2}$ months respectively which total to $9\frac{1}{2}$ months. This leaves a gap of $2\frac{1}{2}$ months but this is hypothetical when we consider that the switch room required for installation was completed in May, 1970, and this gap is explained by certain miscellaneous hindrances such as delay in dismantlement of staircase roof and delay in completion of lime concrete terracing through other agency.

(7) The delay in completing the work was thus due to peculiar circumstances of the case and was beyond control of the department. As such, it would be difficult to pin-point responsibility either on any individual or a group of individuals.

[Ministry of Communications (P&T Board) O.M. No. 27-4/76-D
(P&T), dated 13th November, 1978]

Recommendation

What has distressed the Committee more in this context is the fact that the main reason for slow utilisation of the exchange capacity was shortage of cables. The Committee note that though the first project estimate was sanctioned in February 1967 followed by another one in March 1969, orders for cables were placed on Circle Store Depot, Lucknow, from July 1971 onwards and the supplies were made progressively from February 1973 to March 1976. Thus it took about 5 years in getting full requirement of cables from the Depot. Even if the plea of the Department that a coordinated plan for projects calls for securing cables only after some progress has been made on the building and equipment front is accepted at its face value, the Committee fail to understand how the Department could justify the delay of further 5 months in placing the indent on Circle Store Depot, Lucknow only in July 1971 when not only the construction of the building and the receipt of equipment had made some progress but these had been completed in February and March 1971 respectively. It seems that in their zeal to follow the criteria of placing orders for cables only after completion of the building or receipt of equipment, the Department had overlooked completely the time required by the Circle Store Depot to service a particular project. The Committee feel that the authorities concerned are responsible to the extent of not initiating action for placing indent for cables on the Store Depot well in time in 1969-70 itself and are,

therefore, liable for action being taken against them for this costly lapse after making thorough enquiry into the matter.

[Sl. No. 34 (Para 3.101) of Appendix VI of 71st Report of P.A.C.
(6th Lok Sabha)]

Action Taken

The observations of the Committee have been noted for future guidance.

2. Instructions are being issued that the cable plans for a particular exchange should be prepared as early as possible once a project has been approved and cables obtained and laid well in advance to permit utilisation of the exchange capacity soon after the commissioning. However, as mentioned in the action taken note on para 3.93, it is submitted that during the period under review, an acute shortage of underground cables had developed in the country because of a serious dislocation of production in the only factory at that time. Because of these shortages, the full requirements of cables could not be provided to all the stations and there was a considerable back-log of exchange capacities which could not be utilised. Cables were imported to make up for these shortfalls and distributed to different exchanges gradually.

3. Efforts are being made to ensure that such situations do not recur to the extent possible.

[Ministry of Communications (P&T Board) O.M. No. 352-5/76-TPS
(XP) Vol. IV, dated 25-10-1978]

Recommendation

The Committee further find that though the indent was placed on the D.G.S. & D. in June, 1973, the air-conditioning equipment was received in December, 1975. The Committee take a serious view of the inefficient handling in the Director General, Posts and Telegraphs Office of the tenders sent by the D.G.S. & D. for acceptance. The Committee are surprised to learn that all the three letters, the first enclosing the tender enquiry and two subsequent reminders thereto should have been misplaced and were found only when the letter of D.G.S. & D. cancelling the indent was received. This resulted not only in un-warranted delay in finalising the contract for supply of air-conditioning plant for Rs. 4.11 lakhs by issuing a fresh tender enquiry but also in escalation of cost to the tune of Rs. 1.82

lakhs over and above the lowest offer received in the initial tender call.

[Sl. No. 36 (Para 3.103) of Appendix VI of 71st Report of P.A.C.
(6th Lok Sabha)]

Action Taken

The observation of the Committee have been noted for future guidance.

[Ministry of Communications (P&T Board) O.M. No. 528-11/78-
TPS (BT), dated 7-11-1978]

Recommendation

The delay also resulted in an expenditure of Rs. 0.71 lakh on provision of ten window-type air-conditioners to protect the equipment in the absence of regular air-conditioning plan between June 1971 and July 1974. The loss in terms of efficiency of the project, in the absence of proper air-conditioning plant, is not capable of quantification in monetary terms. But if the rise in the number of complaints received during 1974-75 is any indication it shows that the exchange with improvised air-conditioning was not working satisfactorily.

[Sl. No. 38 (Para 3.105) of Appendix VI of 71st Report of P.A.C.
(6th Lok Sabha)]

Action taken

The observations of the Committee have been noted.

2. The efficiency of the exchange at any time depends upon a number of factors some of them being; the availability of adequately trained and devoted staff, suitable spare parts, the condition of the external line plant and properly controlled environment within the exchange for which air-conditioning is provided. In view of variations in all these factors from time to time, it is very difficult to assign specific reasons for indifferent performance of the exchange during any particular period.

3. That adequate air-conditioning is desirable for the exchanges has been well recognised. As indicated in the Action Taken Note on para 3.102, various steps are being undertaken to ensure availability of air-conditioning plants with the building. However, in view of the fact that considerable planning, procurement and installation periods are involved, this objective is likely to be achieved only in another two to three years time.

[Ministry of Communications (P&T Board) O.M. No. 528-11/78-
TPS (BT) dated 7-11-78]

CHAPTER IV

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

Recommendation

The Committee are also not happy about the position of arrears in respect of Government subscribers. The figures furnished in this regard show that Government subscribers continue to account for substantial amount of arrears of telephone revenue. Out of total arrears of Rs. 6.28 crores during 1970-71, Government subscribers accounted for Rs. 2.33 crores (37 per cent). Similarly, a sum of Rs. 2.29 crores (30 per cent) out of Rs. 7.71 crores was outstanding against this category of subscribers during 1975-76. The Committee note that for expediting collection of outstanding bills from Government Departments, Chief Secretaries of all the State Governments and Secretaries of Central Ministries were addressed as late as in 1973 to issue instructions to their officers to arrange expeditious settlement of telephone bills and also to nominate Liaison Officers to whom cases of outstanding bills could be referred by Departmental Officers for expediting realisation. Inspite of these instructions, there is no significant change in the volume of arrears towards Government subscribers from 1973 till now. The Committee desire that the whole question of recovery of telephone arrears from Government bodies may be examined *de novo* and suitable measures taken for their expeditious recovery within a timebound programme. The Committee urge that the progress made in this regard should be watched every three months so that further steps not only to eliminate the earlier arrears but also to contain their further accumulation could be taken in time.

