

**IRREGULAR EXPENDITURE ON LOCAL
INSULATION OF G.I. WIRE**

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

**PUBLIC ACCOUNTS
COMMITTEE
1997-98**

ELEVENTH LOK SABHA

FIFTEENTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(1997-98)

(ELEVENTH LOK SABHA)

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INSULATION OF G.I. WIRE**

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



Presented to Lok Sabha on 14.8.1997
Laid in Rajya Sabha on 14.8.1997

LOK SABHA SECRETARIAT
NEW DELHI

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INTRODUCTION

1. The Chairman, Public Accounts Committee having been authorised by the Committee, do present on their behalf, this Fifteenth Report on Paragraph 9.4 of the report of the Comptroller and Auditor General of India for the year ended 31 March, 1995, No. 7 of 1996, Union Government (Posts & Telecommunications) relating to "Irregular Expenditure on local insulation of G.I. Wire".

2. The Report of the C&AG for the year ended 31 March 1995 (No. 7 of 1996), Union Government (Posts & Telecommunications) was laid on the Table of the House on 17 July, 1996.

3. The Committee took evidence of the representatives of the Ministry of Communications (Department of Telecommunications) on the subject at their sittings held on 16 January, 1997 and 7 February 1997. The Committee considered and finalised this Report at their sitting held on 12 August 1997. Minutes of the sitting form Part II of the Report.

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

5. The Committee place on record their appreciation of the commendable work done by the Public Accounts Committee, 1996-97 for recording oral evidence of the representatives of the Ministry of Communications (Deptt. of Telecommunications) and in obtaining information for this Report.

6. The Committee would like to express their thanks to the officers of the Ministry of Communications (Department of Telecommunications) for the cooperation extended by them in furnishing information and tendering evidence before the Committee.

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

NEW DELHI;
13 August, 1997

22 Shrivana, 1919 (Saka)

DR. MURLI MANOHAR JOSHI,
Chairman,

Public Accounts Committee.

CORRIGENDA TO THE FIFTEENTH REPORT OF PUBLIC ACCOUNTS
COMMITTEE (11TH LOK SABHA) ON IRREGULAR EXPENDITURE ON
LOCAL INSULATION OF G.I. WIRE

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**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(1997-98)**

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2. Shri P. Sreedharan — *Deputy Secretary*

Expired on 24 May, 1997

Ceased to be Member of the Committee on her appointment as Minister of State
w.e.f. 3.6.1997

REPORT

Introductory

Galvanised Iron (GI) wires are used in the Department of Telecommunications (DoT) for providing for new telephone connections, public telephones in Gram Panchayats, junction lines, for installation of overhead carriers systems, to extend STD/Group dialing facilities to Sub-Divisional Headquarters/Telecommunications Headquarters & Rural exchanges, for maintenance of existing lines, etc. GI wires, bare as well as insulated are stocked items and are centrally procured by the Chief General Manager, Telecommunications (CGMT), Stores, Calcutta.

2. This report is based on Paragraph 9.4 of the Report of the Comptroller & Auditor General of India for the year ended 31 March, 1995, No. 7 of 1996, Union Government (Posts and Telecommunications) which is reproduced at Appendix-I to the Report. The paragraph deals with a case where the CGMT, Assam Circle unauthorisedly converted 9586 km bare GI wire of 2 mm diameter (dia) and 12409 km GI wire of 3.55 mm dia into PVC insulated GI wire locally during 1989-93 with a thickness of 1 mm and 1.5 mm respectively, against the DoT's, uniformly applicable specification of 0.5 mm thickness. It was pointed out by Audio further that the CGMTs did not have the power to procure them locally and that compared to the prevailing central procurement rate of insulated GI wire, the action of CGMT, Assam Circle caused an extra expenditure of Rs. 4.79 crores.

Demand and supply of GI wires

3. The Committee desired to know the forecast requirement of 2 mm dia and 3.55 mm dia bare/insulated GI wire by CGMT, Assam Circle, actual allotment by DoT and supply made there against by CGMT (Stores), Calcutta during the period 1989-93. The relevant figures as

furnished by the Ministry of Communications (DoT) are indicated in the following Tables (I&II):—

Table I

2.00 MM		Quantity in Kms					
Year	Forecast requirement		DoT allotment	Actual supply			Qty. locally insulated
	Bare	Insulated	Bare	Insulated	Bare	Insulated	
1989-90	9561	1500	4859	500	3764	250	NIL
1990-91	9561	2400	4779	2035	5645	500	1830
1991-92	9960	2500	4616	4070	19541	140	3755
1992-93	11554	3000	5669	3080	3057	1050	4001
Total:	40636	9400	19923	9685	32007*	1940**	9586

* According to the Ministry, the actual supply position of 2.00 mm bare GI wire by CGMTS, Calcutta to Assam Circle was 32007 km. However, this has been rounded to 32010 km.

**1940 kms. of insulated GI wires of 2.00 mm supplied by CGMTS, Calcutta was of 0.5 mm insulation thickness.

Table II

3.55 MM

Year	Forecast requirement		DoT allotment	Actual supply position			Qty. locally insulated
	Bare	Insulated	Bare	Insulated	Bare	Insulated	
1989-90	3739	2500	2580	1000	3778	Nil	952
1990-91	3739	2500	3525	1963	1229	Nil	1411
1991-92	3752	3000	8185	1019	5236	600	5129
1992-93	3881	3500	1642	14	4657	580	4917
Total:	15111	11500	15932	3996	14600	1180	12409

It would be seen from the above Table that while the supplies made in the case of GI wires of 2 mm dia (32,010 kms) was substantially more than the DoT allotment (19,923 kms), the reverse was true in the case of GI wires of 3.55 mm dia i.e. 14,600 kms GI wire was supplied as against DoT

allotment of 15,932 kms. It would also be seen from the table that total quantity of GI wires locally insulated (21,995 kms) was higher than the total quantity projected in the forecast requirement (20,900 kms) by CGMT, Assam Circle.

4. The following reasons were *inter-alia* cited by the Ministry for the difference in the forecast requirement made by the circle, allotment by the DoT and supplies by CGMT (S), Calcutta:—

“—The forecast requirement is done much in advance of the finalisation of yearly targets for the circle and is generally based on the likely achievements during the current year and growth plans during the subject year (year for which forecast is made) and anticipated maintenance requirements.

—The allotment by DoT is, however, based on the actual development targets set for the circle depending upon budgetary provision. The allotment is generally made based on set norms for different developmental activities and maintenance requirements.

—The procurement action by the CGMT(S), Calcutta is based on the allotment given by DoT. However, the supplies to various field units are dependent upon several factors like carried over stocks and supplies from the vendors spread over the delivery period.”

5. In view of the above, the Committee enquired about the use of obtaining forecast requirements of different types of GI wires from various Telecom Circles when the DoT allotments are based on the actual development targets set for that circle depending upon budgetary provisions. The Ministry in a note stated that the forecast requirement was obtained from field units for store items when there were no fixed norms for these items. Subsequently, the norms were established for these store items. However, the forecast requirement from circles for these items kept on coming historically. Based on the actual development targets set for a circle depending upon the budgetary provisions, the DoT allotment is calculated with reference to the norms fixed.

6. The Committee desired to know the precise reasons for short supply of insulated GI wires of 2 mm and 3.55 mm dia to Assam Telecom Circle during the period 1989—93 as against the quantity allotted by the DoT for those years. The Ministry in a post-evidence note stated that the total supply of both types of insulated GI wires on all India basis was only 26.4% for 2.00 mm insulated GI wire and 13.08% for 3.55 mm. According to the Ministry, this shortage was accordingly dispersed to various circles more or less on equitable basis.

7. To a specific query from the Committee as to how DoT had expected Assam Circle to meet their requirements of insulated GI wires and achieve the prescribed physical targets when there was persistent short supply of these wires to that circle. The Ministry in a note stated:—

“In the wake of short supply of insulated GI wire, there were two alternatives available for Assam Circle to meet the prescribed targets

viz. (i) Assam circle could have continued to use bare GI wire as was the practice prior to introduction of insulated GI wire and (ii) by getting the bare GI wire insulated locally after observing all departmental procedures including permission from the competent authority."

Specifications for Insulation of GI wires

8. The Committee desired to know as to when DoT actually started getting PVC insulation over bare GI wire and about the manner in which purchases were effected there against by CGMT(S), Calcutta. The representative of the Ministry stated during evidence:

"No insulated wire was purchased till 1987. The first tender was floated in 1987 for getting some wire insulated by the CGMT(Stores), in Calcutta. It was a very small amount. Prior to that, there was nothing. The regular purchases were made from 1988 onwards."

9. In a note furnished to the Committee after evidence, the Ministry clarified that against tenders floated in 1988, supplies of insulated GI wires started from 1989-90 onwards.

10. It has been pointed out by Audit that the CGMT, Assam in the case under examination had violated the specifications laid down by Telecom Authorities for insulation coating. In this context, the Committee enquired about the details of the specifications for PVC insulation on MSGI wires issued by Telecom Authorities from time to time. The relevant information furnished by DoT is indicated in the following table:—

Chronology of specifications issued by DoT

Sl. No.	Name of the Document	Specification No.	Date of issue	Insulation thickness prescribed on 2 mm & 3.5 mm MSGI wire
1	2	3	4	5
1.	Standard Specification for PVC insulated wire for open telecommunication	ITD No. S/ WC-102A MS (Draft) wire	10.1.1979	1.5 mm ± 0.25 mm

1	2	3	4	5
2.	Standard Specification for PVC insulated wire for open telecommunication	ITD No. WC-102A (Revised draft)	S/ 16.5.1986	1.5 mm \pm 0.25 mm for 3.55 mm GI Wire, and 1 mm \pm 0.2 mm for 2 mm GI Wire
3.	Draft Specification for PVC insulated 1.60 mm, 2 mm & 3.55 mm dia Steel wire	TRC No. 52-2985-TRC	Spec. 6.5.1987	0.3 mm
4.	Amendment to Specification No. 85-TRC dt. 6.5.87	the No. 52-2985-TRC	19.11.87	0.5 mm
5.	Revised Specification for insulated GI wire for open wire telecommunications	Draft ITD No. WC-102A	S/ 17.2.1988	0.3 mm
6.	Specification for PVC insulated 1.60mm, 2.00 mm and 3.55 mm dia galvanised Steel wire	No. 52-2987-TRC (Revised)	02.08.88	0.5 mm
7.	Revised Specification for insulated 1.60 mm, 2.00 mm & 3.55 mm dia galvanised mild Steel wire	Draft ITD Specification No. S/WC-102A	29.03.90	0.5 mm
8.	Specification for PVC insulated 1.60 mm, 2.00 mm and 3.55 mm dia galvanised mild Steel wire	TEC No. G/WIR-0802	Spec. Dec. 1994	0.5 mm

1	2	3	4	5
9.	Amendment No. 1 to Lr. Spec. No. G/WIR-0802 Dt. December 94	TBNET/ WIR-GC08. TEC 96	No. 29.11.96	1.00 mm for thickly vegetated areas (Type A) and 0.5 mm for other areas (Type B)

11. The chronological sequence of the above specifications for PVC insulation on MSGI wire was examined by the Committee at some depth, which are dealt with in the succeeding paragraphs.

12. The Committee were informed during evidence that Technical & Development (T&D) Circle was the competent authority to issue specification for PVC insulation right from the beginning. As per information made available to the Committee, the exercise for evolving specification for PVC insulation started in the Department of Telecommunications in the year 1979 when a draft specification (No. S/WC-102A dated 10.1.1979) was issued by the T&D Circle. This specification detailed the requirement of PVC insulated mild steel wire for use as transmission lines on open wire telecommunication alignments in coastal areas and low tension power crossings. The insulation thickness indicated therein was $1.5\text{mm} \pm 0.25\text{mm}$ for both 2.00mm and 3.55mm MS wires. Apprising the Committee about the purpose of this draft specification, Secretary, Ministry of Communications during evidence stated:—

“The draft was circulated among the field officials to elicit their comments.”

13. To a specific query from the Committee whether field officials were empowered to purchase against this draft specification, the Secretary, Ministry of Communications, *inter-alia* stated:—

“...Whether a field officer could purchase a material on the basis of a draft specification, logically and clearly, he had no authority to buy any material against a specification which was at the draft stage.”

