

**PUBLIC ACCOUNTS COMMITTEE**  
**(1975-76)**

(FIFTH LOK SABHA)

**HUNDRED AND EIGHTY-NINTH REPORT**

**MINISTRY OF COMMUNICATIONS**  
**[ P & T BOARD ]**

**[Action taken by Government on the recommendations of the Public Accounts Committee contained in their 145th Report (Fifth Lok Sabha) on Posts and Telegraphs.]**



**LOK SABHA SECRETARIAT**  
**NEW DELHI**

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## PUBLIC ACCOUNTS COMMITTEE

(1975-76)

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21. Dr. K. Mathew Kurian
22. Shri Rabi Ray.

### SECRETARIAT

Shri H. G. Paranjape—*Chief Financial Committee Officer.*

Shri N. Sunder Rajan—*Senior Financial Committee Officer.*

## INTRODUCTION

I, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Hundred and Eighty-ninth Report on the action taken by Government on the recommendations of the Public Accounts Committee contained in their Hundred and Forty-fifth Report (Fifth Lok Sabha) on Posts and Telegraphs.

2. On the 3rd June, 1975, an Action Taken Sub-Committee consisting of the following Members was appointed to scrutinise the replies from Government in their earlier Reports:

Shri H. N. Mukerjee— <i>Chairman</i>	}	<i>Members</i>
Shri V. B. Raju— <i>Convener</i>		
Shri Priya Ranjan Das Munshi		
Shri Darbara Singh		
Shri N. K. Sanghi		
Shri Rabi Ray		
Shri Raja Kulkarni		
Dr. K. Mathew Kurian		

3. The Action Taken Sub-Committee of the Public Accounts Committee (1975-76) considered and adopted this Report at their sitting held on the 25th November, 1975. The Report was finally adopted by the P.A.C. on the 17th December, 1975.

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;  
December 17, 1975.

—  
Agrahayana 26, 1897 (S.)

H. N. MUKERJEE,  
*Chairman,*  
*Public Accounts Committee.*

## CHAPTER I

### REPORT

1.1. This Report of the Committee deals with the action taken by Government on the recommendations/observations of the Committee contained in their 145th Report (Fifth Lok Sabha) on the paragraphs included in the Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Posts and Telegraphs), which was presented to the Lok Sabha on 18th April, 1975.

1.2. Action Taken Notes on all the 68 recommendations/observations contained in the Report have been received from Government.

1.3. The Notes indicating the action taken on the recommendations of the Committee have been categorised as follows:

- (i) Recommendations/observations which have been accepted by Government.

Sl. Nos. 1, 2, 3, 4, 5, 6, 8, 9, 10, 11; 12; 13; 14; 15; 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, 34; 35; 41; 43; 44; 47, 48, 49, 50, 52, 53, 54, 56, 57, 58, 59, 60; 61; 62; 65; 66; 67 and 68.

- (ii) Recommendations/observations which the Committee do not desire to pursue in the light of the replies of Government.

Sl. Nos: 16, 29, 32, 33, 36, 45, 51, 63 and 64.

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

Sl. Nos: 31, 37, and 38.

- (iv) Recommendations/observations in respect of which Government have furnished interim replies.

Sl. Nos: 7, 39, 40, 42, 46 and 55.

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

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

*Delays in the recovery of rent and other dues (Paragraphs 1.16 1.18 and 1.20—Sl. Nos. 4, 6 and 8).*

1.6. Dealing with the delay of several years in the recovery of rent and other dues for works executed on behalf of other Government departments, the Committee, in paragraphs 1.16, 1.18 and 1.20, had, *inter alia*, observed:

“1.16. The Committee are constrained to observe that the delay in the recovery of rent for several years by the P&T Department is inexcusable. Delayed recovery of rent from the concerned exchanges has resulted in the loss of revenue to the P & T Department by way of interest. The Committee would like the Department to probe the reasons for delay in the issue of bills in each case and take steps designed to prevent recurrence of such delays.”

“1.18. The Committee cannot help thinking that there was in fact no system in the P & T Department for keeping a watch over recovery of rent other dues for works carried out for other departments. It has been stated in the written statement of the Ministry that ‘remedial measures have been taken and necessary registers have been introduced to avoid recurrence of such cases’. It is regrettable that the P & T Department did not consider it necessary to devise earlier a foolproof system for keeping a watch over the recovery of rent and compensation. The Committee would like to have, in due course, a detailed note from the Ministry about the impact of the new measures now adopted for avoiding delays in rent recoveries.”

“1.20. Since mere test audit has revealed such lapses, as above, the Committee are apprehensive that similar or worse state of affairs might be prevailing in regard to private subscribers, especially the bigger and more influential ones. The Committee would accordingly suggest that the Ministry of Communications (P & T Board) may carry out similar checks more frequently.”



1.7. In their Action Taken Notes dated respectively 31st July, 1975 and 25th June, 1975, the Ministry of Communications (P & T Board) have stated:

Sl. Nos. 4 & 8

“Out of 14 cases under observation 13 cases related to Defence Department and one to the Canal Administration of Madhya Pradesh Government. No private party was involved. In the case of Government Departments prior payment is not the condition for giving service. The claims are subject to correspondence, entailing some delay. Still delays pointed out are indeed unusual. However bills excepting in two cases (still under discussion with concerned Defence authorities) have been issued and payments received/claims accepted.

Because of urgency of Defence works where almost always an element of National security is involved, priority is given to comply with the Defence Circuit requirement first as payment of bills is always assured subject to disputes if any being settled. As regards case of Canal Administration this was a rare case of this type and action for omission for not issuing Advice Note by SDOT is being taken. As regards private parties payment is first obtained before service is given. This rule is strictly applied whether the private party is influential or otherwise.

As regards the recommendations that the Ministry of Communications (P & T Board) may carry out similar checks more frequently, it is stated that system of checks has been strengthened with effect from August, 1974 when an Internal Checks Organisation has been installed in Orissa, Maharashtra, Punjab and U.P. Telecommunications Circles and Delhi and Bombay Telephone Districts. The Scheme is being extended to the remaining Telecommunications Circles/Telephone Districts from June, 1975.

The Duty of the Officers attached to this Organisation is to inspect the Divisional Accounts Unit including TRA Branch twice a year with a view to intensifying checks. Detailed instructions as to how inspection is to be carried out have been prepared and circulated for the guidance of these officers.

In addition to above, a system of executive inspections of TR. Units by Circle I.F.A.'s has also been introduced and for this purpose, a proposal to strengthen TR. Cells at Circle level has already been mooted and is under consideration in this Directorate.

Impact of the above arrangements will be watched for some time to assess adequacy and effectiveness of the measures."

Sl. No. 6:

"Checks already prescribed by the Department unfortunately did not prove adequate in the case of Punjab Circle. Remedial measures against such omissions in future has been introduced *vide* instructions issued to the Circles| Districts. (The instructions, a copy of which was furnished to the Committee by the P & T Board, are reproduced at Appendix I)."

1.8. The Committee observe that the Telecommunication department has been strengthened, as from August 1974, with the establishment of Internal Checks organisation in the Telecommunication Circles in Orissa, Maharashtra, Punjab and Uttar Pradesh and the Telephone Districts of Bombay and Delhi, and that the scheme was to be extended to the remaining Circles/Districts from June 1975. Detailed instructions on the conduct of inspections by the Organisation are also stated to have been issued. In addition, a system of executive inspections of Telecommunication Revenue Units by the Internal Financial Advisers of Circles is also reported to have been introduced and for this purpose, a proposal to strengthen the TR cells at the Circle level is under consideration. The Committee need hardly emphasise the importance of an efficient and effective system of internal checks and controls and hope that with the steps now taken and proposed to be taken, there would be considerable improvement in the recovery of rent and other dues. The Committee would watch with interest the impact of these measures.

1.9. Bills in respect of 12 out of the 14 cases under observation are stated to have been since issued and payments received/claims accepted. The Committee have been informed that the remaining

two cases are still under discussion with the concerned Defence Authorities and would urge Government to settle these cases early.

*Expansion of Jammu Telephone Exchange—Fixation of responsibility for negligence (Paragraphs 1.44 and 1.45—Sl. Nos. 9 and 10).*

1.10. Commenting on the handling of the project for the expansion of the Jammu Telephone Exchange and the 'unimaginative approach' on the part of the Supervisory staff, the Committee, in paragraphs 1.44 and 1.45, had observed:—

"1.44. From what has been pointed out by the Audit and what has been revealed during the course of evidence, the Committee have come to the conclusion that the entire project for the expansion of the Jammu Telephone Exchange from 1200 lines to 2100 lines was badly handled *ab initio*. Firstly the cost of the project was revised from Rs. 17 lakhs to 21.11 lakhs in February, 1971. While the installation of the apparatus and plant commenced in January, 1968 and was completed in August, 1968, the estimate for the laying of cables prepared in April 1967 was not sanctioned till January, 1969. The argument advanced by the representative of the Ministry that the delay of over two years in issuing administrative sanction for the estimate for laying of cables was due to the increase in the cost of the cables necessitating the revision of the project itself is unconvincing. As has been admitted by the Secretary, Ministry of Communications, the delay is both unreasonable and unjustifiable. Although cable laying and jointing were to be completed within six months of the receipt of the materials, the cable laying work, which was started in February 1969, jogged on at a leisurely pace and was completed in 3-1 2 years instead of 6 months earmarked for the purpose.

"1.45. The Committee are also not convinced by the argument that the delay in cable laying was due to the non-availability of the labour indented for from the employment exchange. In the opinion of the Committee, there is no dearth of labour in the country. They fail to under-

stand why the Officer-in-charge of the project, who was aware beforehand about the arrival of the cables, did not take anticipatory action and contact the employment exchange personally to obtain the requisite labour so that the work of cable laying could start as soon as the cables arrived. As a result of this unimaginative approach on the part of the supervisory staff bordering on dereliction of duty cables worth lakhs of rupees remained idle and the public of Jammu, who were clamouring for telephonic facilities, remained without them for about three years. The Committee note that the Secretary, Ministry of Communications has admitted that the officer responsible for the project did not do anything to speed up the work. They would, therefore, urge that the Department should take strong notice of the serious negligence on the part of the officer concerned."

1.11. In their action Taken Note dated 15th July, 1975, the Ministry of Communications (P & T Board) have stated:

"A desired by the Committee, action has been initiated, to fix up the responsibility for not speeding up the project."

1.12. The Committee note that action has been initiated to fix responsibility for not expediting the project for the expansion of Jammu Telephone Exchange. Since a number of instances of delay in the completion of investigation into lapses on the part of officers and in taking appropriate disciplinary action thereafter have come to the notice of the Committee in the past, they desire that the action proposed in this case should be completed soon and all necessary steps taken.

*Probe into the Working of Stores Depots (Paragraph 1.46—Sl. No. 11).*

1.13. Dealing with the delay that had occurred in the procurement and supply of certain components required for the completion of the expansion of the Jammu Telephone Exchange, the Committee, in paragraph 1.46, had observed:

"The Committee find that another contributory factor for the delay in the completion of the project, was non-availability of the cable jointers and distribution point boxes. The Committee fail to understand why no advance action was taken for the posting of additional cable jointers who

were badly needed for jointing work. Even in the matter of supply of distribution point boxes, the project officials have displayed a callousness which it is difficult to condone. An indent for the distribution point boxes was first placed on the New Delhi Depot in May 1967 but the same was returned and the indenter was asked to obtain the supply from the Jammu Depot. The Stores Depot, Jammu, did not supply the items indented for and the Divisional Engineer, Telegraph Jammu was not aware of the fact that the Store Depot Jammu did not possess the items required. The result of all the fruitless exercise in correspondence work has been that the distribution point boxes were not procured till July, 1970 when only a part of the demand was met by local purchase and transfer from other works. The Committee would recommend that a thorough probe into the working of the stores depots, with particular reference to the procedures for stocking and issues as well as the coordination existing between the indentors and the depots be conducted by the Department."

1.14. In their Action Taken Note dated 31st July, 1975, the Ministry of Communications (P&T Board) have stated:

"The cable work was primarily delayed due to non-availability of *mazdoors*; the non-availability of cable jointers and distribution boxes played only a minor part in delaying the progress of work. The work of the store depot has been reorganised and progressive implementation of the recommendations of the consultants viz. the Staff College, Hyderabad is under way. The procedures for stocking and issues as well as for coordination between the indentors and the Stores Depots are now being revamped in line with the materials management scheme proposed by ASCI, consultants."

**1.15. The Committee would urge that the recommendations of the consultants (Administrative Staff College, Hyderabad) for the re-vamping of the procedures for the stocking and issue of stores and for better coordination between the indentors and the store depots, which appear to have been accepted by Government, be implemented quickly. The Committee trust that with these measures, delays that had hitherto occurred in the procurement and supply of materials required for various projects would be minimised, if not altogether eliminated.**

*Rationalisation of Budgetary Procedures (Paragraph 1.176—Sl. No. 31).*

1.16. Dealing with an instance where the actual expenditure incurred on a project was less than its estimated and sanctioned cost, the Committee, in paragraph 1.176, had observed:

“The Telecommunications Development Scheme in Kashmir Valley was sanctioned at an estimated cost of Rs. 30.82 lakhs. The detailed estimates for the works went up to Rs. 33.05 lakhs as a result of the various works executed under this project during June, 1964 and March, 1966. As against this, the total expenditure on the project was Rs. 29.22 lakhs. The Committee note that this is one of the rare occasions where the actual expenditure has been less than the estimated and sanctioned cost of the project. The Ministry will no doubt appreciate that over-estimation of requirements means defective budgeting. The Committee would suggest that budgeting procedure should be rationalised in such a manner that they will facilitate closer estimation of requirements.”

1.17. In their Action Taken Note dated 19th July, 1975, the Ministry of Communications (P&T Board) have stated:

“The suggestion of the Committee regarding rationalising of budgeting procedure has been noted.

**1.18. The Committee are constrained to record their dissatisfaction with the reply furnished by the P & T Board in regard to their suggestion for the rationalisation of budgeting procedure in such a manner as to facilitate closer estimation of requirements. Merely ‘noting’ the suggestions of the Committee would not help improve matters unless these suggestions are closely studied and implemented. The Committee would ask what specific steps have been taken by the P&T Board to rationalise budgetary procedures.**

*Purchase of Air-Conditioning Equipment—Unsuitability of the Standard Form of Contract (Paragraph 1.201—Sl. No. 37).*

1.19. Dealing with an agreement executed for the supply of an air-conditioning plant for a telephone exchange at Rourkela, the Committee, in paragraph 1.201, had, *inter alia*, observed:

“According to the terms of the agreement, the supplier had to carry out three tests during summer, winter and monsoon periods, after the commissioning of the air-conditioning

plant. It is not understood at all why the supplier insisted on conducting only one test instead of three tests on one pretext or the other and the controversy had to be sorted out in March, 1971, after which the supplier agreed to commission the plant by May, 1971. In this respect the P&T Department have come out in poor colour. Firstly, they failed to provide power and water supply to the air-conditioning plant, the result of which was that the supplying firm made use of the delay in asking for a reduction in the test cycle. It is a matter of concern that this particular firm should stall the commissioning of the air-conditioning plant on the ground that the insulation was not according to the specifications when it was clearly provided in the contract that the exposed roof should be insulated with 40 millimetre thick thermocole or equivalent insulation. The Committee note that the firm eventually agreed to installation of the plant without thermocole insulation and hence the stance that they adopted originally in regard to inadequacy of the insulation is most reprehensible. The Committee would like to impress that, before awarding contracts to any firm, the P&T Department as well as the Director General of Supplies & Disposals should thoroughly scrutinise the antecedents of the contracting firm, including its record of performance in regard to earlier contracts. In this connection, the Committee would like to point out that the standard contract form in use in the Department of Supply for purchase of equipments, etc. is wholly unsuitable in regard to the purchase of air-conditioning machines. According to the terms of the contract at present in vogue, in cases of delay in delivery at site for any reason, for which the purchaser is responsible, 5 per cent of the contract price of the plant would become payable after the expiry of four months. It is a matter of common knowledge that in the matter of air-conditioning machines, a period of four months is not sufficient to test their performance and it would require a period of at least 12 months to complete the cycle of tests in summer, monsoon and winter seasons. The Committee hope that the Department concerned would take early action to revise the existing contract form in so far as the purchase of air-conditioning machines is concerned."

1.20. In their Action Taken Note dated 18th July 1975, the Ministry of Communications (P&T Board) have stated:

“Recommendations have been noted and brought to the notice of the DGS&D and the departmental agencies for necessary action.