[Sl. No. 6 (Para 1.32) of Appendix VI of 71st Report of P.A.C.
(6th Lok Sabha)]

Action Taken

Instructions have been issued in P&T Directorate D.O. letter No. 2-32/73-TR dated 26-5-78 (Copy enclosed) to all the Heads of Circles/Districts to review personally the outstanding against exempted category of Telephones once in three months and a

quarterly statement has also been prescribed for watching the progress of liquidation of arrears. In respect of other Government subscribers also, instructions have since been issued (copy enclosed) for review of arrears once in three months and a quarterly statement has also been prescribed, as in the case of exempted category connections.

The Secretary (Communications) has demi-officially addressed all Secretaries of Government of India and Chief Secretaries of State Govts. once again requesting them to arrange prompt payment of Telephone bills including the old bills.

[Ministry of Communications (P&T Board) O.M. No. 23-26/78-TR dated 21-9-1978]

MOHINDAR PAL SINGH
DEPUTY DIRECTOR GENERAL (TA)
TELEPHONE NO. 380640.

D.O. No. 2-32/73-TR.

OFFICE OF THE DGP&T
PARLIAMENT STREET
DAK TAR BHAVAN,
NEW DELHI.
Dated 26-7-1978.

Dear Shri.....

Kindly refer to my D.O. letter of even number dated 26-5-78 wherein the Heads of Circles/Districts have been requested to personally review the outstandings against exempted category telephones once in a quarter and send a quarterly statement to the Directorate for further review. The first such report is to reach me by 10-8-1978.

In the course of examination of P&T Audit Report 1975-76, the PAC have expressed their displeasure over the large accumulation of arrears of telephone revenue against Government subscribers. They have desired that the progress of the recovery of the outstandings against Government connections should also be watched and reviewed every three months so that further steps, not only to eliminate the earlier arrears but also to contain their further accumulation, could be taken in time. This has become necessary due to the fact that arrears against Governments Telephones are on the increase from year to year.

I am therefore to request you kindly to keep a strict watch over the liquidation of the outstandings against Government connection also in addition to the arrears of telephones of exempted

categories. The position should be reviewed once in a quarter personally by you. A separate quarterly statement may kindly be sent for these Government connections also so as to reach this office by 10th of each month. While the first quarterly statement in respect of exempted category may be sent to me by 10-8-1978, the first statement for Govt. connections may be sent by 10-9-1978, and thereafter statement in respect of both categories sent by 10-11-1978, 10-2-1979 etc. and so on.

With regards,

Yours sincerely,

(MOHINDAR PAL SINGH)

G.M. Telecom./Telephones
Circle/Disstt.

COPY

MOHINDAR PAL SINGH
DEPUTY DIRECTOR GENERAL (TA)
TELEPHONE NO. 380641

D.O. No. 2-32/73-TR.

OFFICE OF THE DGP&T
PARLIAMENT STREET
NEW DELHI-110001.

Dated the 26th May, 1978.

Dear Shri.....

Periodical review of the performance of Circles/Districts in the matter of telephone revenue collections shows that the outstanding dues have been increasing, especially during the last one year. One of the important reasons is that outstandings against exempted categories of telephones are not being properly and systematically pursued and realised. They are allowed to accumulate for months together and in some cases for years and after a long gap it becomes generally very difficult to provide details of the outstanding bills to the concerned payment authorities etc. for want of records. It is seen from experience that there is marked reluctance on the part of the subscribers to entertain old claims preferred on them after lapse of long periods and usually the first repercussion is that they complain against the Department for not having claimed the dues at the appropriate time.

In this context, the Secretary (C) desires that Heads of Districts/Circles should make arrangement immediately to see that the outstandings against telephones exempted from disconnection are systematically and continuously pursued. He further desires

that the Heads of Circles/Districts should personally review the outstanding against each such V.I.P. and take appropriate action to secure payments. This review should be undertaken at least once in every three months (beginning from 1-4-1978) so as to keep a constant watch over the realisation of the dues from V.I.Ps.

I shall be thankful if you initiate immediate action and send a report to me by 10-8-1978, 10-11-1978 and so on. The receipt of this D.O. may kindly be acknowledged.

With regards,

Yours sincerely,

Sd/-

(MOHINDAR PAL SINGH)

Shri.....

General Manager Telephones/
Telecommunications.

Recommendation

The Committee take a serious view of the short recoveries as well as failure to issue bills by the Department. In Paragraph 1.7 of their 122nd Report (Fifth Lok Sabha) they had desired to be informed about the outcome of the study regarding billing and accounting procedure then being made by a committee. The Government in their reply reproduced in Chapter II of the Committee's 143rd Action Taken Report (Fifth Lok Sabha) had stated that the P&T Board had generally accepted recommendations of that Committee and the revised billing/accounting procedure based on those recommendations had been introduced in small and medium size Telephone Revenue Units with effect from 1-7-1970. Likewise, in respect of major Telephone Districts, computerised billing on Service Bureau basis had been introduced at Delhi, Bombay, Madras and Calcutta. However, the Committee regret to find that all these and other measures, such as issue of instructions etc., stated to have been taken by the Directorate have not yielded the desired results of eliminating these lapses. The position on the other hand has rather deteriorated and taken alarming proportion. According to the information furnished to the Committee the short-recoveries of Rs. 8.01 lakhs during 1974-75 have risen to Rs. 21.69 lakhs during 1976-77 and similarly in the case of failure to issue bills the figure of Rs. 2.43 lakhs in 1974-75 has gone up to Rs. 18.52 lakhs in 1976-77.