14. The Committee were further informed that the specification issued in 1979 remained as a draft till 1986 and a revised draft specification

(No. ITD No. S/WC-102A) was issued by the T&D Circle on 16 May 1986. This specification detailed the technical requirement of PVC insulated G.I. wire for use as transmission lines on open wire telecommunication alignments in coastal areas, low tension power crossings and also in congested and local area networks to reduce incidence of faults. The insulation thickness contained therein was $1\text{mm}\pm 0.2\text{mm}$ for 2mm dia GI wire and $1.5\text{mm}\pm 0.25\text{mm}$ for 3.55mm dia GI Wire. In this connection, the Committee enquired whether any comments were received from the field units before effecting revision in the draft specification issued in 1979. In response, the Secretary deposed:

"...I wanted to have a look at the papers underlying these decisions. But I am sorry to say that I could not get any papers to lay my hands upon."

15. Thereafter on 6 May 1987, Telecom Research Centre (TRC) issued a draft specification (No. 52-29/85- TRC) prescribing therein insulation thickness of 0.3 mm dia for both 2.00 mm and 3.55 mm dia galvanised steel wires. The drawing of the specification was stated to have necessitated to overcome the frequent replacement of GI wire in coastal and other saline affected areas. Subsequently, on 19 November 1987, this specification was amended prescribing therein insulation thickness of 0.5mm for both types of wires.

16. From the chronological chart of the specifications, it was seen that some draft specifications were issued by TRC also. Since T&D Circle was stated to be the competent authority during that period for issuance of specifications, the Committee categorically desired to know as to how and under what authority TRC started issuing specifications simultaneously. In response, the Secretary of the Ministry during evidence stated:

"What has happened is that the confusion was compounded by the fact that the T&D and TRC went on issuing specifications simultaneously."

17. Clarifying further on this point, Secretary of the Ministry *inter-alia* deposed:

"...The T&D was the authority at that point of time. But the picture changed in the year 1988 when a cabinet decision taken in July 1987 was implemented. As a result of the cabinet decision, the TRC was split into the TRC and the TEC. The work of laying down all these specifications was passed on to the TEC. But the order was to be implemented with effect from date on which the TRC got itself registered as an autonomous society which was done on 3.8.1988.... This is what I could gather.... Let me be frank enough, I have no record to substantiate, but this is what I gathered. But even between 1988 and 1993 or so, the TEC continued to send its specification to the T&D for further circulation. It is only in the year 1993 that it was clearly laid down that only the TEC would deal with

the work and nobody else. So, the clear position has emerged only from the year 1993."

18. On 17 February 1988, T&D Circle issued another specification No. S/WC-102A termed as revised draft prescribing therein insulation thickness of 0.3 mm for both types of wires. On 2 August 1988, TRC also issued a revised specification (No. 52-29/87-TRC) prescribing therein insulation thickness of 0.5 mm for both types of wires. Subsequently, on 29 March 1990, T&D Circle issued another specification (No. S/WC-102A) also termed as revised draft prescribing therein insulation thickness of 0.5 mm for both types of wires.

19. The Committee pointed out that during the period 1986-90 two draft specifications existed, one issued by T&D Circle and the other by TRC. Both were stated to have been revised from time to time. On being enquired as to how these two draft specifications existed and issued concurrently, the representative of the Ministry stated during evidence:

"About the specification issuing authority, the order was only from 1993 for the TEC to issue specifications for the Department. Prior to that, the specification issued by the Technical & Development Circle was only there."

20. On being asked further what was the purpose of specifications issued by TRC during the same period, the witness added:

"The specification framed by the then TRC was not to be used for any other purpose than for authorising the T&D Circle to use it. That is what they did. Subsequently, taking this draft as the specification of the TRC, they (T&D) issued a specification under their authority. It has been done in 1990."

21. To a query from the Committee whether the specification issued in 1990 by T&D Circle was to be accepted as a final order, the witness stated:

"In 1990 also, this was issued as a revised draft because it was based on the TRC specification which had a different thickness."

22. Asked specifically, once T&D issued specification in 29 March 1990, what was the position of the other draft issued by TRC, the witness clarified:

"Once the T&D has issued the specification, the other draft does not remain."

23. On being pointed out that no uniform specification existed till 1990 for PVC insulation confirming its adoption by any field unit, the witness deposed:

"At that stage, that was the situation."

24. In the aforesaid background, the Committee enquired which specification was adopted by the Stores organisation of the Department for placement of purchase orders. The representative of the Ministry stated during evidence:

“Stores purchased only the bare GI wire and insulated GI wire of 0.5 mm thickness because that was what was approved at that time.”

25. Apprising the Committee of the procedure followed for purchase of store item, the witness deposed:

“As far as the stores organisation is concerned, any CGMT asking for any material is not procured. It is procured on the basis of the specification approved by the Telecom Board. Most of these approvals have to be taken.”

26. Drawing the attention of the Committee to the specification issued by the T&D Circle in 1990 and representations received from Assam and Kerala Circles there against pleading for higher insulation thickness, the Secretary of the Ministry *inter-alia* stated:

“...In the 1990 specification the reference to coastal and other saline areas was dropped. It did not figure at all. Another change that was introduced in the 1990 specification was that instead of recommending different degrees of thickness for different diameters, a uniform thickness of 0.5 mm for wires of various sizes was prescribed. To this, both in Assam and Kerala, they represented that this is not adequate and it should be enhanced. On the basis of these references, when the matter was placed before the full Development Coordination Committee (DCC), they decided on it in November, 1996.”

27. However, it is seen from the chronology of specifications issued by the Ministry that Telecom Engineering Centre issued a specification on December, 1994 prescribing therein insulation thickness of 0.5 mm for both types of wires. This specification was stated to be a revised version of specification No. 52-29/87-TRC dated 2.8.1988 & S/WC-102A dated 29.3.1990 issued by TRC and T&D Circle respectively. This specification detailed the requirements of PVC insulated galvanised steel wire. Pointing out that the insulation thickness as revised in the specification issued in December 1994 remained the same i.e. 0.5 mm as was prescribed in the specifications drawn in August 1988 and March 1990, the Committee specifically desired to know the rationale behind the revision effected in this regard. In response, the Secretary stated:

“I am also not able to get to the truth of the matter because of the frequent words like revised specification. I have not been able to fathom out what exactly was the purport of revised specification.”

28. Thereafter on 29 November 1996, the specification issued in December 1994 was amended prescribing therein two types of PVC insulation thickness, one having more thickness for thickly vegetated areas (1.00 mm) and the other with less thickness (0.5 mm) for other areas.

Local insulation done by CGMT, Assam Circle

29. The Audit pointed out that instead of obtaining insulated wire from CGMT(S), Calcutta, the CGMT, Assam Circle got 9585 km of 2 mm dia and 12409 km of 3.55 mm dia of bare GI wire insulated with PVC locally with insulation thickness of 1 mm and 1.5 mm respectively as against the specification for insulation coating relevant for that period contained in specification No. 52-29-57-TRC (Revised) dated 2 August, 1988 prescribing therein insulation thickness of 0.5 mm through the country. The Committee desired to know the underlying reasons which prompted CGMT, Assam Circle to get the GI wire insulated locally with insulation thickness of 1 mm and 1.5 mm. The Ministry in a note stated:

“The performance of wires having insulation thickness of 0.5 mm (used only for giving local connections) was not found satisfactory due to weather condition in the State, as the State has its own peculiar ambient conditions like heavy rainfall for 6 to 7 months, high humidity resulting in rusting of wires, interference by jungles, thick vegetation, corrosion due to oil gas etc. Therefore, use of GI wires having more insulation thickness was considered necessary to overcome these problems. The Chief General Manager, Telecom, Assam Circle did not get the insulation done as per his own specification. The specification adopted was drafted by DoT's 'Technical & Development Circle' [Specification No. ITD:S/WC-102A (Revised Draft) dated 16.5.1986].”

30. To a query from the Committee whether any scientific/departmental feed-back was available with CGMT, Assam Circle that use of GI wires having PVC insulation thickness of more than 0.5 mm would result in improved performance, the Ministry stated that no scientific study was conducted in this regard. However, on account of dense forests, adverse climatic conditions, high humidity, thick vegetation and insurgency in the Assam State, the circle decided to use higher thickness of insulation on bare GI wire.

31. On being asked whether CGMT, Assam Circle had in his forecast requirements, specifically indicated GI wires of higher insulation thickness i.e. 1 mm and 1.5 mm, when he considered such insulation thickness for wires necessary in view of the climatic and other conditions specific to Assam Circle, the Ministry in a post-evidence note replied negatively. It was stated that normally such details are not indicated in the forecast requirement received from Telecom Circles. According to the Ministry, the quantities of wires got locally insulated were in addition to the quantities of insulated wires received from CGMT(S) Calcutta.

32. On being pointed out that the best course of action should have been to requisition it from the Stores Department, the Secretary replied affirmatively. He further added:

“According to our records, a reference was made to the Calcutta Stores..... The records show that there was no response from Calcutta and that is the plea.”

33. According to the Ministry, in case of failure of CGMT(S) Calcutta to procure the stores as allotted by DoT there were no standing instructions to CGMTs to procure the stores themselves to meet their requirement. However, in the instant case CGMT, Assam Circle got the job of getting PVC insulation coating done on the GI Wire purchased and supplied by CGMT(S), Calcutta.

34. During evidence the Committee were informed that when tender was floated by CGMT, Assam Circle, insulation thickness of 0.3 mm was mentioned therein and no indication was given about insulation thickness of either 1.00 mm or 1.5 mm. Also on 17.2.1988 the specification (ITD No. S/WC-102A) issued by T&D Circle prescribed therein insulation thickness of 0.3 mm for both types of wires. On being asked how and on what basis, it was decided to increase the insulation thickness to 1.00 mm and 1.5 mm, which was actually adopted for getting local insulation done, the Secretary of the Ministry *inter-alia* stated:

“.....I would refer it as very serious.”

Powers of CGMTs

35. The Committee were informed during evidence that Chief General Manager of Telecom Circles were not empowered to draw any specification for insulation of GI Wires. The Committee further desired to know the extent of delegation of powers to the Chief General Managers of Telecom Circles for carrying out local insulation of bare GI wire and

whether approval of competent authority was obtained by Assam Telecom Circle for getting local insulation of bare GI wire done. The Ministry in a note *inter-alia* stated:

“The GI wire was insulated as per ITD specification No. S/WC-102A dated 16.5.1986 (Revised Draft). Chief GM Telecom Stores, Calcutta does not supply this item and as such it was not a stocked item.

Since these wires were not procured as finished product from market, so it does not come under the category “of local purchase”. The practice being adopted was supplying the raw material i.e. GI wire from the Department stock and, get the same PVC coated. So the PVC coating comes under ‘job work’. The CGM of Telecom Circles are fully competent for getting executed such works.”

36. In reply to a query from the Committee about the guiding rules for undertaking such type of ‘job works’ and the financial limit fixed in this regard, the Secretary of the Ministry stated during evidence:

“According to the powers that were delegated in the year 1990, the CGM could award work through open tenders up to rupees one crore, of course, to the lowest tenderer. The practice was to treat this as job work. That is, no material was purchased but the bare wires were supplied by the CGM(S), Calcutta. That was got insulated through a contract. That was treated as job work and it was falling within this delegation of power of rupees one crore through open tenders.”

37. On being asked further whether the ceiling of rupees one crore is for any particular year or for a particular tender, the Secretary clarified:

“It is for a particular tender.”

38. During evidence, the Committee were informed that the Department had approved certain kind of work and on that basis a ‘job work’ undertaken. On being pointed out whether the job work undertaken in the Assam Telecom Circle was a non-standard job and was it carried out for the first time, the witness replied:

“I tend to agree....”

39. The Committee pointed out that in the instant case, since the ‘job work’ was not a standard one and also done for the first time, permission of the DOT should have been taken. In response, the witness stated:

“.....For the ceiling of rupees one crore, there is no need to take the permission for a particular job which even if he is doing for the first time. For an item, for which standards are not clearly defined, yes, he should take the permission.”

40. In their note furnished to the Committee subsequent to evidence, the Ministry denied that such ‘job works’ could be undertaken by the CGMTs without prior approval of the Department of Telecommunications.

Award of work to Firms

41. It is learnt from Audit that the local insulation of the bare GI wire measuring 952 km. was undertaken by a Lucknow based firm M/s Plast Fab during the first year 1989-90. According to the Ministry, Notice Inviting Tender (NIT) was floated on 11.8.1988 which was evaluated by Tender Evaluation Committee. Recommendations of the Committee were stated to have been accepted by Head of the circle and an agreement was entered into on 8.3.1989 with M/s Plast Fab, Lucknow.

