

PUBLIC ACCOUNTS COMMITTEE (1972-73)

(FIFTH LOK SABHA)

SIXTY-EIGHTH REPORT

**[Action taken by Government on the Recommendations
of the Public Accounts Committee contained in their
46th Report (Fifth Lok Sabha) on Report of the
Comptroller & Auditor General for the year 1969-70
—Central Government (P. & T.).]**



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CORRIGENDA TO 68TH REPORT OF P.A.C. (1972-73)
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CORRIGENDA TO THE SIXTY-SIXTH REPORT OF THE
PUBLIC ACCOUNTS COMMITTEE (1972-73) PRESENTED
TO THE LOK SABHA ON 26.2.1973.

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
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CONTENTS

	PAGE	
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE	(iii)	
INTRODUCTION	(v)	
CHAPTER I. Report	1	
CHAPTER II. * Recommendations/observations that have been accepted by Government	17	
CHAPTER III. Recommendations/observations which the Committee do not desire to pursue in view of the replies of Government	70	
CHAPTER IV. Recommendations/observations replies to which have not been accepted by the Committee and which require reiteration	73	
CHAPTER V. Recommendations/observations in respect of which Government have furnished interim replies	80	
APPENDIX		
Summary of Main conclusions/recommendations	91	

PUBLIC ACCOUNTS COMMITTEE

(1972-73)

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22. Shri Shyam Lal Yadav

SECRETARIAT

Shri B. B. Tewari—*Deputy Secretary.*

Shri T. R. Krishnamachari—*Under Secretary.*

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Sixty-eighth Report on action taken by Government on the recommendations of the Committee contained in their Forty-sixth Report (Fifth Lok Sabha) relating to Report of the Comptroller and Auditor General for the year 1969-70—Central Government (P & T).

2. On the 6th June, 1972 an 'Action Taken' Sub-Committee was appointed to scrutinise the replies received from Government in pursuance of the recommendations made by the Committee in their earlier Reports. The Sub-Committee was constituted with the following Members:

Shri B. S. Murthy—Convener.

2. Shri Ramsahai Pandey
3. Shrimati Savitri Shyam
4. Shri H. M. Patel
5. Shri Shyam Lal Yadav
6. Shri Bhagwat Jha Azad
7. Shri M. Anandam

} Members

3. The Action Taken Sub-Committee of the Public Accounts Committee (1972-73) considered and adopted this Report at their sitting held on the 12th January, 1973. The Report was finally adopted by the Public Accounts Committee on the 24th January, 1973.

4. For facility of reference the main conclusions|recommendations of the Committee have been printed in thick type in the body of the Report. A statement showing the summary of the main recommendations|observations of the Committee is appended 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;
27th January, 1973

7th Magha, 1894 (S).

ERA SEZHIYAN,
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

1.1. This Report of the Committee deals with action taken by Government on the recommendations contained in their 46th Report (Fifth Lok Sabha) on Report of the Comptroller and Auditor General for the year 1969-70—Central Government (P & T) which was presented to the House on 26th April, 1972.

1.2. Action Taken Notes have been received in respect of all the 51 recommendations|observations contained in the said Report.

1.3. The Action Taken Notes‘Statements on the recommendations of the Committee contained in the Report have been categorised under the following heads:

(i) *Recommendations|observations that have been accepted by Government.*

S. Nos. 1, 3, 8, 10, 14, 18—20, 22, 23, 27—33, 35, 37—41 and 43—49.

(ii) *Recommendations|observations which the Committee do not desire to pursue in view of the replies of Government.*

S. Nos. 21 and 51.

(iii) *Recommendations|observations replies to which have not been accepted by the Committee and which require reiteration.*

S. Nos. 5, 26, 34, 36, 42 and 50.

(iv) *Recommendations|observations in respect of which Government have furnished interim replies.*

S. Nos. 2, 4, 6, 7, 9, 11—13, 15—17 and 24-25.

1.4. The Committee hope that final replies in regard to the recommendations to which only interim replies have so far been furnished will be submitted to them expeditiously after getting them vetted by Audit.

1.5. The Committee will now deal with action taken notes on some of the recommendations.

Serious irregularities and alleged fraudulent practices in the execution of Hyderabad-Vijayawada Section of the Coaxial Project.

1.6. While dealing with serious irregularities and alleged fraudulent practices in the execution of work relating to Hyderabad-Vijayawada section of the coaxial project, the Committee in paragraph 1.46 (S. No. 4) had made the following observation:—

The Committee have earlier indicated lack of control in the implementation of the coaxial projects. They are disturbed to find a number of serious irregularities and alleged fraudulent practices in the execution of work relating to the Hyderabad-Vijayawada section of the coaxial project. The suspects in these cases are a Director of Telegraph and two Assistant Engineers of the Department. The extra expenditure in some of these cases amounted to Rs. 7.25 lakhs. The Committee feel that apart from handing over the cases to the CBI, the Department could have taken steps to investigate the procedural lacunae for appropriate remedial action. They would, however, like to know the outcome of the CBI investigation which is stated to have been completed. The Committee would further like the P & T Department to review critically the preparation, sanction and execution of coaxial cables so as to obviate recurrence of irregularities which have come to notice in this case. The Committee would like to be informed of the action taken.

1.7. In their note dated the 25th October, 1972 the P & T Board have stated as follows:—

Based upon the report of General Manager (Projects), Madras, a preliminary enquiry was conducted by DDG (Vigilance) into the alleged fraudulent practices in the execution of Hyderabad-Vijayawada coaxial project by a Director of Telegraphs and two Assistant Engineers. As there appeared to be *prima facie* case, the matter was handed over to Special Police Establishment for detailed investigations. The report of the S.P.E. has since been received with recommendation for regular departmental action. The case has been referred to the Central Vigilance Committee for advice. All the ~~allegations~~ like purchase of Land at Tadepalligudem without resorting to Land Acquisition Act and without availing of the lowest offer, the employment of excessive labour and payment at rates higher than those approved for the same classes of labour in those

Places by a P & T Circle; placement of order for the supply of Cuddapah slabs for use in rural areas when the polythene tape was actually available; purchase of excessive quantities of G.I. Pipes and the acceptance of joint protection boxes which are not in accordance with the specifications, may be ascribed to *mala fide* action of a few officers. For all these purchases, definite set procedures have been laid down and it is felt that there is no procedural lacuna in the existing rules. Such malpractices have not been observed to have occurred in other coaxial projects throughout the country so far.

The present procedure for the preparation, sanction and execution of Coaxial Cable Projects is as below:—

A Memo for the Expenditure Finance Committee for the new Coaxial Scheme is prepared by the Planning Branch in the Office of the Director General, Posts and Telegraphs based upon the available traffic data and the preliminary route survey. After the sanction of the E.F.C. Memo the detailed route survey is carried out. Based upon the detailed survey, project estimate is prepared by the Director, Coaxial Cable Project, who is in-charge of the execution of the Scheme, and submitted to D.G., P & T for sanction. The project estimate is checked up in detail in the Planning Branch, corrected wherever considered necessary and put up to Finance Advice Section for their concurrence in the issue of sanction. The estimate is scrutinised in detail by Finance Advice Section before conveying their concurrence in the issue of sanction. For each component of work, a detailed estimate is prepared by D.E.T. Director, Coaxial Project and submitted to the competent authority for sanction. As per the present financial powers, all detailed estimates costing more than Rs. 10 lakhs are sanctioned in the D.G., P & T with the concurrence of Finance. The detailed estimates are also scrutinised thoroughly in the Planning Branch as well as by Finance Advice Section before issue of sanction. The above procedure has stood the test of time.

1.8. As regards the outcome of the investigation into the serious irregularities and alleged fraudulent practices in the execution of the work relating to the Hyderabad-Vijayawada section of the coaxial project, the P&T Board have intimated that the report of the S.P.E. has since been received with recommendation for regular de-

partmental action and that the case has been referred to the Central Vigilance Committee for advice. The Committee desire to impress on the Department the need to process the cases expeditiously for appropriate disciplinary action.

1.9. Commenting on the use of R.C.C. troughs as protective covers for the cables to be laid in town areas instead of warning bricks or stone slabs required to be used as per departmental rules, the Committee had made the following recommendation in paragraph 1.47 (S. No. 5):—

The Committee, however, feel compelled to comment on one of the cases at this stage. It relates to the estimate provision of R.C.C. Troughs as protective covers for the cables to be laid in town areas, although only warning bricks or stone slabs were to be used as per the departmental rules. The explanation now given for allowing the provision when the estimate was checked by the P&T Directorate that electric supply companies as also foreign telephone administrations are using similar RCC Troughs, is ingenious but unconvincing. It was in violation of the rules and according to the Departments own admission RCC Troughs were not used in any other coaxial project. As this led to avoidable expenditure of Rs. 2.82 lakhs besides serious irregularities in payment of labour for the manufacture, the Committee would like the Department to fix responsibility also for the failure to properly check the estimates.

1.10. The P&T Board in their note dated the 4th November, 1972 have stated as under:—

The provision of RCC troughs in the detailed estimate for cable laying in Madras-Vijayawada section was clearly indicated by the Project Authorities in the specifications of the detailed estimate. The estimate was checked by officers at various levels in the Planning Branch and Finance Advice Section of D.G.P & T before the issue of sanction. As the provision of RCC troughs was very clearly indicated in the specifications of the detailed estimate, it could not slip scrutiny at all the levels. It is inferred that the provisions were allowed to be retained in the estimate after due consideration. It is noticed, however, that there was no noting in the file to show that the deviation was actually considered and then allowed to remain.

As already mentioned in our written reply to the Committee, the type of protection to be provided over the coaxial cables in build up areas, open country, etc., is kept under review and instructions are issued from time to time for the type of protection to be provided, depending upon the experience gained. The experience in such cases cannot be gained until the actual experiment is carried out in certain sections and the factual data about the usefulness or otherwise of various types of protections are obtained. The data which will be available about the fault incidence in coaxial cables protected by RCC troughs in city areas in Secunderabad-Vijayawada section will be quite helpful in deciding whether this method of protection should be adopted in future projects. Since there was no *mala fide* intention in permitting the use of RCC troughs for protecting the coaxial cables in the city areas, as provided in the detailed estimate submitted by the Project Authorities, and the estimate was checked in the Planning Branch of D.G. P.&T. by various officers at different levels, the Department feels that it will not be appropriate to fix responsibility on an individual officer or set of officers for permitting this provision in the Estimate.

In order to ensure that deviations, if any, in the Estimates are carefully considered instructions have been issued regarding checking up of the Estimates in detail at various levels. It has been envisaged in the instructions that the officers checking the estimate will clearly bring out any deviations from the normal standards in respect of the quantities as well as specifications so that these deviations could be examined and approved at the appropriate levels. A copy of the instructions issued is enclosed for information.

(Page 74).

1.11. The Committee had desired that responsibility should be fixed for the failure to properly check the estimates which provided for RCC troughs as protective covers for the cables to be laid in town areas, although only warning bricks or stone slabs were to be used as per the departmental rules. In reply, the P&T Board have stated that it is inferred that the provisions were allowed to be retained in the estimates after due consideration and that there was, however, no noting in the file to show that the deviation was actually considered and then allowed to remain. Although suitable instructions have been issued for proper checking of estimates in future the Committee would reiterate that the responsibility for not

clearly bringing out the deviations in the estimates should be fixed in this case.

Irregularities in the Printing of Telephone Directories by Punjab Circle through a Private Press.

1.12. While dealing with various lapses in regard to the printing of Telephone Directories by Post-Master General, Punjab Circle, Ambala, through a private press—resulting in overpayment to the firm, the Committee in paragraphs 1.78, 1.79, 1.81, 1.83, 1.84 and 1.85 (S. Nos. 8,7,9,11,12 and 13) had commented as follows:—

“1.78. The Committee are concerned to note a series of lapses in connection with getting the telephone directory printed by the Punjab Circle of P&T Department through a private press which resulted in an extra payment of Rs. 0.70 lakh on four issues October 1964 to March, 1967. The Committee desire that responsibility should be fixed for various lapses as dealt with below.

“1.79. The exact implication of the entry “per 500 Rs. 3/-” found in the tender of the printers in addition to “per 35,000 copies per page Rs. 29” went unconsidered at all stages of scrutiny both in the circle office and the office of the Chief Controller of Printing and Stationery, when it was decided to accept the tender subject to payment in excess of 35,000 copies on *pro-rata* basis. The printers claimed payment for every additional 500 copies at an additional rate of Rs. 3/- per page and these were paid without scrutiny. The number of copies of the four issues printed were respectively 39,500, 42,500, 45,500 and 50,400. The rate payment per page was Rs. 56, Rs. 74, Rs. 92 and Rs. 122 as against the *pro-rata* of Rs. 37.73, Rs. 35.71, Rs. 37.70 and Rs. 41.76 respectively. The Committee were informed that the words “per 35000 copies” and “per 500 copies formed part of the cyclostyled proforma supplied by the P.M.G., Ambala, while calling for tenders. The intention of the Department in providing a column “per 500 copies” may be reported to the Committee.”

“1.81. The Committee are unable to agree that the concurrence of Associated Finance was a mere formality which was given in this case without even having a look at the rates. The Committee would, however, like to know why the tender was neither sent to nor called for by the Associated Finance (P&T Board). In view of the experience in this

case the Committee with that there should be proper scrutiny of tenders referred to Associated Finance before concurrence is accorded."

"1.83. The extra payment in this case came to light only when the fourth bill was referred to the CCPS although the reference was not necessary. The Committee would like Government to examine how the first three bills were passed without proper scrutiny and whether there was any *malafide* intention;

"1.84. The Committee do not appreciate the continuance of the arrangement with the printer for the subsequent issues although the CCPS approved the rates only for one issue. They would like to know why action was not taken at any stage to call for fresh tenders specially when the original order was placed on the basis of a single quotation."

"1.85. From the foregoing, the Committee are convinced that there is a case for detailed investigation to establish whether all the mistakes|lapses were *bonafide*."

1.13. In their notes dated the 4th January, 1973, 8th December, 1972 and 31st October, 1972, the P&T Board have stated as follows:

"1.78 & 1.79. An extract of the Departmental proforma relating to the portion of printing which was supplied to the tenderer and the quotations as submitted by the tenderer in that proforma are enclosed herewith. A perusal of these forms will clarify the position.

It may be seen from the copy of the form of quotations at annexure "A" (Page 84) that the department invited quotations for printing works under the following six headings:—

1. Directory	per 35,000 copies/pages.
2. Numerical Index	per 500 copies/pages.
3. Supplementary directory	per 30,000 copies/pages.
4. Service directory	per 500 copies Pages.
5. Circular cards	per 10,000 copies/pages.
6. Subs. letters	per 10,000 copies/pages.

There were however some typographical errors in the cyclostyled form of quotation supplied to the tenderers, e.g., "per 3,500 copies|pages" for "35,000 copies/pages" under the column "Directory" and

this mistake went unnoticed. Similarly the number of Directories under column "Numerical Index" was incorrectly shown. This mistake was however detected and corrected by deleting the number of copies typed earlier and by adding the words "per 500" just on the left hand side of the deleted entry.

From the annexure 'B' (page 84-A), it may be seen that the tenderer corrected the entry under column "Directory" to "35,000" instead of "3,500" and quoted rate under this column. They also quoted rates under words "per 500" and separate rate under Numerical Index by adding word "30,000" just on the deleted portion.

This was unfortunately not detected at the time of examination of tender quotations either by the Circle office or by the C.C.P.S.

Necessary action to fix responsibility for various lapses is being taken in the matter and a final report will be sent on completion of action."

"1.81. The P&T Board is examining the case. A final report will be submitted as soon as the case is finalised."

"1.83. As already explained to the PAC, the payment of the first three bills was not referred to Chief Controller of Printing and Stationery as it was not necessary according to the rules. The fourth bill, however, happened to be referred to the Chief Controller of Printing and Stationery because the Head Clerk in charge of Directory Section of the Circle Office was new to the job and did not know the ruling and made the reference to the Chief Controller of Printing and Stationery according to practice in vogue a few years earlier. The Postmaster General, Ambala, has however, been sent copies of the PAC observations for further necessary action."

"1.84. The Postmaster General, Ambala had continued printing of subsequent issues through the same press with the approval of the Chief Controller of Printing and Stationery every year since the original tender was accepted only for one issue on the advice of C.C.P.S. The exact difficulties coming in the way of terminating the contract after issue of first directory are not clear from the available records. Postmaster General, Ambala has been informed of the PAC's observation for further investigation."

"1.85. After detailed investigation only it can be ascertained whether the lapses were *bonafide*. In the meantime, the case has also been referred to Vigilance Section of the Directorate for examining from Vigilance angle."

1.14. The Committee had emphasised the need for investigations with a view to taking suitable disciplinary action for the lapses in connection with getting the telephone directory printed by the Punjab Circle of P&T Department through a private press. The P&T Board have only furnished interim replies even as late as in January, 1973, although the Report was presented in April, 1972. The case is stated to have been referred to Vigilance Section of the Directorate for examination from vigilance angle. While the Committee would await the outcome they wish to observe that the Department should have taken disciplinary action in such cases without delay and informed the Committee within six months.

1.15. In Paragraph 1.87 (S. No. 15) the Committee referred to the desirability of getting the directories printed in the Government Presses on a regular basis thus:

“The cost of printing directories in all the circles|districts and administrative cost are of the order of Rs. 22 lakhs and Rs. 10 lakhs respectively. The Committee deem it desirable to get the directories printed in Government Presses on a regular basis to cut down administrative cost and delay in entering into contracts for each issue. They would accordingly suggest that capacity of Government Presses should be suitably augmented before long. The Committee understand that a sum of Rs. 2 crores has already been allotted for this purpose during Fourth Plan. In this connection the Committee would like to refer to their Forty-First Report (Fifth Lok Sabha) wherein they have commented on the inadequate utilisation of the existing capacity of Government of India Presses.”

1.16. The P&T Board have stated as under in their reply dated the 31st October, 1972:

“The observation of the PAC has been communicated to the Government of India Press who are looking into the matter.”

1.17 The Committee had deemed it desirable to get the directories printed in Government presses on a regular basis to cut down administrative cost and delay in entering into contracts for each issue and suggested that the capacity of Government Presses should be suitably augmented before long. The observations of the Committee are stated to have been communicated to the Government of India Press who are looking into the matter. The Committee would like to know the outcome.