[Sl. No. 10 (Para 1.64) of Appendix VI of the 71st Report of P.A.C.
(6th Lok Sabha)]

Surprisingly enough, the Member (Finance) P&T Board has conceded during evidence that 'it has never come to the notice of the Directorate as a serious issue which needs issue of a directive from this place and that nothing has been done centrally about it'. The Committee cannot but deplore the indifferent attitude of the Department to this serious lapse. They would like to urge that responsibility for failure to issue bills, short billing or excess billing should be fixed at all levels so as to ensure that there is no recurrence of these lapses. The Committee 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 if found to have done with a malafide intention or for any pecuniary gain.

[Sl. No. 11 (Para 1.65) of Appendix VI of the 71st Report of P.A.C.
(6th Lok Sabha)]

Action Taken

Suitable instructions have again been issued to all Heads of Circles/Districts by name to make surprise enquiries occasionally to see that short billing/failure to issue bills are not due to malafides/collusion on the part of any employee(s). The Heads of Circles/Districts have also been requested to make a review of all such cases and take suitable action against the officials found responsible for such lapses so as to avoid recurrence of such lapses.

[Ministry of Communication (P&T Board) O.M. No. 23-29/78-TR
dated 16-10-1978]

INDIAN POSTS AND TELEGRAPHS DEPARTMENT OFFICE OF THE DIRECTOR GENERAL OF POSTS & TELEGRAPHS

No. 23-19/78-TR

Dated
PARLIAMENT STREET,
NEW DELHI-1.

To

All Heads of Telecom. Circles.
All Heads of Telephone Districts.

SUBJECT.—Short recoveries of telephone revenue and failure to issue bills in time.

In their 71st Report (6th Lok Sabha), the Public Accounts Committee have observed the following:—

“Para 1.64. The Committee take a serious view of the short

recoveries as well as failure to issue bills by the Department. In paragraph 1.7 of their 122nd Report (5th Lok Sabha) they had desired to be informed about the outcome of the study regarding billing and accounting procedure then being made by a Committee. The Government in their reply reproduced in Chapter II of the Committee's 143rd Action Taken Report (5th Lok Sabha) has stated that the P&T Board had generally accepted recommendations of that Committee and the revised billing/accounting procedure based on those recommendations had been introduced in small and medium size Telephone Revenue Units with effect from 1-7-1970. Like-wise in respect of major Telephone Districts, computerised billing on Service Bureau basis had been introduced at Delhi, Bombay, Madras and Calcutta. However, the Committee regret to find that all these and other measures, such as issue of instructions etc. stated to have been taken by the Directorate have not yielded the desired results of eliminating these lapses. The position on the other hand has rather deteriorated and taken alarming proportion. According to the information furnished to the Committee, the short recoveries of Rs. 8.01 lakhs during 1974-75 have risen to Rs. 21.69 lakhs during 1976-77 and similarly in the case of failure to issue bills the figures of Rs. 2.43 lakhs in 1974-75 has gone up to Rs. 18.52 lakhs in 1976-77.

Para 1.65. The Committee cannot but deplore the indifferent attitude of the Department to this serious lapse. They would like to urge that responsibility for failure to issue bills, short billing or excess billing should be fixed at all level so as to ensure that there is no recurrence of these lapses. The Committee would also stress the need of conducting 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 if found to have done with a mala-fide intention or for any pecuniary gain."

Short recovery and failure to issue bills in time may be due to the following reasons:—

1. Delay in issue and supply to billing authorities, advice notes intimating shifting and opening of telephone connections, circuits and non-exchange lines etc.

2. Omission to bill accessories due to shifts and incomplete/incorrect data.
3. Non-revision of rental on flat rate basis after expiry of guarantee period in cases of guaranteed lines, circuits and exchanges etc.
4. Non-revision of estimates with the increase of cost of the work and not correctly calculating the overhead charges.
5. Non-revision of rates of rentals (initially charge, on estimated rates) on the basis of increased actual cost.
6. Wrong calculations of rates of rental, either in initial estimates or in final fixation, due to wrong data (regarding length, type of material, radial distances etc.) or wrong percentages of overheads or other levies, surcharges.
7. Wrong evaluation of trunk call tickets, errors in subtraction of the meter reading in the call charges statements.

A review of such instances should be made and suitable action against the officials found responsible for lapses taken to avoid recurrence of such lapses. It should also be impressed upon all concerned that specific action should be taken by each unit to investigate instances of short recoveries and failure to issue bills and to prevent recurrence so that the mounting instances and money value of such lapses pointed out in the successive audit reports are reduced to the minimum, if not entirely eliminated.

Sd/-

(MOHINDAR PAL SINGH)

DEPUTY DIRECTOR GENERAL (TELECOM. ACCOUNTS).

TELE: 380640.

Copy to DFA/IFA of the District/Circle for information and necessary action.

(MOHINDAR PAL SINGH)
D.D.G. (TA)

Recommendation

Closely connected with the failure to short-billing is the problem of wrong billing/excess billing. The Committee learn that this happens primarily due to faults in meter or unnoticed STD calls made at the subscriber's end. The number of complaints received during 1975 was 63,000 involving 14.59 lakh telephones and the number of bills being 58.36 lakhs during that year. Rebate

had to be given in as many as 8581 cases. The Committee are perturbed to find that the number of such complaints is on the increase every year, these being 134176 during 1976-77 as against 78264 during 1972-73—an increase of 71 per cent over the last 5 years. The Committee concede that over the years the number of telephone connections have also increased. Even so, the number of complaints is suggestive of the fact that the wrong billing is perhaps a regular feature. The Committee therefore recommend that whereas genuine cases should be dealt with promptly to restore confidence in the service, test check of the over billing and rebate given over and above a reasonable limit should be made to identify the actual causes of over-billing with a view to taking remedial measures for the future and to ensure that the rebate given is genuine and the powers delegated in this regard are not misused.