**1.21. The Committee note that their suggestion for the revision of the existing standard contract form in so far as it relates to the purchase of airconditioning plants and machines has been brought to the notice of the Directorate General, Supplies and Disposals and the departmental agencies for necessary action. The Committee would like to know if specific action has been taken by the DGS&D and hether the form of contract has since been revised by that organisation.**

*Delay in Placing order for Electronic Filter Paragraph 1.202—Sl. No. 38).*

1.22. With reference to certain failures and lapses in the execution of the project for the installation of a telephone exchange at Rourkela, the Committee, in paragraph 1.202, had observed:

“The Committee have already noted that there was a failure on the part of the P&T Department in providing power and water, and this lapse has also been admitted by the Secretary, Ministry of Communications. They, however, regret to note that there has been further failure in the matter of provision of spring loaded door closers which the firm wanted to be completed before the plant was commissioned. It is also regrettable that there was an omission in placing the order for the electronic filter in time which resulted in extra expenditure of Rs. 9880. The Committee understand that responsibility for this lapse is being fixed.”

1.23. In their Action Taken Note dated 18th July, 1975, the Ministry of Communications (P&T Board) have stated:

“Suitable action is being taken in this regard.”

**1.24. The Committee learn that ‘suitable action’ is being taken by the P&T Board in regard to their observations contained in paragraph 1.202 of the 145th Report (Fifth Lok Sabha) relating to certain failures and lapses in the installation of a telephone exchange at Rourkela. The Committee find this reply rather vague and desire a more concrete response indicating the precise action taken in this regard. As early as July 1974, the Committee had been informed that responsibility for the omission in placing the order for the electronic filter in time was being fixed. The Committee trust that this issue has been finalised and wish to know the latest position.**



*Non-availability of records relating to the procurement of copper weld wires (Paragraph 1.210—Sl. No. 39)*

**1.25. Commenting on the delay of nine years in completing the work of retransposition of the existing telegraph alignment and erection of a new pair of wires between Suratgarh and Sriganganagar, the Committee, in paragraph 1.210, recommended:**

“The Committee are distressed to note that a scheme for retransposition of existing telegraph alignment and also for erection of a new pair of wires between Suratgarh and Sriganganagar in Jodhpur telegraph engineering division of the Rajasthan Circle was sanctioned on top priority basis in July, 1965 but the work was not completed until 30-4-1974, i.e. after about 9 years. The delay in the completion of the project is said to be due to the non-availability of copper weld wires, an imported item. The Committee fail to understand how a top-priority project could be sanctioned without making certain that essential components would be available on time. It is regrettable that information on status of procurement of copper weld wire in the year 1965 and earlier period is not readily traceable. While copper weld wires were in short supply, fresh stores continued to be supplied for the project. The explanation of the Ministry of Communications that “copper weld wire to the extent of 4999 kgs. was received in October, 1965 and the field authorities seem to have anticipated that the remaining portion of the wire along with other items may be supplied in time” is not wholly convincing. While stores for the completion of the project were received between November, 1967 and March 1968, certain items like U-backs, BJ coils etc. were transferred in December, 1968 and October, 1970 to other urgent works. These had to be reindented on 25-5-1972 but the supply could only be made by diversion from other works to complete this work which was done on 30-4-1974. In the opinion of the Committee, the Department did not have any planning at all and they resorted to make-shift arrangements in regard to procurement of supplies. The Committee cannot too strongly stress the need for proper planning with fixed target dates for completion of each phase each project before its actual execution is taken up. The Committee would like that reasons for the non-availability of records in regard to the procurement of

copper weld wires in the year 1965 and earlier should be further probed and responsibility fixed for the lapse.”

1.26. In their Action Taken Note dated 18th July, 1975, the Ministry of Communications (P&T Board) have stated:

“Instructions have been issued to all the General Managers Telecommunication in various Circles to ensure proper planning with fixed target dates for completion of each phase of each project before its actual execution is taken up.

Investigations are being made. A further report on the case will be sent as early as possible.”

1.27. The Committee note that investigations are being made into the reasons for the non-availability of the records relating to the procurement of copper weld wires in the year 1965 and earlier. Such investigation has already been long delayed and must be completed soon.

*Installation of Air-conditioners (Paragraphs 1.218 and 1.219—Sl. Nos. 41 and 42).*

1.28. Commenting on the delay of about two years in commissioning 13 air-conditioners procured for the trunk exchanges at Cuttack the Committee, in paragraphs 1.218 and 1.219, had recommended:

“The Committee are concerned to note that there has been delay of about two years in commissioning 13 air-conditioners which had been obtained for use at trunk exchanges at Cuttack for protecting the delicate and sophisticated exchange equipment from dust and humidity on account of lack of power. While the air-conditioners were supplied in April, 1966, the Department approached the State Electricity Board for increasing the supply of power only in August, 1966. The Electricity Board proposed (August, 1966) construction of a sub-station in the exchange premises itself and this was approved by the department in April, 1967. After completing the sub-station power connection was provided in January, 1968. The Committee consider this to be glaring case of lopsided planning. They fail to understand why the Department did not approach the Electricity Board for supply of power when indents for the air-conditioners were placed in January, 1966.

"1.219. The Committee are distressed to note that certain essential modifications required in the room for installation of the air-conditioners had also not been provided by the Department. The Committee are in agreement with the Secretary, Ministry of Communications, that 'the delay in commissioning of the air-conditioners was primarily due to lack of foresight on the part of the executive officers in the field and also a clerical delay of 6 months in the P.M.G.'s office.' They would like that responsibility should be fixed on the officials concerned for the lapses."

1.29. In their Action Taken Notes dated 19th July, 1975, the Ministry of Communications (P&T Board) have stated:

*Sl. No. 41*

"Certain lapses have been observed on the part of concerned field officers and circle office in not planning the work properly and failing to foresee the problems related to building modifications and requirement of additional power load.

Disciplinary proceedings against the officers responsible for these lapses will be initiated by the Circle shortly."

*Sl. No. 42*

"Action for fixing the responsibility on the officials concerned for the lapses as per observations made by PAC is being considered by the Circle."

**1.30. The disciplinary proceedings proposed to be initiated against the officials responsible for not planning the work relating to the installation of air-conditioners in the trunk exchanges at Cuttack and failing to foresee the problems related to building modifications and requirements of additional power, should be expedited and the final action taken intimated to the Committee.**

*Disposal of Dismantled Copper Wire (Paragraph 1.287—Sl. No. 57)*

1.31. Referring to the large accumulations of dismantled copper wire consequent upon the introduction of the co-axial cable and microwave systems and the replacement of copper wire alignments by aluminium-copper weld wire, the Committee in paragraph 1.287, had recommended:

"The Committee have noted that consequent upon the introduction of co-axial cable and microwave systems and replacement of copper wire alignments by aluminium/copper weld wire a large quantity of dismantled copper wire

accumulated in departmental stock. According to the information furnished to the Committee, the stock of dismantled copper wire had increased to 3400 tonnes worth more than Rs. 5 crores by June, 1973. At the beginning of this financial year the stock was about 2700 tonnes. The Committee have also noted that the Department did not consider it expedient to dispose of the stock in the open market lest sold wire became indistinguishable from stolen wire and created difficulties in tackling cases of copper wire thefts. Sales of copper wire were therefore made to Hindustan Cables Limited, Rupnarainpur and to certain Pesticide manufacturers. The annual offtake from Hindustan Cables is about 3,000 tonnes and the supply to the pesticide companies is about 1400 tonnes. The Committee consider that to prevent undue accumulation of unwanted copper wires, concerted steps should be taken by the P & T to persuade once again only the public sector undertakings like Hindustan Copper Ltd., Minerals and Metals Trading Corporation for purchasing P & T scrap copper wire. The Hindustan Cables Ltd. and Ordnance Factory of DGOF should also be approached with a view to selling them increased quantities of copper wire. The Committee trust that with the start of production of cables at the Hyderabad unit of Hindustan Cables Ltd. and the expansion of capacity at both the Rupnarainpur and Hyderabad units, the Hindustan Cables Ltd. would be in a position to buy additional quantities of copper wire from the P & T Department. Negotiations should also be carried on with Traco Cables Company of Kerala State which is said to have started production of underground telephone cables. In this connection, the Committee would like to insist on the Government to go by the following recommendation made by the Committee in para 1.29 of their 121st Report (Fifth Lok Sabha):

- '1.29. Incidentally the Committee would also like Government to consider setting up a sort of Metal Bank or clearing House so that it can be ensured that the metal especially non-ferrous, rendered surplus or unfit for a particular use in one organisation can be profitably utilized elsewhere without being disposed of at a loss. The Committee consider this step necessary because non-ferrous metal is becoming costlier and scarcer in the market and it is essential to make the best use of what is already available with the Government.'

The Committee trust that with the setting up of this Metal Bank it would be possible for the P & T Department to put the surplus copper wire into the bank for its ultimate disposal. The Committee also suggest that the Department may consider issuing a monthly or fortnightly bulletin indicating the availability of copper wire at various places and circulate the same to interested purchasers, in the public sector."

1.32. In their Action Taken Note dated 31st July, 1975, the Ministry of Communications (P & T Board) have stated:

"In November, 1974, Public Sector Undertaking like Heavy Electricals Ltd. BHEL, NGEF, Traco Cable Company and Government Ordnance Cable Factory were addressed informing them of the availability of clean copper wire scrap in P & T Stock and requesting them for an estimate of their requirements. It was clarified that the sale price allowed for conversion costs and process loss and that their demand could be met from any of a number of P & T Store Depots as convenient to the purchaser. The response has not been encouraging. However, it is expected that a working arrangement will be developed with Traco Cable Company on lines similar to that in operation with Hindustan Cables Ltd. It may be mentioned that Hindustan Cables Ltd. lifted 2575 MTs of P & T scrap copper in 1974-75 and the scrap copper wire sold to priority industries was 330 M/Ts. The stock of scrap copper as on 1-4-75 was 4508 M/Ts.

The matter has also been taken up with the Development Commissioner, Small Scale Industries, New Delhi, to ascertain the likely demand of pesticide makers and cable and wire industries in the small scale sector. Since the work of registration of SSI units is done by the State Directors of Industries, the DC (SSI) called for the required information from them.

D.G. Ordnance Factories had been addressed in April, 1975, offering the P & T Scrap Copper Wire for other than cable making, for instance in the production of ammunition.

It will be seen from the above that within the confines of Government policy all possible steps are being taken for the disposal of P & T Scrap copper wire on sale basis to

priority industries users in the Public and the private sectors, large and small.

As regards the recommendation of the PAC in regard to setting up a sort of metal bank or clearing house for deposit of P & T scrap copper has been noted. Information about the quantity of scrap copper and locations of storage is available and quarterly statements of position are received. The information will be furnished to Department of Supply who will be requested to take coordinating action in regard to this recommendation of the PAC.

In view of the generally poor response of the public sector undertakings, other than Hindustan Cables Ltd., to the sale offer of P & T scrap copper, the issue of a regular bulletin about availability of the scrap at various places is not expected to be helpful in its quicker disposal.

**1.33. A considerable time has elapsed since the Committee suggested, in paragraph 1.29 of their 121st Report (Fifth Lok Sabha), the setting up of a Metal Bank or Clearing House so as to ensure that metal, particularly costly and scarce non-ferrous metal, rendered surplus or unfit for a particular use in one organisation is profitably utilised elsewhere without being disposed of at a loss. Unfortunately this practical suggestion, which is also not too difficult to implement, is yet to be acted upon by Government in a purposeful manner. While the P & T Board has 'noted' this suggestion, the Department of Defence Production have appointed a Study Group to examine it. With reference to the action taken by the Department of Defence Production in this regard, the Committee, in paragraph 1.11 of their 140th Report (Fifth Lok Sabha), had urged Government to process this recommendation 'with the utmost promptitude' in consultation with departments/organisations in which scrap arise and also to prescribe a time-bound schedule for its implementation. Reverting to this question again in paragraph 1.18 of their 142nd Report (Fifth Lok Sabha), the Committee had felt that there was 'an urgent need' for the establishment of a centralised coordination agency for reutilisation and disposal of metal scrap. As suggested therein, the Committee would urge the Cabinet Secretariat to take up the the responsibility for coordinating action on this important recommendation of the Committee, in consultation with all organisations/departments in which scrap or surplus metal arise and those where these are likely to be utilised, so that optimum use is made of what is already available with Government.**

## **CHAPTER II**

### **RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT**

#### **Recommendation**

The Committee regret to observe that there has been failure on the part of the P & T authorities to recover rent and compensation for telegraph and telephone circuits provided even to Government departments. In the five divisions of the Punjab Circle, namely, Ferozepur, Ludhiana, Chandigarh, Simla and Patiala, recovery of rent for exchanges set up for the defence department was outstanding since June 1958. The Committee are not at all convinced with the various reasons advanced by the Ministry for non-realisation of Rs. 0.92 lakhs in respect of four cases, namely, non-receipt of relevant records initially, non-availability of handing over/taking over certificate which was not traceable, incorrect preparation of rent bill, delay in settlement, etc. All these go to show that the system of checks in the P & T Department is ineffective and inadequate.

[Sl No. 1 of App. II (para 1.13) of 145th Report (1974-75)  
Fifth Lok Sabha.]

#### **Action taken**

Observations of the Committee have been noted. Arrangements for review of such cases already exist under instructions contained in paras 400 and 427 of P & T Manual Volume XIV (2nd Edn.). The system of checks has also been strengthened with effect from August 1974 when an Internal Check Organisation has been installed in Orissa, Maharashtra, Punjab and U.P. Telecommunications Circles and Delhi and Bombay Telephone Districts. The Scheme is being extended to the remaining Telecommunications Circles & Telephone District from June, 1975.

Duty of these Officers is to inspect the Divisional Accounts Units including the TRA Branch twice a year with a view to intensify checks. Detailed instructions as to how the inspection is to be carried out have been prepared and circulated for the guidance of these Officers.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No. 23-11/73-TR(I)  
dated 25-6-75].

### **Recommendation**

The Committee have noted the position in respect of six cases of recovery of balance of Rs. 4.68 lakhs which according to the information given by the Department to Audit in January, 1974 was stated to be under examination. The Ministry have stated in a written note that Rs. 2.53 lakhs out of Rs. 4.68 lakhs have since been recovered. The dates of recovery were as late as 30th July, 1974 in one case, 12th January, 1974 in another case and 23rd February, 1974 in the third case. In one case no additional charges were recoverable under the rules and in two other cases, no recoveries were admissible.

[Sl. No. 2 of App. II (Para 1.14) of 145th Report (1974-75)  
Fifth Lok Sabha].

### **Action taken**

Noted. Being factual no comments are offered.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No. 23-11/73-  
TR(2) dated 25-6-75].

### **Recommendation**

It has also come to the notice of the Committee that the work of laying of trunk cables for shifted an army exchange in the Telegraph Division, Jullundur, was executed in September, 1968 but the bill was initially issued as late as on the 29th March, 1973, i.e. after more than 4½ years. A revised bill was issued on 15-12-1973 and the amount was credited on 26-3-74. The Committee are surprised that the work was executed without obtaining prior acceptance of rent and guarantee on the ground that the work was of an emergent nature. This is a clear case of breach of rules.

[Sl. No. 3 of App. II (Para 1.15) of 145th Report (1974-75)  
Fifth Lok Sabha.]

### **Action taken**

An undertaking was obtained from the Defence authorities that they would abide by the basis of provisional and final guarantee by



the Department with effect from the date of the provision *vide* Army Headquarters letter No. 2637/2/D/Sig. dated 4-6-65. The work being of an emergent nature was therefore executed. The bills have been issued and payment received.

Action for delay in quoting R&G is being taken.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board O.M. No. 23-11/73-TR(3) dated 18-7-75].

### Recommendation

The Committee are constrained to observe that the delay in the recovery of rent for several years by the P&T Department is inexcusable. Delayed recovery of rent from the concerned exchanges has resulted in the loss of revenue to the P&T Department by way of interest. The Committee would like the Department to probe the reasons for delay in the issue of bills in each case and take steps designed to prevent recurrence of such delays.

[Sl. No. 4 of App. II(Para 1.16) of 145th Report (1974-75)  
Fifth Lok Sabha].

### Action taken

Out of 14 cases under observation 13 cases related to Defence Department and one to the Canal Administration of Madhya Pradesh Government. No private party was involved. In the case of Government Departments prior payment is not the condition for giving service. The claims are subject to correspondence, entailing some delay. Still delays pointed out are indeed unusual. However bills excepting in two cases (still under discussion with concerned Defence authorities) have been issued and payments received/claims accepted.

2. Because of urgency of Defence works where almost always an element of National security is involved, priority is given to comply with the Defence Circuit requirement first as payment of bills is always assured subject to disputes if any being settled. As regards case of Canal Administration this was a rare case of this type and action for omission for not issuing Advice Note by SDOT is being taken. As regards private parties payment is first obtained before service is given. This rule is strictly applied whether the private party is influential or otherwise.

3. As regards the recommendations that the Ministry of Communications (P&T Board) may carry out similar checks more frequently, it is stated that system of checks has been strengthened with effect from August, 1974 when an Internal Checks Organisation has been installed in Orissa, Maharashtra, Punjab & U.P. Telecommunications Circles and Delhi & Bombay Telephone Districts. The Scheme is being extended to the remaining Telecommunications Circles/Telephone Districts from 1st June, 1975.