Guidelines for determining priorities for allocation of additional telephone lines—Paragraph 1.120 (S. No. 24)

1.18. Recalling their earlier observation that the Department should lay down precise guidelines for determining priorities for allocating of additional lines the Committee in paragraph 1.120 (S. No. 24) made the following observation:

“The Committee had in their 40th Report (Fourth Lok Sabha) suggested that the Department should lay down precise guidelines for determining priorities for allocation of additional lines keeping in view the number on the waiting list and the duration of waiting. No action has yet been taken in this regard and apportionment between OYT and non-OYT category has been laid down on *ad-hoc* basis as 70:30 and 50:50 in the case of stations where OYT scheme was introduced prior to and after 1st January, 1968 respectively. The Committee note that out of the total waiting list of 3.10 lakhs, 2.24 lakhs pertained to non-OYT and that the period of waiting is much more in this category. The Department of Communications has promised to consider the matter for the issue of suitable guide-lines. The Committee hope that this will be done early with a view to attaining equitable consumer satisfaction.”

1.19. In their reply dated the 8th December, 1972, the P & T Board have stated as follows:—

“The practice followed in allotment of equipment has been to cover the total pending demand on a particular date. For example, the allotment made in 1973-74 has generally covered the total demands upto March 1972 for Telephone Districts and March 1973 for other main automatic exchange station in view of the limited supplies.

2. The matter relating to appropriation of available capacity was-reconsidered by the P&T Board in July 1971 taking into view the following considerations:—

- (a) The requirement of capital funds and the necessity for the Department to give priority to OYT applicants to procure such funds through OYT scheme;
- (b) Necessary to meet requirements of applicants of special category;

(c) Necessity to meet atleast limited demand under General Waiting List.

3. After careful consideration of the aspects mentioned above and after balancing the various factors, it was decided by the P. & T. Board to modify the previous policy of apportionment of available capacity as follows with effect from 10th August, 1971:—

Category	Telephone systems of 10,000 lines and above.	Telephone systems of 1000 lines and above 10,000 lines.	Telephone systems of below 1000 lines.
OYT . . .	70%	50%	OYT demands will be met out of square capacity on highest priority.
Special . . .	15%	20% } 20% of balance available capacity after providing OYT connections.	
General . . .	15% 30%	80%	

4. The policy of allocation of telephone lines according to number and period of waiting is, however, now under active examination."

1.20. The Committee had been repeatedly suggesting that the Department should lay down precise guidelines for determining priorities for allocation of additional telephone lines keeping in view the number on the waiting list and the duration of waiting. Although the Secretary, Department of Communications, promised to consider the matter for the issue of suitable guidelines, the matter is still stated to be under examination. The Committee recommend that Government should come to a quick decision in order to attain equitable consumer satisfaction.

Installation of electrical hoists at the galvanising shop of the Calcutta Telecommunication Workshop—Paragraph 1.149 (S. No. 26).

1.21. While dealing with the utilisation of electrical hoists at Calcutta Workshop, the Committee in paragraph 1.149 (S. No. 26) had made the following observation:

"The Committee note that as a result of the introduction of semi-mechanisation at Jabalpur in 1968, a saving roughly Rs. 8 lakhs could be effected in one year and the consumption of zinc had come down from 136.72 Kgs. in 1967-68 to 126.93 Kgs. per 100 sq. meters in 1970-71. It is unfortunate that the electrical hoists installed at Calcutta

workshop could not be effectively utilised because of the unsuitability of shed. The Committee understand that construction of a new shed would take two years. They would like to know why there was no advance planning to ensure suitable accommodation before the machines were received.

1.22. The B. & T. Board in their reply dated the 23rd December, 1972 have stated as under:

"At the initial stage, electrical hoists installed in the Tele-communication Factory, Calcutta, could be used only for smaller items but not for dipping and lifting of channels of 7 feet length out of the both due to insufficient height of the shed as unfortunately this was not foreseen. Subsequently, a modified process was devised to enable dipping to be carried out within the available height and the electric hoists are being effectively utilised thereafter for all materials for galvanising."

1.23. In reply to the Committee's query as to why there was no advance planning to ensure suitable accommodation before the electrical hoists were received in the galvanising shop of the Telecommunication factory at Calcutta, the Department have stated that the exact requirements were not unfortunately foreseen. As there has been a clear lack of planning, the Committee desire that responsibility should be fixed.

Consumption of zinc at Calcutta and Jabalpur factories—Paragraph 1.151 (S. No. 28)

1.24. Commenting upon the consumption of zinc in the galvanising shops at Calcutta and Jabalpur factories the Committee had made the following observation in paragraph 1.151 (S. No. 28):

"The consumption of zinc in both the factories was the highest in the year 1968-69. There has been marked disparity between 1968-69 and other years in Jabalpur factory. This unusual phenomenon especially in Jabalpur needs careful investigation."

1.25. The P. & T. Board have stated as follows in their note dated the 31st October, 1972:

"The unusual consumption of zinc in the Jabalpur Factory during the year 1968-69, as revealed by investigation, has been attributed to:—

(a) Less percentage of dross reclamation as compared to other years.

- (b) Higher number of bath leakages as compared to other years.
- (c) Inadequate control of bath temperature.
- (d) Recovery of zinc scrap due to splashing and galvanising ash not strictly followed.
- (e) Inadequate supervisory staff.

1.26. The Committee had dealt with the unusually high consumption of zinc in the galvanising shop at Jabalpur factory during 1968-69 which needed careful investigation. The investigation conducted has, inter-alia revealed a number of lapses. The Committee would like the Department to take suitable action against those found responsible. The action taken may be reported to the Committee.

Excessive manufacture of channel iron brackets—Paragraph 1.192 (S. No. 34)

1.27. While dealing with the production and accumulation of channel iron brackets, the Committee had made the following recommendation in paragraph 1.192 (S. No. 34):

“This is a glaring example of absence of control over production and inventory culminating in accumulation of 1.70 lakhs channel iron brackets worth Rs. 35.76 lakhs. No basis for the production of these items in the telecommunication factories could be brought out by the Department. It is strange that no acceptable method of forecasting requirements has been evolved so far. There was no review of production schedule fixed to relate it to actual demand. The stock in hand was not taken into account while fixing the production schedule. Further the Department did not take into consideration the change in technology on account of increasing use of microwave links/coaxial cables resulting in fall in the offtake of this store. While the Committee note that a team of consultants have been appointed to suggest a realistic method of forecasting requirements of various items, they desire that all the foregoing lapses should be investigated and appropriate action taken.”

1.28. In their reply dated the 23rd December, 1972, the P. & T. Board have stated as under:

“The Chief Controller of Telegraph Stores had been placing his requirements on telecommunication factories after

taking into account stock balance, utilisation in the preceding 3 years expected supplies and other relevant factors. The requirements had to be revised as a result of the issue being considered in successive meetings of Manager, Telecommunication Factories. This had been done to keep the manpower in the concerned shops of factories fully engaged and to meet the requirements that were likely to come up as a result of development plans. Investigations have been carried out, but at this far off stage there is no record available to show as to how exactly the quantities of channel Iron Brackets to be manufactured were arrived at.

The Administrative Staff College were appointed as Consultants to recommend a suitable method of estimating the requirements. Their recommendations about the forecasting of requirements of stores taking into account the change in technology have been accepted and are being implemented. According to the recommended procedure the pending orders, available stock and likely requirements for the future will be regularly reviewed and quantities to be ordered on the Telecommunication Factories will henceforth be decided in consultation with the Planning Branch of the Directorate. This will avoid possibility of excess orders due to change in technology."

1.29. Dealing with the case of heavy accumulation of inventory, the Committee had desired that the lapses pointed out by them should be investigated and appropriate action taken. The P&T Board have stated that investigations have been carried out, but at this far off stage there is no record available to show as to how exactly the quantities manufactured were arrived at. As the Committee had dealt with the manufacture during the period 1966-67 to 1969-70, it is surprising how the records for even 5 years are not stated to be available. They hope that the records would be traced and suitable action taken early.

Review of production pattern in telecommunication factories—
Paragraph 1.194 (S. No. 36)

1.30. The Committee in paragraph 1.194 (S. No. 36) had suggested a review of production pattern in telecommunication factories and inventory of various items held by the Department as follows:—

"In view of the experience in this case the Committee desire that there should be a review of production pattern in all

the telecommunication factories and inventory of various items held by the Department taking into account the change in technology to find out alternative use for the items rendered obsolete and to change the pattern of production with such modifications as are necessary. This should receive priority as the Department have already adopted improved technology in various spheres.

1.31. The P. & T. Board in their reply dated the 23rd December, 1972 have stated as follows:

"The Administrative Staff College were appointed as Consultants to recommend a suitable method of estimating the requirements. Their recommendations about the forecasting of requirements of stores taking into account the change in technology have been accepted and are being implemented. According to the recommended procedure the pending orders, available stock and likely requirements for the future will be regularly reviewed and quantities to be ordered on the tele-communication factories will henceforth be decided in consultation with the Planning Branch of the Directorate. This will avoid the possibility of excess orders due to change in technology.

If inspite of all this, some items do become obsolete, these would be disposed off in one of the manners detailed below:—

1. By using in conjunction with the old pattern already in use in the field.
2. Altering these suitably to make them fully usable.
3. Dispose off to the best advantage of the Department."

1.32. The Committee had desired that there should be a review of production pattern in all the telecommunication factories and inventory of various items held by the Department taking into account the change in technology to find out alternative use for the items rendered obsolete and to utilise the plants and machineries with such modifications as are necessary. The reply furnished by the Department does not meet the point. The Committee therefore wish to reiterate that such a review should be undertaken without further delay and the results intimated to them.

Delay in giving telex connections—Paragraph 1.209 (S. No. 42)

1.33. While commenting on the delay in giving telex connections the Committee had made the following recommendation in paragraph 1.209 (S. No. 42):

“The Committee are unable to appreciate delay in obtaining the approval for providing the connections from P.M.G., Bombay. They wish that the procedural bottlenecks and the slackness of the officials in this regard should be gone into with a view to taking appropriate action.

1.34. The P. & T. Board have stated as follows in their reply dated the 23rd August, 1972:

“All Heads of P. & T. Circles|Telephone Districts have been instructed to take steps to avoid administrative delays in obtaining the approval of the Heads of Circles|Districts for provision of telex connections and also to take appropriate action to eradicate procedural bottlenecks and slackness in this regard. The Heads of Circles|Districts have been asked to furnish a report indicating the nature of action taken on the above lines. After receipt of replies from them, the matter will be reviewed in the P. & T. Directorate and further suitable administrative instructions will be issued to all concerned.”

1.35. The Committee had wished that the slackness of the officials responsible for the delay in obtaining the approval for providing the telex connections from the P.M.G., Bombay, should be gone into with a view to taking appropriate action. The Department have merely issued general instructions to avoid such delays. The Committee therefore reiterate that the specific lapse in this case should be gone into. They would also like to know the result.

CHAPTER II

RECOMMENDATIONS|OBSERVATIONS ACCEPTED BY GOVERNMENT

Recommendation

The Committee regret the setback suffered by the coaxial cable project linking Madras-Calcutta and Vijayawada-Hyderabad which are regarded as very important routes. The project which was scheduled for completion by March, 1972, is now expected to be completed only by December, 1975. The delay is partly attributed to time taken in getting foreign exchange loan and partly to shortfall in indigenous production of equipments and cables. No clear-cut physical targets for completion of various items of work could be laid down. The Committee are convinced that the difficulties could have been anticipated and with advance planning in consultation with the Department of Economic Affairs and the Ministry of Industrial Development the project could have been pushed through under a targetted programme. The Committee have already dealt with the steps to be taken to meet the Fourth Plan cable requirements of the P. & T. Department in Para 1.67 of their 2nd Report (Fifth Lok Sabha). The Committee hope that there would be no further setback in the implementation of the project according to the revised target.

[S. No. 1 (Para 1.17) of Appendix VI to Forty-sixth Report (Fifth Lok Sabha)].

Action taken

The progress of the Project is kept under constant review and efforts are being made to keep up to the target of December, 1975. Tenders for the import of 800 Kms. of large tube coaxial cables for part of Calcutta-Madras Coaxial Project have been received on 18th July, 1972 and are under scrutiny. The award is likely to be finalised soon. We are floating very shortly another global tender through D.C.S. & D. for procurement of 1000 Kms. of large tube coaxial cable for the remaining portion of this project as the supply position of cable from M/s. Hindustan Cables Limited is not very encouraging. The equipment for Madras-Vijayawada-Secunderabad section have since been received and the installation work has com-

menced in Secunderabad-Vijayawada section. The equipments for Calcutta-Cuttack section of this scheme are also being imported and are likely to be available before the end of 1972. The equipment for the remaining portion of this Project i.e., Vijayawada-Cuttack Section have been ordered on M/s. Indian Telephone Industries who have yet to establish firm dates for supply of the equipment. This is being pursued.

[P. & T. Board, O.M. No. 39-5/70-TPL(CX), Vol. II|I, dated 25-10-1972].

Recommendation

The underground coaxial cable will replace the open wire network so as to provide a speedy and reliable means of communication to meet the urgent needs of the present as well as future expansion. The delay in this project is not an isolated phenomenon. It is a pity that in 10 out of 16 other similar projects undertaken by the Department, considerable delays have occurred putting back the modernisation programme, the reasons being delay in sorting out certain technical problems, delay in production of equipment by ITI, Bangalore, delay in finalisation of foreign exchange, delay in acquisition of lands and delay in supply of cables by HCL. The resultant increase in estimated cost is likely to be as much as 25 per cent in one case and 15 per cent in another. The Committee do not think that all these indicate a satisfactory state of affairs. There appears to have been no centralised coordination and control. The Committee would, therefore, like to suggest a comprehensive examination of the position in all such projects with a view to ensuring that there is no further costly-slip-up. The Committee would like to be informed of the action taken to improve the position.

[Sl. No. 3, Para 1.19 of Appendix VI to Forty-sixth Report (Fifth Lok Sabha].

Action taken

All the coaxial cable schemes under execution are reviewed constantly from time to time at the highest level in the Planning Branch of the Department. The actions considered necessary to complete the schemes within the set targets are taken as far as feasible. For proper coordination in procurement of stores, a Material Management Organisation has been created recently in the Directorate. For expediting the implementation of the schemes, the installation organisation has been considerably strengthened with the creation of four posts of General Manager (Projects), one each at New Delhi,

Bombay, Calcutta and Madras. The progress on the projects under execution is being reviewed at regular intervals and all suitable actions considered necessary and feasible for completion of the schemes within the set targets are being taken.

[P. & T. Board O.M. No. 39-5/70-TPL (CX) Vol. II/3, dated 25-10-1972].

Recommendation

It is unfortunate that CCPS while recommending payment on a *pro rata* basis did not clarify that the rate quoted for 35,000 copies alone should be considered. As under the present arrangement, the P. & T. Department can farm out job to private presses subject to the approval of rates by the CCPS the Committee hope that the CCPS would be careful in checking the tenders referred to him and leave no ambiguity in giving his approval in future.

[Sl. No. 8, Para 1.80 of Appendix VI to Forty-sixth Report (Fifth Lok Sabha)].

Action taken

The matter was referred to the Chief Controller of Printing and Stationery who have replied as follows:—

“As far as the checking of the tenders for the printing of Telephone Directories are concerned, necessary action has already been taken and all concerned have been asked to be very careful and specific.”

[P. & T. Board O.M. No. 27-4/72-PHB, dated 31-10-1972].

Recommendation

The Committee find that the confirmation of the printer that the printing charges would be payable on a *pro-rata* basis, was obtained. The opinion of the Ministry of Law as to what such a confirmation implied on the face of his quotation, was not sought for by the Department. Instead arbitration proceedings were started and the printer obtained a stay order. The Committee would like to know the outcome of the arbitration proceedings as also why the Department did not consider it necessary to seek the opinion of the Ministry of Law. The Committee would suggest that the Department should take without further delay advice of the Ministry of Law

and take necessary action to expedite recovery of Rs. 70,000 paid in excess to the private printer.

[Sl. No. 10, Para 1.82 of Appendix VI to Forty-sixth Report (Fifth Lok Sabha)].

Action taken

Outcome of Arbitration

The printer has filed a writ petition in the Court of 1st Civil Judge, Kanpur and obtained stay order of the proceedings before the Arbitrator. The Postmaster General, Ambala has taken action to vacate the stay order and also to defend the case on behalf of the Department. It is understood that the case has been decided against the Department saying that there is no case for arbitration. Copy of judgement is awaited by the Punjab Circle.

Reference to Ministry of Law

The arbitrator was appointed under the terms of the contract at the instance of the Postmaster General, Ambala as one of the parties to the dispute. The letter appointing arbitrator was also shown to the Ministry of Law, and the same was vetted by them. The specific question as to what was implied by the confirmation of the printer that "the printing charges would be payable on *pro-rata* basis" was, however, not referred to the Ministry of Law at that time, as these statements had already been seen by the Chief Controller of Printing and Stationery and no doubt was expressed about the actual implication of this commitment.

Action to recover Rs. 70,000

The matter was referred to the Ministry of Law who have advised that payment due to this printer against other Government orders may be withheld and if when the party goes to the Court of Law, the amount of Rs. 70,000 may be claimed by way of set-off in the written statement; that Government may not pay the other bills of the Job Press as long as the over-payment of Rs. 70,000 is not adjusted by the printer in favour of the Government. The Chief Controller of Printing and Stationery has been informed of this position and asked to withhold payment of bills pending with him. The amount due to the Press from the Postmaster General, M.P. Circle and U.P. Circle have been withheld.

[P. & T. Board O.M. No. 27-4/72-PHB, dated 31-10-1972].

Recommendation

The Committee note that the printer had delayed supplies of all the four issues but no penalty was imposed. The Postmaster General, held that there was no undue delay on his part. In this connection the Committee would like to emphasise the need to bring out the directories in time. They however, find that nearly 50 per cent of the 23 directories brought out on an average each year have been delayed beyond the scheduled date for over 3 months. The number of directories delayed for 6 months and above were 4 in 1968 and 5 each in 1969 and 1970. An issue of directory relating to 1970 is yet to be brought out by Punjab Circle. Further only 8 issues pertaining to year 1971 have been brought out so far and out of these one issue was delayed for 14 months. The Committee desire that cases for such serious delays should be identified and steps taken to bring out all the directories within a month of the scheduled date.

[Sl. No. 14, Para 1.86 of Appendix VI to Forty-sixth Report (Fifth Lok Sabha)].

