HUNDRED AND NINETY-FIRST REPORT

PUBLIC ACCOUNTS COMMITTEE (1983-84)

(SEVENTH LOK SABHA)

EXPANSION OF VIJAYAWADA TRUNK AUTOMATIC EXCHANGE, ARREARS OF TELEPHONE REVENUE AND EXCESS BILLING, STD—BARRING AND TELEPHONE COMPLAINTS.

MINISTRY OF COMMUNICATIONS

(P & T BOARD)

Presented in Lok Sabha on 12 APR 19--.

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INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Hundred and Ninety-First Report of the Committee on paragraph 16 of the Report of the Comptroller and Auditor General of India for the year 1981-82, Union Government (Posts and Telegraphs) relating to Expansion of Vijayawada Trunk Automatic Exchange, Arrears of Telephone Revenue and Excess Billing, STD-barring and Telephone complaints.

2. The Report of the Comptroller and Auditor General of India for the year 1981-82, Union Government (Posts and Telegraphs) was laid on the Table of the House on 26 April 1983.

3. A trunk automatic exchange (TAX) with an equipped capacity of 1200-lines was installed at Vijayawada in October, 1977. Based on an estimate made in October 1973, the first expansion of Vijayawada TAX by 800 lines (from 1200 to 2,000 lines) was sanctioned by the P&T Board in January 1978 at a cost of Rs. 79,50 lakhs. The work on the expansion of the capacity was taken upon June 1978 and the expanded capacity was commissioned in May 1980. In May, 1980, the TAX was loaded to the extent of 718 lines and even by November 1981, the total utilisation was 906 lines only. Even while the work on the first expansion was in progress September 1978, the Department proposed further expansion of the capacity of the Exchange by 1,000 more lines, i.e. from 2,000 to 3,000 lines. However, due to anticipated traffic not coming upto expectation (only 1100 lines have so far been utilised), equipment worth Rs. 102.88 lakhs received for the second expansion was not installed and is now proposed to be diverted to other stations. From the facts of the case, the Committee have come to the conclusion that there was, on the one hand, unrealistic estimation and on the other, lack of proper planning.

Dealing with traffic forecast system followed by the P & T Department, the Committee have pointed out that as against the provision of 'zero' percent STD barring, there was as high as 48.8 percent STD barring in one of the stations parented to Vijayawada TAX, viz., Vishakhapatnam. The traffic assessment system followed by the Forecasting Cell suffers from another defect. The traffic projection which is made on the traffic data collected several years before the start of a work is not reviewed in the light of actual traffic growth. Nor is there any system of continuous monitoring of traffic growth. The Committee have desired

the Department not only to refine their estimation techniques and parameters, but also to continuously monitor the traffic growth and periodically review the demand forecast in the light of actual traffic growth.

4. In their successive Reports, the Public Accounts Committee have expressed concern over heavy arrears of telephone revenue. However, the Committee have observed that there has been no tangible improvement in position. The Committee have taken a serious view of the old arrears, some of which date back to the year 1972-73. The Committee have desired that the Department should tackle the problem of arrears particularly old ones with vigour and determination and liquidate the arrears under a time-bound programme. The Committee have also desired that heads of circles/districts should be made personally responsible for ensuring this.

5. Bills under disputes generally emanating from over-billing represent one of the most important factors responsible for telephone arrears. From a statement of telephone bills each of Rs. 50,000 and above outstanding in Delhi as on 30-9-1983, the Committee have observed that almost the entire amount of outstandings of Rs. 58.42 lakhs is on account of disputed bills (including cases taken to courts) or bills under correspondence. During the year 1981-82, as many as 39,105 complaints of over-billing were received by the Department. The figure does not include complaints received from a number of important tele-communication circles/ telephone districts. The above figures indicate that the problem of over-billing has assumed serious proportions. Apart from the fact that it is one of the most important factors responsible for heavy arrears of telephone revenue, it has involved the Department in a large number of cases of litigation leading to unnecessary waste of Government time and money. As on 1-7-82, there were as many as 1076 cases under litigation involving an amount of Rs. 67.86 lakhs. The Committee have desired the Telephone Department to rigorously enforce the existing measures to prevent malpractices leading to excess billing complaints, such as sealing of meters, locking of distribution points and formulation of mobile vigilance squads. If in spite of these measures, any complaints of excess billing are received, it should be the duty of the Department to attend to them with all despatch, and, wherever warranted, to afford immediate relief.