The Duty of the Officers attached to this Organisation is to inspect the Divisional Accounts Units including TRA. Branch twice a year with a view to intensifying checks. Detailed instructions as to how inspection is to be carried out have been prepared and circulated for the guidance of these Officers.

4. In addition to above, a system of executive inspections of TR. Units by Circle I.F.A.'s has also been introduced and for this purpose, a proposal to strengthen TR Cells at Circle level has already been mooted and is under consideration in this Directorate.

5. Impact of the above arrangements will be watched for some time to assess adequacy and effectiveness of the measures.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No. 23-11/73-  
TR (1) dated 25-6-75].

### **Recommendation**

The Committee had noted that the Postmaster-General has been directed to take action against those responsible for the omission in including in the half yearly returns, the rent recoverable for erection of iron wire for Wainganga Canal system. The committee trust the enquiry would be completed expeditiously and appropriate action taken thereafter.

[Sl. No. 5 of App. II (Para 1.17) of 145th Report (1974-75)  
Fifth Lok Sabha].

### **Action taken**

Note. Action is being taken.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No. 23-11/73-  
TR1(6) dated 27-1-1975].

### Recommendation

The Committee cannot help thinking that there was in fact no system in the P&T Department for keeping a watch over recovery of rent/other dues for works carried out for other departments. It has been stated in the written statement of the Ministry that that 'remedial measures have been taken and necessary registers have been introduced to avoid recurrence of such cases'. It is regrettable that the P&T Department did not consider it necessary to devise earlier a fool proof system for keeping a watch over the recovery of rent and compensation. The Committee would like to have, in due course, detailed note from the Ministry about the impact of the new measures now adopted for avoiding delays in rent recoveries.

[Sl. No. 6 of App. II (Para 1.18) of 145th Report (1974-75)  
Fifth Lok Sabha].

### Action taken

Checks already prescribed by the Department unfortunately did not prove adequate in the case of Punjab Circle. Remedial measures against such omissions in future has been introduced *vide* instructions issued to the Circles/Districts (Copy enclosed).

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No. 23-11/73-  
TR(4) dated 25-6-1975].

### ANNEXURE

No. 23-11/73-TR.

Indian Posts and Telegraphs Department  
Office of the Director-General, Posts and Telegraphs.  
TR. Section, Parliament Street, New Delhi-110001.  
(Dak Tar Bhavan.)

Dated: 31-5-1975.

To

The All Heads of Circles/Telephone Districts.

**SUBJECT:—Failure to recover rental & Compensation for telegraph and telephone circuits.**

The Comptroller & Auditor-General of India, *vide* Para 8 of his Report (1972-73) has pointed out a number of cases of omission in recovery of rent and compensation. The Public Accounts Committee *vide* Para 1.13 of their 145th Report (1974-75) have observed:—

"1.13. The Committee regret to observe that there has been failure on the part of P&T. authorities to recover rent and compensation for telegraph, telephone circuits provided

even to Government Departments. In the five divisions of the Punjab Circle namely, Ferozepur, Ludhiana, Chandigarh, Simla and Patiala, recovery of rent for exchanges set up for Defence Department was outstanding since June 1958. The Committee are not at all convinced with the various reasons advanced by the Ministry for non-realisation of Rs. 0.92 lakhs in respect of four cases namely non-receipt of relevant records initially, non-availability of Handing/Taking Over Certificate which was not traceable, incorrect preparation of rent bill, delay in settlement etc. All these go to show that the system of checks in P&T Department is ineffective and inadequate."

- 2.(1) To avoid repetition of the irregularities of the nature pointed out by the Audit, it has been decided that a register in the attached proforma be maintained by each Division in addition to the safeguards already provided for in the Rules.
- (2) As soon as a firm demand is received for providing a telephone facility other than a telephone connection within local area of the exchange or accessories thereto, an entry should be made in the register now prescribed and a watch should be kept through this register to ensure that there is no delay either in providing the facility or in handing it over and that there is no omission in recovering the rent after the facility has been handed over.
3. A monthly review of the register should be made and put up to Division Engineer Telegraph/Telephones through Head Assistant of the Division. The DET/P should personally ensure that this review is put up to him every month (by 7th) and see that there is no delay either in providing or in handing over the facility or in recovering the rent therefor.
4. A quarterly report should be sent by Divisions to Circles Office by name to L.F.A. by 15th of January/April/July/October intimating the position of those facilities which could not be provided for or for which rental could not be realised within one year of the date of the firm demand.
5. Proper maintenance of the Register should be checked up by Accounts Officer (Internal Check) and in the Office itself by the Internal Review Group.
6. Receipt of this letter may kindly be acknowledged.

Sd/-  
Director (TR).

**Register for watching Progress of works relating to Circuits, PBXs (Manual & Auto), NELS, etc. and other facilities provided on R & G basis**

Sl. No.	Particulars of Facility	Particulars of the firm ordered for providing the facility		Particulars of communication accepting R & G			Est. No.	Advice Note No. and date	
		Name of the person/ authority placing firm order.	No. and date of firm order	Name of the person/ authority accepting R & G	No. & date of letter under which, R & G accepted.	Rate of rent			Period of guarantee
1	2	3	4	5	6	7	8	9	10

Date of commencement of work	Date of completion of work	Date of handing over the facility	Particulars of the file in which handing over/taking over certificate recorded		Date on which completed Advice Note sent to TRA	Date and Amount the bill issued by TRA	Remarks
			Sl. No. on which file	Certificate is recorded			
11	12	13	14	15	16	17	18

**NOTE :** In cases where firm demand is cancelled, suitable note should be made in the Remarks column against the entry of that work and particulars of the Demand Note/Bill demanding estimate fee (if not recovered in advance) and/or compensation should be noted in column 17 and recovery watched through column 18.

### **Recommendation**

Since mere test audit has revealed such lapses as above, the Committee are apprehensive that similar or worse state of affairs might be prevailing in regard to private subscribers, especially the bigger and more influential ones. The Committee would accordingly suggest that the Ministry of Communications (P&T Board) may carry out similar checks more frequently.

[Sl. No. 8 of App. II(Para 1.20) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

### **Action taken**

Out of 14 cases under observation 13 cases related to Defence Department and one to the Canal Administration of Madhya Pradesh Government. No private party was involved. In the case of Government Departments prior payment is not the condition for giving service. The claims are subject to correspondence, entailing some delay. Still delays pointed out are indeed unusual. However bills excepting in two cases (still under discussion with concerned Defence authorities) have been issued and payments received/claims accepted.

2. Because of urgency of Defence works where almost always an element of National security is involved, priority is given to comply with the Defence Circuit requirement first as payment of bills is always assured subject to disputes if any being settled. As regards case of Canal Administration this was a rare case of this type and action for omission for not issuing Advice Note by SDOT is being taken. As regards private parties payment is first obtained before service is given. This rule is strictly applied whether the private party is influential or otherwise.

3. As regards the recommendations that the Ministry of Communications (P&T Board) may carry out similar checks more frequently, it is stated that system of checks has been strengthened with effect from August, 1974 when an Internal Checks Organisation has been installed in Orissa, Maharashtra, Punjab & U.P. Telecommunications Circles and Delhi & Bombay Telephone Districts. The Scheme is being extended to the remaining Telecommunications Circles/Telephone Districts from June, 1975.

The Duty of the Officers attached to this Organisation is to inspect the Divisional Accounts Units including TRA Branch twice a year with a view to intensifying checks. Detailed instructions as to how inspection is to be carried out have been prepared and circulated for the guidance of these Officers.

4. In addition to above, a system of executive inspections of TR Units by Circle I.F.A.'s has also been introduced and for this purpose, a proposal to strengthen TR Cells at Circle level has already been mooted and is under consideration in this Directorate.

5. Impact of the above arrangements will be watched for some time to assess adequacy and effectiveness of the measures.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No. 23-11/73-TR dated 31-7-1975]

### Recommendations

From what has been pointed out by the Audit and what has been revealed during the course of evidence, the Committee have come to the conclusion that the entire project for the expansion of the Jammu Telephone Exchange from 1200 lines to 2100 lines was badly handled *ab initio*. Firstly the cost of the project was revised from Rs. 17 lakhs to Rs. 21.11 lakhs in February, 1971. While the installation of the apparatus and plant commenced in January, 1968 and was completed in August, 1968, the estimate for the laying of cables prepared in April, 1967 was not sanctioned till Jan., 69. The argument advanced by the representatives of the Ministry that the delay of over two years in issuing administrative sanction for the estimate for laying of cables was due to the increase in the cost of the cables necessitating the revision of the project itself is unconvincing. As has been admitted by the Secretary, Ministry of Communications, the delay is both unreasonable and unjustifiable. Although cable laying and jointing were to be completed within six months of the receipt of the materials, the cable laying work, which was started in Feb., 1969, jogged on at a leisurely pace and was completed in 2-1/2 years instead of 6 months earmarked for the purpose.

[Sl. No. 9 of App. II, (Para 1.44) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

The Committee are also not convinced by the argument that the delay in cable laying was due to the non-availability of the labour indentured for from the employment exchange. In the opinion of the Committee, there is no dearth of labour in the Country. They fail to understand why the Officer-in-Charge of the project, who was aware beforehand about the arrival of the cables, did not take anticipatory action and contact the employment exchange personally

to obtain the requisite labour so that the work of cable laying could start as soon as the cables arrived. As a result of this unimaginative approach on the part of the supervisory staff bordering on dereliction of duty cables worth lakhs of rupees remained idle and the Public of Jammu, who were clamouring for telephonic facilities, remained without them for about three years. The Committee note that the Secretary, Ministry of Communications has admitted that the officer responsible for the project did not do any thing to speed up the work. They would, therefore, urge that the Department should take strong notice of the serious negligence on the part of the officer concerned.

[Sl. No. 10 of App. II (Para 1.45) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

#### **Action taken**

As desired by the Committee, action has been initiated to fix up the responsibility for not speeding up the project.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No. 801-3/72-TPS (UPC) dated 15-7-1975].

#### **Recommendation**

The Committee find that another contributory factor for the delay in the completion of the project, was non-availability of the cable jointers and distribution point boxes. The Committee fail to understand why no advance action was taken for the posting of additional cable jointers who were badly needed for jointing work. Even in the matter of supply of distribution joint boxes, the project officials have displayed a callousness which it is difficult to condone. An indent for the distribution point boxes was first placed on the New Delhi Depot in May 1967 but the same was returned and the indenter was asked to obtain the supply from the Jammu Depot. The Store Depot, Jammu, did not supply the items indented for and the Divisional Engineer, Telegraph Jammu was not aware of the fact that the Store Depot Jammu did not possess the items required. The result of all the fruitless exercise in correspondence work has been that the distribution point boxes were not procured till July, 1970 when only a part of the demand was met by local purchase and transfer from other works. The Committee would recommend that a thorough probe into the working of the store depots, with particular reference to the procedures for stocking and issues as well



as the coordination existing between the indentors and the depots be conducted by the Department.

[Sl. No. 11 of App. II (Para 1.46) of 145th Report (1974-75)  
(Fifth Lok Sabha)]

#### **Action taken**

The cable work was primarily delayed due to non-availability of Mazdoors; the non availability of cable jointers and distribution boxes played only a minor part in delaying the progress of work. The work of the store depot has been reorganised and progressive implementation of the recommendations of the consultants viz. the Staff College, Hyderabad is under way. The procedures for stocking and issues as well as for coordination between the indentors and the Store Depots are now being revamped in line with the materials management scheme proposed by ASCI, consultants.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No.  
801-3/72-TPS (UPC) dt. 31-7-75]

#### **Recommendations**

It has come to the notice of the Committee that another factor which has also contributed to the delay in the execution of the project is the introduction of priced application forms for telephone connections from December, 1969, as the waiting list had to be recast to include only those who had applied in the new form. As has been admitted by the Secretary, Ministry of Communications during evidence, telephonic connections could have been given on the basis of the names existing in the waiting list and it was not necessary to insist on fresh applications along with the prescribed fees.

[Sl. No. 12 of App. II (Para 1.48) of 145th Report (1974-75)  
(Fifth Lok Sabha)]

The Committee are convinced that no mechanism exists in the Department for keeping a watch on the progress of work according to the time schedules. Their observations of this aspect are contained in the concluding chapter of this report.

[Sl. No. 13 of App. II (Para 1.48) of 145th Report (1974-75)  
(Fifth Lok Sabha)]

**Action taken**

Noted

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No. 801-3/72-TPS (UPC) dt. 14-7-75].

**Recommendations**

The Committee have noted that although the estimate of Rs. 2.29 lakhs was sanctioned in March 1962 for retransportation of an existing alignment to suit carrier working and for erecting an additional pair of copper wire between Bikaner and Suratgarh, the work could not be started during the period 1962-63 and 1968-69 on account of the non-availability of copper wire. The requirement of copper wire was 21 tonnes only and the departmental store at New Delhi was unable to supply it because the available copper wire in this depot was inadequate to cope with all the demands placed on it. The Committee have also noted that stores worth Rs. 1.13 lakhs were received between 1962-63 and 1968-69 for the execution of this project which was to be completed within 100 days of the receipt of complete stores. The Committee have further noted that some important items of stores received for this project in 1964-65 were diverted to other priority works in 1965. After recouplement of the diverted stores, the work was commenced in October, 1972 and completed in June, 1973, eleven years after it was sanctioned.

[Sl. No. 14 of App. II (Para 1.62) of 145th Report (1974-75)  
(Fifth Lok Sabha)]

The Committee are convinced that this project was not given the attention that it deserved. They fail to understand why only 21 tonnes of the requisite copper wire was not made available from the New Delhi Store depot even when it had between 35.77 tonnes to 45.90 tonnes as closing balance between 1965-66 to 1968-69. The Committee have noted that eventually copper wire was supplied by the Store Depot at Lucknow and the work was completed in 8 months as against 100 days provided in the estimate. As a result of the delay in execution of work, the percentage of ineffective calls was of the order of 40 per cent and there has been a potential loss of revenue to the extent of 0.36 lakhs per annum. The Committee deplore the lack of planning co-ordination and supervision by the P&T Department. The Committee have emphasized in the last but one chapter of this Report the need for issuing proper guidelines to the Store Depots for stocking and use of materials required for the departmental works. The Committee would like to stress that unless there is proper planning coordination and supervision, the

execution of all sanctioned projects would continue to be held up on one pretext or the other.

[Sl. No. 15 of App. I (Para 1.63) of 145th Report (1974-75)  
(Fifth Lok Sabha)]

#### **Action taken**

Necessary instructions have been issued to All G. Ms Telecom. to ensure proper planning, coordination and supervision of the works.

2. Necessary guidelines to be issued to the Store Depots for stocking and use of materials required for the departmental works are being framed and these will be issued shortly.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No.  
97-3/73-TPL(P), dt. 31-7-1975]

#### **Recommendation**

The Committee have noted that the equipment for the Bhatinda-Ferozpur section was supplied by the Indian Telephone Industries in 1969-70. The Committee are constrained to observe that there was no proper coordination with the ITI in the matter of the supply of the equipments. The Committee would stress the desirability of drawing up of fixed time schedules in the delivery of the equipments in consultation with the ITI.

[Sl. No. 17 App. II, Para 1.85 of 145th Report (1974-75)  
(Fifth Lok Sabha)]

#### **Action taken**

Periodical coordination meetings are being held between the representative of P&T and ITI and the schedules are reviewed in detail and necessary adjustments made. A number of projects are involved in these review meetings. The observations made by PAC have also been communicated to M/s. ITI for giving realistic delivery schedules.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No.  
39-2/73-TPL(CX)/Vol. II dt. 17-7-75]

#### **Recommendation**

As regards the repeater huts, the Committee very much regret, to observe that the concerned officials did not consider it necessary to maintain measurement books in respect of works not executed through a Contractor. The Committee have noted that the Secretary, Ministry of Communications, has admitted the lapse. The Committee insisted that in future measurement books would invari-

ably be maintained in respect of building works, constructed departmentally or otherwise, costing Rs. 1000 or more.

[Sl. No. 18 App. II Para No. 1.86 of 145th Report (1974-75)  
(Fifth Lok Sabha)]

#### Action taken

The recommendations of the Committee have been noted. The instructions have already been issued for the maintenance of measurement books in respect of building works to be carried out departmentally. A copy of the instructions issued is also enclosed herewith.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No.  
39-2/73-TPL(CX)/Vol. II dt. 17-7-1975]

#### ANNEXURE

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

No. 39-2/73-TPL(CX)pt.

Dated New Delhi, 2nd May, '74.

To

All General Managers, P&T Projects.

*SUB: Maintenance of Measurement Books for Civil Works like construction of buildings including unattended repeaters tower foundation etc.*

Recently the Audit have pointed out that as per the rules of the Department, Measurement Books are required to be maintained for various civil works that are being carried out by the Project Organisations and at present some of them do not seem to be maintaining such Books. The particular point referred to by them was in respect of construction of unattended repeater huts provided at various intervals on coaxial routes; but this observation will apply equally to other civil works like attended station, tower foundation etc.