Action taken

As advised by the Public Accounts Committee the Department has carried out detailed investigations into the factors which lead to delay in printing and issue of telephone directories. Broadly, these delays are due to the following:

- (a) Delay in appointment of Printers and Advertising Agents.—Considerable formalities have got to be gone through in the Appointment of printers and advertising Agents. Also, unless both are appointed, the work of printing cannot be started. Further delays occur when tenders are received from parties outside the station for which the telephone directory has to be issued.
- (b) Poor Co-ordination between the Advertising Agents and the Printers.—The main delay occurs because the advertising agents want more time for including more and more strip advertisements in the alphabetical index. In many cases these advertisements are received, at the last minute and the printers have to re-arrange their matter to fit in the new advertisements. In case of disputes, the Department has to intervene to resolve the difficulties, so that the printing schedule is not affected. This also becomes difficult when the printers and the advertising agents are in different towns.

(c) Shortage of directory paper.—There are considerable difficulties in obtaining the directory printing paper, both white and coloured, as also the material for the cover page in time. This results in throwing the directory printing schedule out of gear. The Department is discussing with the Director General, Supplies and Disposals and Chief Controller of Printing and Stationery to find a solution for expeditious supply of paper to the Circles and Districts. The Department would like to submit indents directly to the Mills without booking them through the Chief Controller of Printing and Stationery. The matter is at present under discussion with the Department concerned.

2. The Department has now finalised reserve rates for advertisements and intimated them to the Circles/Districts, so that contracts for appointment of advertising agents could be finalised expeditiously, without discussion on the Minimum rates.

3. It has also been decided to publish the directories only on annual basis instead of the present six monthly basis. This would also reduce the total quantity of paper required for the telephone directories.

4. A proposal is also under consideration for issuing telephone directories on divisional basis instead of Circle basis. This would also reduce the delay in publication and also save considerable amount of paper.

5. In order to avoid difficulties arising out of appointment of advertising agents, there is a proposal under consideration to dis-continue the practice of appointing advertising agents for small directories.

[P. & T. Board O.M. No. 27-4/72-PHB, dated 31-10-1972].

Recommendation

The Committee take a serious view of the delay that occurred at various stages in the utilisation of the spare capacity of over 3000 lines in the Karolbagh strowger exchange, New Delhi, during the period February, 1968 to December, 1970 resulting in a loss of potential revenue of about Rs. 55 lakhs. The spare capacity arose as a result of transfer of working lines from this exchange to the new X-bar exchange in February, 1968 and February, 1969. The

Committee hope that on the basis of their conclusions contained in the following paragraph, suitable remedial steps would be taken besides appropriate action for the specific lapses, so that there may not be any avoidable delay and loss in future.

[Sl. No. 18, Para No. 1.114 of Appendix VI to Forty-sixth Report (Fifth Lok Sabha)].

***Action taken**

(A) Remedial steps taken by the Department to avoid delay in providing connections are as below:

- (a) P. & T. Board in their meeting No. 4 of 1970-71 on 5th June, 1970 examined this matter and detailed instructions were issued to all Heads of Circles/Districts for expeditious utilisation of exchange capacity vide letter No. 41-9/70-TPS(XP) dated the 28th October, 1970 from Secretary (Communications) copy of which was furnished to Public Accounts Committee under P. & T. Board No. 97-10/70-TPS(XP) dated the 4th February, 1972 in response to their No. 2/5/4/71-PAC dated the 6th January, 1972.
- (b) The position of utilisation of all exchanges of 1000 lines and above in being reviewed every quarter not only by all Heads of Circles/Districts but by the P. & T. Board also. (A copy of specific instructions for taking prompt action issued as a result of review of the position as on 30th September, 1971 vide No. 41-9/70-TPS(XP) Vol. IV dated the 29th November, 1971 is enclosed herewith for perusal by the Public Accounts Committee). On review specific instructions are issued to those concerned laying stress on utilisation of the exchange capacities quickly as possible, consistant with availability of material resources.
- (c) It may also be added that a special cell has been created since April, 1972 to review the utilisation position and to pursue the cases with a view to improving the overall utilisation of exchange capacity in the country. As a result of vigorous action taken by the P. & T. Board as explained above, the overall utilisation in the country has improved from 79.5 per cent in March, 1970 to 83.5 per cent in September, 1972. It is hoped that this tempo would be maintained in the coming years also.

(b) As regards action for the lapses in this particular case, it has been found on reinvestigation that the delay in utilisation of the

*The reply has not been vetted by Audit.

capacity in Karol Bagh (Strowger) area was not due to any lapse but due to various other factors explained below:—

(a) In pursuance of the decisions (extract enclosed) taken in a high level meeting held on 16th January, 1968, prior to the availability of additional capacity in Karol Bagh Strowger exchange in February, 1968, GMT New Delhi reserved about 700 lines for specific purposes on administrative grounds as detailed below:—

(i) Reserved for CCB	..	200 connections
(ii) Reserved for Govt.	..	100 connections
(iii) Reserved for shifts	..	100 connections
(iv) Reserved for emergency	..	305 connections
Total	..	705 connections

The balance available capacity in February, 1968, viz., 2386-705=1681 was allotted between OYT and non-OYT quota. On this basis OYT quota was 1177 and non-OYT quota was 504 (See Annexure I and II). From this OYT quota only 612 connections could be provided by September, 1968 as there were no further OYT applicants. Another 200 connections were given to OYT applicants from October, 1968 to January, 1969 as and when they applied. At this stage (i.e. January, 1969) still 365 connections were available under OYT quota. Under the non-OYT quota, 567 connections (net) were given against the quota of 504. However, during this period 395 connections got closed thus reducing the net increase to 984 as against 1681 allotted.

In September, 1968, 460 cases were lying committed and connections could not be provided against these due to various reasons such as (i) technical non-feasibility, (ii) payments not having been made, (iii) Advice notes pending etc. The above will show that requisite action was being taken to provide connections.

(b) From the capacity of 1153 connections available in February, 1969, 1000 connections were reserved for Tis Hazari area transfer, thus leaving only 153 lines divided into 46 for non-OYT and 107 for OYT. During February to July, 1969, 314 (net) connections were provided to non-OYT applicants. These 314 connections included 46 non-OYT from the 2nd quota and the rest against balance of 385

diverted from the first OYT quota referred to earlier. In this period, 140 connections to OYT applicants were also provided; thus the first OYT quota of 1177 was fully utilised by July, 1969 i.e., within 11 months of the date OYT waiting list became current. The OYT quota of 107 available in February 1969 was utilised by December, 1969. The capacity of 1000 lines reserved for Tis Hazari area transfer was utilised as below:—

680 connections were transferred in December, 1969.

388 connections were provided to OYT applicants from Jan., 1970 to June, 1970.

52 connections were provided to non-OYT applicants during January, 1970 to June, 1970.

(c) The capacity of 705 lines reserved from the first capacity available in February, 1968 was utilised as below:—

200 lines reserved for CCB capacity.

97 lines provided by Jan., 1969 for shifts|temporary connections etc.

93 connections provided between February, 1969 to July, 1969 for shifts|temporary connections etc.

114 connections provided between August to December, 1969 for shifts|temporary connections etc.

136 connections provided between Jan., 1970 to June, 1970 for shifts|temporary connections etc.

(d) In Annexure II, we have given the utilisation of the available capacity during different periods. It can be seen from this that there were heavy closures viz., about 750 connections were closed during the period February, 1969 to January, 1969 and another 480 connections during the next one year. This has adversely affected the progress of utilising the capacity.

(e) From Annexure II it can be seen that a sizeable capacity had to be kept reserved for committed cases.

[P&T Board, O.M. No. 97-10/70-TPS (XP) dated 3rd January, 1973]

ENCLOSURE

INDIAN POSTS AND TELEGRAPHS DEPARTMENT

**OFFICE OF THE DIRECTOR GENERAL OF POSTS AND
TELEGRAPHS**

To:

1. General Managers, Telephones, New Delhi|Calcutta|Bombay|Madras, Additional G.M., Telephones, Bombay.
2. Postmasters General, Hyderabad|Shillong|Patna|Ahmedabad|Trivandrum|Bhopal|Bombay|Bangalore|Cuttack|Ambala|Jaipur|Madras|Lucknow|Calcutta.
3. District Managers, Telephones, Hyderabad|Bangalore|Ahmedabad|Kanpur|Poona
4. Director, Posts & Telegraphs, Srinagar.
5. Additional Chief Engineer, Technical & Development Circle, Jabalpur—6

No: 41-9|70-TPS (XP) Vol. IV; dated at New Delhi the 29th Nov. 71.

SUB: Utilisation of telephone exchange capacities—Achievement of targets for installation of new|additional telephone exchange capacities, net additions to telephone exchange connections (direct exchange lines)

A reference is invited to this office letter No 41—98|70—TPS (XP) dated 17-8-1971, enclosing a copy of the P&T Board Memo of the same No. dated 17th July 1971 (considered in the P&T Board Meeting on 28th July, 1971), regarding utilisation of telephone exchange capacities all over the country during 1970-71 and fixing of the targets for net addition of direct exchange lines during 1971-72 on the basis of the available exchange capacities and the likely new installations during 1971-72.

2. The position regarding the progress achieved during the period of six months from April to September 1971, in net addition

of telephone connections (DELs) in the various telephone Districts| Circles has been reviewed and it has been noticed that the progress has not been upto the mark in most of the cases, except in case of Kanpur and Poona Telephone Districts and Assam P&T Circle. A statement comparing the targets for 1971-72 with achievements for six months (from April to September 1971) for each Telephone District and P&T Circle is enclosed at Annexure 'A'. As against the total target of net addition of 1,22,100 telephone connections (DELs) in the year 1971-72, the achievemet during the six months' period (April to September, 1971) has been a net addition of only 33,529 telephone connections, hardly 28 per cent of the target.

3. Delay in provision of telephone connections, especially where the capacity exists, leads to various repercussions like dissatisfaction amongst the applicants for new telephone connections, over-loading of the existing telphones due to each telephone being used by a larger number of persons and delay in accruing of the revenues to the department that would result from earlier provision of telephone connections. There have been some limitations in provision of telephone connections, especially due to shortage of materials, particularly the underground cables and line materials like insulators, B-sockets etc. Steps have already been taken to arrange supplies of larger quantities of underground cables and to arrange procurement of the various materials now in short supply. However, a drive for provision of additional telephone connections has to be launched to the maximum extent possible so as to ensure proper utilisation of the available assets of the department.

4. In this connection, it may be mentioned that the Department has made commitments to the Planning Commission earlier as targets to be achieved during the successive years of the 4th Five Year Plan and to World Bank to whom the Department went for loans| credits for financing the various schemes for development of tele-communication services. This was for a provision of 1.50 lakhs, against which only 93 thousands have been achieved so far. It is, therefore, all the more important that we adhere to the targets for provision of additional telephone connections and ensure that the utilisation of the available exchange capacities reaches the optimum level.

5. Another important point which I would like to mention is that there is a very large available capacity lying unutilised all over the country, both in the big and the small exchanges. On the 30th September 1971, as against an equipped capacity of 12,20,628 lines, the total number of direct exchange lines was 10,14,612 representing 83.1 per cent over-all utilisation. Certain norms were fixed by

3085 (ai) L.S.—3.

the P&T Board for utilisation of telephone exchange capacities and these were conveyed to you vide Memo No. 41-9/70-TPS(XP) dated 16th September 1970, wherein it was stated that the available capacity of a telephone exchange should be utilised upto about 90 percent immediately or soon after commissioning of the additional capacity and upto 94 percent in six months before the cut-over of the next expansion of the exchange. From these considerations, even if we have to utilise 90 per cent of the exchange capacities in the country, there is straightaway an available capacity of about 84,000 for giving new telephone connections. In addition to this, additional capacity is becoming available progressively, as more new telephone exchanges are brought into service or the existing telephone exchanges are expanded. It is expected that an additional capacity of another fifty to sixty thousand lines would be brought into service during the period from October 1971 to March, 1972. This should enable our giving of over one lakh more direct exchange lines during the second half of the current financial year.

6. Considering the availability of spare telephone exchange capacity (existing and that becoming available) and the repercussions of delays in utilisation of this capacity, I would request that a crash programme be launched for giving additional telephone connections during the remaining part of the current financial year by utilising the available resources to the best possible advantage. In this connection, I would request each Head of the District/Circle to pay personal attention to this problem and ensure that best possible results are achieved in the remaining part of the year 1971-72. In this connection, the following important points are given as guide lines for ensuring proper utilisation of the telephone exchange capacities:—

- (i) Immediate action should be taken for utilising the available telephone exchange capacities by taking action with regard to the various commercial formalities. The demand notes should be issued to the applicants on the waiting lists, wherever the equipment and cable capacity exists, within a period of two weeks from the receipt of this letter.
- (ii) While issuing demand notes, the best possible utilisation of available resources of the exchange capacity and the cable capacity should be taken into account. There may be cases where cable pairs are not available and are not likely to become available for several months. The applicants in such areas have to be skipped over and the telephone connections have to be provided to the appli-

cants in other areas where the cable pairs are available, in accordance with the priorities on the waiting lists. It is understood that in some cases, skipping over is not resorted to due to various reasons. Skipping over of applicants cannot be helped in view of the shortage of cable pairs existing at present. For this, applicants in areas which are technically not feasible for the present may be skipped over, reserving adequate exchange capacity for provision of such connections when cable capacity becomes available. Further, if cable relief in some areas is likely to be delayed so much that the next expansion of new exchange to cover that area would come before cable relief, the reservations for the concerned applicants can be made in such equipment relief. Action to make the non-feasible areas feasible for provision of telephone connections to skipped over applicants should also be taken as early as possible.

- (iii) Temporary connections should also be given more freely against applicants for which reservations have to be kept due to cable non-feasibility, taking into account the existing instructions on the subject. Spare capacity from PBX and ordinary and CCB groups can be utilised for provision of temporary and casual telephone connections.
- (iv) There is shortage of the various line materials. This problem, can, to a large extent, be solved by judicious utilisation of available resources and by recovering materials, wherever they are not in use or wherever the overhead lines are replaced by underground cables, etc. Careful planning about the best utilisation of available materials at least at the level of Divisional Engineer is necessary to ensure best results.
- (v) There are many cases in which new telephone exchanges are to be opened or the capacities of the existing telephone exchanges are to be expanded. All these works should be expedited so as to bring the additional telephone exchange capacity into service with the minimum delay. In this connection, it may be stated that it is necessary to take advance action for issue of demand notes, advice notes, etc. and construction of subscribers' lines and office fittings etc., well ahead of the date of commissioning of the new exchange or additional capacity, so that the telephone connections can be given simultaneously with the cut-over or soon thereafter in a few days.

7. The Minister desires that all Heads of Districts and Circles should take personal action on the contents of this letter and

ensure:—

- (a) maximum possible increase in the available telephone exchange capacities by expediting the installations and cut-over of new exchanges or extensions to the existing exchanges; and
- (b) provision of maximum additional telephone connections during the remaining part of this year, at least, to the extent of targets fixed, if not beyond, which is quite feasible.

Action may be taken accordingly by you and a report be sent on the action taken by you within a fortnight by name to Shri S. Krishnan, Dy. Director General (S), P&T Directorate, New Delhi-1. I would also request you to personally review the progress on this every month.

(Sd/-)
 (I. K. GUPTA),
 Member (Telecom. Development)

copy to:

1. All Dy. General Managers, Telephones (by name).
2. All Directors of Telegraphs (by name).
3. All Divisional Engineers, Telephones|Telegraphs.
4. DDG (Stores)|DCE(T)|Dir. Eng. (I.C.)|DCE(B)|DCE(X)|
 DCE (C.P.)|DPH (E)|ADG (PHA), P&T. Directorate, N.
 Delhi-1.
5. All Divisional Engineers, Telegraphs, Auto Installation,
 X-bar & Strowger under Adchen.

(Sd/-)
 (S. KRISHNAN),
 Deputy Director General (S).

ANNEXURES 'A'

Comparative Statement of actual achievement during April—September, 1971 and Target for 1971-72 for provision of New Telephone Connections

Sl. No.	District Circle	DE.Ls on		Net addi- tions during April-Sept. to 1971	Targets for 1971-72	% age achieve- ment during April- Sept. 1971
		31-3-71	30-9-71			
TELEPHONE DISTRICTS :						
1	Ahmedabad	14,513	14,885	372	1,500	24.8
2	Bangalore	18,606	19,081	475	1,700	28.0
3	Bombay	1,25,260	1,31,542	6,282	18,000	24.9
4	Calcutta	1,07,093	1,08,101	1,108	8,000	13.8
5	Delhi	84,265	87,047	2,782	14,000	19.3
6	Hyderabad	23,997	24,025	28	1,000	2.8
7	Kanpur	10,743	11,549	815	1,000	81.5
8	Mairas	46,580	47,981	1,401	5,500	25.4
9	Poona	11,285	12,353	1,068	1,400	76.2
CIRCLES :						
10	Andhra	38,256	39,412	1,56	4,700	24.6
11	Assam	19,467	20,710	1,243	2,000	49.7
12	Bihar	34,300	35,884	1,584	4,000	39.6
13	Gujarat	47,950	50,259	2,309	8,600	26.8
14	Jammu & Kashmir	7,664	7,800	136	1,000	13.6
15	Kerala	37,997	38,869	872	7,000	12.4
16	Madhya Pradesh	34,945	36,536	1,591	3,900	40.7
17	Maharashtra	49,648	52,028	2,380	8,800	27.0
18	Myosore	30,975	31,682	707	3,000	23.5
19	Orissa	12,298	12,414	116	1,200	9.0
20	Punjab	53,713	55,431	1,718	5,800	29.6
21	Rajasthan	28,721	29,915	1,194	3,400	35.1
22	Tamil Nadu	58,896	60,647	1,751	7,000	25.0
23	U.P.	63,276	64,941	1,665	7,000	23.8
24	W. Bengal	20,917	21,793	876	2,000	43.8
TOTAL		9,81,356	10,14,885	33,529	1,22,300	..

EXTRACTS

No. M-235/dated at New Delhi the 29th January, 1968.

Minutes of the meeting held on 16-1-1968 in the Room of Minister (S) for Communications.

The following were present:

(a) *P&T Board:*

- (i) Shri K. N. R. Pillai, Member (Development)
- (ii) Shri Marcus De Lime, DDG(T)
- (iii) Shri S. N. Ranganathan, DDG (SM)
- (iv) Shri P. A. Sankaranarayanan, DDG (S)

(b) *Delhi Telephones:*

- (i) Shri S. G. K. Reddi, GM Telephones.
- (ii) Shri S. Y. Nadkarni, DCM(X)
- (iii) Shri B. S. G. K. Setty DGM(P)
- (iv) Shri R. P. Subramanian, DGM(E).

* * * *

Para 2. Karol Bagh, Rajpath cutover:

About 2,500 working connections are being transferred to X|Bar Exchange on the date of cut-over. When the full capacity of 7,000 lines is available in the Cross Bar Exchange, the ultimate area demarcated will be taken over by that exchange.