7. The efficiency of the Telephone Department is judged by the number of complaints it receives and the time it takes to clear a fault reported to it. The Committee have observed with regret that judged from these crteria, the working of the Indian Telephone Department does not present a bright picture. For a little over 8 lakh telephones in the four metropolitan cities of Bombay, Calcutta, Delhi and Madras, over 42 lakh fault complaints were received during the vear 1982-83. In the opinion of the Committee, the Indian Telephone System is highly fault-prone. The

Committee have desired the Ministry of Communications to make determined efforts to tone up the telephone system with a view to bringing down the number of faults in each telephone districts to the barest minimum.

The overall performance of the Telephone Department in regard to clearance of faults is also not satisfactory. The Committee have desired the Telephone Department to make all out efforts to reduce significantly the average time taken for the clearance of faults in all telephone districts.

8. The Public Accounts Committee (1983-84) examined this paragraph and other subjects relating to P&T Department at their sitting held on 6 September, 1983. The Committee considered and finalised this Report at their sitting held on 20 March, 1984. Minutes of the sitting form Part II* of the Report.

9. A statement containing observations and recommendations of the Committee is appended to this Report (Appendix V). For facility of reference, these have been printed in thick type in the body of the Report.

10. The Committee place on record their appreciation of the assistance rendered to them in the examination of this paragraph by the office of the Comptroller and Auditor General of India.

11. The Committee would also like to express their thanks to the offices of the Ministry of Communications (P&T Board) for the cooperation extended by them in giving information to the Committee.

(SUNIL MAITRA)

SUNIL MAITRA
Chairman,
Public Accounts Committee.

NEW DELHI;

March 28, 1984

Chaitra 8, 1906 (*S*)

Public Accounts Committee.

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CHAPTER I

EXPANSION OF VIJAYAWADA TRUNK AUTOMATIC EXCHANGE

Audit Paragraph

1.1 A trunk automatic exchange (TAX) with an equipped capacity of 1200-line was installed (October 1977) at Vijayawada. The Director General, Posts & Telegraphs (DGPT) had approved its expansion by 800-line (from 1200 to 2000-line) in October 1973 with a view to meeting increase in traffic, and providing subscriber trunk dialling (STD) facility to additional stations like Bhimavaram, Budivada, Masulipatnam and Rajamundry. The project estimate was sanctioned (January 1978) by the P&T Board at a cost of Rs. 79.50 lakhs. The work of installation was taken up in June 1978 and completed in March 1980. The expanded capacity was commissioned in May 1980.

1.2 *Utilisation of capacity* — The expansion of the capacity of the TAX by 800 lines was estimated to require 1,843 circuits on various routes connected to Vijayawada. The number of circuits was reduced to 1,445 (828 incoming and 617 outgoing), after recalculation of anticipated traffic load on the TAX from and to various stations in October 1979. At the time of commissioning of 800-line expansion (May 1980) the existing capacity, of 1,200 line was loaded to the extent of 718 lines only. Even by November 1981, the total utilisation was 906 lines only i.e. an increase of 188 lines in a period of 19 months. The project for expansion by 800-line anticipated on overall additional revenue of Rs. 307.69 lakhs on account of STD service and share of the TAX project being Rs. 25.64 lakhs With the capacity of 2,000-line loaded only to the extent of 906 lines, the expansion of 800-line at an estimated cost of Rs. 79.50 lakhs not only failed to fetch the anticipated additional income but cost the Department liability of recurring annual revenue expenditure of Rs. 14.04 lakhs towards maintenance, depreciation, interest, etc. on the equipment installed for the additional 800-line capacity. The District Manager, Telephones (DMT) Vijayawada stated (February 1982) that the ultimate utilisation depended on the commissioning of the switching and transmission projects simultaneously in the other parts of the country which had a relation with the expansion of a TAX. The spare capacity in Vijayawada TAX was likely to continue till the transmission media and the switching facilities at the stations with which it was to be connected come up.