2. After discussion with the Audit as well as the CE(Civil), it has been decided that Measurement Books have got to be maintained for all the Civil Works mentioned above. Normally where the work is being executed through the agency of a contractor, the measurements recorded in the measurement Book are required to be signed both by the Officer taking the measurement as well as the contractor. Where such works are carried out departmentally without going through a contractor, the measurements can be recorded by the officer concerned with a certificate that the measurements have been carried out by him, duly dated. Where contractors are engaged, the signature of the contractor or his authorised representative present at the time of taking the

measurement should be taken simultaneously. For any clarification regarding maintenance of Measurement Books the Project Organisation may take the advice of the nearest Civil Wing authorities.

3. These instructions may be implemented with immediate effect.

Sd/-  
(S. SANKARA RAMAN),  
*Dy. Director General (L)*

Copy for information to:

1. All Heads of Circles.
2. All General Managers, Telephones/District Managers, Telephones.
3. DPT, Srinagar.
4. General Manager, T&D Circle, Jabalpur.

As per Rule 489 of P&T Manual Volume II, measurement books for recording measurement of Civil Works costing more than Rs. 1,000 have to be maintained. This is irrespective of the fact whether the works are executed departmentally by purchasing materials and engaging casual labour or the works are done through contractors.

Sd/-  
(S. SANKARA RAMAN),  
*Dy. Director General (L)*

#### **Recommendation**

As regards the repeater huts, the Committee very much regret, to observe that the concerned officials did not consider it necessary to maintain measurement books in respect of works not executed through a Contractor. The Committee have noted that the Secretary, Ministry of Communications, has admitted the lapse. The Committee insist that in future measurement books would invariably be maintained in respect of building works, constructed departmentally or otherwise, costing Rs. 1000 or more.

[Sl. No. 18 Appendix II Para No. 1.86 of 145th Report (1974-75) (Fifth Lok Sabha)].

#### **Action taken**

The recommendations of the Committee have been noted. The instructions have already been issued for the maintenance of measurement books in respect of building works to be carried out departmentally. A copy of the instructions issued is also enclosed herewith.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No. 39-2/73-TPL(CX)/Vol. II dated 17-7-1975].

### Recommendation

It should have been possible for the Director, Coaxial Cable Project, New Delhi, to specify the number of labour actually employed for the construction of each hut. The Committee consider that the details of expenditure incurred on labour, even though they are on muster roll, employed in departmental construction works should invariably be maintained. The Committee sincerely hope that there was no malpractice.

[Sl. No. 19 App. II, Para 1.87 of 145th Report (1974-75)  
(Fifth Lok Sabha)]

### Action taken

The recommendations of the Committee have been noted. Instructions have since been issued for maintaining details of the number of labourers engaged on muster roll in addition to maintaining details of actual expenditure for carrying out departmental construction works. A copy of the instructions issued is also enclosed. (Annexure).

No indications are available to suspect malpractices in the engagement of labour in this case.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No. 39-2/73-TPL (CX) Vol. II dated 17-7-1975].

### ANNEXURE

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

No. 39-2/73-TPL (CX)

Dated New Delhi, 5-6-75

To

All General Managers, P&T Projects.

Sub: *Record of expenditure and labour employed on muster rolls.*

It is not uncommon that a single muster roll is issued for employment of labour on a number of related construction works. Normally, in such cases, the expenditure incurred on the muster roll is allocated to various estimates on which the labour is employed. While discussing a case relating to a coaxial cable project, Public Accounts Committee of the Parliament have desired that not only the expenditure allocation should be there but the number of labour or in other words the man-days utilised on each work, should also be allocated.

All Executive Officers-In-Charge of construction works should ensure in future that allocation of man-days as well as expenditure

is recorded on the muster rolls wherever the labour on a single-muster roll is employed on a number of related estimates.

Sd/-  
(S. SANKARA RAMAN),  
DDG(L).

Copy to:

1. All Heads of Circles.
2. All General Managers Telephones/District Managers Telephones.
3. Director, Coaxial Cable Projects/Microwave Projects.
4. General Manager T & D Circle, Jabalpur.

Sd/-  
(S. SANKARA RAMAN),  
DDG (L).

#### **Recommendation**

The Committee fail to understand why the P&T Department sanctioned a project in February, 1964 at an estimated cost of Rs. 33.23 lakhs for installation of 1800 lines strowger type exchange at Jodhpur. In April, 1967 it was decided to instal a controversial cross bar exchange manufactured by a Multi-national Corporation instead of the strowger exchange and for which a revised sanction for Rs. 89.58 lakhs was issued. The Committee noted that there was a difference of opinion at the time the work was started. The work was started in 1965 and the exchange was commissioned after seven years in March, 1972. From the time it was decided to instal a crossbar exchange upto the time it was completed, there has been long series of delay in the completion of different components of the project, viz. building with electric installation, air-conditioning, installation of equipment, laying of cables etc.

[Sl. No. 20 of App. II (Para 1.118) of 145th Report (1974-75)  
(Fifth Lok Sabha)]

#### **Action taken**

No comments except that the Crossbar equipment installed at Jodhpur, was manufactured by I.T.I. Bangalore.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No. 821/73-TPS(UPC) dated 15-7-1975].

#### **Recommendation**

It is a sad commentary on the performance of the Department that the details for cable trenches were available only in February, 1968, more than 34 months after the building work was started in April, 1965. It appears to the Committee that there was no proper coordination with the Indian Telephone Industries. This is also evident from the fact that the delivery of equipments by the ITI com-

menced one year behind schedule in Feb., 1967. The Committee would urge that there should be effective coordination between the P&T Department and the Indian Telephone Industries. Schedules of deliveries of equipment to the P&T Department, should be drawn up in consultation with the I.T.I. and these schedules should be scrupulously adhered to.

[Sl. No. 21 of App. II (Para 1.119 of 145th Report (1974-75)  
(Fifth Lok Sabha)]

#### **Action taken**

The Department is now drawing delivery schedules of equipment in consultation with I.T.I. and it is expected that the supplies from I.T.I. would generally be according to the schedules.

This has been seen by A.G. P. & T.

[Ministry of Communications (P & T Board) O. M. No. 821-1/73-TPS(UPC) dated 15-7-1975].

#### **Recommendation**

The Committee regret that it took the officials as long as 6 months for settlement of the discrepancies noticed in the drawings sent with the indent for the air-conditioner. The delay of over 26 months in finalising the specifications of the airconditioner is also inexcusable.

[Ministry of Communications (P & T Board) O.M. No. 821-1/73-TPS(UPC) ated 15-7-1975].

#### **Action taken**

It is expected that in future such delays would be avoided by the use of PERT.

This has been seen by A.G. P. & T.

[Ministry of Communications (P&T Board) O.M. No. 821-7/73-TPS (UPC) dated 15-7-1975].

#### **Recommendations**

Equally unpardonable is the delay of about 2½ years in providing the power sub-station. The Committee note that the explanation of the officers concerned has been called for. They would like to know the results of the action taken against them in due course. In this context, the Committee note with concern that the Department had to pay to the State Electricity Board Rs. 55,853 as maximum demand tariff charges although power was not utilised to that extent.

[Sl. No. 23 of App. II (Para 1.121) of 145th Report (1974-75)  
(Fifth Lok Sabha)]

The Committee have noted that the tenders for installation of equipment in the sub-station had to be invited four times and the work was awarded in December, 1968. They note with surprise that it took as long as 21 months to rescind the contract of the contractor



who failed to complete the work within the stipulated time. As has been admitted by the Secy. Ministry of Communications, there was no justification for waiting for 21 months before rescinding the contract. The Committee note that the explanation of the officers concerned has been called for.

[Sl. No. 24 of App. II (Para 1.122) of 145th Report (1974-75)  
(Fifth Lok Sabha)]

#### **Action taken**

The explanation of the concerned officers have been received and examined. The explanation of the officer who was in-charge at the earlier stages of the work was not found to be satisfactory. He has been warned to be careful in future.

This has been seen by A.G. P & T.

[Ministry of Communications (P & T Board) O.M. No. 921-1/73-TPS(UPC) dated 15-7-1975].

#### **Recommendation**

From the facts brought to light in the course of evidence tendered by the representatives of the Ministry, the Committee have come to the conclusion that the delays were as much due to the procedural defects as the failures on the part of those responsible for their execution. The Secretary, Ministry of Communications, has admitted before the Committee that the biggest failure of the Department was that there was no PERT chart to keep a watch on the deliveries of various components accordingly to the target dates fixed. He has frankly admitted the lapses when he said: 'But, when I find that in every project that I examine there is no date fixed for any of component works. I would only say that it was a shortcoming in our procedural methods.' The Committee, however, are strongly of the opinion that mere admission of procedural lapses or failures of human agency would not help to improve matters. Steps must be taken without delay to see that they do not recur.

[Sl. No. 25 of App. II (Para 1.123) of 145th Report (1974-75)  
(Fifth Lok Sabha)]

#### **Action taken**

The Department is now introducing PERT chart technique for watching the progress of the projects. More Officers are also being trained and it is expected that the position would now improve.

This has been seen by A.G. P & T.

[Ministry of Communications (P & T Board) O.M. No. 821-1/73-TPS(UPC) dated 15-7-1975]

#### **Recommendation**

The Committee have noted that a project for linking Coimbatore with Kozhikode and Ootacamund by means of microwave radio relay system was sanctioned in April, 1967 and was expected to be

completed by June, 1968. The Committee, however, observe that it took the Department about 2½ years to complete the construction of the buildings. The Committee are not satisfied that the delay was due only to shortage of cement and steel and the prevalence of monsoon at the time of the construction. Monsoon weather is no hindrance for construction work. The Committee feel that the delay in construction work could have been avoided if the Department had made effective coordination with the supplying authorities in regard to building materials like steel and cement.

[Sl. No. 26 of App. II (Para 1.151) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

#### **Action taken**

Suitable instructions have been issued.

This has been seen by A.G. P & T.

[Ministry of Communications (P & T Board) O.M. No. 70-22/  
73-TPL (Vol. II), dated 18th July, 1975].

#### **Recommendation**

The Committee are of the view that there was a delay of about 9 months in the supply of tower materials by M/s. Alcock Ashdown & Co. They, however, note that this company was entrusted with the work of designing and manufacturing of towers for the first time in the country. The Committee have also been informed that the Triveni Structurals Ltd., Allahabad, a Government Undertaking have now started making towers. The Committee desire that in future maximum orders for the supply of such towers would be placed on this public sector undertaking.

[Sl. No. 27 of App. II (Para 1.152) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

#### **Action taken**

Orders for the supply of tower materials have been placed on public sector undertakings manufacturing such materials. In addition, the capacity of the Telecom. Factory to manufacture steel towers is being augmented.

This has been seen by A. G. P. & T.

[Ministry of Communications (P & T Board) O.M. No. 70-22/  
73-TPL (Vol. II), dated 18th July, 1975].

#### **Recommendation**

The Committee have earlier commented on the delays in the supply of equipments by the Indian Telephone Industries. There has been delay in the supply of equipments by the ITI for this project also. The Committee have noted that for this project orders for supply of equipment were placed on the I.T.I. in July, 1966 and

supplies commenced in piecemeal from October, 1966 and continued till September, 1971. The Committee have reasons to believe that there was no proper coordination between the P&T and the ITI in the matter of supply of equipments. The Committee stress the necessity of maintaining effective liaison and coordination with the ITI.

[Sl. No. 28 of App. II (Para 1.153) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

#### **Action taken**

Co-ordination meetings are now being held between ITI and P&T frequently. In addition, follow up is also being done by the General Managers Projects and other field units with the ITI.

This has been seen by AGP & T.

[Ministry of Communications (P & T Board) O.M. No. 70-22/  
73-TPL (Vol. II), dated 18th July, 1975].

#### **Recommendation**

The Committee would like that, as far as possible, the components required for the microwave system are manufactured within the Country.

[Sl. No. 30 of App. II (Para 1.155) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

#### **Action taken**

As regards the manufacture of components for Microwave system, the Department has made all efforts to indigenise various items of matching equipments. Of the main components only antennas and wave guides are still imported. A prototype antenna has now been developed by M/s. ECIL, Hyderabad and it is under tests. Further P&T is also trying to obtain detailed information on antenna manufacture from M/s. Budavox of Hungary with a view to manufacture it in India.

This has been seen by AGP & T.

[Ministry of Communications (P & T Board) O.M. No. 70-22/  
73-TPL (Vol. II), dated 18th July, 1975].

#### **Recommendation**

It is a matter for regret that it took the Department two years from February, 1967 to February, 1969 for removing the defects and

commissioning the cables for subscribers' trunk dialling facility between Srinagar and the other three stations although cross talk was still persisting on some pairs.

[Sl. No. 34 of App. II (Para 1.179) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

#### **Action taken**

Noted.

This has been seen by AGP & T.

[Ministry of Communications (P&T Board) O.M. No. 39-1/  
72-TPL (CX)/Vol. II dated 19th July, 1975].

#### **Recommendation**

As regards replacement of existing manual exchanges by automatic exchanges at Anantnag, Baramulla and Sapore, the Committee have noted that there was a delay in the replacement of the manual exchanges on account of delay in receipt of stores and equipment from the Indian Telephone Industries. According to the Audit, indents for equipment were placed on L.T.I. in April, 1966. The work was to be completed within fifteen days of the receipt of equipment. Bulk of the equipment was received between June, 1968 and November, 1968 but installation of the equipment was completed in December, 1968. Apart from the delay in the supply of equipment by the ITI, there has been delay in the commissioning of the STD at Srinagar, Anantnag, Baramulla and Sapore. The Committee have noted the contention of the Department that the period of 15 days for installation indicated in the estimate was unrealistic and a minimum period of 2 to 3 months was unavoidable. The Committee strongly impress upon the P&T Department the need for preparing realistic estimates and fixing time-targets which can be strictly adhered to. The Committee trust that the P&T Department would lay down suitable guidelines to all concerned in regard to preparation of project estimates.

[Sl. No. 35 of App. II (Para 1.180) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

#### **Action taken**

The recommendation of the Committee for preparing realistic estimates and fixing time targets has been noted. Instructions have

already been issued to Project Circles, for adopting Programme Evaluation and Review Techniques (PERT).

This has been seen by AGP & T.

[Ministry of Communications (P&T Board) O.M. No. 39-1/72-TPL (CX)/Vol. II dated 19th July, 1975].

#### **Recommendation**

The Committee are concerned to note that there has been delay of about two years in commissioning 13 air-conditioners which had been obtained for use at trunk exchanges at Cuttack for protecting the delicate and sophisticated exchange equipment from dust and humidity on account of lack of power. While the air-conditioners were supplied in April, 1966, the Department approached the State Electricity Board for increasing the supply of power only in August, 1966. The Electricity Board proposed (August, 1966) construction of a sub-station in the exchange premises itself and this was approved by the department in April, 1967. After completing the sub-station power connection was provided in January, 1968. The Committee consider this to be a glaring case of lop-sided planning. They fail to understand why the Department did not approach the Electricity Board for supply of power when indents for the air-conditioners were placed in January, 1966.

[Sl. No. 41 of App. II (Para 1.218) of 145th Report (1974-75) (Fifth Lok Sabha)].

#### **Action taken**

Certain lapses have been observed on the part of concerned field officers and circle office in not planning the work properly and failing to foresee the problems related to building modifications and requirement of additional power load.

Disciplinary proceedings against the officers responsible for these lapses will be initiated by the Circle shortly.

This has been seen by AGP & T.

[Ministry of Communications (P & T Board) O.M. No. 1-54/73-ML dated 19th July, 1975].

#### **Recommendation**

The Committee have noted that the air-conditioners supplied by M/s. American Refrigerator Co., Calcutta, under the DGS&D Rate Contract started giving troubles soon after installation. By the time the air-conditioners were installed, the guarantee period for the air-conditioners was over and the supplying firm declined to repair

them free of cost. The Department had therefore to incur expenditure of Rs. 19,130 on repairs of these air-conditioners. In the opinion of the Committee, this reveals a sorry state of affairs. The Department should have taken adequate care to provide the necessary facilities for the installation of the air-conditioners before the expiry of the guarantee period. The Committee takes a serious note of the lapse on the part of the Department as a result of which an expenditure of Rs. 19,130 had been incurred on the repairs of the air-conditioners. It is a matter of concern that the air-conditioners supplied by the firm (M/s. American Refrigerator Co., Calcutta) should have gone out of order so soon after installation. The Committee would like that a serious note should be taken about the performance of this firm by the DGS&D with a view to taking appropriate action against the firm.

[Sl. No. 43 of App. II (Para 1.220) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

#### **Action taken**

The case of black listing the firm M/s. American Refrigerator Company Ltd., Calcutta for supplying the substandard air-conditioners had already been taken up by G.M. Telecom., Bhubaneswar with DGS&D in January, 1973. The matter will be pursued further.

This has been seen by AGP & T.

[Ministry of Communications (P & T Board) O.M. No. 1-54/  
73-ML dated 19th July, 1975].