With the relief given to Karol Bagh Strowger Exchange to the extent of about 2,500 lines, it was decided that pending Govt. connections and pending eligible shifts should be sanctioned and work executed. Minister desired that an advertisement be given in the newspapers giving information that shifts to Karol Bagh Exchange will be allowed after cutover so that people who have not registered their requirements could do so now.

The remaining spare capacity should be utilized for increasing the CCB capacity and giving OYT, exempted category and general waiting list connections. G.M., Telephones informed that he will work

out the number of connections that they will be able to give under each category taking into account the traffic loading capacity of the exchange. He also informed that about 200 Nos. are required to be kept reserved for emergency connections that are to be sanctioned by the Minister, General Manager, Telephones. etc.

It was decided that the technical feasibility of giving telephone connections which are to be released under each category should be examined before cutover of the Cross Bar Exchange and demand notes released only for such cases which are technically feasible. Minister desired that temporary connections working in Karol Bagh Exchange should be made permanent to the extent possible in the following order of priority, Doctors, Journalists etc. In the case of Journalist he agreed that a second telephone connection should be discouraged.

ANNEXURE I

*Revised allocation of OYT and Non OYT Quotas based on certain reservation
Made for Specific purposes*

Period	Total Capacity	Capacity Reserved	Balance Capacity	Allocation	
				OYT Quota	Non OYT Quota
Feb. 1968	2386	705	1681	1177	304
Jan. 1969	1152	100	153	107	46
TOTAL	3538	1705	1834	1284	550

ANNEXURE-II

Statement showing progress of utilisation of OYT and non-OYT. quotes.

Recommendation

The exchange capacity was to be apportioned between OYT and non-OYT subscribers in the ratio of 70.30. 612 OYT connections were given over a period of 6 months upto September, 1968, although it could have been given immediately after they became available in February, 1968. The delay entailed a loss of Rs. 1.15 lakhs. The Committee could not get any convincing explanation except that it was attributed to procedural delays. The Committee desire that the procedure in this regard should be simplified to ensure expeditious completion of minimum necessary formalities.

[Sl. 19 page 1.115 of Appendix VI to 46th Report Vth Lok Sabha]

Action taken

As desired by the Committee, the department has since issued instructions simplifying the procedure for giving connections in its Memo No. 2-41/72-PHA dated the 13th October, 1972 (not printed).

[P&T Board O.M. No. 97-10/70--TPS (XP) dated 3rd January, 1973].

Recommendation

Having exhausted the OYT waiting list at Karolbagh in September, 1968, 680 lines reserved for that category and found surplus were transferred to Tis Hazari area only in December, 1969. The Committee see no reason why this could not have been done *ab initio* in February, 1968 when there were not enough OYT subscribers in the waiting list. This is a clear case of lack of advance planning. This lapse caused a loss of Rs. 15.71 lakhs. The Committee would like to know why the transfer was not taken by the General Manager Telephones, Delhi at least in September, 1968 when the problem became evident instead of waiting upto September, 1969.

[S. No. 20, Para 1.116 of Appendix VI to 46th Report (Vth Lok Sabha].

Action taken

As explained in para 18, the proposal to transfer some area from Tis Hazari Exchange was initiated by the Distt. in 1968 itself when the problem of unutilised OYT quota became apparent. The formal approach to the P&T Directorate was, however, made by the Distt. in April, 1969 after area survey and feasibility study was completed, vide G.M.T. U.O. No. DA-4000/- dated 7-4-69 (copy enclosed).

The approval of the Directorate for the reservation of 1000 lines was conveyed in September 1969, vide No. 23-3/69-TPS (EAC) dated 23-9-69 (copy enclosed).

The observations made by the Committee, have, however, been carefully noted for future guidance. As a remedial measure instructions have also been issued *vide* memo no. 800-2/72-TPS (UPC) dated 23-8-72 to all Heads of Circles/Telephone Distt. stressing upon them the importance and necessity for advance planning of area transfers where required. A copy of the instructions issued is also enclosed.

[P&T Board O.M. No. 97-10/70-TPS (XP) Dated 3rd January, 1973]

DELHI TELECOMMUNICATIONS

SUB: Telephone demands in North Delhi Zone.

Long Term Plans:

This zone is at present served by Tis Hazari Exchange which is working to its full capacity of 10,000 lines. To give relief to this area the following exchanges have been planned.

1. Idgah Exchange.
2. 2nd Unit of Tis Hazari Exchange.
3. Shakti Nagar Exchange.
4. Chandni Chowk Exchange.

Idgah Exchange building with its initial capacity of 20,000 lines and ultimate capacity of 40,000 lines is under construction. The commencement of construction of the building was delayed by about 1 year due to ban on construction of buildings costing more than Rs. 25 lakhs due to the emergency in 1965-66. The Civil Wing have given a target as end of 1969 for the completion of this building. 9000 lines equipment has been allotted in the ITI Manufacturing Programme of 1968-69. The exchange is likely to be commissioned during 1971-72 subject to the supply of equipment and cables required for the purpose. The extent of relief that will be given by the commissioning of Idgah Exchange to Tis Hazari area is given in the Annexure. Tis Hazari area that is provisionally proposed to be transferred to Idgah Exchange is about 2200 working connections with a waiting list of 5000.

We have obtained relaxation from DDA as regards the ground coverage and the floor area ratio for the Tis Hazari Exchange site. With this relaxation the project report for the construction of 2nd Unit of Tis Hazari Exchange was prepared by this office and has since been approved by the Directorate. The approved schedule of Accommodation has been sent to the Senior Architect for preparation of plans. There is concentration of telephone demand in Chandni Chowk area and it is necessary that the commissioning of it is taken up on a priority basis. The working connections and the waiting list in the Chandni Chowk area is shown in the Annexure. As the preliminary plans have still not been prepared by the Senior Architect, no equipment has been allotted for the 2nd Unit of Tis Hazari Exchange by the Directorate. If the preparation of preliminary plans, the construction of building and installation of the equipment etc., are taken up on a priority basis, the exchange may be ready by 1973 at the earliest.

Land for the Shakti Nagar Exchange on G.T. Road was taken over from DDA on 18-12-1968. The schedule of accommodation for the exchange has been approved by the Directorate on 21-5-1968. The preliminary plans have not yet been prepared by the Senior Architect. The extent of relief that will be given to Tis Hazari Exchange by commissioning of Shakti Nagar is given in the Annexure.

On a long term basis it is better that both the Shakti Nagar and the 2nd Unit of Tis Hazari are taken up simultaneously. However, due to limitation of financial resources, if it is decided that only one exchange building is to be constructed now, it is better the 2nd Unit of Tis Hazari is taken up in preference to Shakti Nagar as this will give relief to Chandni Chowk area where there is heavy telephone demand. Apart from this, the existing cable net work can be usefully utilised whereas for commissioning of Shakti Nagar Exchange junction cables and primary cables are required.

Acquisition of a suitable site in Chandni Chowk area has been pending since a long time. The Municipal Corporation of Delhi, with whom case has been pending, has not been able to take any vigorous action in the matter. About a year back we selected an alternative site and the Delhi Administration is taking necessary action to acquire it under the Land Acquisition Act. Notification under section 4 has already been issued. On a long term basis an exchange in Chandni Chowk area is very essential. As the land acquisition proceedings are likely to take considerable time, for the present we propose to feed this area from the 2nd Unit of Tis Hazari Exchange.

Short Term Relief: (by opening new exchanges).

As regular relief to Tis Hazari Exchange area has not been possible immediately, we have transferred about 2000 working connection in two stages to Delhi Gate Exchange. The 2nd instalment of transfer was completed on 1-2-1969 with the transfer of about 1400 working connections and about 500 OYT waiting list. With this transfer the OYT demand in Tis Hazari Exchange has been cleared upto July 1966. As some of the parties have not paid the Demand Notes, Demand Notes for the next 250 parties are being issued.

Delhi Gate Exchange is almost full and about 2000 lines are being added in about a year's time. With the commissioning of these 2000 lines some more areas of Tis Hazari would be transferred to Delhi Gate area. However, the main disadvantage is that after this

transfer no spare capacity will be left in Delhi Gate Exchange and the area will have to be frozen for a considerably long time till the new exchange at Tis Hazari Exchange is commissioned in 1973. The cables which are to be laid for transferring the area will not be of any use after the area is transferred back to Tis Hazari Exchange.

The other alternative for giving short-term relief to Tis Hazari Exchange area is to transfer a portion of the area to Karol Bagh (56) exchange. When the Idgah Exchange is commissioned, this area will be transferred to that Exchange. The cable that is required to be laid from Karol Bagh Exchange to Sadar Bazar area for this transfer can be utilised as a junction cable between Karol Bagh and Idgah and primary cable from Idgah to Sadar Bazar. With the laying of this cable about 700 working connections can be transferred and the OYT demand in that area also could be met. At present there is only 200 spare capacity in 56 exchange. However, it is expected that some people may not pay the Demand Notes and the figure under commitment will get reduced. The actual position of the spare capacity will be available in about 2 week's time when the time allowed for the payment of the Demand Notes in most cases expires.

1200 lines equipment for expansion of 56 exchange has been allotted in 1967-68 programme. This equipment has not yet been received. In the normal course this expansion will be ready only towards the end of 1970. However, if it is decided to transfer certain areas of Tis Hazari Exchange, it is necessary to expedite the installation of equipment. For this purpose, we may have to divert the equipment received for Faridabad expansion as the equipment received for Delhi Gate expansion is already under installation and cannot be diverted. The main disadvantages of this proposal is that telephone numbers of this area will be changed twice during the course of next 4 years. However, this is not a serious disadvantage in view of the pressing necessity of giving relief to Tis Hazari area.

If this second proposal for short-term relief is approved, the following action is to be taken immediately.

1. Freeze the Karol Bagh (56) exchange for any further new connections and also possibly for any further shifts into that area.
2. Allotment of 5 kms. of 1000/6 $\frac{1}{2}$ lbs. cable over and above the quota allotted to Delhi Telephone District and supply of the same on priority basis.

3. Supply of equipment against 1200 lines expansion is required to be expedited so that temporary diversion of equipment for Faridabad does not affect its expansion seriously.

(Sd./-)

B. S. G. K. SETTY,
Dy. General Manager (P)

D. G. P. & T., New Delhi (Attn: Shri D. K. Sangal, DCE(E), GMT
New Delhi (Planning No. DA-4000/dated 7th April, 1969.

**COPY OF D. G. P. & T. No. 23-3/69-TPS(EA) DATED 23RD
SEPTEMBER, 1969**

SUB: Telephone Demand in North Zone.

**Ref: Your letter No. CA-400 dated 10-6-1969 and letter no. CG-3056
dated the 6-9-1969.**

I am directed to intimate that your proposal for area diversion from Tis Hazari to Karol Bagh exchange up to about 1000 connections and to reserve the necessary exchange capacity in '56' Karol Bagh exchange for this purpose till the area transfer in November/December, 1969 is approved. This is subject to following:—

- (a) OYT demands in Karol Bagh exchange together with the corresponding demands in non-OYT and exempted categories will continue to be met till the area transfer is effected.
- (b) The installation of 1200 lines (8000-9200) expansion of Karol Bagh exchange be expedited to the extent possible.

INDIAN POSTS & TELEGRAPH DEPARTMENT

OFFICE OF THE DIRECTOR GENERAL POSTS & TELEGRAPHS.
Dak Tar Bhavan, Parliament Street, New Delhi-1.

No. 800-2/72-TPS (UPC)

Dater 23rd August, 1972

- i. All P. M. Gs.,
- ii All G.M. Ts., and D.M. Ts.,
- iii. D. P. T., Srinagar.

SUBJECT:—Planning of area transfers when new exchanges are opened or additional capacity is added to existing exchanges.

Vide P. & T., Board No. 9/70-TPS(XP) dated 16-9-1970 instructions have been issued to utilise the capacity as below:—

- (a) 90 per cent if the exchange capacity should be utilised after the commissioning of the exchange or its expansion in any case not later than six months of such commissioning.
- (b) 94 per cent of the exchange capacity should be utilised—say, about six months in advance of the due date for commissioning of the next expansion; and
- (c) 4 per cent capacity, i.e., the difference between (a) and (b) above should be utilised gradually to meet the priority needs of Defence, the Central and State governments etc.

In view of those instructions, in places where a new exchange is added in the existing local exchange system, the area demarcation between the exchanges is made depending upon the geography of the place and the pattern of telephone demand. The area adjustment in a multi-exchange area is also sometimes necessitated when an existing exchange is expanded so as to fully utilise the expanded capacity in time.

2. Recently a case has come to the notice of the P. & T. Board when a sizeable capacity of an exchange at the time of its cutover was kept reserved for area transfer from another exchange. This capacity was kept unutilised for a pretty long time till actual transfer of the area took place. This has invited very adverse comments from the P.A.C.

3. Normally this area transfer is to be done at the time of opening a new exchange or expansion of an existing exchange. It has been observed that in a multi-exchange area timely action is not being taken by Circles/districts for transfer of areas from one exchange to another at the time of cutover of new exchange or when additional capacities are added, with the result that a sizeable capacity of the exchange remains idle for a pretty long time resulting in loss of revenue to the Department.

4. It is accordingly stressed upon all the Heads of Circles/Districts to pay personal attention and take effective advance action to ensure—that the area transfers, if necessitated, are actually planned and carried out simultaneously with the commissioning of the new additional exchange capacity.

5. Receipt of this letter may kindly be acknowledged.

Sd/- (S. KRISHNAN),
Deputy Director General (S).

Recommendation

According to Audit a further loss of Rs. 25.62 lakhs was on account of non-allotment of 914 OYT connections remaining after allotment of 612 connections and transfer of 680 connections to Tis Hazari referred to earlier, to the non-OYT category. The Department have disputed this and pointed out that there was in fact a net gain even with the belated allotments of these connections to OYT category. As per the Departmental calculations the two types of connections would fetch equal revenue if OYT connection is given about 11 months later than the non-OYT connection. The Committee would like to know if in this case all the 914 connections were given within 11 months of the capacity becoming available and if not, the reasons why they were not allotted to the non-OYT category. In this connection, the Committee desire to point out that according to the extant orders these connections should have been given to the non-OYT category after 3 months of exhausting the OYT waiting list which has since been raised to 6 months.

[S. No. 22, Para 1.118 of Appendix VI to 46th Report (5th Lok Sabha)].

Action taken

As explained in para 18, the OYT quota (as worked out in annexure I and II after taking into consideration the reservations made) was utilised within 11 months on both the occasions.

[P. & T., Board O.M. No. 97-10/70-TPS(XP), dated the 3rd July, 1973].

Recommendation

The Committee are not very much impressed with the economic calculations of the Department for the delayed grant of connections to the O.Y.T. Category. They desire that immediately when the O.Y.T. waiting list is exhausted the availability of connections for that category should be duly publicised so as to ensure expeditious pressing into service of a public asset for the use of consumers.

[S. No. 23, Para 1.119 of Appendix VI to Forty-sixth Report (5th Lok Sabha)].

Action taken

Necessary instructions have been issued to all Heads of Circles/Districts as per copy of Circular Letter No. 9/4/72-PHA dated 15-7-1972 attached for publicising the availability of connection under the O.Y.T., category on the lines desired by the Committee.

[P. & T. Board, O.M. No. 9-4/72-PHA, dated 24th October, 1972]

Copy of Letter No. 9-4/72-PHA dated 15-7-1972 from Director General Posts and Telegraphs to All Heads of Circles/Telephone Districts.

SUBJECT:—Utilization of exchange capacity—Recommendation of the P.A.C., for publicising the availability of capacity for O.Y.T., demands.

Sir,

Of late, the Public Accounts Committee have felt concerned over the non-utilization of available capacity in various exchanges and have now recommended that with a view to attract the applicant for O.Y.T. connections the availability of connections for that category should be publicised immediately the O.Y.T. waiting list is exhausted, in order to ensure expeditious pressing into service of a public asset for the use of consumers. The recommendation of the Committee has been carefully considered and it has been decided to accept the same. Steps may kindly be taken to ensure that due publicity is given to the availability of capacity for O.Y.T. connections immediately the O.Y.T. waiting list is exhausted.

2. The receipt of this communication may please be acknowledged.

Yours faithfully,
 (Sd./) Har Krishan Singh,
 Sahayak Mahanideshak (PHA).

Recommendation

The consumption of zinc per 100 sq. meters was unusually much higher in Calcutta than in Jabalpur Factory, the figures for the years 1966-67 to 1970-71 varying 153.19 to 166.23 in respect of the

former and 126.93 to 158.91 in respect of the latter. According to the witness the cause for the relatively high consumption in Calcutta could not be identified as yet. The Committee desire to be informed of the outcome of the study of the galvanising plant in Calcutta in this regard and the measures taken to reduce the consumption as also the results thereof.

[Sl. No. 27, Para 1.150 of Appendix VI to Forty-sixth Report, (5th Sabha)].

Action taken

As recommended by the Study Team, the following short term measures for control of net Zinc consumption and control of dross formation are under implementation:—

- (a) Rinsing after pickling of black materials before galvanisation.
- (b) Proper removal of Zinc dross after regular interval from the galvanising bath.
- (c) Control of bath temperature at 450° plus or minus 10° Centigrade.
- (d) Removal of galvanised material from the bath and after pushing aside the blanket of ammonium chloride at the bath.
- (e) Optimum utilisation of the galvanising bath.
- (f) Prefluxing of material after pickling should be done by Zinc Chloride and Ammonium Chloride in the ratio of 1 : 1.

Besides, other long term measures like installation of variable Speed Motor Electric Hoist, Hydrochloric Acid Pickling in place of pickling in sulphuric acid and installation of Oil Fired Furanacid in place of existing coke fired furnace for heating the Galvanising baths have also been recommended as long term measures by the Study Team. As a result of the steps taken Zinc consumption in both Calcutta and Jabalpur Factories have come down to about 135 Kg. per 100 Sq. meter.

Regarding the higher rate of consumption of Zinc in the Calcutta Factory, it has been found that the rate of consumption of Zinc is related to the smoothness of material being coated. Since the Calcutta Factory process mostly rough articles like cross arm bracket, Stalks, brackets, etc., and Jabalpur factory process smooth items

like tubes, the rate of consumption of Zinc in Calcutta is higher as compared to the Jabalpur Factory.

[P&T Board O.M. No. 15-3/72-TF/III, dated 31-10-1972].

Recommendation

The consumption of Zinc in both the factories was the highest in the year 1968-69. There has been marked disparity between 1968-69 and other years in Jabalpur factory. This unusual phenomenon especially in Jabalpur needs careful investigation.