1.3 *Further expansion* — While the installation of first exapnsion by 800-line was in progress (September 1978), the Department proposed to

further expand the capacity of the exchange from 2,000 to 3,000 lines and included the required equipment in the supply programme of Indian Telephone Industries for 1979-80. A project estimate for Expansion-II of Vijayawada TAX by 1,000-line was sanctioned by the P&T Board in November 1979 at an estimated cost of Rs. 98.61 lakhs consisting of building (Rs. 6.44 lakhs), electrical installation (Rs. 1.06 lakhs), air-conditioning (Rs. 389 lakhs) and apparatus and plant (Rs. 87.22 lakhs). The supply of equipment (apparatus & plant) commenced from October,, 1979 and by November, 1981, equipment worth Rs. 102.88 lakhs was received. The building (with electrical installation) in which the equipment for the expansion was to be installed had also been completed (December 1981) at a cost of Rs. 9.25 lakhs. In the justification for the second expansion, it was stated that the expansion would enable extension of STD facilities to stations like Polakole, Tadepallingudem, Ongole, etc. of high traffic potential and also linking of Vijayawada TAX to other TAXs viz. Calcutta, Delhi, etc. This expansion was also to enable augmentation of circuits to the existing exchanges and TAXs connected to Vijayawada TAX so as to cope up with the increased traffic and also help in providing operator trunk dialling circuits to more manual trunk exchanges. With the installation still to be taken up, equipment worth Rs. 102.88 lakhs was lying idle and the building with electrical installation completed at a cost of Rs. 9.25 lakhs was vacant. The DMT stated (February 1982) that the timing for further expansion of TAX from 2000 to 3000 line was under re-consideration in the Post & Telegraphs Directorate and a decision had to be taken on the progress of completion of switching and transmission projects in the other parts of the country which had a direct bearing on the functioning of Vijayawada TAX and that there would not be much infructuous expenditure even if it was decided not to undertake the expansion as it was proposed to utilise the existing building by shifting the Vijayawada Trunk Exchange and the surplus equipment would be diverted for the installation of proposed Guntakkal TAX. Actually, the Department would be put to a further additional expenditure in the dismantlement of Trunk exchange equipment in the existing building and laying of additional pairs of under-ground cable, junction lines, etc., besides infructuous expenditure involved on handling, freight, transportation, storage, etc. charges on the equipment received for the 1000-line expansion and its subsequent diversion to Guntakkal TAX. This shows lack of proper planning on the part of the Departmen..

1.4 The Department stated (September 1982) that all but two of the additional stations proposed to be connected to Vijaywada TAX had

already been connected and the diversion of equipment was due to anticipated traffic not coming up to the expected level.

[Paragraph 16 of the Report of the Comptroller and Auditor General of India for the year 1981-82, Union Government (Posts and Telegraphs).]

1.5 The Committe desired to know the system followed in the P&T Department for assessing the traffic load before setting up a Trunk Automatic Exchange (TAX). The Ministry of Communications, in a note, have stated :

> "The trunk traffic|circuit forecast for the TAX network in the country is prepared by the forecasting Cell of the Directorate for the end of each Five Year Plan and also for intermediate year as required. For this purpose, the TAXs which are expected to be working by that year and the names of stations to be connected to each of these TAXs by that year are decided. The fore-casting Cell of the Directorate then collects the required traffic data for these stations and prepares the traffic|circuit requirements on various routes for the particular year between the stations and the concerned TAX and also between all the TAXs by projecting the demand to the particular year. The projection is done based on certain norms assuming full inter-dialling between all the stations to be connected to TAX network and exchange capacities on date of cut over and two years afterwards and increase due to STD being 8 to 20 times and assuming that all subscribers will avail S. T. D."

1.6 According to the Audit Para, the trunk automatic exchange (TAX) at Vijayawada with an equipped capacity of 1200 line was installed in October 1977. Its first expansion (from 1200 to 2000 lines) was approved in October 1973. The work of installation was taken up in June 1978 and completed in March 1980. The second expansion (from 2000 to 3000 lines) was proposed in September 1978 and by November 1981, equipment worth Rs. 102.88 lakhs had been received.

1.7 The Committee desired to know the basis of demand assessment of the first and the second expansions. The Ministry of Communications have stated in a note:

> "(a) For expansion I, the method of system of assessment indicated in para 1.5 above was applied to traffic data collected in January 1972 and projected to 1978 and this gave termina-

ting capacity of 1843 circulits for parenting 7 stations to Vijayada TAX. The seven stations are as follows:

(1) Vijayawada (2) Guntur (3) Vishakhapatnam (4) Kakinada (5) Bhimavaram (6) Gudivada (7) Masulipatnam

(b) For expansion II, the same method was adopted utilising the traffic data collected in 1978 and projected to 1982 for parenting 12 stations to Vijayawada TAX which came to 4600 circuits. The 12 stations are as follows:

(1) Vijayawada (2) Guntur (3) Vishakhapatnam (4) Kakinada (5) Bhimavaram (6) Gudivade (7) Masulipatnam (8) Ongole (9) Tenali (10) Rajahmundry (11) Chirala (12) Eluru"

1.8 The Secretary, Ministry of Communications, clarified during evidence:

"These (expansions) are planned by the P&T Board from here on the basis of data collected all over the country."