[Sl. No. 14 (Para 1.68) of Appendix VI of 71st Report of P.A.C.
(6th Lok Sabha)]

Action Taken

At present all the Heads of Telecom Circles/Telephone Districts have the powers to grant rebate upto Rs. 3000/- per quarter in respect of complaints of excess metering at STD stations subject to a maximum of 2 quarters in a year. In respect of 4 metropolitan Telephone Districts at Delhi, Bombay, Calcutta and Madras these powers have since been increased upto Rs. 5000/- per quarter subject to a maximum of 2 quarters in a year. Necessary orders are under issue.

2. In view of the enhanced powers delegated and with a view to ensuring that the rebate at Circle/District level is given in genuine cases instructions have been issued that

- (i) In Telecom Circles and Telephone Districts under General Managers (other than 4 metropolitan Telephone Districts) all cases of rebate above Rs. 2000/- will be decided personally by the General Managers.
- (ii) In Minor Telephone Districts all cases of rebate will be decided by the District Managers personally.
- (iii) In 4 metropolitan Telephone Districts all cases of rebate above Rs. 3000/- will be decided by the General Managers or Addl. General Managers at their personal level.
- (iv) Director (Vig)/Vigilance Officers in Circle/District shall exercise a test check of 5 per cent of total cases in which rebate has been allowed subject to a maximum of 10 cases per month.

(v) Instructions have also been issued that whenever there is fault in meter circuit or in the associated equipment it should be covered in the category of faulty meters and Divisional Engineers should satisfy themselves and record in writing the occurrence and nature of such faults before revising any bills for local calls. Instructions have also been issued that subscribers whose meters were out of order for a quarter or more should be charged for such period on the basis of average number of calls made by them during the preceding 2 quarters.

[Ministry of Communications (P&T Board) O.M. No. 23-31/78-TR
dated 30-12-1978]

Recommendation

Coming to litigation, the Committee find that this recourse had to be resorted to for recovery of Rs. 25.36 lakhs as on 1st July, 1976 from private subscribers. The Committee would like to place on record some interesting statistics in this regard. The number of cases under litigation was 3237 for bills involving less than Rs. 250/- each and 3423 were in respect of bills for more than Rs. 250/- as on 1-7-1977. The oldest case under litigation relates to the year 1956-57 involving Rs. 1530/-. The highest amount involved in litigation is Rs. 1,15,000/- due from M/s. J&K Cotton Mills, Kanpur and the lowest amount is Rs. 120/- pertaining to a Raipur subscriber. The amount spent on litigation during 1974-75 was Rs. 53,032.08 and the number of cases decided was 152. As against this, in 100 cases decided during 1976-77, Government had to spend Rs. 51,042.37.

The Committee have been informed that instructions have been issued to all the Units that since litigation is a long drawn and expensive process, no litigation should be taken up for amount of bills below Rs. 250/-. In view of the heavy amounts spent on litigation each year, the Committee would like to urge that the problem should be studied in depth with reference to its economics and the results achieved in the past for formulating further policy in this regard. They would also like the Department to lay down more comprehensive and clear cut guidelines for going in for litigation as the last resort.

[Sl. No. 15 (Para 1.69) Appendix VI of 71st Report of P.A.C.
(6th Lok Sabha)]

Action Taken

Instructions have again been issued to Circles/Districts to meticulously follow, the guidelines issued from time to time in this respect. However the recommendations of the P.A.C. to study the problem in depth with reference to its economics and the results achieved in the past for formulating further policy, has been noted for necessary action.

[Ministry of Communications (P&T Board) O.M. No. 23-32/78-TR
dated 16-10-1978]

Recommendation

The Committee feel equally concerned about the loss of departmental papers pertaining to telephone revenues which have become a regular feature each year. Rs. 35,000/- during 1975-76 and Rs. 25,000/- during 1976-77 had to be written off as a result of loss of files. In this context the Committee would like to reiterate their earlier recommendation made at paragraph 1.8 of their 122nd Report (Fifth Lok Sabha) on this very issue and desire that the Directorate should take a serious view of this problem and ask the authorities concerned to investigate thoroughly all cases involving big amounts with a view to finding out whether any *mala-fide* intention was involved, fix responsibility and take remedial measures for the future. The Committee recommend that deterrent punishment should be given in case of proven collusion.

[Sl. No. 17 (Para 1.71) of Appendix of 71st Report of P.A.C.
(6th Lok Sabha)]

Action Taken

Instructions had been issued to all Heads of Circles|Districts to fix responsibility and initiate disciplinary action against those officials found responsible for the loss of records, which necessitated write off of dues, before approving such write off. The instructions have been reiterated stressing the need for thorough investigation of cases involving write off of revenue due to loss of records and for awarding deterrent punishments to such officials as are found responsible for the loss.

[Ministry of Communications (P&T Board) O.M. No. 23-34/78-TR
dated 16-10-1978]

INDIAN POSTS AND TELEGRAPHS DEPARTMENT
OFFICE OF THE DGP&T

Parliament Steet, New Delhi-110001.

No. 23-34/78-TR.

Dated 29-8-1978.

To

All Heads of Telecom Circles.

All Heads of Telephone Districts.

SUBJECT:—Loss of Departmental records pertaining to Telephone Revenue and Write-off of outstanding.

Reference is invited to this office letter No. 23-7/74-TR dated 17-7-1974 on the above subject. The Public Accounts Committee have again observed that loss of records and consequent write off of revenue have become almost a regular feature every year.