[Sl. No. 28, Para 1.151 of Appendix VI to Forty-sixth Report (5th Lok Sabha)].

Action taken

The unusual consumption of Zinc in the Jabalpur Factory during the year 1968-69, as revealed by investigation, has been attributed to:—

- (a) Less percentage of dross reclamation as compared to other years.
- (b) Higher number of bath leakages as compared to other years.
- (c) Inadequate control of bath temperature.
- (d) Recovery of Zinc Scrap due to splashing and galvanising ash not strictly followed.
- (e) Inadequate supervisory staff.

[P & T Board O.M. No. 15-3/72-TF/IV, dated New Delhi 31-10-1972].

Recommendation

Another interesting factor is that although according to the opinion of the Department held earlier that smaller items consumed relatively more zinc than bigger ones, the consumption of zinc in both the factories was the highest when the percentage of small area to total area galvanised was the least. It was explained during evidence that this assumption of the Department did not appear to be correct. The Committee suggest that this aspect should be carefully examined by experts in the field.

[S. No. 29 para 1.152 of Appendix VI to Forty-sixth Report (5th Lok Sabha)].

Action taken

The Committee appointed by the General Manager, Telecom Factories, Calcutta have examined this aspect. They have stated that the small items are likely to cause more consumption of zinc when the process is not in control. They have also stated that the consumption of zinc on such items is dependent particularly on the skill, sense of perfection of the operatives and supervision exercised.

[P. & T. Board O.M. No. 15-3/72-TF/V, dated 31-10-72].

Recommendation

There has been a steady fall in output in terms of total area galvanised in Calcutta galvanising shop from 1,53,754 sq. meters in 1968-69 to 82,475 sq. meters in 1969-70 which increased to 99,908 sq. meters in 1970-71. Further, the labour productivity was significantly lower in Calcutta as the fall in output in 1969-70 and 1970-71 compared to 1966-67 was 46.36 per cent and 30.02 per cent respectively against the decline in manhours to the extent of 17.61 per cent and 22.28 per cent respectively. The Committee were informed that the working conditions in Calcutta were progressively deteriorating. The incentive scheme which was introduced in this shop had to be abandoned after incurring a loss of 36,856 manhours (Rs. 1.08 lakhs) on account of the output of individual workers falling below the norms. All these show that there has been no control over outturn. The Committee hope that as a result of a comparative study the position would be rectified soon and optimum labour productivity achieved.

[S. No. 30 para 1.153 of Appendix VI to Forty-sixth Report (5th Lok Sabha)].

Action taken

The Study Team have recommended certain short term and long term measures for adoption in the Galvanising Shops of Calcutta and Jabalpur Factories. These recommendations are expected to be implemented fully by June, 1973 in the case of Calcutta Factory and December, 1973 in the case of Jabalpur Factory. Norms for labour can only be fixed realistically after the recommendations are fully implemented and after they have become stabilised.

[P&T Board O.M. No. 15-3/72-TF/VI, dated 31-10-1972].

Recommendation

The Committee note that while the percentage of direct labour hours to the area galvanised was reduced from 80.02 to 60.09 during the period 1966-67 to 1970-71, that of indirect labour hours was

increased from 2.24 to 9.77 at Jabalpur. According to the explanation given during evidence, the increase was due to reclassification of labour in 1967-68. As this does not account for the subsequent increase the Committee would like the Department to carefully examine the variation in labour from year to year and intimate the reasons therefor to the Committee. The Committee would also like the Department to investigate the reasons for incredibly high indirect labour employed in the Calcutta galvanising shop as the percentage of indirect labour hours to the area galvanised was as high as 195.73 in the year 1969-70. It should also be examined as to what extent this was due to surplus labour retained and on that basis the possibility of deploying them to other productive works should be considered.

[S. N. 31 para 1.154 of Appendix VI to Forty-sixth Report, (5th Lok Sabha)].

Action taken

The variation in labour hours from year to year from 1966-67 to 1970-71 in the Telecom Factory at Calcutta and Jabalpur has been investigated. Due to factors such as erratic absenteeism of industrial workers resulting in imbalance in the shop working, problems arising out of introduction of changes in the process of galvanisation, etc. a few deviations have occurred. Due to introduction of the new process, ratio of direct worker to total strength continued to vary. In Jabalpur factory Galvanising Mistries were being treated as direct workers till 30th July 1969, thereafter they are being treated as indirect workers.

There has been an higher indirect labour booking in shop contingencies and shifting of black stores within the shop in the Calcutta Factory. In the year 1969-70 semi-mechanisation of galvansing process was introduced as an experimental measure in the Telecom Factory, Calcutta. The Service Unions disputed working of the process and the confusion continued for some time. The improved process envisages reduction in the strength of industrial workers in the Galvanising shop but the surplus workers could not be shifted due to non-cooperation of workers and Service Unions resulting in booking of labour hours of surplus staff under the contingencies.

Surplus staff in the Galvanising shop has since been shifted to other shops.

[P&T Board O.M. No. 15-3/72/TF-VII, dated 31-10-72].

Recommendation

The Committee are unable to reconcile the facts in regard to the depth of excavation in foundation and back filling presented to them by the Department with those recorded by the Superintending Engineer in this note of inspection in August, 1965. The Executive Engineer in charge of the work did not clarify the correct position to the Superintending Engineer when the latter's inspection note was received. Further the correct position regarding earth actually used for refilling was not intimated to the Chief Engineer before taking up the additional works as per the revised designs issued on 15th September, 1965. The Committee note, however, that after the Executive Engineer was called to clarify the position personally in December, 1965 the matter was taken up with the Superintending Engineer but it was not pursued to obtain his comments. In the meanwhile, he was repatriated to CPWD whereafter he retired. The Committee hope that the officials concerned will be more alert in settling such discrepancies promptly to put matters beyond doubt.

[S. No. 32 of App. VI to Forty-sixth Report (5th Lok Sabha—Para 1.180)].

Action taken

The observations/recommendations of the P.A.C. have been noted and instructions to the following effect have been issued vide this office No. 16(20)69/W (P&T) /1871 dated 1-6-72 for guidance of the departmental officers. (Annexure)

(i) The inspection notes of the superior officers should be carefully examined and any factual mistake/discrepancies therein should be brought to the notice of the inspecting officer as early as possible, preferably within two weeks.

(ii) Where designs and specifications for execution of a work are based on particular assumption, the assumptions should be verified in the first instance and correct position intimated to the superior officers (if the same differs from that assumed) before taking up the work in accordance with the said designs and specifications.

(iii) Matters relating to settlement of discrepancies particularly when the same involve financial and technical implications, should be taken up with the concerned officer(s) and pursued vigorously so as to put matters beyond doubt, promptly.

[P&T Board O.M. No. 16(20) 69-W (P&T) (i) dated 2-9-72].

BHARTIYA DAK TAR VIBHAG

OFFICE OF THE DAK TAR MAHANIDESHAK D.G. P&T

CIVIL ENGINEERING WING, WORKS SECTION, DAK TAR
BHAWAN, PARLIAMENT STREET

No. 16(20) 69-W (P&T) /1871

New Delhi the 1st June, 72

MEMORANDUM

A case has come to notice where for the construction of a telecom. building in a locality having black cotton soil strata, the detailed estimate and drawings envisaged 12'-6" deep foundations and back filling of foundations and plinth with good earth. However, while the work was in progress, the S.E. inspected the site and issued an inspection note stating that (i) the soil under the building was of black cotton variety, (ii) the depth to which foundations were excavated were upto 8' or 10' and that (iii) the filling inside the plinth had been done with the excavated soil.

In pursuance of the above observations of the S.E., designs and specifications for the flooring of rooms on the ground floor were revised involving substantial additional expenditure to prevent any subsequent cracks/damages on account of refilling in foundations and plinth being of black cotton soil. In the modified design for flooring it was clearly stated that the revision of drawings has been necessitated due to back filling of black cotton soil.

Subsequently, after the work was carried out as per revised designs and specifications, it came to light that refilling had actually been done mostly with good earth and thus there was little justification for revising the designs which involved extra expenditure. Further, foundations of the building had been actually laid at about 12' depth as instead of 8' or 10' stated by the S.E. in this inspection note.

It is found that the E.E. in charge of the work did not clarify the correct position regarding depth of foundations and nature of earth used in refilling on receipt of inspection note of the S.E., nor was the nature of earth actually used for refilling intimated to S.E. and C.E. (Civil) even after issue of revised designs and specifications for flooring wherein it had been clearly indicated that the same are based on the presumption that back filling in foundations and plinth is with black cotton soil. Had these lapses not occurred, the additional expenditure would have been saved.

The audit also raised objection in this regard by including the case in the report of the C&AG of India for P&T Department for the year 1969-70 and P.A.C. has taken serious view of the same.

Further, after the correct position about depth of foundations and nature of earth used for refilling came to be known, which happened to be at variance with the observations recorded in the inspection note of the S.E., though the matter was taken up with the S.E. for clarifications, but the same was not pursued. This lapse has also been criticised by the P.A.C.

To avoid recurrence of the above lapses, the following instructions are issued for strict compliance by all concerned:—

- (i) The inspection notes of the superior officers should be carefully examined and any factual mistake/discrepancies therein should be brought to the notice of the inspecting officer as early as possible, preferably within 2 weeks.
- (ii) Where designs and/specifications for/execution of a work are based on particular assumptions, the assumptions should be verified in the first instance and correct position intimated to the superior officers (if the same differs from that assumed) before taking up the work in accordance with the said designs and/specifications.
- (iii) Matters relating to settlement of discrepancies of particularly, when the same involve financial and/technical implications, should be taken up with the concerned officer(s) and pursued vigorously so as to put matters beyond doubt promptly.

Sd/- (O. P. MITTAL),
Chief Engineer (Civil) P&T.

To

- (i) All Superintending Engineers in Civil Wing.
- (ii) All Executive Engineers, P&T Civil Wing and electricals.
- (iii) All Surveyor of works Civil and Electrical.

Recommendation

The Committee were informed during evidence that even with the foundation excavation up to 12' 6" and back filling with good earth, strengthening of the floor would have been necessary. The Committee are not able to square this view with the statement of the Chief Engineer made in December, 1965 that his decision to strengthen the floor was on the basis that the back filling was done with excavated soil and not with good earth. Further, the original esti-

mate did not provide for it. The present explanation of the Department can, therefore, be regarded as to best an afterthought. In this connection they wish to make it clear that they are interested in knowing the facts of the case as they were and not in an ingenious explanation in extenuation of what happened. The Committee, however, note that according to the Department there was an extra expenditure of Rs. 24,297 on account of disposal of black cotton soil and importing of good earth for refilling.

[S. No. 33 of App. VI to Forty-sixth Report—V Lok Sabha—Para 1.181].

Action taken

It is stated that both while framing the original estimate and issuing revised designs in September, 1965, it was considered that removal of black cotton soil and back filling with good earth would have served the purpose but the subsequent experience has shown that it is extremely difficult (if not impossible) to ensure thorough consolidation of earth filling as deep as in the present case without adopting mechanical means. It was on this consideration that during evidence before the P.A.C. and also in the later report, the P.A.C. was informed that even with back filling of good earth, strengthening of floors would have been necessary. However, the observations of the P.A.C. that "They are interested in knowing the facts of the case as they were" are noted.

[P&T Board 16(20)/69-W (P&T) (ii) dated 2-9-72].

The anxiety regarding utilisation of manpower expressed in the successive conferences of Managers of P & T workshops was responsible for the excessive production. In the opinion of the Committee this alone could not be a factor to influence production. Incidentally they find that the annual capacity of the workshops in Calcutta and Jabalpur for the manufacture of channel iron brackets is 12 lakhs. The Committee would like to know how it is proposed to utilise the surplus machinery and labour.

[Sl. No. 35 of Appendix VI to Forty-sixth Report—V Lok Sabha—para 1.193].

Action taken

The surplus labour has been utilised by diversion to other items of production and there is no idle labour left. Some machines have been transferred to other Sections.

[P&T Board O.M. No. 29-14/70-NA/MMS dated 26-10-1972].

Recommendation

As regards the disposal of the accumulated stock, the committee were informed that the Department proposed to cut them up and

use them as smaller brackets. The extent of disposal in this manner may be reported to the committee in due course.

[Sl. No. 37 of Appendix VI to Forty-sixth Report—V Lok Sabha—para. 1.95].

Action taken

Work of conversion of brackets has been taken in hand and is expected to be completed in this financial year.

[P & T Board O.M. No. 29-14/70-NA|MMS|4 dated 26-10-1972].

Recommendation

There have been a number of cases of considerable excess payments of customs duty on goods imported by the P & T Department. The Committee would like to know whether there is a regular independent check of assessment of custom duties in the Department. In the opinion of the Committee such an independent check is desirable in a Commercial Department such as the P & T Department. The Committee also find that the claims of refund have not been preferred in time. They would, therefore, like to impress upon the Department the necessity of examining such cases expeditiously and preferring claims in time.

[Sl. No. 38, Para 1.202 of Appendix VI to Forty-sixth Report—V Lok Sabha].

Action taken

To avoid excess payments of customs duty on goods imported by P & T Department, instructions have been issued to all Heads of Circles *vide* our Circular No. 29-1/72-NA (MMD) dated 31-5-1972 (copy enclosed) wherein it has been emphasised that in future a strict vigilance be kept to ensure that no excess payment of custom duty is made and in case the excess payment of custom duty in some cases becomes necessary to avoid demurrage, appropriate steps should immediately be taken to file a claim for refund within the stipulated period of six months to avoid loss to the Department. It has further been suggested that a regular register for the purpose of check should be maintained by each unit paying custom duty and this register should be checked by the respective Heads of office to ensure that a regular and independent check of assessment of custom duties is exercised in the Department.

[P&T Board O.M. No. 29-1/72-NA (MMD) dated 20-10-1972].

Copy of letter No. 29-1/72-NA (MMD) to All Heads of Circles, dated 31st May, 1972

SUBJECT:—Public Accounts Committee 1971-72 46th Report (Fifth Lok Sabha) on Appropriation Accounts (P & T) 1970-71 and report of the Comptroller and Auditor General of India (P & T) 1970-71—action taken on the recommendations.

It has come to notice that in certain cases excess payment of custom duty has been made by some offices of P & T Department and necessary steps for refund of excess duty paid were not taken within the stipulated period of 6 months. This has put the department to loss. It is, therefore, emphasised that in future a strict vigilance be taken to ensure that no excess payment of custom duty is made and in case the excess payment of custom duty in some cases becomes necessary to avoid damurrage, appropriate steps should immediately be taken to put in a claim for refund within the stipulated period of six months to avoid loss to the department. It is therefore imperative that every unit should exercise a regular independent check for the assessment of custom duties.

A suitable register for the purpose should be maintained in every unit paying custom duty and it should be checked by respective heads of office to ensure that a regular and independent check of assessment of custom duties is exercised in the Department.

(Sd.) PRITHI PAL SINGH,
Assistant Director General (Imports) MMD.

Recommendation

In regard to the excess payment of custom duty of Rs. 4.14 lakhs on telephone equipment imported from Belgium referred to the Department by Audit subsequently, the Committee may be apprised of the outcome of the investigation by the Department.

[Sl. No. 39 para 1.203 of Appendix VI to 46th Report 5th Lok Sabha].

Action taken

Regarding excess payment of custom duty of Rs. 4.14 lakhs on telephone equipment imported from Belgium, the exact amount of excess payment of custom duty works out to Rs. 4,13,595.53 involving 33 items. Detailed reply to the PAC has been sent. A copy of the reply is enclosed. A special appeal to the Secretary, Ministry of Finance (R & I) has also been made by the Member (TD) for ex-gratia refund of excess payment of custom duty on 12 cases (items 2 to 13) amounting to Rs. 3,65,976.45 [vide U.O. No. 177-2/71-TPL (CP)], dated 5-6-1972 to Secretary, Ministry of Finance (Revenue and Insurance) (Copy enclosed).

[P&T Board O.M. No. 29-1/72-NA (MMD) (ii) dated 20-10-1972].

GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
(P & T BOARD)

SUBJECT:—PAC-List of points received vide Lok Sabha Secretariat O.M. No. 2/5/4/71-PAC dated 6-1-1972.
Para 29 of CAG's Report 1969-70 (P&T) Excess Payment of Customs Duty.

Information required by PAC (List 'B')

Item 68: Has the department investigated the cases of excess payment reported by Audit in September, 1971; if so, what action has been taken thereon?

Reply of Government

In September, 1971, Audit had reported two cases of excess payment of customs duty. The position of one case involving an excess payment of Rs. 7.72 lakhs has already been explained in the P. & T. Board O.M. No. 177-2/71-TPL(CP) dated 1-2-1972.

The second case involving an excess payment of Rs. 4.14 lakhs has also been investigated. It appears that it will not be correct to contend that the customs duty should have been charged @ 55 per cent under rule 73(2) in all cases. In fact, the G.M., Telephones, Madras has discussed the matter with the Customs Authorities and learnt that there will be a number of items which even now would not merit assessment under 73(2). The tariff under 73(2) also varied from year to year and ranged from 55 per cent to 65 per cent for the years under reference and was not constant @ 55 per cent. The customs duty has also not been charged at an overall rate of 120 per cent. In fact, different percentages had been adopted by the customs authorities for different classes of stores according to their classifications.

The statement received from audit containing details of the excess payment of Rs. 4.14 lakhs contain 33 cases. The position of these cases is indicated below:—

Item No. 1:—This case was not rejected by the Commissioner of Revision. Applications on account of time bar, but on the ground that documentary evidence showing split up values in support of the claim was not produced. The Department tried its level best to get this information required by customs authorities, but it was not successful to get the same.

Item No. 2 to item 13:—In these 12 cases, the final appeal was rejected by the commissioner of Revision Appeals. Action is being taken by the General Manager Telephones, Madras to prefer an ex-gratia special appeal to the Central Board of Revenue, New Delhi in consultation with the local customs authorities.

Item No. 14 to item 33:—These 20 cases relate to free supplies made under the warranty clause mostly for making changes in the imported equipment so as to enable it to come upto specifications and the customs duty on these items is payable.

This has been seen by Accountant General, Posts & Telegraphs.

Sd/- (I. K. GUPTA),
* MEMBER (TD)

[O.M. No. 177-2/71-TPL (CP)-Pt dated 1-6-1972].

INDIAN POSTS AND TELEGRAPHS DEPARTMENT
P. & T. BOARD

SUBJECT:—Re-assessment of consignments of Telephone Cross Bar and other equipments under item 73(2) ICT—Rejection of revision Petitions—Reconsideration requested.