42. According to Audit, thereafter, another firm M/s Plast India of Dibrugarh did the remaining work of insulation of 21,042 km GI wire during the period 1990—93. The Committee enquired whether M/s Plast India was in existence in 1989 when the work of local insulation was taken up for the first time by Lucknow based firm M/s Plast Fab. The Ministry in a post-evidence note stated:

“The deed of partnership made on 10th July, 1989 in the Sub-Registrar Office of Dibrugarh, Assam indicates that the parties (Shri Mahesh Chandra Verma and Shri Sunil Saraf) hereto have been carrying on business in partnership under the name and style of M/s. Plast India, since the 1st day of April 1988. The firm was provisionally registered as SSI Unit under Government of Assam on 6.7.1989 bearing provisional registered No. 021004752-Prov.-SSI. Subsequently, the firm was permanently registered as Small Scale Industry on 13.3.90 under the No. 021000023....pa.”

43. On being asked whether the two firms were in any way linked in terms of their ownership or shareholding, the Ministry in a post-evidence note *inter-alia* stated that with the available records, it appeared that both the firms were independent.

44. Apprising the Committee of the manner in which the second contract was awarded in getting GI wires locally insulated, the Secretary of the Ministry deposed in evidence:

“.....Plast India, Dibrugarh got the work without a tender and on the basis of something else, the Area Manager, Dibrugarh took that decision. My records shows that the Area Manager, Dibrugarh said that this firm will give it at cheaper rate and therefore, the work was awarded without a tender to M/s Plast India, Dibrugarh; and I must go on record and point out that a very serious irregularity was committed in as much as work order worth almost Rs. 7 crore; my figure may be wrong here and there, but it was placed over a period of 3 or 4 years without following the tender norms.”

45. The Committee desired to know the rates paid by Assam Telecom Circle in each of the years during 1989-93 for getting PVC coating of 1 mm and 1.5 mm insulation thickness done separately on 2 mm dia and 3.55 mm dia bare GI wire. According to the Ministry, the rates paid by Assam

Telecom Circle for getting PVC coating of 1.00 mm and 1.5 mm dia thickness are as follows:

Basic Rate/metre during the years in Rupees

Year	3.55 mm G.I. W (1.5 mm INS)	2.00 mm G.I. W (1.00 mm INS)
1989-90	(i) Rs. 2.90/metre plus ED plus ST (Circle approved rate) (ii) (Rs. 2.85/metre plus ED approved by AMT/DR)	(i) (Rs. 1.30/metre plus E.D. rates approved by AMT/DR.)
*1990-91	(i) Rs. 2.85/metre plus ED (ii) Rs. 3.20/metre plus ED	(i) Rs. 1.30/metre plus ED (ii) Rs. 1.45/metre plus ED
*1991-92	(i) Rs. 3.20/metre plus ED	(i) Rs. 1.45/metre plus ED
*1992-93	(i) Rs. 3.20/metre	(i) Rs. 1.45/metre plus ED

* Rates approved by Assam Circle

46. It was learnt from Audit that the rates of local insulation was approved by the Area Director, Dibrugarh which was accepted as such by the circle office Guwahati. The rate of 1 mm insulation of 2 mm dia bare GI wire in Kerala Circle during 1990—92 was Rs. 783 per km while more or less during the same period it was Rs. 1300—1450 in Assam. For 3.55 mm dia the rate of insulation of 1 mm thickness in Kerala was Rs. 1354 per km, while in Assam the insulation of 1.5 mm thickness was at Rs. 2850—3200 per km. According to the Ministry, total expenditure incurred by CGMT, Assam Circle on local insulation of GI wire was Rs. 6.32 crores. The Audit have pointed out that the insulation of GI wire got done with insulation thickness of 1.00 mm and 1.5 mm as against uniformly applicable specification of 0.5 mm cost the exchequer an extra expenditure of Rs. 4.79 crores.

47. In this context the Committee desired to know whether DoT had undertaken any comparison of rates of local insulation of similar size got done by Assam and Kerala Telecom Circles during the relevant periods *vis-a-vis* other circles which got similar jobs done and reasons for variations in rates if any. The Ministry in a post-evidence note stated that DoT had not undertaken any such comparison of rates of local insulation. The Ministry furnished the prices paid by Circles that have got 2.00 mm GI wire insulations locally with a thickness of 1 mm and 3.55 mm GI wire insulated locally with insulation thickness of 1.5 mm, which have been produced in the Tables I&II. According to the Ministry, prices paid by Madhya Pradesh and Uttar Pradesh (West) Telecom Circles could not be made available because all their files dealing with the subject had already been seized by CBI.

Table-I

Sl. No.	Name of Circle	Size	Insulation thickness	Basic rate/ Rs./Km.			
				89-90	90-91	91-92	92-93
1.	Gujarat	2.00 mm	1.00 mm	280*	240*	340*	330*
2.	N.E.	2.00 mm	1.00 mm	—	1300	—	1250
3.	Bihar	2.00 mm	1.00 mm	—	—	1250	—
4.	Assam	2.00 mm	1.00 mm	1300	1450	1450	1450
5.	Kerala	2.00 mm	1.00 mm	575	575	—	—

* These rates are inclusive of Excise Duty and the remaining rates are basic only but ED are extra.

Table-II

Sl. No.	Name of Circle	Size	Insulation thickness	Basic rate/ Rs./Km.			
				89-90	90-91	91-92	92-93
1.	N.E.	3.55 mm	1.50 mm	—	—	—	2850
2.	Bihar	3.55 mm	1.50 mm	—	—	2800	—
3.	Assam	3.55 mm	1.50 mm	2850/ 2900	3200	3200	3200

The rates are basic only and ED are extra.

48. Commenting on the price differential evident from tables shown above the Ministry in their note stated as follows:

“Assam N.E. and Bihar Circles have got the local insulation done in terms of draft specifications No. ITD S/WC-102A dated 16.5.1986 (revised) whereas Kerala and Gujarat Circles have used local specification. The differential between rates paid by Gujarat on the one hand and Kerala, Bihar and North east Circles on the other hand is very high and cannot be attributed merely to specification and local condition aspects. Such a huge differential cannot be explained logically.”

49. The Committee desired to know whether the rates for insulation paid by the Assam Telecom Circle were inclusive of Central excise duty paid on the finished product. The Ministry in a post-evidence note stated that the rates for insulation were basic and that excise duty had been paid. To a query from the Committee whether any MODVAT credit was claimed by the DoT on bare GI wire on which excise duty was already paid by the Department or whether the firms undertaking insulation work

claimed MODVAT credit against the raw material supplied by DoT, the Ministry in a note stated:

“No MODVAT credit has been claimed by DoT. It is also understood that M/s Plast India, Dibrugarh has not claimed any MODVAT credit against the raw material supplied by DoT. The action to claim MODVAT credit will be initiated.”

50. The Committee during evidence sought the comments of the Secretary, on the irregular award of work to the Dibrugarh firm and for carrying out local insulation and about the action taken by the Ministry in this regard. In response, the witness stated:

“The fact that work worth nearly Rs. 7 crore was awarded to a firm in Dibrugarh without inviting tender, itself is a serious matter and the rates also *prima facie* seem to be high. I would say that the matter is fit to be investigated by an independent agency.”

51. The Committee enquired about the names of the CGMTs of Assam Telecom Circle during the relevant period. In response, the Secretary, Telecom during evidence furnished the following information:

Name	Period
1. Shri S.K. Pandey	20.01.1987 to 18.06.1989
2. Shri Sundarrajan	19.06.1989 to 08.09.1991
3. Shri Kranti Kumar	09.09.1991 to 15.11.1993

52. Asked whether the case can be referred to CBI, the witness replied:

“I have no problem. I would request the Government that it should be entrusted to CBI.”

53. When enquired about the status of inquiry, the Department of Telecom in a note furnished on 14 March, 1997 *inter-alia* stated as follows:

“The Department have already initiated action against all the three officers who held the charge of Chief General Manager, Assam Telecom Circle during the period from 1989-90 to 1992-93. As a first step their explanation have been called for by 25.03.1997 for the irregular expenditure of local insulation of GI Wire. On receipt of replies appropriate disciplinary action will be initiated.”

54. Subsequently, the Department of Telecommunications *vide* their D.O. No. 305-4/95-MMS (Vol.V) (Pt.) dated 15.5.1997 furnished to the Committee *inter-alia* stated:

"It is intimated that the Department has referred the case to Central Bureau of Investigation, New Delhi *vide* this office letter No. 9-22/97 Vig. I dated 24.4.1997 for detailed investigation of the case."

Performance and utilisation of insulated GI wires

55. The Committee desired to know the manner of utilisation of insulation wire of different specifications *i.e.* 0.5 mm PVC thickness supplied by CGMT(S), Calcutta and insulation thickness of 1 mm and 1.5 mm (got locally insulated). The Ministry in a note stated:

"GI Wires having insulation thickness of 1.00 mm and 1.5 mm were utilised to overcome the problems in maintenance arising due to high humidity, heavy rainfall, corrosion by oil gas fumes etc. in the States and to minimize the interference by jungles and thick vegetation which is quite peculiar in the state. These wires were mainly used for extending telecommunication services in rural/remote areas of the State where provision of the reliable telecommunication Service became of highest priority due to insurgency and law & order situation prevailing in the State. During this period the agitation and insurgency was at peak in Assam State. Telecom Services in the rural/remote areas were extended by providing long distance connections particularly in tea gardens, public telephone in Gram Panchayats and for providing STD Group dialing/trunk facilities in rural exchanges. About 80% of 9586 kms of 2.00 mm locally insulated wire and about 55% of 12409 kms 3.55 mm locally insulated wire was distributed to 3 division *i.e.* Dibrugarh, Jorhat and Nagaon where the impact of vegetation and insurgency was maximum during this period."

56. The Committee was informed that GI wires as per ITD specification were put into use and it was found that the performance of services improved remarkable as per field report. On being asked, which agency, carried out the review on performance of GI wires insulated as per ITD specification and on what basis it concluded that the performance of services had improved after using these wires, the Ministry in a note *inter-alia* stated:

"There was no experimental study/review on the performance of GI wire insulated as per ITD spec.No.S/WC-102A dated 16.5.86 (Revised Draft) using higher thickness of insulation. However, authorities in Assam Circle decided to use ITD specification employing higher thickness of insulation keeping in view local environment like thick vegetation growth, dense forests, high

humidity, adverse climatic conditions and disturbed conditions on account of insurgency. With the use of insulated GI wire, improvement in service was noted with the reduction in fault rate. Faults/100 stations reduced from 44.9 in 1989-90 to 24.86 in 1993-94."

57. Asked further whether DoT conducted any study to assess the cost-benefit ratio in the case of GI wires having more insulation thickness, the Ministry replied negatively. However, according to the Ministry based on complaints received by TEC from field units regarding untimely deterioration of GI wires with insulation thickness of 0.5 mm when used in thickly vegetated areas, the issue was discussed in the Development Coordination Committee of TEC and an expert member from field was requested to give feed back. As per the recommendations of the expert, DCC recommended that the thickness of radial insulation GI wire should be increased to 1 mm for use in thickly vegetated areas.

Local insulation of GI wire after 1992-93

58. When asked whether there was any occasion in which CGMT, Assam Circle got the bare GI wire insulated locally after 1992-93, the Ministry stated that there was no occasion after 1992-93 for local insulation of GI wires. Elaborating further in a post-evidence note, the Ministry stated that all the works under time bound programme were completed during 1992-93 and wires were not got locally insulated after this. According to them the left over quantities of 1992-93 were utilised in the year 1993-94. The Ministry stated that the use of these insulated wires was not felt necessary subsequently. The Committee desired to know the precise reasons due to which no need had arisen in Assam Telecom Circle to get the bare GI wires insulated locally after 1992-93, the Ministry furnished the following reasons for the same:

- (i) "The left over quantities of 1992-93 were utilised in the year 1993-94.
- (ii) All the works under time bound programme were completed during 1992-93 and wires were got locally insulated after this. Also, the use of these insulated wires was not felt necessary because of following reasons.
 - (a) Induction of MARR systems in large quantities to provide public Telephones in villages/Gram Panchayats and use of overhead alignment was restricted for providing public telephones upto 5 kms by using insulated GI wires having 0.5 mm insulation thickness.
 - (b) All the rural exchanges were made electronic and junction connectivity was extended to all the rural exchanges by the end of 1992-93 itself. Most of the new exchanges opened after 1992-93 were provided junction connectivity on the existing overhead alignments."