#### **Recommendation**

The Committee note that the P.M.G. Madras sought the approval of D.G.P. & T. in December, 1967 for the payment of Rs. 49,290 to the State Government towards the cost of a plot of land at Pollachi (Tamil Nadu) for the expansion of a telephone exchange. After 9 months (September, 1968), the D.G.P. & T. intimated to the Post Master General that the relevant file had been lost and asked the latter to furnish duplicate copies of letters etc., to reconstruct the file. The file, however, was said to have been recovered from another section of the Directorate in December, 1969.

[Sl. No. 44 of App. II (Para 1.228) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

#### **Action taken**

As recommended by the Committee a thorough probe was made about the misplacement of the file in the Directorate and about the

delay of 9 months in asking for correspondence from the Circle to reconstruct the file. Investigations show that the letter from the Circle dated 15th December, 1967 was not put up till 13th February, 1968 as the relevant file could not be traced in the section". Orders were issued that "the original file is essential and may be traced". A search was conducted but without success and ultimately the case was sent in a part file to Finance Advice Section on 16th July, 1968 for according sanction to the land estimate. In the main file the remunerativeness of opening of a telephone exchange of 1200 lines at Pollachi, for which the land was to be acquired, was examined in detail and therefore the Finance Advice Section expressed their inability to examine the case unless the main file was produced. On receipt of this note, a thorough search was again made not only in the concerned cell, but also in the other 12 Cells of TPS Section and also in the Finance Advice Section. When it was not found, then only in September, 1968 the Circle was asked to send copies of the correspondence to reconstruct the file. The delay of 9 months in asking the Circle to send the correspondence to reconstruct the Directorate file is therefore due to efforts made in the Directorate to hunt out the file in its own office.

On 22nd December, 1969 the main file was found in PRP Section (Postal Research and Planning) and was returned by them. No record is available as to how this file went to that section. Files are sent from one section to another through the movement register. This movement register has now been destroyed, but apparently when frantic efforts were made in 1968 to hunt the file, it would have been consulted, though there is nothing on record to show that this was done. It appears that due to some mistake the file was wrongly sent to the PRP section. It has thus not been found feasible at this stage to fix any responsibility for misplacement of this file.

This has been seen by AGP & T.

[Ministry of Communications (P&T Board) O.M. No. 41-133/  
64-TPS(XP), Cell. II, dated 7th August, 1975].

### Recommendation

In the meantime, the market price of the land went up and the State Government claimed in October, 1968 Rs. 56,400 as the value of the land. According to the Ministry, the Post-Master General, Madras, got intimation of the revised price of the land on 1st November, 1968 and he had intimated the Directorate on the 9th December, 1968 about the revised value of the land. It is regrettable that the Director General, Posts and Telegraphs took as long as 9

months to issue instructions to the P.M.G. to persuade the State Government not to charge for both replacement of the existing lavatories and construction of new lavatories. The Committee consider that it would have been prudent to pay the price demanded in October, 1968 to finalise the deal when the Post-Master General had pointed out in February, 1970 that the value of land at that time was not less than double the cost demanded by the State Government and the price of land was rapidly increasing. When the P.M.G. had intimated the D.G.P. & T. in February, 1970 that the prospect of reconsideration of the earlier decision of the State Government was not bright and that the sanction to the payment might be accorded as the price of land was rapidly increasing, the D.G.P. & T. issued a sanction in October, 1970 for the purchase of plot of land at a cost of Rs. 65,985. Even this amount fell short of the total cost demanded by the State Government in October, 1968, namely Rs. 71,285.55. It was only after protracted correspondence with the P.M.G. Madras, and the State Government that a revised sanction for the purchase of land, in supersession of the earlier sanction (October, 1970) was issued in March, 1972. The cost of land was Rs. 1,12,800 and that of trees and structures borne on the land was Rs. 16,852. As compared to the price fixed in November, 1967, the extra cost on purchase of the plot of land was Rs. 80,362. The Committee consider that the extra expenditure which had been incurred on the purchase of land could have been avoided had the D.G.P. & T. not entered into protracted correspondence and settled matters with the expedition that it deserved. It is clear that the officials of D.G.P. & T. and the associate finance are responsible for the failure whatsoever to take decision in time on the basis of the reports furnished by the P.M.G., Madras. The P.M.G. was, after all, a responsible officer. The Committee would like that the reasons for the delay in the D.G.P. & T. and their associate finance should be thoroughly probed with a view to fixing responsibility.

[Sl. No. 47 App. II (Para 1.231) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

#### **Action taken**

As desired by the Committee the cause of delay in sanctioning the land estimate has been investigated in detail. The letter and the land estimate sent by the P.M.G. Madras in December, 1967 was for Rs. 49,302. It was only on 9th December, 1968 that the Circle intimated the total price as Rs. 71,298 as in addition to the cost of land the State Government were also demanding from us payment for the trees and the structures on the land and also for new latrines to be constructed. However, in the circle office letter



there was no mention that the new latrines proposed to be constructed would not be in our plot of land and would be for use of the State Government offices. This information was only given on 9th September, 1969.

The total amount claimed by the State Government was Rs. 71,286 against an earlier estimate of Rs. 49,300. Since this amount exceeded the earlier estimate by more than 10 per cent, it was necessary that a revised estimate should be obtained. This was called for from the Circle on 8th January, 1969 and sent by them on 10th January, 1969. Only in their letter dated 8th April, 1969 the circle explained the basis on which the State Government had assessed the value of the land. Since the State Government in addition to charging for the structures existing on the land also wanted us to pay them for the new structures to be constructed for their staff on another plot of land in lieu of these, it was felt financially incorrect for us to pay for both of them. It was only on 31st July, 1970 that the PMG intimated that the State Government had ultimately accepted our view. Perhaps, at that time it was felt that in case we agreed to pay for both, though the amount involved in this case was only 5,300 it would have been treated by the State Government as a precedent for similar demands in future, where the amount involved might have been much larger.

The delay in sanction of land estimate was therefore primarily due to incomplete data sent by the Circle in the first instance and also the time spent to persuade the State Government not to charge for the new latrines to be constructed. This they ultimately agreed, but during this period the cost of the land went up. Since transfer of land from State Government to Central Government is done at current market price, we could not object to pay the higher price as determined by the current market rate at the date of transfer. The notings in the file show that the line of action proposed by the Committee did not occur to the officers who dealt with the case at that time. The concerned officers of the Planning Branch of the Directorate and Associated Finance have both retired.

However, the observations of the Committee have been carefully noted for future guidance and in the light thereof, it will be ensured that such cases are disposed of with utmost expedition.

This has been seen by A.G.P. & T.

[Ministry of Communications (P&T Board) O.M. No. 41-133/  
64-TPS (XP) Cel. II, dated 23rd July, 1975].

### Recommendation

The Committee have been informed that instructions are being issued to all the field units to thoroughly scrutinize all aspects of such cases so as to avoid further delays in correspondence when taking up with higher authorities for sanction. The Committee would like to be furnished with copies of instructions issued to the field units in this regard. They would also like that the internal audit should be more vigilant in such matters so that cases of such wasteful expenditure in P&T do not recur.

[Sl. No. 48 App. II (Para 1.232) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

### Action taken

A copy of the instructions issued to the Field Units is enclosed.

This has been seen by A.G.P. & T.

[Ministry of Communications (P&T Board) O.M. No. 41-133/  
64-TPS (XP) dated 23rd August, 1975].

### ANNEXURE

INDIAN POSTS AND TELEGRAPHS DEPARTMENT OFFICE OF  
THE DIRECTOR GENERAL OF POSTS & TELEGRAPHS DAK  
TAR BHAWAN PARLIAMENT STREET NEW DELHI-110001.  
No. 41-133/64-TPS(XP). Dated: 13-5-1975.

To

All General Manager Telecom/Heads of Telephone Distts.  
General Manager Projects/General Manager Telephones.

A case has come to our notice where abnormal delay took place in deciding the case for purchase of land. The Circle sent a proposal to this office to purchase a plot of land for setting up a telephone exchange. The case was not thoroughly scrutinised by the Circle before sending it to this office and, therefore, queries had to be raised by this office with the Circle many times. The Circle in turn asked for the information from the subordinate office who in turn asked the information from the Collector of State Government from whom the land was to be purchased. The whole process took considerable time. Due to passage of a long time, the cost of the land increased and as a result the Department had to pay more than double the original cost. This expenditure could have been reduced if not avoided entirely had the case been thoroughly examined by the Circle office before sending it to this office.

To avoid such delays in future, it is hereby instructed that the field units should thoroughly scrutinise all aspects of each case before sending them to this office for sanction. They should be in a position to reply the queries, if any, raised by this office promptly without further reference to their subordinate units. Heads of the Circles/Districts should instruct their subordinate offices also accordingly.

Sd/-

(S. N. RANGANATHAN),  
Sr. Member (TD).

### Recommendation

The Committee consider that the entire transaction for the purchase of a plot of land with structures thereon from a landlord at Secundrabad to meet the demand for additional accommodation for offices and stock depots was irregular from the very beginning. The Department went in for the purchase of the plot of land through negotiations with the landlord and did not take recourse to the land acquisition proceedings as contemplated in the project estimate. The argument that the purchase was made through the negotiations because it was feared that the land acquisition proceedings would involve considerable delay and also because the Department wanted to save solatium charges at 15 per cent which would have to be paid had the land been acquired through land acquisition proceedings is not wholly convincing. Not only did the Department pay more charges for the land that was acquired through direct negotiations but they also had to carry on fruitless negotiations with the landlord for settlement of the dispute outside the court for more than a decade. Eventually, the matter had to be taken to the court and has still to be finally settled.

[Sl. No. 49 of App. II (Para 1.237) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

### Action taken

Noted.

This has been seen by A.G.P. & T.

[Ministry of Communications (P&T Board) O.M. No. 62-121/  
60-TPS(BG) dated 17th July, 1975].

### **Recommendation**

The Committee note that the Civil Wing of the Department assessed the area of the land to be purchased from the landlord in February, 1961 as 18,434 sq. yards and the structures on it were valued at Rs. 0.36 lakhs. In October, 1962 the landlord claimed the area of the land to be 20,086 sq. yards. Without resolving the dispute about the area of the land, the property was taken in November, 1962 after payment of 95 per cent of the sanctioned amount (Rs. 2,20,336) and the balance of 5 per cent was kept as security. It is most surprising that no action was taken by the Department to take legal advice before executing the agreement and before making payment of 95 per cent of estimated amount to the landlord. In the meantime further dispute arose between the landlord and the Department in regard to the valuation of the structures of the land and the execution of the sale deed was delayed as a result of this dispute. The Committee are concerned to note that while the Government Pleader advised the Postmaster General, Hyderabad, in July, 1965 to file a suit against the landlord for his failure to execute the sale deed, strangely the Department did not file the suit and undertook another revaluation of the structures in May, 1966 and offered to pay Rs. 0.61 lakh to the landlord which was rejected by the latter.

It is only in 1966 that the Department referred the matter to the Ministry of Law who advised in July, 1966 that the suit was not likely to succeed on account of the lacunae in the terms of the sale agreement executed in November, 1962.

[Sl. No. 50 of App. II (Para 1.238) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

### **Action taken**

This has been noted and necessary instructions in this regard have already been issued to all concerned.

[Ministry of Communications (P&T Board) O.M. No. 62-121/  
60-TPS (BG) dated 17th July, 1975].

### **Recommendation**

The Committee have noted that the Telecom. Factory at Bombay, which had been getting supply of nickel silver strips of 5" or 6" width from an ordnance factory (Ishapore) considered it desirable to place indent on the Director General, Supplies and Disposals in April, 1968 for import of strips of lesser widths because, in their

opinion, they were more economical due to less scrap formation as compared to 5" or 6" width supplied by the Ishapore factory. Against the total quantity of 44,109 Kgs. of imported nickel silver strips received upto the end of March, 1973, the consumption was 23,555 Kgs. at the end of March 1973 leaving a balance of 20,554 Kgs.

Supplies of nickel silver strips of 5" or 6" width from the ordnance factory were enough to meet the requirement of the telecommunication factory in 1967-68 and 1968-69. In the subsequent four years ending 1972-73, the annual average requirement of strips was about 8,439 Kgs. During these four years, when the imported strips were available, supplies were also received from the Ordnance Factory. The Committee have also noted that in April, 1971 the telecommunication factory intimated the General Manager, Telecommunication Factories that it had sufficient stock of strips and as any further supply by the ordnance factory would increase its stock value considerably, its pending orders on the ordnance factory need not be pursued and all future supplies by the ordnance factory might be diverted to another telecommunication factory till further communication from it.

[Sl. No. 52 of App. II (Para 1.266) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

#### **Action taken**

Noted.

This has been seen by AG P & T.

[Ministry of Communications (P&T Board) O.M. No. 15-5/73-TF, Vol. II, dated 17-7-1975].

#### **Recommendation**

The Committee are very surprised that the decision to import nickel silver strips of lesser width was taken at the field level by the workshops themselves without any reference being made to the Headquarters. The Secretary Ministry of Communications has justified the import saying that it was a correct decision. The Committee are totally unable to accept his views because there was a large surplus of nickel silver strips with the telecommunication factory so much so that the telecom. factory in Bombay decided not to procure any more strips in 1972-73.

[Sl. No. 53 of App. II (Para 1.267) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

### Action taken

The observation of the Committee has been noted.

This has been seen by AG P & T.

[Ministry of Communications (P&T Board) O.M. No.  
15-5/73-TF, Vol. II, dated 17-7-1975].

### Recommendation

Another unacceptable explanation offered for the import of the nickel silver strips of less width was that the supplies from the Ishapore ordnance Factory were *not regular and adequate*. To the question of the Committee whether any steps were taken by the Ministry to see that supplies from Ishapore Factory were made more regular the reply of the Secretary, Ministry of Communications was: 'Steps were not taken by the Ministry. Steps were taken by the General Manager at Calcutta with the Ordnance Factory at Ishapore.' Asked whether the Director General of Ordnance Factories was requested to look into the matter, the Secretary, Ministry of Communications stated before the Committee: 'I am afraid it was not taken up.... it should have been done.' Considering the need for saving valuable foreign exchange, and the need for developing indigenous material to the extent possible, the Committee consider that the action of the Telecommunication Factory to stop supplies of nickel silver strips from the Ishapore Factory was deplorable indeed.

[Sl. No. 54 of App. II (Para 1.268) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

### Action taken

The observations of the Committee have been noted.

This has been seen by AG P & T.

[Ministry of Communications (P&T Board) O.M. No.  
15-5/73-TF, Vol. II, dated 17-7-1975].

### Recommendation.

The Committee have noted that the norms of stock balance in the Telecom. Factory are now being revised and the General Manager Telecom. Factory has been directed to review the same keeping in view the recommendation of the Bureau of Public Enterprises. The Committee would like to be informed about the revised norm when finalised.

[Sl. No. 56 of App. II (Para 1.270) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

### Action taken

An exhaustive review of the stock control procedure obtaining in the Telecom. Factories was done by the Board of Management of Telecom. Factories where *inter alia* the inventory formula recommended by the B.P.E. as could be adopted by the Telecom. Factories was considered. The General Manager, Telecom. Factories, Calcutta was instructed by the Board of Management that the stock control limits of inventories in the Telecom. Factories should be so arranged that it falls within the B.P.E. standards. For this the General Manager Telecom. Factories, Calcutta has been further advised to regulate orders by splitting up delivery periods of important components, spares and raw materials where the lead time is anywhere between 18 to 24 months.

This has been seen by AG P & T.

[Ministry of Communications (P&T Board) O.M. No. 15-5/73-TF, Vol. II, dated 17-7-1975].

### Recommendation

The Committee have noted that consequent upon the introduction of co-axial cable and microwave systems and replacement of copper wire alignments by aluminium<sup>1</sup>Copper weld wire a large quantity of dismantled copper wire accumulated in departmental stock. According to the information furnished to the Committee the stock of dismantled copper wire had increased to 3400 tonnes worth more than Rs. 5 crores by June, 1973. At the beginning of this financial year the stock was about 2700 tonnes. The Committee have also noted that the Department did not consider it expedient to dispose of the stock in the open market lest sold wire became indistinguishable from stolen wire and created difficulties in tackling cases of copper wire thefts. Sales of copper wire were therefore made to Hindustan Cables Limited, Rupnarainpur and to certain Pesticide manufacturers. The annual off take from Hindustan Cables is about 3,000 tonnes and the supply to the pesticide, companies is about 1400 tonnes. The Committee consider that to prevent undue accumulation of unwanted copper wires, concerted steps should be taken by the P & T to persuade once again only the public sector undertakings like Hindustan Copper Ltd., Minerals and Metals Trading Corporation for purchasing P & T scrap copper wire. The Hindustan Cables Ltd., and Ordnance Factory of DGOF should also be approached with a view to selling them increased quantities of copper wire. The Committee trust that with the start of production of cables at the Hyderabad unit of Hindustan Cables Ltd., and the

expansion of capacity at both the Rupnarainpur and Hyderabad units, the Hindustan Cables Ltd. would be in a position to buy additional quantities of copper wire from the P & T Department. Negotiations should also be carried on with Traco Cables Company of Kerala State which is said to have started production of underground telephone cables. In this connection the Committee would like to insist on the Government to go by the following recommendations made by the Committee in para 1.29 of their 121st Report (Fifth Lok Sabha).