1.9 As to extent of under-utilisation of the line capacity of the Vijayawada TAX and the reasons therefor, the Member (TD) P&T Board explained in evidence as under:

"The terminations which are required, that is 1200, is for three main purposes. One is for connecting to the exchanges in same city, say, Vijayawada, what is called the local junction the other is for connecting to other similar Trunk Automatic Exchanges in the country, like, from Vijayawada to Madras, to Hyderabad, to Bombay, to Coimbatore, etc. and the third is for connecting to outlying local exchanges which are parented to the Vijayawada Trunk Automatic Exchange. So, there are three types of circuits which are used for terminating on the Trunk Automatic Exchanges. The 1200 termination is the calculated value required for all the three purposes put together.

"We can put these three types of circuits into two families, one for connecting to Strowger exchanges and the other to cross-bar exchanges. The strowger exchanges have been connected to Vijayawada. The connections between Vijayawada TAX and other similar Trunk Automatic Exchanges will be cross-bar. The major non-utilisation is in the circuits which are connected with cross-bar exchanges. The circuits which are to be connected with strowger exchanges have already

been fully connected and the control equipment which is to control the strowger termination is already overloaded at Vijayawada."

The witness added:

"We require different types of termination depending upon whether the call is coming from a strowger exchange or from a cross-bar exchange. But all conections between trunk exchanges have to be cross-bar because all the Trunk Automatic Exchanges are of cross-bar type. From the data which has been given to you and also which will be given to you, you wil lfind that strowger type has been fully loaded in respect of the terminations but cross-bar type which was mainly for inter-connecting trupk automatic exchanges is not fully utilised because enough circuits were not available."

1.10 The Committee enquired when the planning for the initial 1200 lines was done and when it was commissioned. The Secretary, Ministry of Communications stated:

"The planning for the inital 1200 was done in 1973..The commissioning was in 1977. Full utilisation of the cross-bar circuit which sould have been done in two years time has taken us about six years."

1.11 In reply to another question, the Member (TD) stated:

"What we should have completed in 1979-80, we will be completing in 1983. The media and the channels for connecting the Vijayawada Tax to other Taxes did not come in time. That should have been completed in 1979 but because of shortage of equipment we had to prolong it and it would he completed only in 1983."

1.12 On being pointed out that the planning cell of the Department was not opearating properly, the witness stated:

"The synchronisation of different inputs-trunk sulomatic exchanges, micro-wave system and so on, did not materalise as we expected."

He added:

"....synchronisation of activities and equipment availability was not fully done and also automatisation of all the outlying

exchanges. If these are brought about, we hope to increase it from the present 1070 to 1700 circuits."

1.13 Asked why the Department had not made available the required equipment and circuits, the Secretary, Communications, admitted that "that was failure.....that we could not do. If we had provided more circuits earlier, it would have led to much better utilisation". But he added:

"You have to view it in the light of the inadequacy of the circuits to satellite exchanges."

1.14 On being pointed out that this was a case of failure of implementation of the plan, rather than bad planning, the witness stated:

"Planning is not divorced from different aspects which should be considered in formulating the plan. Proper planning should take into account all these things."

He added:

"In retrospect I cannot say that planning was done rightly in that case....We realised it some time back that planning to a considerable extent had to be decentralised, but we were unable to do so because of constraints on our administrative and financial powers."

1.15 In reply to a question, he added:

"The planning process needs some changes which have been initiated."

1.16 The Committee desired to know the latest position regarding utilisation of the capacity of the Vijayawada TAX. In a note furnished to the Committee, the Ministry of Communications have stated:

"There are two aspects in regard to the utilisation of the capacity of a TAX namely (i) utilisation of traffic handling capacity (ii) utilisation of the termination of lines.

The present utilisation of Vijayawada TAX capacity is as follows:

(1) With reference to traffic handling capacity of the common control equipment, the strowger chain is utilised to the extent of 80 per cent and the M.F. chain is utilised to the extent of 9 per cent.

(2) In respect of terminations 1,100 lines out of 2000 lines have been utilised.