Local insulation of GI wire done in other Telecom circles

59. The Audit had pointed out a case of irregular local insulation of GI wires by CGMT, Kerala involving avoidable expenditure of Rs. 180. crores earlier in para 9.7 of the report of the C&AG of India for the year ended 31 March, 1993 No. 7 of 1994 Union Government (P&T). It was pointed out that CGMT, Kerala Circle had got GI wires locally insulated with thickness of 1 mm as against 0.5 mm adopted for the supply through CGMT Stores, Calcutta. In this connection, the Committee enquired about remedial/corrective action taken by the Department in this case. The Ministry in a note *inter-alia* stated:

“The Action Taken Note was sent to Audit after due vetting by Internal Finance. The necessity of using higher thickness of insulation on wires for giving connections through thicker vegetation areas was taken note of by the Audit and the Audit has observed that “the DoT Specification is silent with regard to the maximum thickness upto which insulation can be done. Department may, therefore, examine to prescribe the maximum thickness also in the specifications etc. Accordingly, the Telecom Engineering Centre of DoT has deliberated on this issue in the development coordination Committee (DCC) and it has been decided to suitably amend the existing specification for insulation of wire to include maximum permitted thickness of insulation also in the specification.”

60. In the same note the Ministry also stated that guidelines for procurement of materials have been issued by DoT on 8 November, 1995 to avoid irregular purchase of materials on non-standard specifications etc.

61. Replying to a related query on the specification followed by CGMT, Kerala Circle, the Secretary stated during evidence:

“....the CGMT, Kerala made his own specifications. He evolved his own specifications to meet his local problems.”

62. Commenting on the irregular action in this regard, Secretary of the Ministry, added:

“...While I do not dispute the need for a change in specification to meet such circumstances, the manner in which it was brought about was not certainly desirable.”

63. On being asked if there were other cases in which field officers changes the specifications applicable uniformly throughout the country. The Ministry in a note stated:

“Based on the information received subsequently from CGM, QA Bangalore and CGMT, Assam during discussion while reviewing the Audit Para it was understood that many other field units like *i.e.* Gujarat, UP(West), AP, MP, Bihar & NE Circles apart from Assam and Kerala Telecom, Circles has got, done local insulation

over Bare GI wire in their Circles using different specifications.

The information has been sought from all the field units on the above subject and the reply from the remaining Circles namely H.P., Bihar, Rajasthan, N.E. & MTNL, Delhi has not been received as yet. The Circles namely A&N, Haryana, J&K, Karnataka, Maharashtra, Bombay have replied that no local insulation over Bare GI wire has been got done in their Circles, where as Circles namely Gujarat, UP(W), AP&MP has confirmed that local insulation has been got done in their Circles."

64. When asked to explain the patently irregular action on the part of these Telecom Circles in getting done local insulation over Bare GI wires using different specifications particularly when CGMTs in areas of similar or even worst climatic condition did not go for such local insulations the Ministry of Telecom in a note stated:

"Prior to 1986, insulated GI wires were not used in the DoT network. For provision of Telephone connection, long distance public Telephones, Junction Lines, etc., Bare GI wires were in use. On account of this, there were frequent interruptions due to corrosion etc. When these lines were passing through heavy vegetation and areas having adverse climatic conditions as also through narrow and congested lanes. In order to reduce interruptions and improve services to public at large, Kerala Telecom Circles on their own initiative, drive, enthusiasm and zeal devised the means of replacing the use of Bare GI wires with insulated GI wires in such fault prone areas in 1989-90. This was done by preparing local specification as no ITD specification existed. When such an experiment/step yielded encouraging results, the success story was brought to the notice of DoT HQ by Kerala Circle when it was decided to frame specification based on the local specifications cast by such units for deployment on all India basis. Though the action by such units was not in conformity with the then existing departmental procedures to the extent that they used local specification, the outcome was in the interest of service and public at large. However, certain circles besides using unapproved specifications, did not follow other departmental procedures like calling for open tenders, permission etc. Which resulted in heavy loss to exchequer. Cases are under investigation by CBI in respect of UP (West) and MP Telecom Circles."

65. Asked to explain the failure of the Department to take cognizance of such patently irregular action on the part of various Telecom Circles leading to heavy loss to the exchequer, the Ministry stated:

"Field units normally operate within their financial and administrative powers. Cases which are beyond their powers are referred to DoT Hqrs. for approval etc. Irregularities, if any, are detected by Internal and the Audit which in turn bring the matter to the notice of the DoT HQ for appropriate action. Irregularities have been brought to

the notice of DoT in case of Assam and Kerala Telecom Circles. Investigation of these cases brought to light, irregularities committed by other Telecom Circles namely, Bihar and North East. All these irregularities are being investigated with a view to fixing responsibility."

66. Asked to indicate specific action taken or proposed to be taken against all those CGMTs who had got done local insulation done over Bare GI wire in their circles using different specifications not prescribed by DoT, the Ministry in a post-evidence note stated:

"As a first step, explanation of all those involved will be called. Based on the replies, the cases will be referred to Vigilance/CBI."

Internal Control

67. The Committee desired to know the arrangements in the Department of Telecommunications for periodic technical and administrative inspection of works sanctioned by the field offices to ensure compliance with rules and propriety of expenditure, the Ministry in a note *inter-alia* stated:

"There is an established schedule for inspections and checks for ensuring compliance with the rules and standards laid down. The Department has a well defined inspection procedure to be adopted by different level officers. In addition to this, the Internal Check Organization of the DoT stationed at Circle Headquarters conducts routine check of all the units falling under the control of the Circle. Also the Internal Check Unit of DoT Hqrs. conducts review inspection once in four years."

68. In view of the above, the Committee specifically desired to know as to how the Department failed to detect the irregular expenditure of this magnitude by CGMT, Assam Circle. In response, the Ministry in a note *inter-alia* stated:

"The internal Check Inspection was conducted by Internal Check Team of Assam Circle every year after 1989-90. Also DoT's Internal Check Unit conducted review inspection of Assam Circle during December, 1994. No irregular expenditure in respect of the issue raised was noticed by Internal Check Unit of the Circle after 1989-90. The DoT Internal Check Unit also did not consider this as irregular expenditure during their review."

Quality Assurance

69. According to the Ministry, the, DoT have a well established Quality Assurance Wing headed by an officer of CGM Rank who reports directly to DoT Hqrs. All the Store equipment are inspected and certified by the Quality Assurance Wing before induction in the DoT Network. In the instant case also all the supplies of locally insulated wire were received and utilised only after inspection and clearance from Quality Assurance Wing of DoT.

70. As regards quality assurance undertaken in case of GI wires locally got insulated by CGMT, Assam Circle, the Ministry stated that Quality Assurance Wing of DoT undertook the quality inspection in the instant case.

71. To a query from the Committee whether quality Assurance authorities examined the requirement of extra thickness used in the instant case, the representative of the Ministry stated during evidence:

"Quality Assurance will be testing the material on the basis of which the specifications are worked out based on which the purchase order or job has been given. In this instant case the job order has been on the basis of May, 1986 specifications. The May, 1986 specification has provided that if the insulation thickness is 1.00 mm; it may be plus or minus 0.2 mm."

72. The witness further added:

"Quality Assurance job is to test whether the material has been provided directly as per the specifications on which the order was placed."

Supply of stores to Telecom Circle

73. The Committee desired to know about the exiting mechanism in the Department of Telecommunications which ensures that allotment made by the Department of various Telecom Circles are realistic and needbased. The Ministry in a note stated that DoT first fixes targets for various Telecom Circles which are based on the budgetary provisions. The Department also fixed norms based on the study and recommendations of technical experts. Based on these established norms and the targets fixed for the Circles, the requirement is ascertained and allotment issued. Thus, according to the Ministry, it becomes needbased and realistic.

74. The Committee enquired whether it is a fact that supplies of specific types of wires and equipments to various Telecom Circles do not sometimes match the DoT allotments, the Ministry replied in the affirmative. Asked further as to how DoT ensures that developmental and maintenance works undertaken in different parts of the country are not adversely affected by such short supplies, the Ministry stated that this is ensured by continuous monitoring and by resorting to diversion of the excess material received by any particular field unit to another needy field unit.

Response to Audit Para

75. As per the existing instructions, the Ministry are required to furnish reply to Audit to the draft Para which are forwarded to the Secretary through a demi-official letter, within six weeks. The instant Audit paragraph, according to Audit, was sent to the Ministry in July, 1986.

However, the Ministry did not furnish the reply to Audit. Asked the reasons for the same, the Ministry in a note *inter-alia* stated:

“Efforts are made to reply the Draft Audit Paras within the stipulated time as far as possible. In certain cases, however, delays cannot be avoided as interactions with one or more field units are needed for:-

- (a) verification of facts and figures of the Para, and/or
- (b) obtaining their comments, and/or
- (c) action at their level and its feed back to DoT (Hqrs).

In the instant case Draft Audit Para proposed by the Director General of Audit for inclusion in the Report of the C&AG of India (P&T) for the year ending 31.3.1995 on “Avoidable extra expenditure on local insulation of GI wire by CGM Telecom Assam Circle was received in the Ministry on 28.7.1995. In this connection comments of the Assam Telecom Circles were asked on 21.8.95 and the first reply was received from the Circle on 20th September, 1995.

On the basis of reply received from Assam Telecom Circle draft reply to the Principal Director of Audit was prepared and sent to Internal Finance of DoT Hqrs. for vetting. The same was returned by Internal finance of DoT with certain queries which were immediately referred to the Circle. After lot of reminders and vigorous follow up reply was received from Assam Telecom Circle but the same was also found to be incomplete. CGMT, Assam Circle was again addressed on 19th April, 96 to clarify the pending issues and send complete reply.

Subsequently the Draft Audit Para was included as Para 9.4 of the Report of C&AG of India for the year ended 31.3.95 and was received in the Ministry on 2.8.1996. CGMT Assam was again asked to send Draft ATN in the prescribed proforma. On the basis of reply received from Assam Telecom Circle on 6.9.96 the draft ATN has already been prepared.”

76. Galvanised Iron (GI) wires are used in the Department of Telecommunications (DoT) for providing for new telephone connections, public telephones in Gram Panchayats, Junctions lines, for installation of overhead carriers systems, to extend STD/Group dialing facilities to Sub-Divisional Headquarters/Telecommunications Headquarters & Rural Exchanges, for maintenance of existing lines, etc. GI wires, bare as well as insulated are stocked items and are centrally procured by the Chief General Manager, Telecommunications (CGMT), Stores, Calcutta. The Audit paragraph deals with a case where the CGMT, Assam Circle unauthorisedly converted 9586 Km. Bare GI wire of 2 mm dia, and 12409 Km. GI wire of 3.55 mm dia. into PVC insulated GI wire locally during 1989—93 with a thickness of 1 mm and 1.5 mm respectively, against the DoT's uniformly applicable specification of 0.5 mm thickness. It was pointed out by Audit further that the CGMTs did not have the power to procure them locally and

that compared to the prevailing central procurement rate of insulated GI wire, the action of CGMT, Assam Circle caused an extra expenditure of Rs. 4.79 crores. The Committee's examination of the Audit paragraph has revealed several disquieting aspects not only in the procedures adopted by CGMT, Assam Circle in carrying out PVC insulation, but also in the working of the DoT.

77. The Committee find that prior to 1986 insulated GI wires were not used in DOT network. The process of getting GI wires insulated was initially undertaken by DoT in 1987 and regular supplies of insulated wires were effected from 1989—90 onwards. The Committee's examination, in fact, revealed that an exercise to find out a suitable specification for PVC insulation over Bare GI wire to reduce incidence of faults, started in the Department way back on 10 January, 1979 when a draft specification prescribing therein insulation thickness of $1.5 \text{ mm} \pm 0.25 \text{ mm}$ for both 2 mm dia. and 3.55 mm dia. MS wires was issued by the Technical & Development (T&D) Circle of the Department, which was stated to be the competent authority at that point of time for laying down specifications for use throughout the country. However, the draft of 1979 which was circulated among field units to elicit their views remained a draft till 16 May 1986, when a revised draft specification was issued by the T&D Circle prescribing therein insulation thickness of $1 \text{ mm} \pm 0.25 \text{ mm}$ for 2 mm dia. GI wire and $1.5 \text{ mm} +$ for 3.55 dia. GI wire. The Ministry were unable to apprise the Committee whether any field reports were actually received on the draft of 1979 and those taken cognizance of before effecting revision in the draft specification in May, 1986. Thereafter, two more specifications, were issued by the T&D Circle, one on 17 February 1988 prescribing therein insulation thickness of 0.3 mm and the other on 29 March, 1990 detailing therein insulation thickness of 0.5 mm for both 2 mm dia and 3.55 mm dia, GI wires. Surprisingly, both these specifications were also issued in the name of revised draft indicating that the process of revision was incomplete pending formulation of a standard specification. Furthermore, during May, 1987 to August, 1988, three more specifications were issued concurrently by another authority, viz., Telecom Research Centre (TRC) of the Department which were in variance with the specifications issued by the T&D Circle. Explaining the ambiguity arising out of simultaneous issuance of specifications both by T&D Circle and TRC, the Ministry stated that the specifications framed by TRC was not to be used for any purpose other than authorising the T&D Circle to use it. They maintained that the T&D Circle was the competent authority till 1993 to issue the specifications until a new authority viz., Telecom Engineering Centre (TEC) was set up. The Committee's examination revealed that in pursuance of a Cabinet decision taken in July, 1987 TRC was split into TRC and TEC and the work of laying down specifications was passed on to TEC which was to be implemented from 3 August 1988. Unfortunately, the order for making TEC as the designated authority for making specifications was not implemented by the Ministry till 1993 even

though TEC continued to send its specifications to the T&D Circle for further circulation.