- 1.29. Incidentally the Committee would also like Government to consider setting up a sort of Metal Bank or Clearing House so that it can be ensured that the metal especially non-ferrous, rendered surplus or unfit for a particular use in one organisation can be profitably utilized elsewhere without being disposed of at a loss. The Committee consider this step necessary because non-ferrous metal is becoming costlier and scarcer in the market and it is essential to make the best use of what is already available with the Government.'

The Committee trust that with the setting up this Metal Bank it would be possible for the P & T Department to put the surplus copper wire into the bank for its ultimate disposal. The Committee also suggest that the department may consider issuing a monthly or fortnightly bulletin indicating the availability of copper wire at various places and circulate the same to interested purchasers, in the public sector.

[Sl. No. 57 of App. II (Para 1.287) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

### **Action Taken**

In November, 1974, Public Sector Undertaking like Heavy Electricals Ltd., BHEL, NGEF, Traco Cable Company and Government Ordnance Cable Factory were addressed informing them of the availability of clean copper wire scrap in P & T Stock and requesting them for estimate of their requirements. It was clarified that the sale price allowed for conversion costs and process loss and that their demand could be met from any of a number of P & T Stores Depots as convenient to the purchaser. The response has not been encouraging. However, it is expected that a working arrangement will be developed with Traco Cable Company on lines similar to that in operation with Hindustan Cables Ltd. It may be mentioned that Hindustan Cables Ltd. lifted 2575 MTs of P&T scrap copper in



1974-75 and the scrap copper wire sold to priority industries was 330 M/Ts. The stock of scrap copper as on 1st April, 1975 was 4508 M/Ts.

The matter has also been taken up with the Development Commissioner, Small Scale Industries, New Delhi, to ascertain the likely demand of pesticide makers and cable and wire industries in the small scale sector. Since the work of registration of SSI units is done by the State Directors of industries, the DC (SSI) called for the required information from them.

D.G. Ordnance Factories had been addressed in April, 1975, offering the P & T Scrap Copper Wire for other than cable making, for instance in the production of ammunition.

It will be seen from the above that within the confines of Government policy all possible steps are being taken for the disposal of P & T Scrap copper wire on sale basis to priority industries users in the Public and the private sectors, large and small.

As regards the recommendation of the PAC in regard to setting up a sort of metal bank or clearing house for deposit of P & T scrap copper has been noted. Information about the quantity of scrap copper and locations of storage is available and quarterly statements of position are received. The information will be furnished to Department of Supply who will be requested to take coordinating action in regard to this recommendation of the PAC.

In view of the generally poor response of the public sector undertakings, other than Hindustan Cables Ltd., to the sale offer of P & T Scrap copper, the issue of a regular bulletin about availability of the scrap at various places is not expected to be helpful in its quicker disposal.

This has been seen by AG P & T.

[Ministry of Communications (P&T Board) O.M. No. 305-3-73/MMS, dated 31-7-1975].

### **Recommendation**

The Committee note that mention was made of eleven cases of thefts (Rs. 1.86 lakhs) of stores between February, 1967 and July, 1970 from the godown of the telegraph store Depot, Calcutta and some other nearby places in paragraph 25(b) of the Report of

C. & A.G. for the year 1969-70 (Posts and Telegraphs). In view of the Department's reply to Audit in December, 1970 that preventive measures had been adopted and subsequent information furnished to the Public Accounts Committee in February, 1973 that the number of thefts had been reduced as a result of those measures, the Committee did not comment on that para.

[Sl. No. 58 of App. II (Para 1.295) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

#### **Action taken**

Noted. No action is called for.

[M]o Communications (P & T Board) O.M. No. 13-4/73-MMD,  
dated 19th July, 1975].

#### **Recommendation**

The Committee, however, find that not only ten more cases of alleged thefts (aggregate value Rs. 1,83,483) from the godown of the same store depot and a factory located in the same premises had been noticed but according to the information furnished by the Ministry on 20-8-1974 there have been nine cases of petty thefts since July 1973, five from the Telecommunication factory, Calcutta and four from the telegraph store yard involving a total loss of Rs. 9,350,59. The Committee take a serious view of the unabated incidence of thefts (though of decreased value) over a period of more than 7 years now in spite of the apparent checks and precautions taken in that direction.

[Sl. No. 59 of App. II (Para 1.296) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

#### **Action Taken**

It was reported by the Chief Controller of Telegraph Stores, Calcutta, in May 1974 that certain preventive measures, like construction of a boundary wall and provision of temporary flood lighting arrangements at Alifnagar cable dump, and the posting of additional Chowkidars at all the three store yards had been taken. Certain long-term measures suggesting unified control of security arrangement for the Telecommunication Factory area shared by store depot and the posting of Industrial Security staff have been suggested. Detailed proposals in respect of these are awaited from the CCTS, Calcutta.

[M]o Communications (P & T Board) O.M. No. 13-4/73 MMD,  
dated 19-7-75].

### Recommendation

According to the Department, elimination of the thefts was not possible due to unfavourable location of a big drain by the side of the store yard and the telecommunication factory. However, the Committee find that the preventive measures taken (December, 1973) included *inter alia* putting up of iron grating preventing such entry to the store yard through Corporation drain. The Committee have come to the inescapable conclusion that the weakness lies somewhere else and so needs special remedy. It has to be ensured by the Department that there is no collusion of staff with the culprits. The Committee note that the security staff has been strengthened recently. They would like the Department to closely watch the performance of the security staff and see that they are effective in preventing thefts in future.

[Sl. No. 60 of App. II (Para 1.297) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

### Action Taken

The instructions of the PAC have been brought to the attention of the officer-in-charge to ensure that there is no collusion of staff with culprits and to watch closely the performance of the security staff for greater effectiveness.

[M, o Communications (P & T Board) O.M. No. 13-4/73 MMD,  
dated 19-7-75].

### Recommendation

The Committee note that the proposed shifting of godowns to the new buildings under construction (December 1973) has not taken place as according to the Department the new buildings are still under construction. The Committee would urge that construction should be completed early and the godowns shifted to the new buildings as proposed to avoid chances of thefts in future.

[Sl. No. 61 of App. II (Para 1.298) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

### Action Taken

Construction of godowns is being carried out in three phases. Phase I has been completed and part of the stores has shifted to the new godowns. The construction of godowns under Phase II is in progress. The construction of godowns under Phase III is yet to be

completed. Stores will be shifted progressively on completion of construction of godowns under Phase II and Phase III.

[M]o Communications (P & T Board) O.M. No. 13-4/73 MMD,  
dated 19-7-75].

### **Recommendation**

Four cases were stated to be closed and six were under investigation by the Police. The Committee note that the cases were closed under Section 380 IPC as the Police after investigation had reported that the cases were true but no clue for the thefts could be found. Police investigation in the remaining cases has not been completed so far except in one case where the police has recovered the stolen material but the same has not been released pending final decision of the Court. The Committee would like to be informed of the final outcome of the investigation being made by the Police and or the decision of the Court in these cases.

[Sl. No. 62 of App. II (Para 1.299) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

### **Action Taken**

The Committee wanted to be informed about the final outcome of investigation by the Police and or the decision of the Court in the remaining six cases.

One case about which information was already given to the Committee as pending before the Court, is still pending for the decision of the Court. Four cases have been closed by the Police as 'no clue found' and out of these four cases departmental enquiry is in progress in one case. As regards the sixth case, police arrested two employees and launched prosecution, but the accused were acquitted by the Court for want of sufficient evidence. However, departmental enquiry is in progress in respect of two employees and one employees has already been awarded punishment of reduction in pay to minimum of the scale for 3 years.

[M]o Communications (P & T Board) O.M. No. 13-4/73 MMD,  
dated 19-7-75].

### **Recommendation**

In the previous Chapters, the Committee have commented on the inordinate delays on the part of the P&T Department in providing

telephonic services and facilities. The Committee have noted that the delays were due to non-supply of materials in proper time, dearth of suitable personnel, lack of coordination between different units of the same Department, defective terms of contracts, and the absence of proper planning. As a result of the delay in the execution of the projects, there has been invariably an escalation of the project estimates, non-utilisation of the facilities available and the consequent loss of revenue which was due to the Government. The Committee have also noticed that there is lack of proper supervision in regard to the estimation of requirements, replacement of indents and utilisation of stocks. The result has been that there has been injudicious spending of foreign exchange and accumulation of unwanted stocks.

[Sl. No. 65 of App. II (Para 1.314) of 145th Report (1974-75) (Fifth Lok Sabha)].

The Committee are surprised that the P&T Department despite four successive Five Year Plans have not acquired the mechanism of Planning in so far as the execution of their projects is concerned. The impression that is left on the mind of the Committee, after a review of the instances of glaring delays, is that the Department has executed their schemes without any basic planning at all.

[Sl. No. 66 of App. II (Para 1.315) of 145th Report (1974-75) (Fifth Lok Sabha)].

The Committee note that while replying to the recommendation made by the Committee in their 46th Report (5th Lok Sabha) the P&T Board has assured the committee in October, 1972 that 'actions considered necessary to complete the schemes within the set target are taken as far as feasible'. It is therefore distressing to find that in July, 1974, the Secretary to the Ministry of Communications has admitted that there is no time bound programme for each project and the only thing that is really missing is the kind of a time frame in which all the constituent items could be fitted by a specific date of completion. The Department has now realised the necessity to having a PERT chart for every project and that instructions regarding its maintenance are being issued. The committee would like to point out that mere maintenance of the chart without an in-built mechanism for fixing the responsibility for delays in the execution of the project viewed serve no purpose. They would, therefore, like the Department to issue suitable instructions to the effect that persons entrusted with the execution of the projects would be held responsible for any loss of revenue to the Government as a result of delay in the execution of the projects. The Committee hope that the PERT chart which

the Department propose to introduce will take care that there is proper synchronisation of the different components of the project from the very beginning and there is proper supervision in regard to the estimation of requirements, placement of indents and the utilisation of stocks.

[Sl. No. 67 of App. II (Para 1.316) of 145th Report (1974-75) (Fifth Lok Sabha)].

#### **Action Taken**

Instructions have been issued to watch the projects costing more than 50 lakhs on PERT chart, and the officers responsible for various activities, have also been nominated. In overall charge of each project an officer is designated for coordinating the various activities in accordance with the chart and will be answerable for any delay in the completion of the project. It will be the duty of this officer to review and update the PERT chart depending on the progress of its various components.

This has been seen by AGP&T.

[Mo Communications (P&T Board) O.M. No. 820-2373-TPS(UPC) dt. 18-7-75]

#### **Recommendation**

The Committee note that it has been decided that Block Headquarters are to be treated as category stations for opening PCOs on loss basis subject to certain financial conditions. Since the funds spent on the provision of telephone facilities in the rural area of the country during the past four Five Year Plans were highly inadequate, the decision to open 5000 public call offices during the Fifth Five Year is a step in the right direction. The Committee trust that this will ensure provision of telephone facilities in the rural areas and further provide an opportunity to the people around the Block Headquarters to avail themselves of these facilities. The Committee would like the Ministry to draw up a phased programme for setting up of Public Call Offices in the Block Headquarters. In this connection the Committee would like to stress that mere opening of PCOs is not enough. There should be satisfactory arrangement for their maintenance. The Group Maintenance Scheme which has been drawn up by the Ministry should be tried for sometime and a report on its working furnished to the Committee in due course.

[Sl. No. 68 of App. II (Para 1.321) of 145th Report (1974-75) (Fifth Lok Sabha)].

#### **Action Taken**

A phased programme for setting up Public Call Offices at the remaining Block Headquarters has been drawn up. Necessary instruc-

tions have been issued to all heads of Telecommunication Circles to implement this programme.

Group maintenance scheme for improving performance of SAXs has already been initiated in all the Circles. The Scheme is to be implemented in phases and completed within a period of 3 to 5 years. A watch is being kept on the progress. A report on its working will be furnished to the committee in due course as desired.

This has been seen by AG P & T.

[M/o Communications (P&T Board) O.M. No. 53-37/75-TPL(P)  
dt. 17-7-75]

### CHAPTER III

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

### Recommendation

The Committee have noted that the Ambala-Patiala-Bhatinda-Ferozepur Coaxial Cable Project was sanctioned at an estimated cost of Rs. 162.32 lakhs and by March, 1973, the actual expenditure was Rs. 189.79 lakhs. The Committee have also noted that the percentage of actual expenditure to sanctioned amount was 187 in respect of land, 179 in respect of building, 108 in respect of cables, 113 in respect of apparatus and plant and 117 on General Administration. The Committee consider the overall increase in expenditure to be high as compared to the sanctioned amount. They would like the Department to conduct a thorough probe with a view to seeing whether the increased expenditure was due to change of designs, delays in execution or improper planning. The Committee would like to be informed about the results of the probe in due course.

[Sl. No. 16 of App. II (Para No. 1.84) of 145th Report (1974-75) (Fifth Lok Sabha)]

### Action Taken

The recommendations of the Committee have been noted. A detailed examination to know the reasons for the increased expenditure was made. It was found that the provisions made in the original project estimate was on *ad-hoc* basis and when detailed estimates were framed subsequently it was found to be insufficient. Major portion of increase in cost of building was due to the fact that in the project estimate stage, provision was made on *ad-hoc* basis for single storey structures, whereas at the time of actual construction, provision was kept in the foundation for two or three storeys, for future expansion and for meeting the demands for other services like trunk exchange etc. The cost of ground floor construction had also increased due to the framed structure. All the lands were purchased through the Punjab State Government. Provision in the project estimate of Rs. 1.29 lakhs was made on *ad-hoc* basis for all the stations. The actual cost of individual pieces of land acquired through the State Government have ranged from Rs. 15,170 to Rs. 72,939 and amounting



to a total of Rs. 2.41 lakhs. The increase in respect of cable is not appreciable. The increase in respect of apparatus and plant is partly due to the escalation in prices of equipment supplied by M/s. I.T.I. and partly due to additional items procured for carrying out modifications. These modifications, not anticipated at the design stage, became necessary due to field performance of the equipment. The modification work involved employing staff for longer duration. This together with substantial increase in respect of allowances to staff resulted increase in G.A. Expenditure.

This has been seen by AGP&T.

[M/o Communications (P&T Board) O.M. No. 39-2/73-TPL(CX)/  
Vol. II dt. 17-7-75]

### Recommendation

According to the Audit paragraph, for conducting 'proving in' tests, microwave testing instruments were ordered in November 1967 but these instruments were received only in December, 1970 as ITI had expressed in February 1968 their inability to supply the instruments for want of foreign exchange. After the foreign Exchange was made available in October, 1968, tenders were invited in May, 1969 and orders for instruments were placed in November, 1969 on a U.S. firm (Sylvian Ginsbury Ltd.). When asked why orders for the microwave equipments were not placed in 1966 along with the orders for other equipments. The Secretary, Ministry of Communications stated, 'In 1966, we did not place any firm orders. It was *ad-hoc* information about the equipments that were required for all the projects.' The Committee are surprised that the Department instead of placing firm orders should be content with giving *ad-hoc* information about the equipments that were required. The Committee consider this to be serious lapse on the part of the Department and would like this to be further investigated with a view to fixing responsibility for action.

[Sl. No. 29 of App. II (Para 1.154) of 145th Report  
(1974-75) (Fifth Lok Sabha)]

### Action Taken

The equipment was an item under development and for such an item it is not practicable to place a firm detailed order since all the component units are known only on the development reaching an advanced stage. When the details are known the orders is firmed up. This *ad-hoc* information to the I.T.I. gives sufficient data to enable  
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the I.T.I. to develop and manufacture a new product. For a developed item firm up detailed orders are placed on I.T.I. after sanction of estimate.

This has been seen by AGP&T.

[M/o Communications (P&T Board) O.M. No. 70-22/73-TPL  
(Vol. II) dt. 18-7-1975].

### **Recommendation**

The Committee note that in order to avoid delay it was decided in May, 1965 that the system of jointing might be adopted and no other balancing need be carried out unless necessitated by crosstalk. The Committee fail to understand why the system of jointing/balancing to be adopted was not determined at the time when the project estimate was framed and sanctioned in June, 1964. This indecision on the part of the Department has caused considerable delay.

[Sl. No. 32 of App. II (Para 1.177) of 145th Report  
(1974-75) (Fifth Lok Sabha)]

### **Action Taken**

Crosstalk is caused by capacity imbalances in a completed cable. Each drum of cable has to meet the specifications within the tolerance limits. Since it is not practicable to manufacture cables without any imbalance, tolerance is provided in the specification. The imbalances follow a random pattern and in a large number of cases the negative imbalances in certain lengths are offset to a large extent by positive imbalances in other lengths and as such the normal method is systematic jointing. Special jointing is required only if residual imbalances are high. At the time of framing the estimate or sanctioning it, the pattern of imbalance distribution as it will be when the cable is completed cannot be predicted and as such the type of joining is not specified.