The reasons for the slow utilisation of the capacity are partly on account of the non-availability from indigenous sources of certain type of transmission equipment and partly the traffic not coming up as per forecast one of the reasons for which is heavier STD barring."

1.17 To a question whether 80 per cent utilisation of the common control equipment in case of strowger chain was considered to be satisfactory, the Member (TD), P&T Board replied:

"80 per cent in the year, 1983 we can consider as proper utilisation because 80 per cent would go up to 100 in the next two years when we have sufficient circuits to connect."

1.18 On being pointed out that 80 per cent utilisation of capacity in case of strowger chain was in the year 1983 whereas the first expanded capacity was commissioned much earlier, *viz.*, in May, 1980, the Member (TD) explained:

"Because we do not have enough media or enough circuits to load even to that extent. The circuits were not available in time and it was delayed. One of the outlying Exchanges did not put automatised at all."

1.19 The Committee desired to know as to how far the under-utilisation of Vijayawada TAX was due to non-availability of equipment and how far to non-materialisation of anticipated demand. In a note, the Ministry of Communications have stated:

"Non-availability of transmission equipment is responsible for the slow utilisation of 800 lines expanded capacity while the diversion of equipment ordered for 1000 lines expansion was due to the present demand not coming upto anticipated level."

1.20 Explaining the reasons for the actual demand falling short of expectations, the Ministry of Communications, in another note, have stated:

"The actual demand which was based on the traffic forecast was dependent upon the automatisation of the local exchanges, which would have been connected to the STD net work and commissioning of the trunk automatic exchanges in the country. Due to inadequate availability of both local and trunk automatic switching equipment from the indigenous sources

the actual number of trunk automatic exchanges and automatisation of local exchanges has fallen behind the target. Reliable transmission systems like microwave/coaxial/ UHF and the associated multiplexing equipment have also been in short supply from indigenous sources, and therefore, the various routes could not be commissioned with adequate number of transmission circuits. Requests for STD barring from subscribers have been more than expected resulting in fall in actual demand from that expected."

1.21 The Committee enquired whether the availability of transmission media and switching facilities was considered before expansion was sanctioned. In reply, the Ministry of Communications have stated:

"The capacity of trunk automatic exchange is planned to cater to the requirements of 2 to 3 years from the expected date of commissioning. The programme of providing transmission media was checked up before expansion was sanctioned."

1.22 As to the action taken or proposed to be taken to overcome the shortage of transmission equipment, the Ministry of Communications have stated in a written reply:

"Availability of indigenously manufactured transmission equipment is limited. Action has been initiated for procuring long distance transmission equipment by import to meet part of the shortage."

1.23 On being enquired by what time the capacity of the Vijayawada TAX — 2000 lines was expected to be fully utilised, the Ministry of Communications have stated:

"Subject to availability of transmission equipments traffic handling capacity (utilisation of terminations about 1740) of Vijayawada TAX is likely to be utilised in about one year."

1.24 The position of utilisation of line and traffic capacity in the case of other 23 working TAX's in the country as furnished by the Ministry of Communications is given in the Appendix I to this Report. The highest utilisation of line capacity as on 31-3-1983 was 90.5 per cent in case of Bombay TAX and the lowest 35.37 per cent in case of Jammu-TAX. In as many as 10 TAXs, out of a total of 24, the utilisation capacity of line was well below 60 per cent. As regards utilisation of traffic capacity, whereas some of the TAX's *viz.*, Bombay, Delhi, Ambala, Ahmedabad etc., were overloaded both for MF and step capacity, in some other TAX's *viz.*, Nagpur, Jammu and Aurangabad, MF capacity utilisation was 11 per cent, 14 per cent and 20 per cent and the step/SXS capacity utilisation was 50 per cent, 80 per cent and 100 per cent respectively.

1.25 The Committee enquired whether it was a fact that because of non-provision of sufficient number of trunk circuits, many of the calls for outstations from the 15 exchanges around Vijayawada attached to Vijayawada TAX did not materialised. The Member (TD) stated"...we agree that the number of circuits from these outlying stations is not adequate." Asked whether there would be sufficient traffic if more circuits were given, the witness stated:

> "If we add 756 circuits which we have planned for 1983 the utilisation will go to 1730 out of 2000 circuits."