Clear instructions had been issued in the letter cited above (copy appended) emphasising the need to preserve the relevant records; to fix responsibility for the loss of records; and to initiate disciplinary action against the persons responsible for such loss. It is once again stressed that the Heads of Circles|Districts should kindly ensure that the responsibility is fixed and disciplinary action initiated at the outset before approving write-off of outstanding dues consequent on loss of records.

All cases of proposals for write-off, in general, and these involving big amounts, in particular, should be thoroughly investigated with a view to finding out whether any malafide intension was involved and in cases where malafide intention on the part of any official(s) is detected or collusion is proved, deterrent punishment should be given.

It may kindly be ensured that these instructions are strictly adhered to by all the officers concerned so that the loss of revenue due to such writes-off is altogether avoided.

Sd/-

(MOHINDAR PAL SINGH),
Deputy Director General (TA)
Telephone No. 380 640.

Copy of letter No. 23-7/74-TR dated July 17, 1974 from DGP&T, TR Section, New Delhi to all Heads of Circles|Telephone Districts.

SUBJECT:—Write-off of telephone revenue due to loss of departmental records.

The Public Accounts Committee (73-74), while commenting on

loss of Telephone Revenue on account of dues written off due to loss of relevant records have in their 122nd report observed:—

“The Committee regret to note that during 71-72 arrears amounting as much as Rs. 3.17 lakhs had to be written off as the relevant departmental files were not available. The Committee take a serious view in loss of papers in respect of pending bills and stress that the Department should take action against the persons responsible for this lapse.”

2. Misplacement/loss of records relating to outstanding bills is a serious matter and requires that all possible care is taken to ensure that the records of outstanding bills are carefully preserved and kept in safe custody till the dues are realised. In this connection, attention is invited to the instructions contained in the Directorate Circular letter No. 23-4/73-TR dated 30-7-1973 and also to letter No. 2-73/73-TR dated 17-5-1974. The manual rules also provide for safe custody of records pertaining to unpaid bills and these should be arranged to complied with in all such cases.

3. As soon as loss of any records pertaining to outstanding bills comes to notice, immediate action should be taken to fix responsibility for the loss thereof and then initiate disciplinary action against the persons responsible for the same. The Heads of Circles and Districts should, before approving write-off of outstanding dues becoming irrecoverable due to non-availability of records, kindly ensure that this has been done. In cases where write-off of irrecoverable dues on account of non-availability of records, require the sanction of the Director General, Posts & Telegraphs or higher authorities, the particulars of disciplinary action taken should be specifically indicated.

4. Compliance with these instructions should be checked up at the time of inspection of the TRA Branches in Divisions and Districts.

Sd/-
(N. Vasudevan) DDGF (V)

Recommendation

The Committee note that the project for the installation of 8-Channel transistorised carrier system in replacement of the existing 8-Chennel system between Dumka and Deogarh for providing adequate telecommunication services in Dumka, District Headquarters of Santhal Parganas, a backward area in Bihar State, was approved in March 1970 at an estimated cost of Rs. 1.15 lakhs. Detailed

estimates for the work were sanctioned in October, 1972. Though according to the original estimate, the work was to be completed in two months time, it took as long as 6 years in commissioning the system in October, 1976 after its approval. The principal reasons for delay in execution of this project are stated to be (1) the replacement of the alignment of existing AB line by A4BC line so that it can carry additional NCJ pairs for use in future, the existing line being not in a position to carry this load of NCJ pair in a Section of 16 Mm. between Dumka and Jama and (2) realignment of the line between Deogarh and Ghormara to avoid 'induction' due to high tension power line laid by Electricity Department. So far as the first factor is concerned, the Department have admitted that it was a case of oversight on the part of engineer. So far as the second one is concerned, it seems that although the Electricity Department laid that line subsequently the P&T Department had agreed to shift their own A4BC line to avoid induction on the specific understanding that the Electricity Department would pay the cost of such realignment. The Committee also understand that a sum of Rs. 0.24 lakh towards the cost of realignment has been accepted by the State Electricity Board. However, what is noteworthy is that due to these alterations having to be made there was a delay in the execution of the project. The Committee would urge that a Departmental enquiry be conducted to identify the reasons for delay at every stage so as to fix responsibility for taking action against those found responsible for dereliction of duty.

[Sl. No. 18 (Para 2.23) of Appendix VI of 71st Report of P.A.C. (6th Lok Sabha)]

Action Taken

The delay in the execution of the work has been investigated on the basis of the records of the Circle Office, Divisional Office and Sub-Divisional Office, Deogarh.

The following facts have been gathered:—

1. The Directorate approved proposal for 8-Channal Carrier System between Dumka and Deogarh in March '70.
2. Matters related to traffic data, engineering details etc. for the preparation of the project and detailed estimates were under correspondence between the Circle, Division and Sub-Division as well as T&D Circle and RTS upto 6-4-72.
3. DET submitted the project and detailed estimates to the Circle on 6-4-72.