Several consignments of cross bar and trunk telephone equipments have been imported from M/s. Bell Telephone Manufacturing Company Antwerp, Belgium, under bulk orders during 1966-67. These were required for installation of crossbar telephone exchange at Mambalam and for Madras trunk automatic exchange which form part of the general scheme of expansion of telecommunications service in this country. These equipments were assessable for customs duty under item 73(2) on the ground either the split up value of the components or Cables have not been furnished or that purchase orders, indents and acceptances, catalogues and specifications were not furnished. In some other cases separate invoice showing the CIF value of short landed items were stated to be wanting.

2. The documents and details called for could not be procured and supplied to satisfy the customs requirements within the stipulated time because the purchase orders were placed by the P. & T. Directorate in bulk, consignments have been received by ships in quick succession and the suppliers could not furnish the details promptly. When at length these documents and details could be procured with much effort and claim for refund preferred with the Customs authorities, the claims were rejected as time-barred, in some cases at the 'Customs Appraisers' level and almost always the appeals and Revision Petitions have also been considered as time barred. A list of

12 cases where the claims for refund of excess duty and or subsequent appeals and Revision Petitions have been summarily rejected are furnished in the attached Statement I. Copies of the pertinent Correspondence containing the orders passed at the various levels, in respect, of each of the cases, are also enclosed for perusal.

3. In as much as all the appeals have been rejected purely as time barred, it is urged that the cases may be reopened for considering ex-gratia sanction of refund of excess paid as Customs Duty for the following reasons:—

1. The orders were placed by the P. & T. Directorate, but the clearance was made by the various subordinate offices. They were not in possession of the full details relating to the import and therefore the information required by the Customs Authorities for the purposes of assessment could not be furnished.
2. In the absence of details the goods were assessed by the Customs Department at the highest rate applicable. The Department secured the technical details necessary for the assessment from the suppliers and furnished them at the time of appeal. However, the appeals were rejected as time-barred without going into the merits of assessment. It is urged that being a Government Department, some consideration should have been shown and these cases should have been reviewed if necessary invoking the powers under the Limitation Act.
3. The payment of Duty in these cases was done through Book adjustment. The system is such that the person who is agreeing to the payment of duty does not have the facilities of checking the correctness of assessments, made and protesting against any wrong assessments, if any. Consequently, no protest was made by us at the time of clearance of the goods.
4. It is understood that there was a P. & R. Provision earlier, i.e., with regard to Government departments a pink colour bill of entry was used and the departments would finalise the documents later on, the assessment being provisional. This gave a time lag for Government Departments. Apparently in these cases the assessments were made at a time when the P. & R. facility were withdrawn.
5. Section 131(3) of the Customs Act, 1962, provides that the Central Government may in its own motion annul or modify any order passed under section 128 of section 130

of Customs Act, 1962. No time limit is prescribed for exercise of this power. It is therefore urged that the Government may invoke the powers under this section and modify the orders already passed with reference to the merits of the case.

6. The statement II shows the Bills of Entry in respect of which refunds are claimed with the Bill of Entry number, the Customs duty that was paid in the absence of details and the Customs duty leviable on merits. The probable refund involved shown in Col. 8 works out to Rs. 365,976/45.

The references to the Revision Petition orders are given in the Remarks column.

Encl. as indicated in the body of the note.

Sd/- (I. K. GUPTA),
Member (Telecom. Development)

Secy. Ministry of Finance (Dept. of Revenue and Insurance)

Ministry of Communications U.O. No. 177-2/71-TPL (CP).

Dated 5th June, 1972.

Recommendation

As regards the remaining two cases mentioned in Sub-para (C) of the Audit Para, the Committee were given to understand that the over-charge of Rs. 92,547 in one case was under consideration of the Ministry of Finance and the other case involving Rs. 77,643 was under consideration of the Assistant Collector of Customs, Bombay. The Committee may be informed of the outcome.

[Sl. No 40, Para No. 1.204 of Appendix VI to Forty-sixth Report (Fifth Lok Sabha)].

Action taken

The case relating to GSI 147 has been admitted by A.C., Custom, Bombay, and the refund order No. S/3-2681/64R dated 14th April, 1972 issued for Rs. 92,547.17 and the case relating to GSI 146 involving excess payment of custom duty of Rs. 77,643 is still pending with the Ministry of Finance, New Delhi. (The P.A.C. has, however, interchanged the amounts of the two GSI in their recommendations).

[O.M. No. 29-1/72-NA (MMD) (iii) dated 20-10-1972].

Recommendation

The Committee note that during the period from April, 1966 to March, 1968, delays occurred in giving connections in 16 cases in the telex exchange at Poona, resulting in a loss of potential revenue of Rs. 0.64 lakhs. Of these cases, 7 were due to non-availability of junction cable pairs and 9 required obtaining of approval for providing the connections from the P.M.G., Bombay. The Committee had, in para 165 of their 2nd Report (Fifth Lok Sabha) referred to the instructions issued by the General Manager, Telephones, Bombay, envisaging a review of cable works and to draw up a programme of utilising the capacity within six months on a crash basis to the extent cable was available. The Committee trust that a review of the position in all the telephone/telex exchanges will be undertaken at the District/Circle level as also at the Board's level with a view to seeing that there is no avoidable delay in utilising the capacity on any account.

[Sl. No. 41, Para No. 1.208 of Appendix VI to Forty-sixth Report (Fifth Lok Sabha)].

Action Taken

All Heads of P. & T. Circles/Telephone Districts have been instructed to make an immediate review of the position in all the Telex/Telephone exchanges under their control at the Circle/District level with a view to ensure that there is no avoidable delay in utilising the spare capacity on any account.

[P & T Board O.M. No. 49-5/70-TL(i) dated 21-8-1972].

Recommendation

The expanded capacity of the Bhavnagar telephone exchange in November, 1966 was 3000 lines. Before the connectable capacity was fully utilised, further expansion upto 4200 lines was done in March, 1969, although there was progressive fall in demand compared to anticipation. As on 31st December, 1971, the number of working connections in this exchange was only 2954. In the opinion of the Committee further expansion at the cost of Rs. 6.76 lakhs (non-recurring) and Rs. 0.74 lakhs per annum (recurring) should not have been proceeded with without observing the actual trend of demand. Had this been done, the expansion could have been postponed and the equipments diverted to a place where they were needed urgently. They wish that such a review is introduced at least now so that scarce resources are utilised in the best possible manner.

[Sl. No. 43, Para No. 1.218 of Appendix VI to Forty-sixth Report (Fifth Lok Sabha)].

Action taken

As desired by the Committee instructions have since been issued vide P. & T Directorate No. 14-4/69-PHA(XP) dated 7th April, 1972 (copy placed below) to carry out regular review of all equipment allotments on 31st March each year. The required review in respect of installations programmed for commissioning during 1972-73, has been completed. It is hoped that in future no large exchange will be taken up for new installation or for expansion of existing capacity unless the same is found to be justified in the light of actual demand.

[P & T Board O.M. No. 97-3/70-TPS(XP)/UPC(i) dated 21-8-1972].

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

No. 14-469-PHA|TPS (XP)

Dated, New Delhi, 7th April, 1972.

Subject:—Review of equipment allotments of the following years and the pending installations etc.

Kindly find enclosed a copy of the recommendation No. 1.8 of the Public Accounts Committee of the Fifth Report and the reply given by the Department.

2. As Indicated in the Annexure, a regular review must be carried out of all the equipment allotments made by this office and put up for necessary action by 31st March of the year.

3. The review for 1972-73 may be put up by 30th April, 1972 positively.

Sd/- (P. N. KAUL),
Dy. Chief Engineer (E).

Copy for necessary action to:—

1. ACE(EA),	P&T Directorate, New Delhi.
2. ACE(EE),	-do-
3. ACE(TKS),	-do-
4. ACE(XK),	-do-
5. ACE(XC),	-do-

Copy for information to:—

1. DCE(X), P&T Directorate,
2. All other DCEs and ACEs and AEs in TPS Section.
3. All Heads of Circles/Telephone Districts.
4. General Manager, Telecom Project/Delhi/Madras/Bombay/Calcutta.

Sd/-

Dy. Chief Engineer (E).

Action taken on the Recommendations of the Public Accounts Committee

GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
P & T BOARD

Recommendations of the Committee

1.8. The Committee note that further expansion of Sinidih exchange from 200 to 300 lines was considered as early as 1963 when the demand was for 176 connections, on the basis of an anticipated growth rate of demand of 12 per year. It is evident from the details given in second sub-para of para 1.39 of Hundred and Twelfth Report (Fourth Lok Sabha) that the anticipation of the P & T Department did not materialise over the years 1964 to 1968 and what is more, the demand had actually came down to 156 as on 30th September, 1970. The Committee are, therefore, of the opinion that the Department were not well advised in expanding the capacity in January, 1968 to 300 lines on the basis of mere surmise made in 1963 without observing the actual trend of demand at that time. They hope that such mistakes will not occur in future.

[Sl. No. 2, of Appendix to Fourteenth Report (Fifth Lok Sabha) Para 1.8].

Action taken by the Government

It has been decided that during January-March of each Calender year a regular review will be carried out of all allotments of the following years and the pending installations, taking into account the latest available demand figures and trend of growth to consider

deferment of allotments or diversion of equipment to avoid, as far as possible, unutilised exchange capacities.

This has been seen by Accountant General, Posts and Telegraphs.

Sd/- B. S. RAU,
Sr. Member (TO)

[O.M. No. 14-4/69-PHA (TPS) (XP, dated 29-3-1972].

Recommendation

The Committee note that according to the latest instructions of the Department, 94 per cent of an exchange capacity should be utilised about 6 months in advance of the due date for commissioning of next expansion and 90 per cent of the expanded capacity should be utilised soon after expansion, in any case not later than six months. The Committee had in their 2nd Report (Fifth Lok Sabha) suggested that the accent during the Fourth Five Year Plan period should be on utilising the existing capacity fully. They do not appreciate creation of additional capacity without clearly establishing the need thereby adding to the already unutilised capacity. In addition to ensuring strict adherence to the latest departments instructions, the review as indicated by the Committee in the foregoing paragraph, should be introduced to guard against this contingency.

The above observations of the Committee should not, however, be construed to imply that the Committee are against creation of capacity when they are needed.

[Sl. Nos. 44 & 45, Para Nos. 1.219 & 1.220 of Appendix VI to Forty-sixth Report (Fifth Lok Sabha)].

Action taken

As desired by the Committee, the Department is laying stress on utilising the existing capacity fully before creating any additional capacity. In order to ensure expeditious utilization of available capacity in the exchanges in the country as a whole, a special cell, under the charge of an Assistant Director General has recently been created in the Plg. Branch of the P & T Directorate, and the overall utilisation of the Capacity is showing continuous improvement.

[P & T Board O.M. No. 97-3/70-TPS(XP)/UPC(ii) dated 21-8-1972].

Recommendations

Even according to the original anticipation there was over-pitching of demand for supply of power to the Gowliguda Telephone

exchange to the extent of 50 KVA. As against the contract demand of 200 KVA the actual monthly consumption varied from 29 KVA to 72 KVA between March 1963 and February 1967 and from 80 KVA to 96 KVA between March, 1967 and February, 1969. The demand was reduced to 134 KVA only from March, 1969. There was thus an excess expenditure of Rs. 32,647 in the meantime. The Committee accordingly desire that in order to avoid such wasteful expenditure there should be a review at periodic intervals of all the contracts for supply of power entered into by the Department and the demands should be suitably adjusted in keeping with the actual needs from time to time.

In regard to this case the Committee would like to know when the installation of the second airconditioning unit was abandoned and why at that stage the demand for the supply of power was not reduced.

[Sl. 46 & 47 of Appendix VI to Forty-sixth Report—5th Lok Sabha—
Paras 1.226 & 1.227].

Action taken

1. Instructions have been issued vide Memo. No. 500-14/72/TPS (BT) dated 24-6-1972 (copy enclosed) for quarterly review of all cases where HT supply has been availed of and certificate of review having been carried out to sent to ADG(BT) in the Posts and Telegraphs Directorate.

2. In regard to this case it is noted that installation of the 2nd Airconditioning unit has not been abandoned. Its installation has been deferred on 27-3-67 (Date 2100 lines were cut over) due to lack of space for its installation. Airconditioning of 1st floor where 2100 line equipment of end Auto Exchange unit had been installed, was carried out by (a) cutting out airconditioning of M.D.F. room (2) provision of window type airconditioners as an interim measure.

Now a separate room has been built and space for 2nd airconditioning unit is being provided by re-arranging Airconditioning Plant Space with power and battery room.

Demand for supply of power was not reduced in March 1967 as the case for installation of 2nd Airconditioning unit remained under consideration although by making arrangements for suitable space.

[P. & T. Board O.M. No. 97-1/70-TPS(XP), dated 16-9-1972].

INDIAN POSTS AND TELEGRAPH DEPARTMENT
 OFFICE OF THE DIRECTOR GENERAL OF POSTS AND
 TELEGRAPH

Dated, New Delhi, the 24th June, 1972.

No. 500-14/72-TPS (BT)

To

1. All Heads of Circles and Telephone Districts.
2. C.C.T.S., Calcutta.
3. General Manager, Telecom Factories, Calcutta.
4. Addl. Chief Engineer (P. & T.), T. & D. Circle, Jabalpur.
5. General Manager Projects (P. & T.) Delhi, Calcutta, Bom-bay, Madras.

SUBJECT:—Contract for supply of electric energy to Telephone Ex-change/Telecom buildings.

Please refer to this office letter No. 111|19|68-NB dated 22nd August, 1968 (copy enclosed) and 97-6|67|TPS dated 22-4-69 (copy enclosed) regarding adverse comments of Public Accounts Committee on infructuous expenditure incurred towards penalty for low power factor and over estimation of demand for supply of power on H.T. Tariff.

Recently another case has come to the notice of the Public Ac-counts Committee who in their 46th Report 5th Lok Sabha have commented as follows:—

“The Committee desire that in order to avoid such wasteful expenditure there should be a review at periodical inter-vals of all the contracts for supply of power entered into by the Department and demands should be suitably ad-justed in keeping with the actual needs from time to time.”

It is requested that a review of all cases where H.T. supply has been availed may be undertaken once in three months and a quarterly certificate addressed to A.D.G. (B.T.) furnished to this office that in all cases the demand for which contract has been entered into with the power supply authorities is not in excess of the power actually consumed.

Sd./-(A. S. SIVASUBRAMANIAN),
 Director (B).

Recommendations

The grant of extension to firm 'A' beyond December, 1968 for the supply of the balance quantity of 197 float charging power plants at the rate of Rs. 3700 each when lower offers (Rs. 3580) from two other firms—'B' and 'C'—had already been received, lacks justification. The committee are unable to agree with the contention of the department that there were no other established suppliers of these items inasmuch as firms 'B' and 'C' were considered by the Departmental Purchase Committee itself as established suppliers and firm 'C' was also registered with the D.G.S. & D., as approved contractors for supply of these stores. The prototype sample of firm 'C' was approved on the 14th May, 1969. That there was no immediate need is established by the fact that the closing balance of stock of these stores was 190, 201 and 196 respectively during April to June, 1969. The committee trust that the department will be more careful in the matter of procurement of stores in future.

[Sl. No. 48 of Appendix VI to Forty-sixth Report (5th Lok Sabha)—
Para 1.234]

Action taken

Suitable instructions based on recommendations of the Public Accounts Committee have since been issued as per copy enclosed (No. 29-15/70-NA, dated 27-6-1972).

[P. & T. Board O.M. No. 29-15/70-NA, dated 2-9-1972].

To

**The Chief Controller of Telegraph Stores,
Calcutta**

**SUBJECT:—Purchase of Stores—Audit Para regarding purchase of
Float Charging Power Plant.**

Reference is drawn to audit para No. 22 in the Report of Comptroller and Auditor General of India on P. & T., 1969-70 regarding avoidable expenditure on purchase of stores (purchase of Float Charging Power Plants). The matter was considered by the Public

Accounts Committee. In their 46th Report they have recommended as follows:—

“The grant of extension to firm 'A' beyond December 1968 for the supply of balance quantity of 197 float charging power plants at the rate of Rs. 3700 each when lower offers (Rs. 3580) from two other firms—'B' and 'C'—had already been received lacks justification. The Committee are unable to agree with the contention of the Department that there were no other established suppliers of these items inasmuch as firm 'B' and 'C' were considered by the Departmental Purchase Committee itself as established suppliers and firm 'C' was also registered with the D. G. S. & D. as approved contractor for supply of these stores. The prototype sample of firm 'C' was approved on 14th May, 1969. That there was no immediate need is established by the fact that the closing balance of stock of these stores was 190, 201 and 196 respectively during April to June, 1969. The Committee trust that the Department will be more careful in the matter of procurement of stores in future.”

It has been decided that while considering the question of extension of delivery period of any purchase order, the observations of the Public Accounts Committee as contained in the above paragraph should be kept in view before taking a decision.

Sd./- (D. PARASHAR),

Assistant Director General (SE).

Copy to All Heads of Circles, Telephone Districts and G.M. Projects for information and necessary action.

Recommendation

The Committee find that only in Bangalore the labour rates of telephone district were higher than those of the Telegraph Engineering Division for similar works and there too since 1967-68 only. The higher rates were continued despite the fact that there was further reduction in the rates of the latter Division. The additional expenditure on this account was Rs. 2.05 lakhs upto December, 1970. If, as stated during evidence, rates for the work in the Telegraph Engineering Division which was mostly in rural areas, should be

less, there was a case for reduction of the existing uniform rates for work in rural areas rather than in increase of rates for town areas. In any case there should be no disparity in rates applicable to the same area for comparable items of work. The Committee would, therefore, like this aspect to be carefully examined on a country-wide basis and appropriate directions issued to obviate recurrence of such instances.

[Sl. No. 49 para 1.1243 of Appendix VI to Forty-sixth Report
(5th Lok Sabha)].

Action Taken

As directed by the P.A.C., instructions have been issued to all Subordinate Units to ensure that the rates fixed for labour charges under Rule 195 of the P. & T. Manual Volume X are uniform and that there is no disparity in the rates applicable for comparable items of work in the same area. A copy of the instructions issued is appended.

It has also been ascertained that the rates in the different P. & T. Units in Bangalore are now identical and that there is no disparity in the rates in the two Divisions.

[P. & T. Board O.M. No. 7469-NB, dated 2nd Jan., 1973].

INDIAN POSTS & TELEGRAPHS DEPARTMENT

OFFICE OF THE DIRECTOR GENERAL POSTS & TELEGRAPHS
No. 7-4/69-NB Dated, at New Delhi 28th Dec., 1972.