This has been seen by AGP&T.

[M/o Communications (P&T Board) O.M. No. 39-1/72-TPL(CX)/  
(Vol. II) dated 21st July, 1975].

### **Recommendation**

Another unsatisfactory feature of the work is that no study was made before the project estimate was framed to find out whether in that area it would be possible to house the coils in the jointing sleeves without any adverse effect on the standard of voice transmission. While provision was made for the coils, there was no provision for the post wherein the coils were to be fitted. The locally fabricated pots proved to be unsuitable on account of seepage of water and

therefore fresh coils complete with pots were obtained from Indian Telephone Industries in September, 1966 at a cost of Rs. 39,000 and the pots already inserted were replaced (after redigging) in December, 1966. The Committee consider that this infructuous expenditure could have been avoided had there been proper planning on the part of P&T Department. The Committee consider this to be a serious lapse and would call for a thorough enquiry so as to fix responsibility for the omission in indenting at proper time of pots (iron boxes) along with loading coils.

[Sl. No. 33, App. II (Para 1.178) of 145th Report  
(1974-75) (Fifth Lok Sabha)]

#### **Action Taken**

The loading coils were proposed to be fitted in the jointing sleeves itself. Hence, no provision had been made in the project estimate. As stated during evidence, methods are there to accomplish this with imported coils. In this case, ITI coils were used and it was found that fitting of the uni-coils in the sleeves could not be accomplished because of the large size of uni-coils. This came to notice only after the coils were supplied by M/s. ITI. As stated during evidence, the local Engineer, in order to save time, adopted a method of enclosing the coils in the improvised loading pot. Unfortunately this initiative did not result in a water proof joint although sincere efforts had been made by the officer in charge. It is felt that no action against the office is called for in this particular case, where genuine initiative did not produce the desired result.

This has been seen by AGP&T.

[M/o Communications (P&T Board) O.M. No. 39-1/72-TPL(CX)  
Vol. II dated: 19 July, 1975]

#### **Recommendation**

The Committee regret to observe that in the execution of the project for the installation of a telephone exchange at Rourkela, the Department has displayed utter lack of planning and coordination which resulted not only in enormous delay in execution but considerable escalation of the expenditure on the project itself. The project was sanctioned in September, 1961 but the building for this purpose was handed over to the P&T Department by Hindustan Steel Ltd. in April 1966 i.e. after a period of about five years. The Committee note with concern that there was no specific understanding about the time-limit in the construction of the building and its handing over to the P&T Department. While the power load was originally calculated by the Planning Branch of P&T Department

at 70 Kw based on past experience and the power cable was laid by the undertaking on that basis for constructing the building, the Director General, Supplies and Disposals in July, 1968 mentioned the power load as 90 Kw at the time of finalising the order for the supply of the airconditioning plant. The Committee are constrained to observe that no action whatsoever was taken by the Department to challenge the power requirement worked out by the Supplier—The American Refrigeration Co.—and the P&T Department as also the Director General, Posts and Telegraphs, acquiesced in the estimated of power load given by the supplier. As a result of increase in the power load from 70 Kw to 90 Kw, additional expenditure to the tune of Rs. 5,000 had to be incurred for laying additional power cables. The Committee fail to understand why the Department should not have verified the power requirements through an independent airconditioning engineer, if they had no such engineer in their own department.

[Sl. No. 36 of App. II (Para 1.200) of 145th Report (1974-75)  
(Fifth Lok Sabha)]

#### **Action taken**

The power requirement for Air-conditioning plant was intimated to H.S.L. in 1962 as 70 Kw based on the power requirement of working plants of similar capacity. At that time Compressors in A/c. Plants were being imported. However when the order was placed on the firm they informed that they were using indigenous compressors and the indicated requirement of load was higher *viz.*, 90 pressors and the indicated requirement compressor instead of imported ones, its assessment of power requirement was accepted. The extra power load due to use of indigenous equipment has been taken note of for guidance in similar cases in future. It appears that under these circumstances, no need was felt for obtaining any other independent opinion.

This has been seen by AG P&T.

[M/o Communications (P&T Board) O.M. No. 528-12/74-TPS(BT)  
(Vol. III) dated: 18-7-75.]

#### **Recommendation**

The Committee are surprised by the statement of the Ministry that "after this long passage of time, it has not been possible to fix responsibility for not making the file available when required." The Committee find this explanation wholly unsatisfactory, and would urge that a thorough probe should be conducted into the circumstances leading to the loss of the file in the Directorate General,

Posts and Telegraphs which resulted in the delay in issuing sanction. The Committee desire that responsibility for the loss of the file should be fixed and necessary administrative action taken against the persons concerned.

[Sl. No. 45 of App. I (Para 1.229) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

#### Action taken

As recommended by the Committee a thorough probe was made about the misplacement of the file in the Directorate and about the delay of 9 months in asking for correspondence from the Circle to reconstruct the file. Investigations show that the letter from the Circle dated 15-12-67 was not put up till 13-2-68 as the relevant file could not be traced in the section. Orders were issued that "the original file is essential and may be traced". A search was conducted but without success and ultimately the case was sent in a part file to Finance Advice Section on 16-7-68 for according sanction to the land estimate. In the main file the remunerativeness of opening of a telephone exchange of 1200 lines at Pollachi, for which the land was to be acquired, was examined in detail and therefore the Finance Advice Section expressed their inability to examine the case unless the main file was produced. On receipt of this note, a thorough search was again made not only in the concerned cell, but also in the other 12 Cells of TPS Section and also in the Finance Advice Section. When it was not found, then only in September, 1968 the Circle was asked to send copies of the correspondence to reconstruct the file. The delay of 9 months in asking the Circle to send the correspondence to reconstruct the Directorate file is therefore due to efforts made in the Directorate to hunt out the file in its own office.

On 22-12-69 the main file was found in PRP Section (Postal Research & Planning) and was returned by them. No record is available as to how this file went to that section. Files are sent from one section to another through the movement register. This movement register has now been destroyed, but apparently when frantic efforts were made in 1968 to hunt the file, it would have been consulted, though there is nothing on record to show that this was done. It appears that due to some mistake the file was wrongly sent to the PRP section. It has thus not been found feasible at this stage to fix any responsibility for misplacement of this file.

This has been seen by AG P&T.

[M/o Communications (P & T Board) O.M. No. 41-133/64-TPS  
(XP) (Cell. II) dated 23-8-75]

### Recommendation

The Committee have noted that the Director General of Posts and Telegraphs informed the PMG, Hyderabad in March 1972 that the Andhra Circle was responsible for deliberately entering into a faulty agreement with the landlord and instructed him to fir responsibility for this lapse for serious action. The Committee have been informed that two officers who are mainly responsible for the lapse have retired from service and the Director of Telegraphs, who was responsible for certain omissions in not exercising adequate care in handling the case has been 'suitably advised'. The Committee consider that the action taken by the Government in fixing the responsibility for the lapses is ridiculous and is wholly inadequate. Had the Department taken prompt action as far back as 1962 when the Andhra Circle made payment of 95 per cent of the sanction amount to the part without registration of the sale deed a situation like this would not have happened. The Committee are astonished that the Director of Telegraphs, who has been found responsible for certain omissions in handling the case has been only 'suitably advised' which means nothing at all. In other words, no punishment has been meted out to the officer concerned although certain omissions in handling the case were strictly attributable to him. The Committee desire that the Department should re-examine the whole matter with a view to fixing responsibility on all the concerned officers who might have been associated with this case. They would also like the Department to initiate disciplinary proceedings against the concerned officers including the Director of Telegraphs.

[Sl. No. 51 of App. II (Para 1.239) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

### Action taken

The case regarding fixing responsibility on the concerned officers has been re-examined. Two officers who were mainly responsible for the lapse have retired from service in 1965 and no action can be taken against them.

Regarding the action against Director of Telegraphs, is recalled that the earlier statement that the officer was suitably advised does not convey the correct position. Actually the displeasure of the D.G. was conveyed to the officer. It is felt that considering the quantum of failure attributable to him, the action taken is adequate.

This has been seen by AG P&T.

[M/o Communications (P&T Board) O.M. No. 62-121/60-TPS(BG)  
dated 17-7-75]

### **Recommendation**

The Committee are concerned to note that a decision to open a new post office in Girish Avenue at Calcutta was taken by the Post Master General, Calcutta, on his own initiative, without any proposal from the concerned Superintendent of Post Offices, in an area where already four post offices were functioning and that the normal procedure prescribed in the departmental rules were not observed in this case. No detailed study of the Postal traffic in the area also appears to have been made before opening the post office and the chronological statement of events leading to the opening the post office would also indicate the undue haste with which the opening of the post office had been approved and sanctioned despite the report of the Inspector of Post Offices that it would not be advisable to open the proposed post office unless there were any exceptional grounds which necessitated its opening. If, as stated by the Posts and Telegraphs Board to Audit in November 1973, the purpose of the new post office (opened in October, 1966) was to divert traffic from the Bagh Bazar post office, it is not clear to the Committee why the search for alternate accommodation for the Bagh Bazar Post Office continued till 1973 and why the Postmaster General had earlier taken up the question of surrendering about 370 square feet of accommodation of the New Post Office with the owner of the premises. The Committee are, therefore, not convinced with the explanation of the Department, which can at best be construed as an after thought.

[Sl. No. 63 of App. II(Para 1.308) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

### **Action taken**

1. In accordance with the recommendations of the Committee, the case has once again been investigated in detail. The comments of the officer, who took the decision to open a no-delivery town sub-office at Girish Avenue, Calcutta, were obtained and have been considered in the light of the recommendations of the Committee. The circumstances in which this new office was opened have already been explained and are recapitulated below in brief.

2. A fairly large-sized delivery post office was functioning at Bagh Bazar in an old rented building. The traffic and the staff of the post office justified an accommodation of 3,340 sq. ft., while the accommodation available in the building was only 2,350 sq. ft. There was, therefore, acute congestion resulting in inconvenience to the

Public and to the staff. Efforts made to secure an alternative and suitable building for the Bagh Bazar S.O. were not successful. The alternative course available was to open another post office in a nearby locality to divert traffic. In August, 1966, suitable accommodation became available on Girish Avenue, with the vacation of the premises till then occupied by a Commercial Bank. The building was about 1/4 km. from the Bagh Bazar S.O. and was located on the main thoroughfare. The Director of Postal Services decided to rent 1,000 sq. ft. of accommodation after observing the normal procedure for fixing of rent. He also felt that the office could be opened with two clerks and anticipated that the traffic would soon pick up, and require three clerical hands and justify the space being rented out. Initially, the office was opened with one clerk with effect from 14-10-66. The Office picked up business immediately. On 7-11-66, the sub-postmaster reported that the workload was too heavy for a single person. The figures collected for the months of February, March and April, 1967 revealed that the work load was 11 hours and 53 minutes which justified two clerks. Figures collected for the four quarters of 1967 showed that the work increased further to 14 hours and 21 minutes. A second clerk was sanctioned in September 1968. The work continued to increase and the statistics for 1969 showed a workload of 18 hours and 57 minutes. This estimate was, however, made by the concerned Inspector of Post Offices only on 11-1-71 after verifying the 1969 statistics. The anticipation with which the office was initially opened was thus realised in practice. The third clerk was not, however, sanctioned. In the meantime, efforts were continuing to afford further relief to the Bagh Bazar P.O. where the congestion had persisted. Since no suitable alternative accommodation was still forthcoming, it was decided to transfer much of the counter-work of the Bagh Bazar S.O. to the Girish Avenue S.O. with effect from 30-4-73. 1 LSG Clerk, 3 Clerks, and 2 Class-IV were transferred to the Girish Avenue P.O. alongwith all the counter-work except that of the Savings Bank. With this new complement of staff, the Girish Avenue P.O. justified a space provision of 1270 sq. ft. against the available 1000 sq. ft. It is, however, true till this transfer of work took place, the accommodation hired out at Girish Avenue, was in excess of the immediate requirements. In response to an Audit observation, the Postmaster General intimated in August 1971, that the question of surrendering excess accommodation to the extent of 370 sq. ft. had been taken up. In the same letter it was also intimated that the transfer of work from Bagh Bazar S.O. to Girish Avenue S.O. would be considered as an alternative. The question of some of the accommodation remaining unutilised in the Girish



Avenue P.O. has to be viewed in the context of this being a new office. Any new office takes some time to pick up business. The Girish Avenue S.O. picked up traffic rapidly. The extent of accommodation hired has to make allowance to the traffic trend, specially in the big cities where rented accommodation is not readily and easily available. In the context explained above, the opening of a post office at Girish Avenue was considered fully justified.

3. The points now raised in the recommendations of the Committee have been examined in detail with the following results:—

(i) At the time this office was opened, the Heads of Circles were competent to open offices in large towns, where the need was felt without any 'new income' condition [vide Rule 554(d) of P & T Manual volume IV]. By actual observation, the Director of Postal Services felt the need for a new office near the Bagh Bazar S.O. to afford relief to the latter. Opportunity was taken of the availability of a rented building in the vicinity to open an office there. The Superintendent of Post Offices was asked to make a formal proposal, though this was not necessary. Higher Officers, like the Directors and Postmasters-General are expected to show initiative in the matter of improving facilities. No procedural irregularity has been committed in authorising a post office without a formal proposal from the Superintendent of Post Offices.

(ii) The Director of Postal Services whose comments were called for, has explained, that the immediate need was to relieve Bagh Bazar S.O. of congestion. No other suitable accommodation was available. The Girish Avenue premises became vacant and verbal negotiations were started as early as May 1966. The officer has explained further that written offers were not readily made by owners for fear of requisition proceedings. When a written offer came finally the matter was settled without delay after observing the due procedure. Considering the need for opening a new office and the necessity to settle rent offers quickly, the procedure adopted in opening the new office cannot be said to be hasty. It is true that the concerned Inspector did report that there were four post offices in the neighbourhood at distances of 1/4 k.m. and 1/3 k.m. and 2 k.m. and questioned the advisability of opening another office. It is felt that this report did not take all factors into consideration. In cities, specially in the congested areas, it may become necessary to have a large number of Post Offices within close proximity of one another. For example, at Delhi we have within a kilometer's radius post offices as Krishi Bhavan, Udyog Bhavan, North

Block, South Block, D.H.Q. Parliament Street, Parliament House, Eastern Court, Janpath, Cannought Place and New Delhi H.Q. North Avenue and South Avenue. The main purpose with which an office was opened at Girish Avenue was to relieve congestion at Bagh Bazar. This does not figure in the Inspector's report. In any case, the Director and the P.M.G. had a better appreciation of the situation. The manner in which the office progressed within a short time justified its opening.

(iii) It is submitted that the diversion of traffic from one office to another newly opened office in an urban area, will take effect only over a period of time and is not immediate. The question of housing the Bagh Bazar S.O. in better accommodation was under consideration even when the Girish Avenue S.O. was opened. The reason for this was, the bad condition of the building as well as the cramped accommodation. An effort was also made at about the same time (1966), to get a suitable site from the Calcutta Improvement Trust and construct a departmental building for the Bagh Bazar S.O. Even after the opening of the Girish Avenue S.O., congestion persisted for the reason already given. Hence effort continued to be made to find alternative accommodation for the Bagh Bazar S.O. Thus, the opening of the Girish Avenue S.O. and the search for new accommodation for Bagh Bazar S.O. are not incompatible. Further more, the accommodation needs grow continuously and forward planning is resorted to wherever possible. It is true that the Audit was informed by the P.M.G. in August, 1971 of the intention to surrender 370 sq. ft. of accommodation in the Girish Avenue S.O. This was on the assumption that the office justified only two clerks at that time. As stated above, in para 2, the statistics of 1969 showed that the office had a workload of 18 hours and 57 minutes. A third clerk is justified on a work load of 19 hours. A third clerk was not however sanctioned immediately. The fact, however, remains that, in the circumstances, the accommodation rented was not infructuous. All these facts were duly intimated to the Audit in the Department's earlier replies.

This has been seen by AG P&T.

[M/o Communications (P&T Board) O.M. No. 19-1/73-PRP dated 17-7-75.]

### **Recommendation**

The Committee also find that though the Secretary, Department of Communications, had stated during evidence that an enquiry had been undertaken by the Superintendent of Police, Special Police

Establishment into the opening of the new post office, this enquiry did not relate to the opening of the post office as such but to certain allegations made against three officials of the Posts & Telegraphs Department of abuse of official position by taking on exorbitant rent for premises of private parties, in one of which the new post office was located to the detriment of postal revenues. The Committee are not satisfied with the circumstances leading to the opening of the Girish Avenue post office and desire that the entire case should be investigated in detail by an appropriate authority with a view to ensure that no *malafide* are involved and fixing responsibility. The Committee would like to be informed of the results of the investigation and action taken.