4. The Circle sanctioned the estimate based on AB posts on 4-10-72.
5. Sanctioned copy of the estimate was received by SDO(T) Deogarh on 21-2-73 and indents were released on 27-2-73.
6. The Electricity Authorities erected a power line during 1972-73 in proximity to the Telecom. lines without the clearance of PTCC, and the Department objected to this.
7. SDO(T) asked the Circle Office to allot stores on priority basis on 3-11-73.
8. DSO(T) released indents for A4 BC posts on 21-12-73 since the load could not be carried by AB posts and informed DET on 24-12-73 that he had started the work on 19-12-73 with some available A4 BC posts in the Sub-Division and he had obtained 50 A4 BC posts from AE Stores, Patna and he had indented for 1000 A4 BC posts.
9. As far as the necessity for shifting is concerned, the matter was taken up with the Electricity Authorities and the route was, jointly inspected by P&T and the Electricity Authorities, and finally the Electricity Authorities agreed to pay the shifting charges for the P&T alignment on 2-2-73.
10. During the execution of the work, Director Telegraphs, Patna asked for further shifting of posts away from the power line on 1-8-74.
11. The work was completed by October 1975 and offered for acceptance testing but the line failed due to power induction. The case was referred to PTCC. The PTCC advised provision of GD tubes, and these were procured and fitted and the line passed the test on 20-10-76. Simultaneously the system was commissioned.
12. It is seen that the delay has been due to two reasons:—
 - (a) Lack of foresight on the part of DET, who processed the case for sanction of the proposal with AB posts. He should have taken into account the load carrying capacity of the line and the future expansion.
 - (b) The action of the Electricity Authorities in erecting the power line in close proximity to the telephone lines without first getting the PTCC clearance. This resulted in the necessity of shifting the line.
13. As far as 12(a) is concerned, the DET concerned retired in August 1976. It is felt that it will be too harsh to take action at this stage for an error of oversight.

14. As far as 12(b) is concerned, the matter has been taken up with the Central Electricity Authorities and the State Electricity Board to issue strict instructions to see that such cases do not recur.

[Ministry of Communications (P&T Board) O.M. No. 97-5/76-TPL (P) Part dated 24-10-1978]

Recommendation

Yet another disquieting aspect of the case is that at the time of preparation of the estimate the fact that the existing AB line could not bear the load of NCJ pair was not foreseen. This led to the provision of A4 BC posts thus increasing the cost of re-transposition of the pair from Rs. 0.31 lakh to Rs. 3.13 lakhs. The overall cost of the project thus increased from Rs. 1.15 lakhs to Rs. 4.39 lakhs. The Committee desire that responsibility for this lapse should also be fixed.

[Sl. No. 20 (Para 2.25) of Appendix VI of 71st Report of P.A.C. (6th Lok Sabha)]

Action Taken

General Manager, Telecommunications, Patna investigated the case and came to the conclusion that the Divisional Engineer, Telegraphs, who processed the case for the sanction of the estimate in 1972 did not foresee the future requirements. This was clearly a case of oversight as was admitted earlier before the P.A.C. The Division Engineer, however, retired in August, 1976. It is felt that it would be too harsh to take action against the officer after retirement.

[Ministry of Communications (P&T Board) O.M. No. 97-5/76-TPL (P) Part dated 24-10-78]

CHAPTER V

Recommendations and Observations in respect of which Government have furnished interim Replies

Recommendation

In this connection, the Committee would like to recommend that the feasibility of imposition of a surcharge over the telephone bills at the rate of 5 per cent or so may be examined where the payments of the bills are not made by the scheduled dates. This will not only expedite the payment of bills but will also enhance the revenues of the Department where the payment of the bills is not made in time.

[Sl. No. 5 (Para 1.31) of Appendix VI of 71st Report of P.A.C. (6th Lok Sabha)]

Action Taken

The proposal is under examination in consultation with the Ministry of Law.

[Ministry of Communications (P&T Board) O.M. No. 23-25/78-TR dated 16-10-1978]

Recommendation

The Committee regret to note that during 1975-76 arrears amounting to Rs. 28.03 lakhs were written off due to various reasons, the noticeable among them being 'whereabouts of the subscriber not known' (Rs. 14.20 lakhs); 'death of subscribers' (Rs. 1.75 lakhs) and 'relevant departmental files not available' (Rs. 0.35 lakhs). During the last 6 years 1971-72 to 1976-77 the total amount written off was Rs. 111.55 lakhs. The highest amount involved in a case in which whereabouts of the subscriber were not known, was Rs. 9988.28. The Committee would like Government to ensure that before writing off, the Directorate has satisfied itself of exploring all avenues including police help in locating the subscriber and recovering the dues. In this connection the Committee recommend that the feasibility of introducing personal surety bonds at the time of installation of telephones might be examined so that in bad cases the arrears due from the subscribers could be recovered from their sureties.

[Sl. No. 16 (Para 1.70) of Appendix VI of 71st Report of P.A.C. (6th Lok Sabha)]

Action Taken

All efforts are made to realise the outstanding from the subscribers. Police help is sought wherever considered necessary.

Regarding the feasibility of introducing Personal surety bonds at the time of installation of Telephones, the Law Ministry is being consulted and further action would be taken on receipt of advice from them.

[Ministry of Communications (P&T Board) O.M. No 23-33/78-TR dated 16-10-1978]

Recommendation

The Committee find that the amount of Rs. 0.24 lakh claimed from and agreed to be paid by the State Electricity Board in February 1973 towards shifting charges of the Telecommunication line has not yet been realised. The Committee would urge that the matter should be taken up at higher level with the Electricity Board and the recovery of the dues made without loss of further time.

[Sl. No. 21 (Para 2.2) of Appendix of 71st Report of P.A.C. (6th Lok Sabha)].

Action taken

The matter is being pursued by the General Manager Telecommunications, Bihar Circle, Patna with the State Electricity Board for realising the dues from the Bihar State Electricity Board.

The matter has also been taken up by the P&T Board with the Central Electricity Authority and the Bihar State Electricity Board.

[Ministry of Communications (P&T Board) O.M. No. 97-5/76-TPL (P) Part dated 24-10-1978]

Recommendation

The Committee further find that the firm to which the contract was finally awarded had also tendered in the first instance and the tendered amount was Rs. 1,44,647 against the estimated cost of Rs. 1,24,711 (15.10 per cent above C.I.). However, as a result of negotiations with this firm in the second turn, the contract was awarded at Rs. 1,30,172 against the estimated cost of Rs. 1,19,267 (9.15 per cent above C.I.) after deletion of items 2, 4 and 5, S.H. 8 Roofing. A condition (which was not there in the first call) put forth by the tenderer that 'cement may be issued F.O.R. Varanasi' was also accepted. The Committee would, therefore, like Government to investigate into the matter and satisfy themselves that no

irregularity of a serious nature was involved in awarding the contract and that the Government have not been put to any loss in the overall cost of the construction work particularly in view of the fact that the agreed supply of cement by the Department had caused much delay in the completion of the work and also the job was completed for Rs. 1.52 lakhs as against the estimated cost of Rs. 2.37 lakhs but contracted cost of Rs. 1,30,172. It is all the more surprising that the preliminary estimate prepared by S.E. Calcutta should have provided for the plinth area rate for a complete building including the element of foundation whereas the requirement was for extension of the existing building only. This had unnecessarily inflated the estimated cost of construction.