78. The Committee further note that both Assam and Kerala Telecom Circles represented to the Ministry that the specification of PVC insulation thickness issued by the T&D Circle in 1990 was not adequate for their Circles due to peculiar ambient conditions and that should be enhanced. The matter was reportedly under consideration of the Ministry. Amazingly, TEC issued a specification in December, 1994 after a lapse of four years, wherein the insulation thickness was maintained at the same level i.e. 0.5 mm for both 2 mm dia and 3.55 mm dia GI wires and representations received from Assam and Kerala Telecom Circles for higher insulation thickness were not apparently taken into cognizance. Subsequently, on 29 November, 1996 after a lapse of another two years, the whole matter was stated to have been placed before the Development Coordination Committee (DCC) of TEC and an amendment was made in the specification issued in 1994, prescribing therein two types of PVC insulation thickness one having more thickness for thickly vegetated areas (1.00 mm) and the other with lower thickness (0.5 mm) for other areas.

79. From the foregoing, it is amply clear that during the period 1979 to 1994, the Ministry were not able to provide a suitable specification for PVC insulation thickness of GI wire that could take care of the varying needs of different Telecom Circles in the country. On the other hand, different authorities simultaneously issued one specification after the other either in the name of draft or revised draft without formulating any standard specification in this regard. Curiously enough, in a couple of occasions, the draft specification was stated to have been revised but without any material changes in the insulation thickness. In the absence of any convincing explanation from the Ministry and their failure to trace relevant papers, the Committee are unable to appreciate the rationale behind such revisions. Further, though representations were received from Telecom Circles pleading for higher insulation thickness in the Ministry in 1990, no decision was taken on this count till November, 1996. Distressingly, the Ministry chose to issue the latest specification only after the present subject matter was taken up by the Committee for detailed examination. Considering the fact that evolving a suitable specification of insulation has a crucial role to play in the entire communication network of the country, the Committee regret to conclude that the ministry woefully failed in discharging their responsibility and became permissive to all kinds of irregularities indulged in by various CGMTs. The Committee deplore the laxity on the part of the authorities concerned in this regard and desire that the manner in which the whole exercise for evolving specification was undertaken in the Department including the reasons for unwarranted delay in implementing the Cabinet decision be inquired into with a view to fixing responsibility. They would like to be apprised of the results of the inquiry.

80. The Committee note that as per the latest specifications issued in November, 1996 two types of PVC insulation thickness have been prescribed; one having more thickness for thickly vegetated areas (1.00 mm) and another with lower thickness (0.5 mm) for other areas. They are of the view that the expression 'thickly vegetated areas' should be clearly defined by the Ministry through guidelines with a view to avoiding ambiguity/incorrect application of the specification.

81. The Committee find that in the case under examination, the work of getting GI wire insulated locally was got executed by the CGMT, Assam Circle during 1989-93 as 'job work' through two different firms. While the first firm was involved in insulation of GI wire measuring 952 kms during 1989-90 insulation of 21,042 kms GI wires was got done through another firm during 1990-93. The specification for insulation thickness of GI wires got locally insulated was 1.00 mm for 2 mm dia GI wire and 1.5 mm for 3.55 mm dia GI wire. The Committee's scrutiny revealed that execution of work through both the firms were beset with serious irregularities.

82. On scrutiny of the information made available, the Committee find that the CGMC were not competent to get GI wires insulated locally by drawing specifications which were at variance from those laid down. In the case under examination, as against the extant specifications (issued in February, 1988 and March, 1990) for insulation thickness of 0.3 mm and 0.5 mm for GI wires of 2 mm dia and 3.55 mm dia, the wires were got actually insulated following insulation thickness of 1 mm for 2 mm dia and 1.5 mm for 3.55 mm dia GI wires. The plea of the Ministry that the CGMT, Assam circle had followed the specification issued on 16 May, 1986 by T&D is altogether unacceptable and irrelevant since the same authority had issued specification subsequently revising the insulation thickness. Strangely enough, even for application of this higher insulation thickness, no scientific study was stated to have been undertaken in the Circle. Furthermore, in August 1988, when tender for local insulation was floated by CGMT, Assam Circle, insulation thickness of 0.3 mm was mentioned in the tender document as the specification and no indication was there for insulation thickness of either 1.00 mm or 1.5 mm based on which local insulation was actually got done. Evidently, the higher specification was drawn on extraneous considerations and without any approval from the competent authority. During evidence, while admitting the irregularity, the Secretary, Ministry of Communications termed the matter as "serious".

83. The Committee further find that the 'job work' of carrying out local insulation was awarded to two firms, namely M/s Plast Fab, Lucknow and M/s Plast India, Dibrugarh. While the first firm undertook insulation of bare GI wires measuring 952 km. during 1989-90, the other firm did the remaining work of insulation of bare GI wire measuring 21,042 km. during the period 1990-93. In the case of the former, Notice Inviting Tender was floated on 11 August 1988 which was evaluated by Tender Evaluation Committee. The recommendations of the Committee were stated to have been accepted by head of the Circle and an agreement was entered into on

8 March, 1989 with M/s Plast Fab, Lucknow. However, to the utter surprise of the Committee, work order of about Rs.7 crores was awarded in the second case to M/s Plast India, Dibrugarh without a tender on the plea that the rate of local insulation offered by the firm was cheaper. However, scrutiny of the information made available to the Committee revealed that rates paid by Assam Telecom Circle during the period 1989—93, when M/s Plast India, Dibrugarh was engaged for carrying out local insulation were not lower than the rates paid during 1989-90 when M/s Plast Fab, Lucknow was entrusted with the work of local insulation. Thus, the plea taken by the Assam Telecom Circle for awarding the work to M/s Plast India, Dibrugarh is totally untenable. What is further disquieting to note is the fact that the rates at which insulation work was got executed in Assam Telecom Circle in respect of wires of 2.00 mm dia and 3.55 mm dia were substantially higher compared to those of similar insulation works got done in Gujarat and Kerala Telecom Circles during the relevant period. The Ministry admitted that the differential between the rates paid by Gujarat Telecom Circle on the one hand and Assam Telecom circle on the other hand was very high and could not be explained logically. The Secretary of the Ministry conceded during evidence that awarding the work to M/s Plast India, Dibrugarh without a tender was itself a serious irregularity and the rates also prima facie seemed to be high. In the opinion of the Committee, the fact that on local insulation was undertaken in the Assam Telecom Circle either prior to 1989 or after March, 1993 would clearly establish the malafide intention of the authorities at the relevant time. Significantly, an expenditure of Rs. 6.32 crores was incurred by CGMT, Assam Circle on local insulation carried out during 1990—93. Compared to the prevailing central procurement rate of insulated GI wire, which was of 0.5 mm thickness, the local insulation of GI wire got done by CGMT, Assam Circle with insulation thickness of 1 mm and 1.5 mm resulted in an extra expenditure of Rs. 4.79 crores (excluding excise duty and local taxes) to the exchequer. The extra expenditure would be much more when calculated against the prevailing central procurement rate of insulated wire of 0.3 mm thickness, which was the specification in existence when the tender was floated by the Assam Telecom Circle and insulation work was awarded to M/s Plast Fab, Lucknow.

84. The Committee consider it unfortunate that such a grave irregularity went unnoticed by the Ministry for a long time and no action was taken on this count till the representatives of the Ministry appeared before the Committee to tender oral evidence on the subject. In fact, in all their references made to the Committee till then, the Ministry had unjustifiably went on defending the irregular action of CGMT, Assam Circle. It was only after the oral evidence tendered before the Committee that, at the instance of the Committee, the Ministry referred the case of CBI for detailed investigation. The Committee deplore the laxity on the part to the authorities concerned and desire that the Ministry should get the entire

matter thoroughly investigated and take stern action against those officers whose malafides are clearly established. The Committee would like to be apprised of the precise action taken on the case within a period of six months.

85. The Committee further desire that in the case under examination where the irregularities have clearly been established, the Ministry, without waiting for the results of the CBI inquiry, should initiate departmental proceedings against the officers responsible and take conclusive action within a period of three months.

86. The Committee have been informed that about 80% of 9586 kms of 2 mm dia and about 55% of 12,409 kms of 3.55 mm dia locally insulated GI wires were utilised in three divisions i.e. Dibrugarh, Jorhat and Nagaon of Assam Telecom Circle, where the impact of vegetation and insurgency was stated to be maximum during the period. Though the Department claimed that performance of services improved remarkably with the reduction in fault rate with the use of GI wires with insulation thickness of 1 mm and 1.5 mm, the Committee are not very much inclined to share this viewpoint in the light of the fact that no experimental study/ review on the actual performance of these insulated wires was conducted by the Department. No cost-benefit analysis of the local insulation got done by the Assam Telecom Circle was either conducted to gauge the incidence of extra cost borne vis-a-vis the actual performance effected. However, the issuance of latest specification of 1 mm insulation thickness for GI wires of 2 mm dia and 3.55 mm dia in respect of vegetated areas is itself indicative of the fact that the exchequer was looser to the extent of extra expenditure incurred in getting local insulation done of 1.5 mm thickness of 3.55 mm dia GI wire. The Committee therefore, desire that the actual utilisation in terms of performance of wires of insulation thickness of 1 mm and 1.5 mm put into service in the Assam Telecom Circle should be thoroughly looked into. The Committee would like to be apprised of the results of the same within a period of three months.

87. Another aspect noted by the Committee was that though the central excise duty due arising out of the process of getting bare GI wires insulated was stated to have been paid for, no action was taken by DoT to claim MODVAT credit in respect of the duty already paid by them on bare GI wire. It was only after the Committee pointed out the DoT became aware of the claim. This is yet another instance of the gross negligence of the officers concerned in protecting the interests of the Department. While expressing their unhappiness over the same, the Committee would like to be apprised of the precise action taken in the matter.

88. The Committee's examination revealed that the case of Assam Circle was not an isolated one where irregular local insulation of GI wire was got done at the cost of substantial loss to the exchequer. As per information made available to the Committee, many other field units like Kerala,

Gujarat, Uttar Pradesh (West), Andhra Pradesh, Madhya Pradesh, Bihar & North East Circles had got local insulation done over bare GI wire in their respective Circles using local specifications. The magnitude of irregularities may be much more as the Ministry failed to furnish information pertaining to other Circles namely, Himachal Pradesh, Rajasthan and Mahanagar Telephone Nigam Ltd., Delhi. In fact, the case of Kerala was brought out in the paragraph 9.7 of the Report of the C&AG of India for the year ended 31 March, 1993 No.7 of 1994, Union Government (P&T) where Audit had pointed out that irregular local insulation got done by CGMT, Kerala Circle cost the exchequer an avoidable expenditure of Rs. 1.08 crores. Explaining the patently irregular action on the part of the Telecom Circles, the Ministry pleaded that though the action by such units was not in conformity with the then existing departmental procedures to the extent that they used local specification and certain Circle besides using unapproved specifications also did not follow other departmental procedures like calling for open tenders, permission etc., which resulted in heavy loss to the exchequer, the outcome was in the interest of service and public at large. The Committee are shocked over the justification advanced by the Ministry in a bid to gloss over the impropriety of expenditure and inexcusable dereliction of duty on the part Telecom Circle which resulted in a complete breakdown of administrative machinery and total absence of accountability. Lamentably, all these cases of irregularities came into notice of the Ministry only after the present subject matter was taken for detailed examination by the Committee. The Committee strongly deprecate this state of affairs and trust that the DoT will draw suitable lessons from the unsavoury aspects in the working of the Department and take adequate steps to ensure effective control over the field units.

89. As regards action taken against the Telecom Circles for their irregular action which resulted in sizeable loss of revenue to the exchequer, the Ministry informed the Committee that cases in respect of UP(West) and MP Telecom Circles were under investigation by CBI. Intimating action taken against other Circles, the Ministry stated that explanation of the official including CGMTs involved will be called and based on replies, the cases will be referred to Vigilance/CBI. The Committee recommend that all the cases of irregular local insulation carried out by the Telecom Circles be thoroughly inquired into with a view to fixing responsibility and the Committee be intimated the findings of such inquiry and action taken thereon within a period of three months. The Committee would also like to know the outcome of the investigation being done by CBI in respect of UP (West) and MP Telecom Circles.