To

1. All Heads of P. & T., Circles.
2. All G.M./D.M. Telephones.

Recently the P.A.C., had occasion to observe that the labour rates fixed for Telegraph and Telephone Engineering Divisions under rule 195 of P. & T. Manual Volume X are not uniform for the two Engineering Divisions within the same city. They observed that although the rates for capital/corporate cities and other areas may be different for the same Division, there should be uniform rates for all P. & T. units for similar works in the same area. These disparities in two different sectors of labour rates give rise to anomalous situations.

It has accordingly been decided that there should be no disparity in the rates applicable for comparable items of work in the same area. The schedule of labour rates of Telegraph Engineering Division for such area which may be common with Telephone Engineering Division/Telephone District may be worked out in consultation between respective Heads of such units so that there is no disparity between the two rates for the same area. Due care may be taken while fixing the rates for the rest of the Telegraph Engineering Division so that the rates prevailing in the overlapping common area of Telephone Engineering Division and such other special areas for which separate higher rates may have been fixed by P. & T, are excluded for the purpose of the rule mentioned above.

Sd/- (E. N. SUBRAMANIAM),
Asstt. Director General (R)

Copy forwarded for information to:—

1. A. G. P. & T.
2. B. Sec.
3. Civil Wing.

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES OF GOVERNMENT

Recommendation

The Committee further note that 716 connections in February, 1968 and 346 connections in January, 1969 became available for the allotment to non-OYT category. These connections were actually given over a period of 2½ years (upto September, 1970) despite a waiting list of over 9000 from February, 1968. The delay accounted for a loss of Rs. 12.42 lakhs. The Committee were informed during evidence that the numbers transferred to the X-bar exchange could not be allotted until a new directory was printed or for a period of 6 months as otherwise the new subscribers would get calls meant for the old subscribers. If this were true, the Committee would like to know how a number of connections could in fact be given within 6 months of such transfers effected in February, 1968 and in February, 1969 as may be seen from the details shown in Appendix. In any case this cannot explain away the delay beyond a period of 6 months. Further the Committee are at a loss to understand why the Department could not bring out immediately supplementary list notifying to public the change in the subscribers.

[Sl. No. 21, Para 1.17 of Appendix VI to the 46th Report (5th Lok Sabha)].

Action Taken

It is true that closed numbers cannot be re-allotted for a period of 6 months or till the next issue of the Directory but in this case it was possible to give some telephone connections in view of the following circumstances:

- (i) A supplementary Directory was actually issued in February, 1968 as well as in February, 1969 notifying to the public the exchanges in the subscribers' telephone numbers from stronger exchange to X-bar exchange.
- (ii) Some spare allotable Numbers were also available in February, 1968 as well as in February, 1969.

(iii) Telephone Numbers which remained closed for three months or so were also re-allotted to new subscribers as a special case for meeting the urgent demands.

As explained in para 18 as far as non-OYT quota as worked out in Annexure-I is concerned, the same was utilised by the Department within 6 months. Whatever delay did take place in the overall utilisation of the exchange capacity, was due to unusual circumstances which have been explained in para 18.

[P. & T., Board O.M. No. 97-10/70-TPS(XP), dated the 3rd January, 1973].

Recommendation

The Committee do not find any reason why the Stores Organisation could place the requisition on the Telecommunication factory only in August, 1965 when the demands were made on them by the Wireless divisions in 1963 and 1964. The Committee, would, therefore, like to know why adequate stock of the components was not maintained by the Factory to meet urgent requirements and whether any minimum limit was prescribed in this regard.

[Sl. No. 51 of Appendix VI to Forty-sixth Report (5th Lok Sabha—Para 1.251)].

Action taken

Initially some demands were made by wireless divisions in 1963-64 and the same were intimated to the Stores Organisation for procurement or manufacture in the P. & T's own workshops. On examination of the stocks of various components of Hinged Tubular Masts of various sizes and of components and quantities required to be procured or manufactured, it was found that the items required to be manufactured were not substantial in quantity. The manufacture of the small number of components could not be taken up straight-away, as manufacture of small quantities of special items in the workshops from year to year would not only result in high overheads, but also upset the manufacturing programme of the factories. The Wireless Divisions were then asked to review their requirements (including future projections) of Hinged Tubular Masts in standardised sizes in December, 1964. After receipt of this information, complete details of requirements of components of H.T. masts were worked out (taking into account the stocks of components held in various stores) and furnished to the Chief Controller of Telegraph Stores for procurement and/or manufacture in April,

1965. The Stores Organisation, after examining all these requirements etc., placed requisition for manufacture of the components of H.T. Masts on the Telegraph Workshops in August, 1965.

2. Regarding maintenance of adequate stock of components in the Stores|Telecom. Factories, it may be mentioned that the components of H.T. Masts are of non-standard types and there is no manufacture on regular basis in the Telecom. Factories. These are also not items for regular stock and issue in the Stores Organisation. In the Telecom. Factories the stores are manufactured only on the basis of requisitions placed by Chief Controller of Telegraph Stores, Calcutta. No stocks of components are held in the Telecom. Factories.

[P. & T., Board O.M. No. 4-49/68-WTII dated, 3-8-1972].

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES HAVE NOT BEEN ACCEPTED BY COMMITTEE AND WHICH REQUIRE REITERATION.

Recommendation

The Committee, however, feel compelled to comment on one of the cases at this stage. It relates to the estimate provision of R.C.C. Troughs as protective covers for the cables to be laid in town areas, although only warning bricks or stone slabs were to be used as per the departmental rules. The explanation now given for allowing the provision when the estimate was checked by the P. & T. Directorate that electric supply companies as also foreign telephone administrations are using similar R.C.C. Troughs, is ingenious but unconvincing. It was in violation of the rules and according to the Department's own admission R.C.C. Troughs were not used in any other coaxial project. As this led to avoidable expenditure of Rs. 2.82 lakhs besides serious irregularities in payment of labour for the manufacture, the Committee would like the Department to fix responsibility also for the failure to properly check the estimates.

[S. No. 5 (Para 1.47) of Appendix VI of Forty-sixth Report,
(Fifth Lok Sabha)].

Action taken

The provision of R.C.C. troughs in the detailed estimate for cable laying in Madras-Vijayawada section was clearly indicated by the Project Authorities in the specifications of the detailed estimates. The estimate was checked by officers at various levels in the Planning Branch and Finance Advice Section of D.G.P. & T. before the issue of sanction. As the provision of R.C.C. Troughs was very clearly indicated in the specifications of the detailed estimate, it could not slip scrutiny at all the levels. It is inferred that the provisions were allowed to be retained in the estimate after due consideration. It is noticed, however, that there was no notings in the file to show that the deviation was actually considered and then allowed to remain.

As already mentioned in our written reply to the Committee, the type of protection to be provided over the coaxial cables in build up areas, open country, etc., is kept under review and instructions are issued from time to time for the type of protection to be provided, depending upon the experience gained. The experience in such cases cannot be gained until the actual experiment is carried out in certain sections and the factual data about the usefulness or otherwise of various types of protections are obtained. The data which will be available about the fault incidence in coaxial cables protected by R.C.C. Troughs in city areas in Secunderabad-Vijayawada section will be quite helpful in deciding whether this method of protection should be adopted in future projects. Since there was no *mala fide* intention in permitting the use of R.C.C. Troughs for protecting the coaxial cables in the city areas, as provided in the detailed estimate submitted by the Project Authorities, and the estimate was checked in the Planning Branch of D.G.P. & T. by various officers at different levels, the Department feels that it will not be appropriate to fix responsibility on an individual officer or set of officers for permitting this provision in the Estimate.

In order to ensure that deviations, if any, in the Estimates are carefully considered, instructions have been issued regarding checking up of the Estimates in detail at various levels. It has been envisaged in the instructions that the officers checking the estimate will clearly bring out any deviations from the normal standards in respect of the quantities as well as specifications so that these deviations could be examined and approved at the appropriate levels. A copy of the instructions issued is enclosed for information.

[P. & T. Board, O.M. No. 39-5/70-TPL (CX) | Vol. II, dated 2-11-1972].

BHARTIYA DAK TAR VIBHAG
OFFICE OF THE DAK TAR MAHANIDESHAK,
NEW DELHI

No. 39-5/70-TPL (CX).

Dated at New Delhi, 23rd August, 1972.

To

All Heads of Circles.

SUBJECT:—Checking of Estimates.

It has been noticed that in one of the detailed estimates sanctioned, provision was made for use of R.C.C. troughs in lieu of bricks

which are normally authorised to be used in built up areas. The officers who checked up and sanctioned this estimate accepted the provision of this item on the basis of the justification given in the estimates, but they did not clearly bring out in their notes the fact that the use of troughs was not according to the standing departmental instructions on the subject. The public Accounts Committee has taken a serious view of this lapse and have emphasised that proper care should be exercised in checking the detailed estimates.

All the officers who are concerned with the examination and sanctioning of detailed estimates may ensure that each detailed estimate is checked in respect of various provisions made against standards/standing instructions. The examination of the estimate should clearly bring out the provisions that are not according to standards/standing instructions.

These instruction may be brought to the notice of all the concerned officers working under your control.

Receipt of this letter may be acknowledged.

Deputy Director General (L).

Copy to:—

1. DDG (S)/DDG (L)/C. E. Civil with spare copies for S. Es.
2. Dir (FI)/Dir (SL)/Dir (MMD)/Dir (MMC)/Dir (MMS)/Dir (FA II)/Dir (B)/DIR (X)/DIR (CP)/Dir (TX)/Dir (RD)/DIR (L)/Dir (XP).
3. ALG (EA)/ADG (EE)/ADG (EC)/ADG (BG)/ADG (BT)/ADG (XC)/ADG (XT)/ADG (XF)/ADG (XP)/ADG (UPC)/ADG (CPI)/ADG (CP-2)/ADG (EL)/ADG (CX)/ADG (TX)/ADG (UHF)/ADG (ME)/ADG (TP)/ADG (TL)/ADG (P)/ALG (KK)/ADG (TKS)/ADG (TF)/ADG (MT)/ADG (JT)/ADG (CT)/ADG (CE)/ADG (EL)/ADG (ST)/ADG (SE).

Recommendation

The Committee note that as a result of the introduction of semi-mechanisation at Jabalpur in 1968, a saving of roughly Rs. 8 lakhs could be effected in one year and the consumption of zinc had come down from 136.72 Kgs. in 1967-68 to 126.93 Kgs. per 100 sq. meters in 1970-71. It is unfortunate that the electrical hoists installed at Calcutta workshop could not be effectively utilised because of the

unsuitability of shed. The Committee understand that construction of a new shed would take two years. They would like to know why there was no advance planning to ensure suitable accommodation before the machines were received.

[S. No. 26 of Appendix VI to Forty-sixth Report (Para 1.149)].

Action Taken

At the initial stage, electrical hoists installed in the Telecom. Factory, Calcutta, could be used only for smaller items but not for dipping and lifting of channels of 7 feet length out of the bath due to insufficient height of the shed as unfortunately this was not foreseen. Subsequently, a modified process was devised to enable dipping to be carried out within the available height and the electric hoists are being effectively utilised thereafter for all materials for galvanising.

[P. & T. Board, O.M. No. 39-5/70-TPL(CX)/Vol. II, dated 23-12-1972].

Recommendation

This is a glaring example of absence of control over production and inventory culminating in accumulation of 1.70 lakhs channel iron brackets worth Rs. 35.76 lakhs. No basis for the production of these items in the telecom factories could be brought out by the Department. It is strange that no acceptable method of forecasting requirements has been evolved so far. There was no review of production schedule fixed to relate it to actual demand. The stock in hand was not taken into account while fixing the production schedule. Further the Department did not take into consideration the change in technology on account of increasing use of microwave links/coaxial cables resulting in fall in the offtake of this store. While the Committee note that a team of consultants have been appointed to suggest a realistic method of forecasting requirements of various items, they desire that all the foregoing lapses should be investigated and appropriate action taken.

[Sl. No. 34 of Appendix VI to Forty-sixth Report, 5th Lok Sabha (Para 1.92)].

Action taken

The Chief Controller of Telegraph Stores had been placing his requirements on Telecom. Factories after taking into account stock

balance, utilisation in the preceding 3 years expected supplies and other relevant factors. The requirements had to be revised as a result of the issue being considered in successive meetings of Managers, Telecom Factories. This had been done to keep the manpower in the concerned shops of factories fully engaged and to meet the requirements that were likely to come up as a result of development plans. Investigations have been carried out, but at this far off stage there is no record available to show as to how exactly the quantities of Channel Iron Brackets to be manufactured were arrived at.

The Administrative Staff College were appointed as Consultants to recommend a suitable method of estimating the requirements. Their recommendations about the forecasting of requirements of stores taking into account the change in technology have been accepted and are being implemented. According to the recommended procedure the pending orders, available stock and likely requirements for the future will be regularly reviewed and quantities to be ordered on the Telecom. Factories will henceforth be decided in consultation with the Planning Branch of the Directorate. This will avoid possibility of excess orders due to change in technology.

[P. & T. Board O.M. No. 29-14/70-NA|MMS dated 23-12-72].

Recommendation

In view of the experience in this case the Committee desire that there should be a review of production pattern in all the telecom factories and inventory of various items held by the Department taking into account the change in technology to find out alternative use for the items rendered obsolete and to change the pattern of production with such modifications as are necessary. This should receive priority as the Department have already adopted improved technology in various spheres.

[Sl. No. 36 of Appendix VI to Forty-sixth Report, 5th Lok Sabha (Para 1.94)].

Action taken

The Administrative Staff College were appointed as Consultants to recommend a suitable method of estimating the requirements.

Their recommendations about the forecasting of requirements of stores taking into account the change in technology have been accepted and are being implemented. According to the recommended procedure the pending orders, available stock and likely requirements for the future will be regularly reviewed and quantities to be ordered on the Telecom. Factories will henceforth be decided in consultation with the Planning Branch of the Directorate. This will avoid the possibility of excess orders due to change in technology.

If inspite of all this, some items do become obsolete, these would be disposed off in one of the manners detailed below:—

1. By using in conjunction with the old pattern equipment already in use in the field.
2. Altering these suitably to make them fully usable.
3. Dispose off to the best advantage of the Department.

[P. & T. Board O.M. No. 29-14/70-NA|MMS dated 23-12-72].

Recommendation

The Committee are unable to appreciate delay in obtaining the approval for providing the connections from P.M.G., Bombay. They wish that the procedural bottlenecks and the slackness of the officials in this regard should be gone into with a view to taking appropriate action.

[S. No. 42 of Appendix VI to Forty-sixth Report (Para 1.209) 5th Lok Sabha].

Action taken

All Heads of P&T Circles/Telephone Districts have been instructed to take steps to avoid administrative delays in obtaining the approval of the Heads of Circles/Districts for provision of telex connections and also to take appropriate action to eradicate procedural bottlenecks and slackness in this regard. The Heads of Circles|Districts have been asked to furnish a report indicating the nature of action taken on the above lines. After receipt of replies from them, the matter will be reviewed in the P&T Directorate and further suitable administrative instructions will be issued to all concerned.

[P. & T. Board O.M. No. 49-5/70-TI(ii) dated 21-8-72].

Recommendation

Admittedly there was no review from time to time during the entire three year period of 1965-68 to correlate the manufacture of

components of tubular masts with the changing demands. In view of the fact that the indent was placed on a priority basis this lack of co-ordination between the indenting divisions, stores branch and the production unit needs investigation.

[S. No. 50 of Appendix VI to Forty-sixth Report 5th Lok Sabha .
(Para 1.250].

Action taken

The organisation in the Department for assessing the requirement of Stores, placing orders on the manufacturing units and co-ordinating between the indenting and procuring units as prevalent in the period under examination was not satisfactory. With a view to improving the position, the Administrative Staff College of India was appointed as Consultants. The recommendations of the Consultants are now under examination and implementation. It is expected that the lack of co-ordination as observed by the P.A.C. will be overcome with the implementation of their recommendations.

[P. & T. Board O.M. No. 4-49/68-WTI/dt. 3-8-72].

CHAPTER V

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

Recommendation

The implication of delay in this case is that the cost of the project is bound to go up with the rise in prices besides a loss of profit of Rs. 197 lakhs per annum which would have accrued. The Committee would like to know the exact increase in cost of cables after the tenders have been finalised.

[Sl. No. 2 of Appendix VI to Forty-sixth Report 5th Lok Sabha (Para 1.18)].

Action taken

The exact increase in the cost of cables will be known only after the two tenders for the import of Coaxial Cables for this route are finalised. The information will be conveyed to P.A.C. as soon as the orders are placed against these tenders.

[P. & T. Board O.M. No. 39-5/70 TPL (CX) Vol. II/2 dated 25-10-72].

Recommendation

The Committee have earlier indicated lack of control in the implementation of the coaxial projects. They are disturbed to find a number of serious irregularities and alleged fraudulent practices in the execution of work relating to the Hyderabad-Vijayawada section of the coaxial project. The suspects in these cases are a Director of Telegraph and two Assistant Engineers of the Department. The extra expenditure in some of these cases amounted to Rs. 7.25 lakhs. The Committee feel that apart from handing over the cases to the CBI, the Department could have taken steps to investigate the procedural lacunae for appropriate remedial action. They would, however, like to know the outcome of the CBI investigation which is stated to have been completed. The Committee would further like the P&T Department to review critically the preparation, sanction and execution of coaxial cables so as to obviate recurrence of irregularities which have come to notice in this case. The Committee would like to be informed of the action taken.

[Sl. No. 4 of Appendix VI to Forty-sixth Report 5th Lok Sabha (Para 1.46)].

Action Taken

Based upon the report of General Manager (Projects), Madras, a preliminary enquiry was conducted by DDG (Vigilance) into the alleged fraudulent practices in the execution of Hyderabad-Vijayawada coaxial project by a Director of Telegraphs and two Assistant Engineers. As there appeared to be *prima facie* case, the matter was handed over to Special Police Establishment for detailed investigations. The report of the S.P.E. has since been received with recommendation for regular departmental action. The case has been referred to the Central Vigilance Committee for advice. All the allegations like purchase of land at Tadepalligudam without resorting to Land Acquisition Act and without availing of the lowest offer, the employment of excessive labour and payment at rates higher than those approved for the same classes of labour in those places by a P&T Circle; placement of order for the supply of Cuddapah slabs for use in rural areas when the polythene tape was actually available; purchase of excessive quantities of G.I. Pipes and the acceptance of joint protection boxes which are not in accordance with the specifications, may be ascribed to *mala fide* action of a few officers. For all these purchases, definite set procedures have been laid down and it is felt that there is no procedural lacuna in the existing rules. Such mal-practices have not been observed to have occurred into other coaxial projects throughout the country so far.