[Sl. No. 32 (Para 3.99) of Appendix VI of 71st Report of P.A.C. (6th Lok Sabha)]

Action taken

Investigation has been ordered whether any irregularity of a serious nature has been involved in awarding the contract with the condition that cement will be supplied F.O.R. Varanasi. The Committee will be informed of the results of investigations after these are completed. Instructions have also been issued to all superintending Engineers to ensure that the proper plinth area rate, without the element of foundation, should be adopted for extensions over existing buildings.

[Ministry of Communications (P&T Board) O.M. No. 27-4/76-D (P&T) dated 13-11-1978]

Recommendation

The Committee have noted that in spite of the Departmental instructions issued in September, 1970 that 90 per cent of the exchange capacity should be utilised soon after expansion or in any case not later than 6 months of such expansion, the actual utilisation of capacity of the Varanasi Telephone Exchange expanded to 6100 lines in April, 1973 and 8100 lines in April, 1974, the percentage of utilisation to the installed capacity has been considerably on the low side, fluctuating between 69.7 to 89.4 per cent between October 1978 and December, 1975. The position was worst in April 1974 when spare capacity was 1885 and the number of waiting applicants at that time was 2287. The Committee agree that completion of formalities for releasing the connections may take some time but they feel that a little extra effort on the part of those entrusted with avowed job of executing the Government programme and serving the nation could have given almost the opposite results by virtually

clearing the whole waiting list much earlier and thus avoiding potential loss of Rs. 22.20 lakhs to the Department on this account as worked out by the Audit. The committee have noted that instructions already issued in this regard have been reiterated enjoining upon the authorities concerned to take advance action as far as possible for providing new connections within short time after completion of expansion of the exchange. The Committee would, however, like to point out that though several instructions have been issued to the General Manager Telephones by the Board they are observed more in the breach than in observance. The Committee, therefore, desire that there should be a system of follow-up of instructions and steps should be taken to see that the desired results are achieved and the basic weakness which have been playing the execution of P&T Projects are completely eliminated. The Committee would also like the P&T Directorate to make a fresh look into the whole procedure of providing fresh connections and find out if it could be simplified further to some extent with a view to reducing the long time taken in completing a plethora of formalities and a number of complicated forms to be filled in by the subscriber, of course without sacrificing Government interest.

[Sl. No 33 (Para 3.100) of Appendix VI of 71st Report of P.A.C. (6th Lok Sabha)]

Action taken

The observations and recommendations have been noted for future guidance.

2. Steps are being taken to review the procedure for provision of telephone connections and to see if this could be simplified with a view to expedite the provision of telephone connections once the exchange capacity becomes available. It may, however, be mentioned that the percentage of utilisation to the installed capacity was 80.8 per cent at the close of October 1973 and 69.7 per cent at the close of April 1974 after commissioning of another 2000 lines.

[Ministry of Communications (P&T Board) O.M. No. 362-5/76-TPE (XP) dated 16-10-1978]

Recommendation

The Committee have been informed that the enquiry ordered into the misplacement of the three letters is in progress. They would like to be informed of the action taken in pursuance thereto against those found responsible for this serious and costly lapse.

[Sl. No. 37 (Para 3.104) of Appendix VI of 71st Report of P.A.C. (6th Lok Sabha)]

Action taken

The inquiry ordered into the misplacement of three letters is still in progress and action taken in this regard will be intimated as soon as it is completed.

[Ministry of Communications (P&T Board) O.M. No. 528-11/78-TPS(BT) dated 7-11-78]

Recommendation

The performance of the supplier firm M/s. Air Conditioning Corporation, New Delhi is equally unsatisfactory. The air-conditioning plant received in December, 1975, was installed in September 1976. It has been admitted in evidence that the target date given to the firm for completion of the work was 5 June (1976) but it was not completed. The commissioning of the plant was further delayed by 3 months as some works had to be carried out and it was ultimately commissioned on 28 December 1976, when the winter tests (first in the series of three tests) was conducted. It passed the summer test on 25th June, 1977, and could be finally taken over only on 11th August 1977 when it passed the third and the last test of monsoon. The Committee would like Government to examine in consultation with the D.G.S.&D. as to how far the supplier firm was responsible for the delay and whether any penalty could be imposed on them in terms of the agreement. Judging from the poor performance of M/s. Air Conditioning Corporation, New Delhi, in the present case, their overall performance in other 9 contracts stated to have been entered into with this firm from June 1976 onwards should be watched closely to come to a definite conclusion whether this firm qualifies for having further business dealings with Government.

[Sl. No. 39 (Para 3106) of Appendix VI to 71st Report of P.A.C. (6th Lok Sabha)]

Action taken

The observations of the Committee have been noted.

2. The D.G.S.&D. has intimated that the question of delay and possibility of applying any penalty on the firm will be examined at the time of final settlement of the contract.

3. The recommendation regarding watching the overall performance of the firm in case of 9 newly awarded contracts has been noted. In fact arrangements are being made to keep a watch and evaluate the performance of all the individual firms in the light of

contracts awarded after the taking over of procurement and installation of air-conditioning plants by the P&T Department from the D.G S.&D.