90. Though the Department claimed to have an elaborate mechanism for scheduled inspection and checks to ensure compliance with rules and propriety of expenditure, the Committee are unhappy to point out that the Internal Check Unit of DoT miserably failed to discharge its assigned responsibility. Curiously enough, neither the internal check team of Assam

Telecom Circle in their review inspection conducted after 1989-90 pointed out the irregular action of CGMT, Assam Circle nor Internal Check Unit of DoT considered this as irregular expenditure in their review conducted in December, 1994. What is further intriguing is that the irregularities committed in other Telecom Circles came to the notice of the inspection authorities only after the present subject matter was taken up by the Committee for detailed examination. It speaks volumes of the ineffectiveness of the internal inspection mechanism of the Department. While deploring the functioning of the Inspection unit in this regard, the Committee recommend that the circumstances under which such cases of blatant irregularities were not detected by the inspection authorities needs to be probed with a view to fixing responsibility. The Committee would like to be intimated the precise action taken in this regard. Keeping in view the abject failure of the existing inspection mechanism, the Committee desire that the role of Internal Check Unit be reviewed afresh and steps taken to strengthen the institutional arrangements for periodic technical and administrative inspection with a view to ensuring compliance with the rules and propriety of expenditure.

91. The Committee also observe that the functioning of the Quality Assurance Wing in the DoT leaves a lot to be desired. The Committee were informed that the Department has a well established Quality Assurance Wing and all the stores equipments are inspected and certified by the Wing before induction in the DoT network. According to the Ministry, in the case of Assam Telecom Circle, all the supplies of locally insulated wire were received and utilised after inspection and clearance from the Wing. This averment of DoT leaves a doubt in the mind of the Committee about the seriousness with which the quality inspection was being conducted in DoT. Keeping in view the fact that quality inspection is normally conducted against a pre-determined parameter, which was insulation thickness of 0.5 mm on the basis of which CGMT(s), Calcutta procured the stores, the Committee fail to appreciate as to how the Quality Assurance Wing certified the wires insulated with extra thickness which was not prescribed by the Department at that point of time. The Committee feel that since the higher specification adopted by CGMT, Assam Circle, was not approved by DoT and was irregular, the matter should have been brought to the notice of DoT by the Quality Assurance Wing for approval. Unfortunately, this was not done. The Committee therefore, desire that necessary steps be taken to ensure that quality inspection and clearance be based on approved specifications only and in case of aberration as was the case in Assam Telecom Circle, the matter be referred to the competent authority in the Department for due approval. The Committee are of the firm belief that such renewed approach by the Quality Assurance Wing would also work as an effective mechanism for added checks and balances besides authentic quality verification and avoidable Wastage.

92. While intimating the rectificatory steps taken, the Ministry stated that guidelines for procurement of materials have been issued by DoT on 8 November, 1995 to avoid irregular purchase of materials on non-standard specifications. The Committee cannot remain satisfied with this. In the light of the shortcomings pointed out in this Report, the Committee desire that effective steps be taken by the Ministry to ensure that guidelines issued should be followed scrupulously and any violation thereof should be dealt with sternly. The Committee further desire that the details of procurement of GI wires with higher insulation thickness should be indicated in the Annual Report of the Ministry of Communications (Department of Telecommunications).

93. The Committee observe that there was mismatch among the forecast requirement of GI wires put forth by Assam Telecom Circle, allotment made by DoT and actual quantity supplied thereagainst by CGMT(S), Calcutta. Explaining the position, the Ministry stated that while forecast requirement is generally based on likely achievements during the current year and growth plans for the subject year, the allotment by DoT is however, based on the actual development target set for the Circle depending upon the budgetary provision. The procurement action by the CGMT(S), Calcutta is stated to be based on allotment by DoT. The Ministry however, admitted that supplies of specific types of wires and equipments to various Telecom Circles do not sometimes match the DoT allotments. What concerns the Committee is the fact that while the quantity projected in the forecast requirement was substantially higher than the quantity allotted by DoT, the supplies effected thereagainst had no relationship with the allotment by DoT. The Committee desire that the whole exercise of formulating demand and effecting supplies should be streamlined with a view to projecting the requirements realistically and ensuring its availability so that developmental and maintenance works in the DoT network are not adversely affected.

94. The Committee regret to note that despite the serious nature of issues involved, the Ministry of Communications did not bother to respond to the draft Audit Paragraph under examination which was forwarded directly to the then Secretary of the Ministry by the office of the C&AG in July 1995 with a request to send the requisite reply within the stipulated time of six weeks. The Committee note with dissatisfaction that the replies to draft Audit paragraph was not sent till 6 September 1996. The Committee take a serious view of this and desire that corrective steps be taken by the Ministry to obviate the recurrence of such delays in future.

NEW DELHI;
13 August, 1997

DR. MURLI MANOHAR JOSHI,
Chairman,
Public Accounts Committee.

22 Shrivana, 1919 (Saka)

APPENDIX I

PARAGRAPH 9.4 OF THE REPORT OF C&AG OF INDIA FOR THE YEAR ENDED 31 MARCH 1995, NO.7 OF 1996, UNION GOVT (P&T) RELATING TO IRREGULAR EXPENDITURE ON LOCAL INSULATION OF GI WIRE

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The Chief General Manager Telecommunication (CGMT) Assam Telecom Circle Guwahati received 32010 km. of bare galvanised iron wire of 2 mm diameter (dia) at rates varying from Rs. 455 to Rs. 537 per km. and 14600 km. of 3.55 mm dia at rates varying from Rs. 1237 to Rs. 1481 per km. during 1989-90 to 1992-93 under purchase orders placed by CGMT Stores, Calcutta and on transfer from different depots to meet targets fixed by the Directorate for provision of new telephone connections.

Galvanised Iron (GI) wires, bare as well as insulated are stocked items and are procured centrally by the CGMT, Stores, Calcutta. However, instead of obtaining insulated wire from CGMT, Stores, Calcutta, the CGMT, Assam circle got 9585 km of 2 mm dia and 12409 km of 3.55 mm dia of bare GI wire insulated with Polyvinyl Chloride (PVC) locally. The cost of the GI wires after insulation by local firms worked out to Rs. 1755 to Rs. 1987 per km. for 2 mm dia (insulation thickness 1 mm) and Rs. 4087 to Rs. 4681 per km. for 3.55 dia (insulation thickness 1.5 mm) as against the central procurement price of GI insulated wire (insulation thickness 0.5 mm) at Rs.600.61 to Rs. 707.20 for 2 mm dia and Rs. 1652.56 to Rs. 1731.60 for 3.55 mm dia by CGMT Store, Calcutta during the same period.

The action of CGMT, Assam Circle in getting it insulated instead of obtaining insulated GI wire through CGMT Stores, Calcutta was not only irregular but also led to irregular expenditure of Rs.4.79 crores.

The CGMT, Assam Circle, Guwahati stated in July 1995, that thick insulation on bare GI wire was necessary to meet the climatic conditions heavy rain fall, thick vegetation growth, rough terrain etc.

The reply is not tenable since the specifications for insulation coating relevant for that period contained in No.52-29-87 TRC (Revised) dated 2 August 1988 prescribe insulation of 0.5 mm throughout the country.

The matter was referred to the Ministry in July 1995; their reply was awaited as of December 1995.

APPENDIX II

STATEMENT OF CONCLUSIONS/RECOMMENDATIONS

Sl. No.	Para No.	Ministry / Deptt. concerned	Conclusions / Recommendations
1	2	3	4
1	76	Ministry of Communications (Deptt. of Tele-Communications)	Galvanised Iron (GI) wires are used in the Department of Telecommunications (DOT) for providing for new telephone connections, public telephones in Gram Panchayats, Junction lines, for installation of overhead carriers systems, to extend STD/Group dialing facilities to Sub-Divisional Headquarters/ Telecommunications Headquarters & Rural Exchanges, for maintenance of existing lines, etc. GI wires, bare as well as insulated are stocked items and are centrally procured by the Chief General Manager, Telecommunications (CGMT), Stores, Calcutta. The Audit paragraph deals with a case where the CGMT, Assam Circle unauthorisedly converted 9586 Km bare GI wire of 2 mm dia and 12409 km GI wire of 3.55 mm dia into PVC insulated GI wire locally during 1989-93 with a thickness of 1 mm and 1.5 mm respectively, against the DOT's uniformly applicable specification of 0.5 mm thickness. It was pointed out by Audit further that the CGMTs did not have the power to procure them locally and that compared to the prevailing central procurement rate of insulated GI wire, the action of CGMT, Assam Circle caused an extra expenditure of Rs. 4.79 crores. The Committee's examination of the Audit paragraph has revealed several disquieting

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aspects not only in the procedures adopted by CGMT, Assam circle in carrying out PVC insulation, but also in the working of the DoT.

2. 77 Ministry of Communications (Deptt. of Telecommunications)

The Committee find that prior to 1986 insulated GI wires were not used in DoT network. The process of getting GI wires insulated was initially undertaken by DoT in 1987 and regular supplies of insulated wires were effected from 1989-90 onwards. The Committee's examination, in fact, revealed that an exercise to find out a suitable specification for PVC insulation over bare GI wire to reduce incidence of faults, started in the Department, way back on 10 January 1979 when a draft specification prescribing there in insulation thickness of 1.5 mm - 0.25 mm for both 2 mm dia and 3.55 mm dia MS wires was issued by the Technical & Development (T&D) Circle of the Department, which was stated to be the competent authority at that point of time for laying down specifications for use throughout the country. However, the Draft of 1979 which was circulated among field units to elicit their views remained a draft till 16 May 1986, when a revised draft specification was issued by the T&D Circle prescribing therein insulation thickness of 1 mm - 0.25 mm for 2 mm dia GI wire and 1.5 mm - 0.25 mm for 3.55 dia GI wire. The Ministry were unable to apprise the Committee whether any field reports were actually received on the draft of 1979 and those taken cognizance of before effecting revision in the draft specification in May 1986. Thereafter, two more specifications were issued by the T&D Circle, one on 17 February 1988 prescribing therein insulation thickness of 0.3 mm and the other on 29 March 1990 detailing therein insulation thickness of

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0.5 mm for both 2 mm dia and 3.55 mm dia GI wires. Surprisingly, both these specifications were also issued in the name of revised draft indicating that the process of revision was incomplete pending formulation of a standard specification. Furthermore, during May 1987 to August 1988, three more specifications were issued concurrently by another authority, viz. Telecom Research Centre (TRC) of the Department which were in variance with the specifications issued by the T&D Circle. Explaining the ambiguity arising out of simultaneous issuance of specifications both by T&D Circle and TRC, the Ministry stated that the specifications framed by TRC was not to be used for any purpose other than authorising the T&D Circle to use it. They maintained that the T&D Circle was the competent authority till 1993 to issue the specifications until a new authority viz., Telecom Engineering Centre (TEC) was set up. The Committee's examination revealed that in pursuance of a Cabinet decision taken in July 1987, TRC was split into TRC and TEC and the work of laying down specifications was passed on to TEC which was to be implemented from 3 August 1988. Unfortunately, the order for making TEC as the designated authority for issuing specifications was not implemented by the Ministry till 1993 even though TEC continued to send its specifications to the T&D Circle for further circulation.

3.78

Ministry of
Communication
(Deptt. of
Telecommuni-
cations)

The Committee further note that both Assam and Kerala Telecom Circles represented to the Ministry that the specification of PVC insulation thickness issued by the T&D Circle in 1990 was not adequate for their Circles due to peculiar ambient conditions and that should be enhanced. The matter was reportedly under consideration of the Ministry.

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Amazingly, TEC issued a specification in December 1994, after a lapse of four years, wherein the insulation thickness was maintained at the same level i.e. 0.5 mm for both 2 mm dia and 3.55 mm dia GI wires and representations received from Assam and Kerala Telecom Circles for higher insulation thickness were not apparently taken into cognizance. Subsequently, on 29 November 1996, after a lapse of another two years, the whole matter was stated to have been placed before the Development Coordination Committee (DCC) of TEC and an amendment was made in the specification issued in 1994, prescribing therein two types of PVC insulation thickness one having more thickness for thickly vegetated areas (1.00 mm) and the other with lower thickness (0.5 mm) for other areas.