[Sl. No. 64 of App. II (para 1.309) of 145th Report  
(1974-75) (Fifth Lok Sabha)]

#### Action taken

In the context of the evidence before the Committee, the reference to the Special Police Establishment enquiry was to certain allegations regarding the assessment of rent of certain buildings including that of the Girish Avenue Post Office. Any impression that might have been created that the enquiry was regarding the opening of the post office is regretted. It is, however, pointed out that the Central Vigilance Commission, has observed that Shri V. N. Cyril, the then Director of Postal Services, cannot be held responsible for the rent assessment of the Girish Avenue Post Office.

The case regarding the circumstances of opening the post office itself has again been investigated in detail with the results noted in the 'Action Taken Note' to the recommendation No. 63. The office was opened in the interest of the public, the staff and the needs of work and no *malafide* intention has been revealed in the procedure followed, or the justification put forth. A detailed scrutiny shows that there was some delay in putting the accommodation that was rented, to full utilisation. In this context, it is submitted that in an establishment which is expected to grow rapidly, provision has to be made for the anticipated expansion, lest the traffic should quickly outgrow the space available. A time lag for full utilisation has to be allowed as a matter of expediency.

This has been seen by AG P & T.

[Ministry of Communications (P&T Board) O.M. No.  
19-1/73-PRP dated 18-7-1975.]

## CHAPTER IV

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

#### Recommendation

The Telecommunications Development Scheme in Kashmir Valley was sanctioned at an estimated cost of Rs. 30.82 lakhs. The detailed estimates for the works went upto Rs. 33.05 lakhs, as a result of the various works executed under this project during June, 1964 and March, 1966. As against this, the total expenditure on the project was Rs. 29.22 lakhs. The Committee note that this is one of the rare occasions where the actual expenditure has been less than the estimated and sanctioned cost of the project. The Ministry will no doubt appreciate that over-estimation of requirements means defective budgeting. The Committee would suggest that budgeting procedure should be rationalised in such a manner that they will facilitate closer estimation of requirements.

[Sl. No. 31 of App. II (Para 1.176) of 145th Report  
(1974-75) (Fifth Lok Sabha)]

#### Action taken

The suggestion of the Committee regarding rationalising of budgeting procedure has been noted.

This has been seen by AG P&T.

[M/o Communications (P&T Board) O.M. No.  
39-1/72-TPL(CX)/Vol. II dt. 9-7-1975]

#### Recommendation

According to the terms of the agreement, the supplier had to carry out three tests during summer, winter and monsoon periods, after the commissioning of the air-condition Plant. It is not understood at all why the supplier insisted of conducting only one test instead of three tests on one pretext or the other and the controversy had to be sorted out in March, 1971 after which the supplier agreed to commission the Plant by May, 1971. In this respect the P&T Department have come out in poor colour. Firstly, they failed to provide power and water supply to the air-conditioning plant, the result of which was that the supplying firm made use of the delay in asking for a reduction in the test cycle. It is a matter of concern

that this particular firm should stall the commissioning of the air-conditioning plant on the ground that the insulation was not according to the specification when it was clearly provided in the contract that the exposed roof should be insulated with 40 millimeter thick thermocole or equivalent insulation. The Committee note that the firm eventually agreed to installation of the Plant without thermocob insulation and hence the stance that they adopted originally in regard to inadequacy of the insulation is most reprehensible. The Committee would like to impress that before awarding contracts to any firm, the P&T Department as well as the Director General of Supplies and Disposals should thoroughly scrutinise the antecedents of the contracting firms, including its record of performance in regard to earlier contracts. In this connection, the Committee would like to point out that the standard contract form in use in the Department of Supply for purchase of equipments, etc. is wholly unsuitable in regard to the purchase of air-conditioning machines. According to the terms of the contract at present in vogue, in cases of delay in delivery at site for any reason, for which the purchaser is responsible, 5 per cent of the contract price of the plant would become payable after the expiry of four months. It is a matter of common knowledge that in the matter of air-conditioning machines, a period of four months is not sufficient to test their performance and it would require a period of atleast 12 months to complete the cycle of tests in the summer, monsoon and winter seasons. The Committee hope that the Department concerned would take early action to revise the existing contract form in so far as the purchase of air-conditioning machines is concerned.

[Sl. No. 37 of App. II (Para 1.201) of 145th Report  
(1974-75) (Fifth Lok Sabha)]

#### **Action taken**

Recommendations have been noted and brought to the notice of the DGS&D and the departmental agencies for necessary action.

This has been seen by AG P&T.

[M/o Communications (P&T Board) O.M. No.  
528-12/74-TPS(BT) Vol. II dt. 18-7-1975]

#### **Recommendation**

The Committee have already noted that there was a failure on the part of the P&T Department providing power and water, and this lapse has also been admitted by the Secretary, Ministry of Communications. They, however, regret to note that there has been further failure in the matter of provision of spring loaded door closers which the firm wanted to be completed before the plant was commissioned. It is also regretted that there was an omission in

placing the order for the electronic filter in time which resulted in extra expenditure of Rs. 9,880/-. The Committee understand that responsibility for this lapse is being fixed.

[Sl. No. 38 of App. II (Para 1.202) of 145th Report  
(1974-75) (Fifth Lok Sabha).]

**Action taken**

Suitable action is being taken in this regard.

This has been seen by AG P&T.

[M/o Communications (P&T Board) O.M. No.  
528-12/74-TPS(BT) Vol. II dt. 18-7-75]

## **CHAPTER V**

### **RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES**

#### **Recommendation**

The Committee would also like to be apprised of the results of investigations as also the action taken in regard to delay in handing over the Cable laid by the Telegraph Engineering Division, Jullundur in October, 1966 to the indentor, i.e., Defence Department till January, 1971, resulting in non-recovery of rent to the extent of Rs. 1.12 lakhs between October, 1966 and December, 1970.

[Sl. No. 7 of App. II (Para 1.19) of 145th Report  
(1974-75) (Fifth Lok Sabha)]

#### **Action taken**

The matter is under investigation.

This has been seen by AGP&T.

[M/o Communications (P&T Board) O.M. No.  
23-11/73-TP 7 dt. 15-7-1975]

#### **Recommendation**

The Committee are distressed to note that a scheme for retransposition of existing telegraph alignment and also for erection of a new pair of wires between Suratgarh and Sriganganagar in Jodhpur telegraph Engineering Division of the Rajasthan Circle was sanctioned on top priority basis in July, 1965 but the work was not completed until 30-4-74, i.e., after about 9 years. The delay in the completion of the project is said to be due to the non-availability of copper weld wires, an imported item. The Committee fail to understand how a top-priority project could be sanctioned without making certain that essential components would be available on time. It is regrettable that information on status of procurement of copper-weld wire in the year 1965 and earlier period is not readily traceable. While copper weld wires were in short supply, fresh stores continued to be supplied for the project. The explanation of the Ministry of Communications that 'Copper weld wire to the extent of 4999 Kgs. was received in October 1965 and the field authorities seem to have anticipated that

the remaining portion of the wire along with other items may be supplied in time' is not wholly convincing. While stores for the completion of the project were received between November, 1967 and March, 1968 certain items like U-backs, BJ coils etc. were transferred in December, 1968 and October, 1970 to other urgent works. These had to be reindented on 25-5-72 but the supply could only be made by diversion from other works to complete this work which was done on 30-4-74. In the opinion of the Committee, the Department did not have any planning at all and they resorted to make-shift arrangements in regard to procurement of supplies. The Committee cannot too strongly stress the need for proper planning with fixed target dates for completion of each phase of each project before its actual execution is taken up. The Committee would like that reasons for the non-availability of records in regard to the procurement of copper weld wires in year 1965 and earlier should be further probed and responsibility fixed for the lapse.

[Sl. No. 39 of App. II (Para 1.210) of 145th Report (1974-75)  
(Fifth Lok Sabha)]

#### **Action taken**

1. Instructions have been issued to all the G.Ms. Telecom. in various Circles to ensure proper planning with fixed target dates for completion of each phase of each project before its actual execution is taken up.

2. Investigations are being made. A further report on the case will be sent as early as possible.

This has been seen by AGP & T.

[M/o Communications (P & T Board) O.M. No. 97-1/73-TPL(P)  
Dated 18-7-75]

#### **Recommendation**

The Committee have noted that there has been a case of over-indenting of copper weld wires required for the construction of a line between Padampur and Rai Singh Nagar meant for use of the Defence Department. The excess indenting of 5,640 Kgs. of wire worth Rs. 0.97 lakhs was attributed to clerical error. The Committee are satisfied with the statement of the Ministry that 'Instructions are being issued to all Heads of Circles to ensure rigorous checks with a view to minimise such errors'. They would like that responsibility



for this mistake if it was not a wilful error should be fixed with a view to taking suitable action.

[Sl. No. 40 (Para 1.211) of App. II to 145th Report of the PAC  
(Fifth Lok Sabha)]

#### **Action taken**

The case will be investigated and further report will be sent.

This has been seen by AGP & T.

[M/o Communications (P&T Board) O.M. No. 97-1/73-TPL (P)  
Dated 18-7-75]

#### **Recommendation**

The Committee are distressed to note that certain essential modifications required in the room for installation of the airconditioners had also not been provided by the Department. The Committee are in agreement with the Secretary, Ministry of Communications, that 'the delay in commissioning of the air-conditioners was primarily due to lack of foresight on the part of the executive officers in the field and also a clerical delay of 6 months in the PMG's office'. They would like that responsibility should be fixed on the officials concerned for the lapses.

[Sl. No. 42 of App. II (Para 1.219) of 145th Report (1974-75)  
(Fifth Lok Sabha)].

#### **Action taken**

Action for fixing the responsibility on the officials concerned for the lapses as per observations made by PAC is being considered by the Circle.

This has been seen by AGP & T.

[Ministry of Communications (P&T Board) O.M. No. 1-54/  
73-ML, dated 19th July, 1975].

#### **Recommendation**

The Committee also desire that steps should be taken forth-with for the introduction of suitable procedures which would make it impossible to "lose" or "Misplace" files.

[Sl. No. 46 of App. II (Para 1.230) of 145th Report (1974-75)  
(Fifth Lok Sabha)]

**Action taken**

As desired by the Committee, procedure are being re-examined with a view to avoid mis-placement of files in future.

This has been seen by AGP & T.

[M/o Communications (P & T Board) O.M. No. 41-133/64-TPS (XP)  
Vol. II Dated 23rd August, 1975]

**Recommendation**

The Committee comes to the inescapable conclusion and this has been corroborated by the Manager, Telecom. Factory, Bombay (April, 1973) that excess quantity had been indented for utilising the available foreign exchange. The Committee are unhappy that the detailed calculation on the basis of which the requirement was assessed in June, 1969 is not available. They are not at all impressed by the laboured reasoning which the Ministry has urged before the committee. The Committee would like responsibility to be fixed for the squandering of foreign exchange.

[Sl. No. 55 of App. II (Para 1.269) of 145th Report (1974-75)  
(Fifth Lok Sabha)]

**Action taken**

The recommendation has been noted. The General Manager Telecom. Factories has been asked to take necessary action and report to the Board.

This has been seen by AGP & T.

[M/o Communications (P & T Board) O.M. No. 15-5/73-TF Vol. II  
dt. 17-7-75]

H. N. MUKERJEE,

NEW DELHI;  
December, 17 1975

Chairman,  
Public Accounts Committee.

Agrahayan 26, 1897 (S).

## APPENDIX

### SUMMARY OF MAIN CONCLUSIONS/RECOMMENDATIONS

Sr. No.	Para No. of the Report	Ministry Concerned	Conclusions/Recommendations
(1)	(2)	(3)	(4)
1	1.4	Ministry of Communications.	The Committee expect that final replies to recommendations in respect of which only interim replies have so far been furnished will be submitted expeditiously after getting them vetted by Audit.
2	1.8	—do—	The Committee observe that the Telecommunication department has been strengthened, as from August 1974, with the establishment of Internal Checks Organisation in the Telecommunication Circles in Orissa, Maharashtra, Punjab and Uttar Pradesh and the Telephone Districts of Bombay and Delhi, and that the scheme was to be extended to the remaining Circles/Districts from June, 1975. Detailed instructions on the conduct of inspections by the Organisation are also stated to have been issued. In addition, a system of

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(1)

(2)

(3)

(4)

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executive inspections of Telecommunication Revenue Units by the Internal Financial Advisers of Circles is also reported to have been introduced and for this purpose, a proposal to strengthen the TR cells at the Circle level is under consideration. The Committee need hardly emphasise the importance of an efficient and effective system of internal checks and controls and hope that with the steps now taken and proposed to be taken, there would be considerable improvement in the recovery of rent and other dues. The Committee would watch with interest the impact of these measures.

3

I.9

Ministry of  
Communications.

Bills in respect of 12 out of the 14 cases under observation are stated to have been since issued and payments received/claims accepted. The Committee have been informed that the remaining two cases are still under discussion with the concerned Defence authorities and would urge Government to settle these cases early.

78

4

I.12

—do—

The Committee note that action has been initiated to fix responsibility for not expediting the project for the expansion of Jammu Telephone Exchange. Since a number of instances of delay in the completion of investigation into lapses on the part of officers and in taking appropriate disciplinary action thereafter have come to the notice of the Committee in the past, they desire that the action proposed in this case should be completed soon and all necessary steps taken.

1.15           —do—

The Committee would urge that the recommendations of the consultants (Administrative Staff College, Hyderabad) for the re-vamping of the procedures for the stocking and issue of stores and for better co-ordination between the indentors and the store depots, which appear to have been accepted by Government, be implemented quickly. The Committee trust that with these measures, delays that had hitherto occurred in the procurement and supply of materials required for various projects would be minimised, if not altogether eliminated.

6           1.18           —do—

The Committee are constrained to record their dissatisfaction with the reply furnished by the P&T Board in regard to their suggestion for the rationalisation of budgeting procedure in such a manner as to facilitate closer estimation of requirements. Merely 'noting' the suggestions of the Committee would not help improve matters unless these suggestions are closely studied and implemented. The Committee would ask what specific steps have been taken by the P&T Board to rationalise budgetary procedures.

79

7           1.21           Ministry of  
                  Communications.  
                  D.G.S.&D.

The Committee note that their suggestion for the revision of the existing standard contract form in so far as it relates to the purchase of air-conditioning plants and machines has been 'brought to the notice' of the Directorate General, Supplies and Disposals and the departmental agencies for necessary action. The Committee would like to know if specific action has been taken by the DGS&D and whether the form of contract has since been revised by that organisation.

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(1)	(2)	(3)	(4)
8	1.24	Ministry of Communication.	<p>The Committee learn that 'suitable action' is being taken by the P&amp;T Board in regard to their observations contained in paragraph 1.202 of the 145th Report (Fifth Lok Sabha) relating to certain failures and lapses in the installation of a telephone exchange at Rourkela. The Committee find this reply rather vague and desire a more concrete response indicating the precise action taken in this regard. As early as July, 1974, the Committee had been informed that responsibility for the omission in placing the order for the electronic filter in time was being fixed. The Committee trust that this issue has been finalised and wish to know the latest position.</p>
9	1.27	—do—	<p>The Committee note that investigations are being made into the reasons for the non-availability of the records relating to the procurement of copper weld wires in the year 1965 and earlier. Such investigation has already been long delayed and must be completed soon.</p>
10	1.30	—do—	<p>The disciplinary proceedings proposed to be initiated against the officials responsible for not planning the work relating to the installation of air-conditioners in the trunk exchanges at Cuttack and failing to foresee the problems related to building modifications and requirements of additional power, should be expedited and the final action taken intimated to the Committee.</p>

11      1.33      Ministry of  
                                Communications  
                                Cabinet Secretariat

A considerable time has elapsed since the Committee suggested, in paragraph 1.29 of their 121st Report (Fifth Lok Sabha), the setting up of a Metal Bank or Clearing House so as to ensure that metal, particularly costly and scarce non-ferrous metal, rendered surplus or unfit for a particular use in one organisation is profitably utilised elsewhere without being disposed of at a loss. Unfortunately, this practical suggestion, which is also not too difficult to implement, is yet to be acted upon by Government in a purposeful manner. While the P&T Board has 'noted' this suggestion, the Department of Defence Production have appointed a Study Group to examine it. With reference to the action taken by the Department of Defence Production in this regard, the Committee, in paragraph 1.11 of their 140th Report (Fifth Lok Sabha), had urged Government to process this recommendation 'with the utmost promptitude' in consultation with departments/organisations in which scrap arise and also to prescribe a time-bound schedule for its implementation. Reverting to this question again in paragraph 1.18 of their 142nd Report (Fifth Lok Sabha), the Committee had felt that there was 'an urgent need' for the establishment of a centralised coordination agency for reutilisation and disposal of metal scrap. As suggested therein, the Committee would urge the Cabinet Secretariat to take up the responsibility for coordinating action on this important recommendation of the Committee, in consultation with all organisations/departments in which scrap or surplus metal arise and those where these are likely to be utilised, so that optimum use is made of what is already available with Government.

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