2. The present procedure for the preparation, sanction and execution of Coaxial Cable Projects is as below:—

A Memo for the Expenditure Finance Committee for the new Coaxial Scheme is prepared by the Planning Branch in the Office of the Director General, Posts and Telegraphs based upon the available traffic data and the preliminary route survey. After the sanction of the E.F.C. Memo the detailed route survey is carried out. Based upon the detailed survey, project estimate is prepared by the Director, Coaxial Cable Project, who is in-charge of the execution of the Scheme, and submitted to D.G.P&T for sanction. The project estimate is checked up in detail in the Planning Branch, corrected wherever considered necessary and put up to Finance Advice Section for their concurrence in the issue of sanction. The estimate is scrutinised in detail by Finance Advice Section before conveying their concurrence in the issue of sanction. For each component of work, a detailed estimate is prepared by D.E.T./Director, Coaxial Project and submitted to the competent authority for sanction. As per the present financial powers, all detailed estimates costing more

than Rs. 10 lakhs are sanctioned in the D.G.P&T with the concurrence of Finance. The detailed estimates are also scrutinised thoroughly in the Planning Branch as well as by Finance Advice Section before issue of sanction. The above procedure has stood the test of time.

[P&T Board O.M. No. 39-5/70-TPL (CX) Vol. II/4 dt. 25-10-1972].

Recommendation

The Committee are concerned to note a series of lapses in connection with getting the telephone directory printed by the Punjab Circle of P&T Department through a private press which resulted in an extra payment of Rs. 0.70 lakh on four issues October 1964 to March 1967. The Committee desire that responsibility should be fixed for various lapses as dealt with below.

The exact implication of the entry "per 500 Rs. 3" found in the tender of the printers in addition to "per 35000 copies per page Rs. 29" went unconsidered at all stages of scrutiny both in the circle office and the office of the Chief Controller of Printing and Stationery, when it was decided to accept the tender subject to payment in excess of 35000 copies on *pro rata* basis. The printers claimed payment for every additional 500 copies at an additional rate of Rs. 3 per page and these were paid without proper scrutiny. The number of copies of the four issues printed were respectively 39,500, 42,500, 45,500 and 50,400. The rate payment per page was Rs. 56, Rs. 74, Rs. 92 and Rs. 122 as against the *pro rata* rate of Rs. 37.73, Rs. 35.71, Rs. 37.70 and Rs. 41.76 respectively. The Committee were informed that the words "per 35,000 copies" and "per 500 copies" formed part of the cyclostyled proforma supplied by the P.M.G., Ambala, while calling for tenders. The intension of the Department in providing a column "per 500 copies" may be reported to the Committee.

[S. Nos. 6 & 7 Appendix VI, Forty-sixth Report, 5th Lok Sabha (Paras 1.78 & 1.79)].

Action Taken

An extract of the Departmental proforma relating to the portion for printing which was supplied to the tenderer and the quotations as submitted by the tenderer in that proforma are enclosed herewith. A perusal of these forms will clarify the position.

It may be seen from the copy of the form of quotations at annexure "A" that the department invited quotations for printing works under the following six headings:—

1. Directory—per 35,000 copies/pages.
2. Numerical Index—per 500 copies/pages.
3. Supplementary directory—per 30,000 copies/pages.
4. Service directory—per 500 copies/pages.
5. Circular cards—per 10,000 copies/pages.
6. Subs. letters—per 10,000 copies/pages.

There was however some typographical errors in the cyclostyled forms of quotation supplied to the tenderers, e.g., "per 3,500 copies| pages" for "35,000 copies/pages" under the column "Directory" and this mistake went unnoticed. Similarly the number of Directories under column "Numerical Index" was incorrectly shown. This mistake was however detected and corrected by deleting the number of copies typed earlier and by adding the words "per 500" just on the left hand side of the deleted entry.

From the annexure 'B', it may be seen that the tenderer corrected the entry under column "Director" to "35,000" instead of "3,500" and quoted rate under this column. They also quoted rates under words "per 500" and separate rate under Numerical Index by adding word "30,000" just on the deleted portion.

This was unfortunately not detected at the time of examination of tender quotations either by the Circle office or by the C.C.P. & S.

Necessary action to fix responsibility for various lapses is being taken in the matter and a final report will be sent on completion of action.

[P&T Board O.M. No. 27-4/72-PHB (28) dated Jan. 1973].

ANNEXURE 'A'

Extract from form of Quotation

M/s. Job Press, Kanpur.

S. No.	Item	Directory	Numerical index	Supplementary directory	Service Directory	Circular cards	Subs. letters	Remarks
XX	Printing	XX	Per 35000 copies/page	Per 5000 copies/page	XX	Per 30000 copies/page	XXX	XX
XXX		XX		XX		Per 500 copies/page	Per 10000 copies/page	Per 10000 copies/page

ANNEXURE 'B'

Extract from form of Quotation

M/s. Job Press, Kanpur.

S.No.	Item	Directory	Numerical index	Supplementary directory	Service directory	Circular cards	Subs. letters	Remarks
2.	XX Printing	XXX Itd per 35000 copies per page Rs. 29/-	Itd Per 30000 copies/ 500 page Rs. 3/- Rs. 25/-	XXXX 30000 copies/ pages Rs. 25/-	XXXX	Per 500 copies/ page Rs. 3/- Itd	Per 10000 copies/ page Rs. 10/-	XXXX Per 10000 copies/ page Rs. 10/-
		XXX		XXXX	XXXX		XXXXX	

Recommendation

The Committee are unable to agree that the concurrence of associated Finance was a mere formality which was given in this case without even having a look at the rates. The Committee would, however, like to know why the tender was neither sent to nor called for by the Associated Finance (P&T Board). In view of the experience in this case the Committee wish that there should be proper scrutiny of tenders referred to associated Finance before concurrence is accorded.

[Sl. No. 9 of Appendix VI Forty Sixth Report V Lok Sabha (Para 1.81)]

Action taken

The P&T Board is examining the case. A final report will be submitted as soon as the case is finalised.

[P & T Board O.M. No. 27-4/72-PHB dated 1-12-1972]

Recommendation

The extra payment in this case came to light only when the fourth bill was referred to the CCPS although the reference was not necessary. The Committee would like Government to examine how the first three bills were passed without proper scrutiny and whether there was any *malafide* intention.

[Sl. No. 11 of Appendix VI Forty Sixth Report V Lok Sabha (Para 1.83)]

Action taken

As already explained to the PAC, the payment of the first three bills was not referred to Chief Controller of Printing and Stationery as it was not necessary according to the rules. The fourth bill, however, happened to be referred to the Chief Controller of Printing and Stationery because the Head Clerk in charge of Directory Section of the Circle Office was new to the job and did not know the ruling and made the reference to the Chief Controller of Printing and Stationery according to practice in vogue a few years earlier. The Postmaster General, Ambala, has however, been sent copies of the PAC observations for further necessary action.

[P&T Board O.M. No. 27-4/72-PHB Dated 31-10-72]

Recommendation

The Committee do not appreciate the continuance of the arrangement with the printer for the Subsequent issues although the CCPS approved the rates only for one issue. They would like to know why action was not taken at any stage to call for fresh tenders specially when the original order was placed on the basis of a single quotation.

[Sl. No. 13 of Appendix VI to Forty Sixth Report V Lok Sabha
(Para 1.84)]

Action taken

The Postmaster General, Ambala had continued printing of subsequent issues through the same press with the approval of the Chief Controller of Printing and Stationery every year since the original tender was accepted only for one issue on the advice of C.C.P.S. The exact difficulties coming in the way of terminating the contract after issue of first directory are not clear from the available records. Postmaster General, Ambala has been informed of the PAC's observation for further investigation.

[P & T Board O.M. No. 27-4/72-PHB Dated 31-10-72]

Recommendation

From the foregoing, the Committee are convinced that there is a case for detailed investigation to establish whether all the mistakes| lapses were *bona fide*.

[Sl. No. 12 of Appendix VI to Forty Sixth Report V Lok Sabha
(Para 1.85)]

Action taken

After detailed investigation only it can be ascertained whether the lapses were *bona fide*. In the meantime, the case has also been referred to Vigilance Section of the Directorate for examining from Vigilance angle.

[P & T Board O.M. No. 27-4/72-PHB Dated 31-10-72]

Recommendation

The cost of printing directories in all the circles|districts and administrative cost are of the order of Rs. 22 lakhs and Rs. 10 lakhs respectively. The Committee deem it desirable to get the directo-

ries printed in Government Presses on a regular basis to cut down administrative cost and delay in entering into contracts for each issue. They would accordingly suggest that capacity of Government Presses should be suitably augmented before long. The Committee understand that a sum of Rs. 2 crores has already been allotted for this purpose during Fourth Plan. In this connection the Committee would like to refer to their Forty-First Report (Fifth Lok Sabha) wherein they have commented on the inadequate utilisation of the existing capacity of Government of India Presses.

[Sl. No. 15 of Appendix VI to Forty-sixth Report, 5th Lok Sabha
(Para 1.87)]

Action Taken

The observation of the PAC has been communicated to the Government of India Press who are looking into the matter.

[P & T Board O.M. No. 27-4/72-PHB Dated 31-10-72]

Recommendation

After examining this case the Committee have come to the conclusion that unusual interest was shown to somehow entrust the job to firm 'B' which cost the Department extra expenditure of Rs. 30,000. The Committee note that the officer who was responsible for certain failures had been warned to be more careful in future. They, however, desire that the case should be examined from the vigilance angle.

[Sl. No. 16 of Appendix VI to Forty-sixth Report, 5th Lok Sabha
(Para 1.96)]

Action Taken

The case is being examined by the Vigilance Section of the Directorate from the Vigilance point of view. A final report will be sent on completion of action.

[P & T Board O.M. No. 27-4/72-PHB Dated 31-10-72]

Recommendation

The Committee find that the relative position of tenders of firms 'A' and 'B' was misrepresented to the D.G.P. & T. by omitting the cost of composing (Rs. 5498) from the rates of firm 'B'. The Com-

mittee fail to understand how this mistake was not detected in the Directorate. The responsibility in this regard, therefore, needs to be fixed.

[SI. No. 17 of Appendix VI to Forty-sixth Report, 5th Lok Sabha (Para 1.97).]

Action Taken

Action to fix responsibility is in progress.

[P & T Board O.M. No. 27-4/72-PHB Dated 31-10-72]

Recommendation

The Committee had in their 40th Report (Fourth Lok Sabha) suggested that the Department should lay down precise guidelines for determining priorities for allocation of additional lines keeping in view the number on the waiting list and the duration of waiting. No action has yet been taken in this regard and apportionment between OYT and non-OYT category has been laid down on *ad-hoc* basis as 70:30 and 50:50 in the case of stations where OYT scheme was introduced prior to and after 1st January 1968 respectively. The Committee note that out of the total waiting list of 3.10 lakhs, 2.24 lakhs pertained to non-OYT and that the period of waiting is much more in this category. The Department of Communications has promised to consider the matter for the issue of suitable guidelines. The Committee hope that this will be done early with a view to attaining equitable consumer satisfaction.

[SI. No. 24 of Appendix VI to Forty-sixth Report, 5th Lok Sabha (Para 1.120).]

Action Taken

The practice followed in allotment of equipment has been to cover the total pending demand on a particular date. For example, the allotment made in 1973-74 has generally covered the total demands upto March 1972 for Telephone Districts and March 1973 for other main automatic exchange station in view of the limited supplies.

2. The matter relating to appropriation of available capacity was re-considered by the P&T Board in July, 1971 taking into view the following considerations:—

(a) The requirement of capital funds and the necessity for the Department to give priority to OYT applicants to procure such funds through OYT scheme;

- (b) Necessity to meet requirements of applicants of special category;
- (c) Necessity to meet atleast limited demand under General Waiting List.

3. After careful consideration of the aspects mentioned above and after balancing the various factors, it was decided by the P&T Board to modify the previous policy of apportionment of available capacity as follows with effect from 10th August 1971:—

Category	Telephone Systems of 10,000 lines and above	Telephone systems of 1000 lines and above but below 10,000 lines	Telephone systems of below 1000 lines
OYT . . .	70%	50%	OYT demands will be met out of spare capacity on highest priority.
Special . . .	15%	20	20% of balance available capacity after Providing OYT connection.
General . . .	15%	30	80

4. The policy of allocation of telephone lines according to number and period of waiting is, however, now under active examination.

[P & T Board O.M. No. 9-2/72-PHA Dated 30th November, 1972]

Action Taken

The Committee regret that no standards had been laid down for the consumption of zinc in the galvanising shops although the process started about 50 years ago. To what extent has there been no control over consumption can be seen from the succeeding paragraphs. The Committee have stressed in their 13th Report (Fourth Lok Sabha) the need to evolve standard norms for both material and labour with a view to having an effective control over the cost of production of different items in the workshops. According to the Department norms could not be enforced in the absence of any effective control procedures. A study of the zinc galvanising plants is expected to be undertaken shortly and the representative of the Department promised to have consultations with statistical quality control unit and the metallurgical Laboratory at Jamshedpur to lay down certain control procedures by which the zinc consumed could be reduced. The Committee wish to emphasise that there should be

no further delay in evolving and enforcing the norms specially as semi-mechanisation has already been introduced at Jabalpur and Calcutta factories.

[S. No. 25 of Appendix VI to Forty-sixth Report, 5th Lok Sabha (Para 1.148)].

Action Taken

A study Team consisting of officers of the Telecom Factories Organisation was appointed with the following terms of reference:—

- (i) Optimum material handling procedures,
- (ii) Control of net zinc consumption; and
- (iii) Control of dross.

The Study Team after inspecting the processes in the Telecom Factories and after consultations with the National Metallurgical Laboratory, Jamshedpur and others have recommended some short term and some long term measures to be adopted in the Galvanising shops of Calcutta and Jabalpur factories for control of net zinc consumption and control of dross as well as for material handling. These recommendations are being implemented in the Telecom Factories. The norms for consumption of zinc will be fixed and enforced as soon as the measures recommended by the Study Team are adopted.

[P & T Board O.M. No. 15-3|72-TF|I Dated 3-10-72]

NEW DELHI;
January 27, 1973.

Magha 7, 1894 (S).

ERA SEZHIYAN,
Chairman,
Public Accounts Committee.

APPENDIX

Summary of main conclusions | recommendations

S. No.	Para No.	Ministry/Dept. concerned	Conclusions, Recommendations			
			1	2	3	4
1	1.4	P&T Board	The Committee hope that final replies in regard to the recommendations to which only interim replies have so far been furnished will be submitted to them expeditiously after getting them vetted by Audit.			
2	1.8	—do—	As regards the outcome of the investigation into the serious irregularities and alleged fraudulent practices in the execution of the work relating to the Hyderabad-Vijayawada section of the coaxial project, the P&T Board have intimated that the report of the S.P.E. has since been received with recommendation for regular departmental action and that the case has been referred to the Central Vigilance Committee for advice. The Committee desire to impress on the department the need to process the cases expeditiously for appropriate disciplinary action.			
3	1.11	—do—	The Committee had desired that responsibility should be fixed for the failure to properly check the estimates which provided for RCC troughs as protective covers for the cables to be laid in town			

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areas, although only warning bricks or stone slabs were to be used as per the departmental rules. In reply, the P & T Board have stated that it is inferred that the provisions were allowed to be retained in the estimate after due consideration and that there was, however, no noting in the file to show that the deviation was actually considered and then allowed to remain. Although suitable instructions have been issued for proper checking of estimates in future the Committee would reiterate that the responsibility for not clearly bringing out the deviations in the estimates should be fixed in this case.

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P&T Board

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The Committee had emphasised the need for investigations with a view to taking suitable disciplinary action for the lapses in connection with getting the telephone directory printed by the Punjab Circle of P & T Department through a private press. The P & T Board have only furnished interim replies even as late as in January, 1973, although the Report was presented in April, 1972. The case is stated to have been referred to Vigilance Section of the Directorate for examination from vigilance angle. While the Committee would await outcome they wish to observe that the Department should have taken disciplinary action in such cases without delay and informed the Committee within six months.

The Committee had deemed it desirable to get the directories printed in Government presses on a regular basis to cut down admin-

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istrative cost and delay in entering into contracts for each issue and suggested that the capacity of Government Presses should be suitably augmented before long. The observations of the Committee are stated to have been communicated to the Government of India Press who are looking into the matter. The Committee would like to know the outcome.

—do—

The Committee had been repeatedly suggesting that the Department should lay down precise guidelines for determining priorities for allocation of additional telephone lines keeping in view the number on the waiting list and the duration of waiting. Although the Secretary, Department of Communications, promised to consider the matter for the issue of suitable guidelines, the matter is still stated to be under examination. The Committee recommend that Government should come to a quick decision in order to attain equitable consumer satisfaction.

—do—

In reply to the Committee's query as to why there was no advance planning to ensure suitable accommodation before the electrical hoists were received in the galvanising shop of the Telecommunication factory at Calcutta, the Department have stated that the exact requirements were not unfortunately foreseen. As there has been a clear lack of planning, the Committee desire that responsibility should be fixed.

6 1.20

—do—

The Committee had dealt with the unusually high consumption of zinc in the galvanising shop at Jabalpur factory during 1968-69 which needed careful investigation. The investigation conducted has,

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inter alia revealed a number of lapses. The Committee would like the Department to take suitable action against those found responsible. The action taken may be reported to the Committee.

9 1.29 P&T Board

Dealing with the case of heavy accumulation of inventory, the Committee had desired that the lapses pointed out by them should be investigated and appropriate action taken. The P & T Board have stated that investigations have been carried out, but at this far off stage there is no record available to show as to how exactly the quantities manufactured were arrived at. As the Committee had dealt with the manufacture during the period 1966-67 to 1969-70, it is surprising how the records for even 5 years are not stated to be available. They hope that the records would be traced and suitable action taken early.

10 1.32 —do—

The Committee had desired that there should be a review of production pattern in all the telecommunication factories and inventory of various items held by the Department taking into account the change in technology to find out alternative use for the items rendered obsolete and to utilise the plants and machineries with such modifications as are necessary. The reply furnished by the Department does not meet the point. The Committee therefore wish to reiterate that such a review should be undertaken without further delay and the results intimated to them.

II 1.35

—Do—

The Committee had wished that the slackness of the officials responsible for the delay in obtaining the approval for providing the telex connection from the P.M.G., Bombay, should be gone into with a view to taking appropriate action. The Department have merely issued general instructions to avoid such delays. The Committee therefore reiterate that the specific lapse in this case should be gone into. They would also like to know the result.