4.79 Ministry of Communications (Deptt. of Telecommunications)

From the foregoing, it is amply clear that during the period 1979 to 1994, the Ministry were not able to provide a suitable specification for PVC insulation thickness of GI wire that could take care of the varying needs of different Telecom Circles in the country. On the other hand, different authorities simultaneously issued one specification after the other either in the name of draft or revised draft without formulating any standard specification in this regard. Curiously enough, in a couple of occasions, the draft specification was stated to have been revised but without any material changes in the insulation thickness. In the absence of any convincing explanation from the Ministry and their failure to trace relevant papers, the Committee are unable to appreciate the rationale behind such revisions. Further, though representations were received from Telecom Circles pleading for higher insulation thickness in the Ministry in 1990, no decision was taken

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			<p>on this count till November 1996. Distressingly, the Ministry chose to issue the latest specification only after the present subject matter was taken up by the Committee for detailed examination. Considering the fact that evolving a suitable specification of insulation has a crucial role to play in the entire communication network of the country, the Committee regret to conclude that the Ministry woefully failed in discharging their responsibility and became permissive to all kinds of irregularities indulged in by various CGMTs. The Committee deplore the laxity on the part of the authorities concerned in this regard and desire that the manner in which the whole exercise for evolving specification was undertaken in the Department including the reasons for unwarranted delay in implementing the Cabinet decision be inquired into with a view to fixing responsibility. They would like to be apprised of the results of the inquiry.</p>
5.80	Ministry of Communications (Deptt. of Telecommunications)		<p>The Committee note that as per the latest specifications issued in November 1996, two types of PVC insulation thickness have been prescribed; one having more thickness for thickly vegetated areas (1.00 mm) and another with lower thickness (0.5 mm) for other areas. They are of the view that the expression 'thickly vegetated areas' should be clearly defined by the Ministry through guidelines with a view to avoiding ambiguity/incorrect application of the specification.</p>
6.	81	-do-	<p>The Committee find that in the case under examination, the work of getting GI wire insulated locally was got executed by the CGMT, Assam Circle during 1989—93 as 'job work' through two different firms. While the first firm was involved in insulation of GI wire</p>

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			<p>measuring 952 kms during 1989-90. insulation of 21,042 kms GI wires was got done through another firm during 1990—93. The specification for insulation thickness of GI wires got locally insulated was 1.00 mm for 2 mm dia GI wire and 1.5 mm for 3.55 mm dia GI wire. The Committee's scrutiny revealed that execution of work through both the firms were beset with serious irregularities.</p>
7.82	Ministry of Communications (Deptt. of Telecommunications)		<p>On scrutiny of the information made available, the Committee find that the CGMTs were not competent to get GI wires insulated locally by drawing specifications which were at variance from those laid down. In the case under examination, as against the extant specifications (issued in February 1988 and March 1990) for insulation thickness of 0.3 mm and 0.5 mm for GI wires of 2 mm dia and 3.55 mm dia, the wires were got actually insulated following insulation thickness of 1 mm for 2 mm dia and 1.5 mm for 3.55 mm dia GI wires. The plea of the Ministry that the CGMT, Assam Circle had followed the specification issued on 16 May, 1986 by T&D is altogether unacceptable and irrelevant since the same authority had issued specification subsequently revising the insulation thickness. Strangely enough, even for application of this higher insulation thickness, no scientific study was stated to have been undertaken in the Circle. Furthermore, in August 1988, when tender for local insulation was floated by CGMT, Assam Circle, insulation thickness of 0.33 mm was mentioned in the tender document as the specification and no indication was there for insulation thickness of either 1.00 mm or 1.5 mm based on which local insulation was actually got done.</p> <p>Evidently, the higher specification was</p>

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8	83	Ministry of Communications (Deptt. of Telecommunications)	<p>drawn on extraneous considerations and without any approval from the competent authority. During evidence, while admitting the irregularity, the Secretary, Ministry of Communications termed the matter as "serious".</p> <p>The Committee further find that the 'job work' of carrying out local insulation was awarded to two firms, namely M/s Plast Fab, Lucknow and M/s Plast India Dibrugarh. While the first firm undertook insulation of bare GI wires measuring 952 km during 1989-90, the other firm did the remaining work of insulation of bare GI wire measuring 21.042 km. during the period 1990-93. In the case of the former, Notice Inviting Tender was floated on 11 August 1988 which was evaluated by Tender Evaluation Committee. The recommendations of the Committee were stated to have been accepted by head of the Circle and an agreement was entered into on 8 March 1989 with M/s Plast Fab, Lucknow. However, to the utter surprise of the Committee, work order of about Rs. 7 crores was awarded in the second case to M/s Plast Inida, Dibrugarh without a tender on the plea that the rate of local insulation offered by the firm was cheaper. However, scrutiny of the information made available to the Committee revealed that rates paid by Assam Telecom Circle during the period 1989-93, when M/s Plast India, Dibrugarh was engaged for carrying out local insulation were not lower than the rates paid during 1989-90 when M/s Plast Fab, Lucknow was entrusted with the work of local insulation. Thus, the plea taken by the Assam Telecom Circle for awarding the work to M/s Plast India, Dibrugarh is totally untenable. What is further disquieting to note is the</p>

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fact that the rates at which insulation work was got executed in Assam Telecom Circle in respect of Wires of 2.00 mm dia and 3.55 mm dia were substantially higher compared to those of similar insulation works got done in Gujarat and Kerala Telecom Circles during the relevant period. The Ministry admitted that the differential between the rates paid by Gujarat Telecom Circle on the one hand and Assam Telecom Circle on the other hand was very high and could not be explained logically. The Secretary of the Ministry conceded during evidence that awarding the work to M/s Plast India, Dibrugarh without a tender was itself a serious irregularity and the rates also *prima facie* seemed to be high. In the opinion of the Committee, the fact that no local insulation was undertaken in the Assam Telecom Circle either prior to 1989 or after March 1993 would clearly establish the malafide intention of the authorities at the relevant time. Significantly, an expenditure of Rs. 6.32 crores was incurred by CGMT, Assam Circle on local insulation carried out during 1990-93. Compared to the prevailing central procurement rate of insulated GI wire, which was of 0.5 mm thickness, the local insulation of GI wire got done by CGMT, Assam Circle with insulation thickness of 1 mm and 1.5 mm resulted in an extra expenditure of Rs. 4.79 crores (excluding excise duty and local taxes) to the exchequer. The extra expenditure would be much more when calculated against the prevailing central procurement rate of insulated wire of 0.3 mm thickness, which was the specification in existence when the tender was floated by the Assam Telecom Circle and insulation work was awarded to M/s Plast Fab, Lucknow.

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9	84	Ministry of Communications (Department of Telecommunications)	The Committee consider it unfortunate that such a grave irregularity went unnoticed by the Ministry for a long time and no action was taken on this count till the representatives of the Ministry appeared before the Committee to tender oral evidence on the subject. In fact, in all their referencs made to the Committee till then, the Ministry had unjustifiably went on defending the irregular action of CGMT, Assam Circle. It was only after the oral evidence tendered before the Committee that, at the instance of the Committee, the Ministry referred the case to CBI for detailed investigation. The Committee deplore the laxity on the part of the authorities concerned and desire that the Ministry should get the entire matter thoroughly investigated and take stern action against those officers whose malafides are clearly established. The Committee would like to be apprised of the precise action taken on the case within a period of six months.
10	85	-do-	The Committee further desire that in the case under examination where the irregularities have clearly been established, the Ministry, without waiting for the results of the CBI inquiry, should initiate departmental proceedings against the officers responsible and take conclusive action within a period of three months.
	86	-do-	The Committee have been informed that about 80% of 9586 kms. of 2 mm dia and about 55% of 12,409 kms. of 3.55 mm dia locally insulated GI wires were utilised in three divisions <i>i.e.</i> Dibrugarh, Jorhat and Nagaon of Assam Telecom Circle, where the impact of vegetation and insurgency was stated to be maximum during the

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period. Though the Department claimed that performance of services improved remarkably with the reduction in fault rate with the use of GI wires with insulation thickness of 1 mm and 1.5 mm, the Committee are not very much inclined to share this viewpoint in the light of the fact that no experimental study/review on the actual performance of these insulated wires was conducted by the Department. No cost-benefit analysis of the local insulation got done by the Assam Telecom Circle was either conducted to gauge the incidence of extra cost borne *vis-a-vis* the actual performance effected. However, the issuance of latest specification of 1mm insulation thickness for GI wires of 2 mm dia and 3.55 mm dia in respect of vegetated areas is itself indicative of the fact that the exchequer was looser to the extent of extra expenditure incurred in getting local insulation done of 1.5 mm thickness of 3.55 mm dia GI wire. The Committee therefore, desire that the actual utilisation in terms of performance of wires of insulation thickness of 1 mm and 1.5 mm put into service in the Assam Telecom Circle should be thoroughly looked into. The Committee would like to be apprised of the results of the same within a period of three months.

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Another aspect noted by the Committee was that though the central excise duty due arising out of the process of getting bare GI wires insulated was stated to have been paid for, no action was taken by DoT to claim MODVAT credit in respect of the duty already paid by them on bare GI wire. It was only after the Committee pointed out that DoT became aware of the claim. This is yet another instance of the gross negligence of the officers concerned in protecting the interests of the

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			Department. While expressing their unhappiness over the same, the Committee would like to be apprised of the precise action taken in the matter.
12	88	-do-	The Committee's examination revealed that the case of Assam Circle was not an isolated one where irregular local insulation of GI wire was got done at the cost of substantial loss to the exchequer. As per information made available to the Committee, many other field units like Kerala, Gujarat, Uttar Pradesh (West), Andhra Pradesh, Madhya Pradesh, Bihar & North East Circles had got local insulation done over bare GI wire in their respective Circles using local specifications. The magnitude of irregularities may be much more as the Ministry failed to furnish information pertaining to other Circles namely, Himachal Pradesh, Rajasthan and Mahanagar Telephone Nigam Ltd., Delhi. In fact, the case of Kerala was brought out in the Paragraph 9.7 of the report of the C&AG of India for the year ended 31 March 1993, No. 7 of 1994, Union Government (P&T) where Audit had pointed out that irregular local insulation got done by CGMT, Kerala Circle cost the exchequer an avoidable expenditure of Rs. 1.08 crores. Explaining the patently irregular action on the part of the Telecom Circles, the Ministry pleaded that though the action by such units was not in conformity with the then existing departmental procedures to the extent that they used local specifications and certain Circles besides using unapproved specifications also did not follow other departmental procedures like calling for open tenders, permission etc., which resulted in heavy loss to the exchequer, the outcome was in the interest of service and public at large. The Committee are shocked over the justification advanced

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by the Ministry in a bid to gloss over the impropriety of expenditure and inexcusable dereliction of duty on the part of Telecom Circles which resulted in a complete breakdown of administrative machinery and total absence of accountability. Lamentably, all these cases of irregularities came into notice of the Ministry only after the present subject matter was taken for detailed examination by the Committee. The Committee strongly deprecates this state of affairs and trusts that the DOT will draw suitable lessons from these unsavoury aspects in the working of the Department and take adequate steps to ensure effective control over the field units.

13 89

Ministry of
Communications
(Deptt. of
Telecommuni-
cations)

As regards action taken against the Telecom Circles for their irregular action which resulted in sizeable loss of revenue to the exchequer, the Ministry informed the Committee that cases in respect of UP(West) and MP Telecom Circles were under investigation by CBI. Intimating action taken against other Circles, the Ministry stated that explanation of the officials including CGMTs involved will be called and based on replies, the cases will be referred to Vigilance/CBI. The Committee recommends that all the cases of irregular local insulation carried out by the Telecom Circles be thoroughly inquired into with a view to fixing responsibility and the Committee be intimated the findings of such inquiry and action taken thereon within a period of three months. The Committee would also like to know the outcome of the investigation being done by CBI in respect of UP(West) and MP Telecom Circles.

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Though the Department claimed to have an elaborate mechanism for scheduled inspection and checks to ensure compliance with rules and propriety

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of expenditure, the Committee are unhappy to point out that the Internal Check Unit of DoT miserably failed to discharge its assigned responsibility. Curiously enough, neither the internal check team of Assam Telecom Circle in their review inspection conducted after 1989-90 pointed out the irregular action of CGMT, Assam Circle nor Internal Check Unit of DoT considered this as irregular expenditure in their review conducted in December 1994. What is further intriguing is that the irregularities committed in other Telecom Circles came to the notice of the inspection authorities only after the present subject matter was taken up by the Committee for detailed examination. It speaks volumes of the ineffectiveness of the internal inspection mechanism of the Department. While deploring the functioning of the inspection unit in this regard, the Committee recommend that the circumstances under which such cases of blatant irregularities were not detected by the inspection authorities needs to be probed with a view to fixing responsibility. The Committee would like to be intimated the precise action taken in this regard. Keeping in view the abject failure of the existing inspection mechanism, the Committee desire that the role of Internal Check Unit be reviewed afresh and steps taken to strengthen the institutional arrangements for periodic technical and administrative inspection with a view to ensuring compliance with the rules and propriety of expenditure.