[Ministry of Communications (P & T Board) O.M.
No. 528-11/78-TPS (BT) Dated 7-11-78]

According to the information furnished by the Contractor the installation of the plant was completed before 15.8.76 and it was also commissioned by them on 27.8.76. However, the plant was taken over only on 11.8.78 after completion of seasonal tests.

The quantum of penalty depends on the loss/inconvenience suffered by the Consignee. The concerned Consignee, on a reference being made to him by DGS&D, confirmed in his letter dated 24-7-78 that the P&T Department had not suffered any loss/inconvenience due to delay in supply on the part of the firm and accordingly only token penalty of Rs. 7970/- was imposed on the firm by DGS&D *vide* their amendment letter dated 14.8.78. Recommendation of the Committee to watch the performance of the firm in respect of contracts placed on them after June' 76 has been noted.

[Department of Supply O.M. No. PIII-17(9) |78 dated
8-12-78].

NEW DELHI;
March 29, 1979.
Chaitra 8, 1901 (S).

P. V. NARASIMHA RAO,
Chairman,
Public Accounts Committee.

APPENDIX

Statement of Conclusions and Recommendations

Sl. No.	Para No. of the Report	Ministry/Dept. Concerned	Conclusion or Recommendation		
			1	2	3
1	1.7	Ministry of Communications (P & T Board)	The Committee, in para 1.32 of their earlier report, had expressed anxiety about the mounting arrears of telephone revenue from all quarters, be they private subscribers, Government subscribers or exempted categories. Since efforts made earlier by the P&T Directorate to get the arrears reduced to the previous quarter (the current level), if not completely eliminated, had not borne fruit, the Committee had desired that the "whole question of recovery of telephone arrears from Government bodies may be examined <i>de novo</i> " and suitable action taken for their expeditious recovery within a time bound programme. Instead of doing so, the only further step taken in this direction is the issue of instructions as usual to the heads of Circles/Districts to review personally outstandings against Government subscribers, including exempted categories of telephones, once in three months and submit a quarterly statement showing the progress of liquidation of arrears. The Committee is constrained to note that no seriousness has been shown for the follow-up action to ensure implementation of the instructions in letter and spirit. Though the first quarterly progress report as per DG, P&T circular letters dated	4	

27 May 1978 and 26 July 1978 in respect of these two categories of subscribers must have been furnished by the Head of each Circle|District by 10 August 1978 and 10 September 1978 respectively, the Action Taken Note furnished to the Committee on 21 September 1978 is silent about the result of such instructions. The Committee feel that unless the problem is tackled on all fronts and in all seriousness in a well thoughtout and resolute manner, the mere issue of instructions in a routine fashion will not yield the desired results. The Committee, therefore, reiterate their earlier recommendation that the problem should be studied in its proper perspective so as to take more effective measures to meet the challenge of increasing arrears. The Committee need hardly emphasise that the heads of Circles|Districts should be made personally responsible for bringing down current arrears to a reasonable limit and also clear the old outstandings in a phased quarterly programme. The progress reports so furnished to the Centre, should be critically analysed to take further follow-up action, where necessary.

2 1.8 -do- The Committee would like to point out that the slackness in realisation of telephone dues from Government Departments and Undertakings is also encouraging misuse of telephone for unauthorised purposes.

3 1.11 -do-

The Committee had observed in their earlier recommendations that in the matter of failure to issue bills, short billing or excess billing the measures taken by Government so far has not succeeded in achieving the desired results and had emphasised that responsibility should be fixed at all levels to avoid recurrence of such lapses in future.

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The Committee have been informed that suitable instructions have again been issued to the heads of circles/districts by name and they have been requested to make a review of all cases of short billing, failure to issue bills and excess billing and take suitable action where found necessary. The Committee feel that mere issue of instructions would not serve the purpose unless these are followed up scrupulously and a strict watch is kept through periodical reports over the performance of those who are entrusted with this job. The Committee would, therefore, reiterate their earlier recommendation for necessary action in the matter.

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2

4 1.14 Ministry of Communications (P & T Board) The Committee note that some remedial measures have been taken by the P&T Directorate to tackle the problem of wrong billing and excess billing. They, however, feel that these measures are not adequate and they would like to caution the Department that any slackness in the implementation of the steps contemplated or failure to follow-up the instructions issued in this regard would negate the efforts made so far in this direction. The Committee would, therefore, like the Department to review the position quarterly to take further steps in the matter, where considered necessary.

1

-do-

5 1.17

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.

-do-

1.20

The Committee are not satisfied with the reply of the Government. The seriousness of the problem of loss of Departmental files pertaining to telephones revenues could be gauged by the fact that this matter had earlier been the subject of the Committee's observations in 1973-74 and the P&T Directorate had then drawn the attention of all Heads of Circles/Telephone Districts to this lapse and had also requested them to review each case and fix responsibility wherever necessary. The instructions were thus already there. In spite of that the matters did not improve but had rather deteriorated as brought out in the earlier recommendation of the Committee. The Committee, therefore, feel that mere issue of instructions in response to the Committee's observations wherever it comes before them would not lead to any tangible results. What is actually required is to follow-up action once the instructions are issued. Besides, the Committee feel that the procedure of maintenance and recording of files also needs to be gone into thoroughly to ensure a

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1 2 3 4

more methodical and efficient system regarding their movement at different levels and ultimately leading to recording and proper custody.

7 1.23 Ministry of Communications (P & T Board)

From the reply of the Government the Committee find that the P&T Directorate has attempted to explain away the delay as lack of foresight on the part of the DET who had processed the case for sanction of the proposal with AB posts and the action of the Electricity Authorities in erecting the power line in close proximity to the telephone lines without getting the PTCC clearance. While the Committee take a lenient view at this stage of the lapse on the part of the concerned DET who has since retired, they would like that the Directorate should bring this case to the notice of all the officers connected with the processing and sanction of projects in various units under the Ministry of Communications for future guidance.