15 91 -do-

The Committee also observe that the functioning of the Quality Assurance Wing in the DOT leaves a lot to be desired. The Committee were informed that the

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Department has a well established Quality Assurance Wing and all the stores equipments are inspected and certified by the Wing before induction in the DoT network. According to the Ministry, in the case of Assam Telecom Circle, all the supplies of locally insulated wire were received and utilised after inspection and clearance from the Wing. This averment of DoT leaves a doubt in the mind of the Committee about the seriousness with which the quality inspection was being conducted in DoT. Keeping in view the fact that quality inspection is normally conducted against a pre-determined parameter, which was insulation thickness of 0.5 mm on the basis of which CGMT(S), Calcutta procured the stores, the Committee fail to appreciate as to how the Quality Assurance Wing certified the wires insulated with extra thickness which was not prescribed by the Department at that point of time. The Committee feel that since the higher specification adopted by CGMT, Assam Circle, was not approved by DoT and was irregular, the matter should have been brought to the notice of DoT by the Quality Assurance Wing for approval. Unfortunately, this was not done. The Committee therefore, desire that necessary steps be taken to ensure that quality inspection and clearance be based on approved specifications only and in case of aberration as was the case in Assam Telecom Circle, the matter be referred to the competent authority in the Department for due approval. The Committee are of the firm belief that such renewed approach by the Quality Assurance Wing would also work as an effective mechanism for added checks and

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			balances besides authentic quality verification and avoidable wastage.
16.	92	-do-	While intimating the rectificatory steps taken, the Ministry stated that guidelines for procurement of materials have been issued by DoT on 8 November, 1995 to avoid irregular purchase of materials on non-standard specifications. The Committee cannot remain satisfied with this. In the light of the shortcomings pointed out in this Report, the Committee desire that effective steps be taken by the Ministry to ensure that guidelines issued should be followed scrupulously and any violation thereof should be dealt with sternly. The Committee further desire that the details of procurement of GI wires with higher insulation thickness should be indicated in the Annual Report of the Ministry of Communications (Department of Telecommunications).
17.	92	-do-	The Committee observe that there was mismatch among the forecast requirement of GI wires put forth by Assam Telecom Circle, allotment made by DoT and actual quantity supplied there against by CGMT(S), Calcutta. Explaining the position, the Ministry stated that while forecast requirement is generally based on likely achievements during the current year and growth plans for the subject year, the allotment by DoT is however, based on the actual development targets set for the Circle depending upon the budgetary provision. The procurement action by the CGMT(S), Calcutta is stated to be based on allotment by DoT. The Ministry however, admitted that supplies of specific types of wires and equipments to various Telecom Circles do not sometimes match the DoT allotments. What concerns the Committee is the fact that while the quantity projected in the forecast requirement was substantially higher

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than the quantity allotted by DoT, the supplies effected these against had no relationship with the allotment by DoT. The Committee desire that the whole exercise of formulating demand and effecting supplies should be streamlined with a view to projecting the requirements realistically and ensuring its availability so that developmental and maintenance works in the DoT network are not adversely affected.

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-do-

The Committee regret to note that despite the serious nature of issues involved, the Ministry of Communications did not bother to respond to the draft Audit Paragraph under examination which was forwarded directly to the then Secretary of the Ministry by the office of the C&AG in July 1995 with a request to send the requisite reply within the stipulated time of six weeks. The Committee note with dissatisfaction that the replies to draft Audit Paragraph was not sent till 6 September, 1996. The Committee take a serious view of this and desire that corrective steps be taken by the Ministry to obviate the recurrence of such delays in future.

PART II

MINUTES OF THE SIXTEENTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 16 JANUARY, 1997

The Committee sat from 1330 hrs to 1400 hrs on 16 January, 1997 in Committee Room "C", Parliament House, New Delhi.

PRESENT

Dr. Murli Manohar Joshi — *Chairman*

MEMBERS

Lok Sabha

2. Shri Nirmal Kanti Chatterjee
3. Shri Ajit Kumar Mehta
4. Shri V.V. Raghavan
5. Shri Ishwar Dayal Swami

Rajya Sabha

6. Shri R.K. Kumar
7. Shri N. Giri Prasad

SECRETARIAT

1. Smt. P.K. Sandhu — *Director*
2. Shri P. Sreedharan — *Under Secretary*

OFFICERS OF THE OFFICE OF C&AG OF INDIA

1. Shri I.P. Singh — *Addl. Dy. C&AG*
2. Shri Vijay Kumar — *Director General of Audit (P&T)*
3. Shri A.K. Thakur — *Pr. Director of Audit (Reports - Central)*

REPRESENTATIVES OF THE MINISTRY OF COMMUNICATIONS (DEPARTMENT OF TELECOMMUNICATIONS)

1. Shri A.V. Gokak — *Chairman, Telecom Commission*
2. Shri P.S. Saran — *Member (Services)*
3. Shri P. Khan — *Member (Prod.)*
4. Shri G.C. Iyer — *Member (Finance)*

2. At the outset, the Chairman welcomed the representatives of the Ministry of Communications (Department of Telecommunications) to the sitting of the Committee for recording oral evidence in connection with the

examination of Paragraph 9.4 of the C&AG's Report No. 7 of 1996 (Union Government — P&T) relating to "Irregular expenditure on local insulation of G.I. Wires". Before proceeding to take evidence, the Chairman observed that the Department of Telecommunications had furnished modified version of their replies on the Audit Paragraph under examination to the Secretariat only on the previous day. He stated that there was an inordinate delay in the submission of the modified replies in view of the fact that the initial replies were furnished to the Committee on 9 October, 1996 and the comments of Audit which were cited as the ground for modifying the replies were intimated by Audit to the Ministry on 26 November, 1996 itself. Further, the modified replies were not made available to the Office of the C&AG for factual verification. Expressing his concern over the same, the Chairman further stated that there was little time left for the Members to go through those replies as the same were received by some of the Members only in the morning of the date of the evidence. The Members shared the views expressed by the Chairman and desired that the Committee might fix another date for taking evidence of the representatives of the Department of Telecommunications on the subject under examination. The Committee, accordingly, deferred their sitting for taking evidence on the aforesaid Audit Paragraph to a future date to be intimated to the Department in due course. The officials of the Department of Telecommunications present at the sitting were also informed of the decision of the Committee.

3. A copy of the verbatim proceedings of the sitting has been kept on record.

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The Committee then adjourned.

**MINUTES OF THE EIGHTEENTH SITTING OF THE PUBLIC
ACCOUNTS COMMITTEE HELD ON 7 FEBRUARY, 1997**

The Committee sat from 1100 hrs to 1430 hrs on 7 February, 1997 in
Committee Room "C", Parliament House Annexe, New Delhi.

PRESENT

Dr. Murli Manohar Joshi — Chairman

MEMBERS

Lok Sabha

2. Shri Nirmal Kanti Chatterjee
3. Shri Prithviraj D. Chavan
4. Shri V.V. Raghavan
5. Shri Ishwar Dayal Swami

Rajya Sabha

6. Shri Rahasbihari Barik

SECRETARIAT

1. Shri J.P. Ratnesh — *Joint Secretary*
2. Smt. P.K. Sandhu — *Director*
3. Shri P. Sreedharan — *Under Secretary*

OFFICERS OF THE OFFICE OF C&AG OF INDIA

1. Shri V.K. Shunglu — C&AG of India
2. Shri I.P. Singh — Addl. Dy. C&AG
3. Shri Vijay Kumar — DG of Audit (P&T)
4. Shri A.K. Thakur — Pr. Director (Central)

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

1. Shri A.V. Gokak — Chairman, Telecom. Commission
2. Shri P.S. Saran — Member (Services)
3. Shri P. Khan — Member (Prod.)
4. Shri G.C. Iyer — Member (Finance)

2. Before proceeding to take oral evidence of the representatives of the
Ministry of Communications (Department of Telecommunications) on the
issues arising out of the paragraph 9.4 of the C&AG's Report for the year

ended 31 March, 1995, No. 7 of 1996 (Union Government- P&T) relating to "Irregular expenditure on local insulation of G.I. Wires", the Committee took up for consideration the explanation furnished by the Secretary, Department of Telecommunications for delay in submission of revised replies to the Committee. A copy of the letter received in this regard from the Secretary, Department of Telecommunication was also circulated to the Members. After deliberations, the Committee felt that the reasons given by the Secretary for delay in submission of revised replies were not satisfactory. The Committee then took oral evidence of the representatives of the Ministry of Communications (Department of Telecommunications) on the subject. A copy of the verbatim proceedings of the sitting has been kept on record.

The Committee then adjourned.

MINUTES OF THE SEVENTH SITTING OF THE PUBLIC
ACCOUNTS COMMITTEE HELD ON 12 AUGUST, 1997.

The Committee sat from 1500 hrs to 1700 hrs on 12 August, 1997 in
Committee Room "B", Parliament House Annexe.

PRESENT

Dr. Murli Manohar Joshi — *Chairman*

MEMBERS

Lok Sabha

2. Shri Anandrao Vithoba Adsul
3. Shri Nirmal Kanti Chatterjee
4. Shri Ramesh Chennithala
5. Shri Prithviraj D. Chavan
6. Smt. Sumitra Mahajan
7. Prof. Ajit Kumar Mehta
8. Shri V.V. Raghavan
9. Dr. T. Subbarami Reddy
10. Shri Ishwar Dayal Swami

Rajya Sabha

11. Shri R.K. Kumar
12. Smt. Margaret Alva
13. Shri Surinder Kumar Singla

SECRETARIAT

1. Shri J.P. Ratnesh — *Additional Secretary*
2. Shri P. Sreedharan — *Deputy Secretary*

OFFICERS OF THE OFFICE OF C&AG OF INDIA

1. Shri V.K. Shunglu — C&AG of India
2. Shri I.P. Singh — Addl. Dy. C&AG
3. Shri Vijay Kumar — DG of Audit (P&T)
4. Shri A.K. Thakur — Pr. Director of Audit (Reports—Central)
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5. The Committee then considered and adopted Draft Report on "Irregular expenditure on local insulation of GI Wire" with certain modifications/amendments as shown in the Annexure. They authorised the Chairman to finalise the Report after incorporating verbal and consequential changes and also the comments of the Officer of the C&AG arising out of factual verification and also to present the same to Parliament.

6.

The Committee then adjourned.

**AMENDMENTS/MODIFICATIONS MADE BY THE PUBLIC
ACCOUNTS COMMITTEE IN THE DRAFT REPORT ON
IRREGULAR EXPENDITURE ON LOCAL INSULATION OF
GI WIRE**

<i>Page</i>	<i>Para</i>	<i>Line</i>	<i>Amendments / Modifications</i>
26	76	last	Delete "in general" After "DOT"
28	78	last	For "less" Read "lower"
29	79	7	Insert "and their failure to trace relevant papers" After "the Ministry,"
29	79	16	Delete "onerous" After "their"
29	79	16	Add "and became permissive to all kinds of irregularities indulged in by various CGMTs" After "responsibility."
29	New Paragraph	—	Add the following new Paragraph 80 after the existing paragraph 79 and renumber the succeeding paragraphs: "The Committee note that as per the latest specifications issued in November 1996, two types of PVC insulation thickness have been prescribed; one having more thickness for thickly vegetated areas (1.00 mm) and another with lower thickness (0.5 mm) for other areas. They are of the view that the expression 'thickly vegetated areas' should be clearly defined by the Ministry through guidelines with a view to avoiding ambiguity/incorrect application of the specification."
33	86	1	For "observed" Read "noted"
35	88	2	For "colossal" Read "sizeable"
36	90	6 from bottom	For "extravagant" Read "extra"

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|----|----|------|--|
| 37 | 90 | 6 | Add "and avoidable wastage"
After "verification." |
| 37 | 91 | last | Add "The Committee further desire that the details of procurement of GI wires with higher insulation thickness should be indicated in the Annual Report of the Ministry of Communications (Department of Telecommunications)".
After "sternly." |
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9.	M & J Services, Publishers, Representative Accounts & Law Book Sellers, Mohan Kunj, Ground Floor, 68, Jyotiha Fuele Road Nalgaum, Dadar, Mumbai-400 014.	22.	M/s. Amrit Book Co., N-21, Connaught Circus, New Delhi.
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