1.26 The Committee then enquired about the second expansion of the capacity of the Vijayawada TAX (from 2000 to 3000 lines), the'Members (TD) explained in evidence as under:

> "The regards 2000 to 3000 expansion, we had a review made and we find that the traffic is not building up at the rate at which the traffic forecasting was done. There has been certain over-optimism in our traffic forecasting for which we are taking corrective action. In the earlier method of forecasting, we assumed that all the subscribers will make STD calls. We did not anticipate that a large number of subscribers would ask for their connections STD-barred. For example, in Vizag there are 5960 subscribes of whom 2,911 *i.e.* 48.8 per cent, subscribers have get voluntarily STD-barred connections. They do not make STD calls. We did not envisage that when we did traffic forceasting in the early 70s. We hae now put in 20 per cent reduction in forecast circuits for STD-barring. But this is not sufficient. We are considerinig some more refinement to that. The forecast has to be near to realism."

1.27 Asked why the Ministry had not made due allowance for STD barring in their original forecast, the Ministry of Communications have stated in a note:

> "Though the percentage of STD barring in Vijayawada (20.8 per cent), as such is not heavier than other places, that of some parented stations like Visakhapatnam (48.8 per cent) is heavier. At the time of planning for Vijayawada TAX, STD network in the country was at an initial stage and STD barring was not expected to materially affect the traffic forecast."

1.28 According to Audit Para, equipment worth Rs. 102.88 lakhs ordered for the second expansion was lying idle. The Committee enquired what remedial measures have been taken to guard against excess creation

of capacity on acquisition of assets much in advance of requirement. In a note, the Ministry of Communications have stated:

> "The capacity of TAX to be installed or expanded is based on traffic forecast. As far as possible it should match with actual growth in demand to avoid either under provision or over provision. This is possible by continuous monitoring and review of actual traffic growth in relation to forecast. This is a complex exercise, considering the size, complexity and the rate of growth of our network. The trunk Planning Group of the Directorate is reviewing the norms used at present for trunk traffic forecast. One of the parameters, increase in traffic due to conversion of manual trunk service to STD service at the time of automatisation has been suitably adjusted, taking into account STD barring cases."

1.29 The Committee enquired (i) whether the P&T authorities, before starting the work of the first expansion in June, 1978 and the second expansion in November, 1979 reviewed the original estimates in the light of actual traffic growth and (ii) whether they have a system of continuous monitoring to detect that the original estimates were not highly over-pitched. In reply, the Ministry of Communications have stated:

> "(i) There is no practice of reviewing the traffic forcast after placing orders on M|s. III for supply of equipment. There is no organisational set up at present for carrying out such reviews.
>
> (ii) At present there is no system of continuous monitoring of planning aspects of STD traffic."

1.30 Enumerating the measures proposed to be taken to improve traffic forecasting the Member (TD) P & T Board, stated in evidence.:

> "A Group is presently, going into the matter and we will review all these aspects of traffic forecasting."

1.31. The Audit Para points out that the building (with electrical installation) in which the equipment for the expansion of the Vijayawada TAX from 2000 to 3000 lines was to be installed was completed in December, 1981 at a cost of Rs. 9.25 lakhs and it was proposed to utilise the same by shifting the Vijayawada trunk exchange. The surplus equipments would be diverted for the installation of proposed Guntakkal TAX. Asked what extra expenditure would be involved in dismantling and shifting of Manual

Trunk Exchange to new TAX building, the Ministry of Communications have stated in a note:

> "There is no extra expenditure involved in dismantlement and shifting of Manual Trunk Exchange as even otherwise it has become necessary to shift the Manual Trunk Exchange for want of space required for expanding the same. The present accommodation for the TAX is better suited for housing the Manual Trunk Exchange, transmission equipment & TAX equipment for technical reasons as it will reduce the length of interconnections and consequent reduction in the maintenance effort. The approx. cost of shifting is about Rs. 5.5 lakhs. The added advantage would be better co-ordnation and hence less circuit outage, if the TAX, MTX and transmission equipment are all in the same building."

1.32 Enquired about the extra expenditure involved in diverting the 1000 lines equipment from Vijayawada to Guntakkal, the Ministry of Communications have replied:

> "The extra expenditure involved in diverting the 1000 lines equipment from Vijayawada to other places is likely to be approximately Rs. 24,000. According to the instructions issued by this office the equipment was to be diverted to a number of places including Guntakkal and other places (Belgaum and Salem etc.). The equipment for both these places was ordered on M/s ITI and the supply of equipment was in initial stages. The DMT Vijayawada was asked to arrange for diversion to other places in consultation with M/s. ITI so that M/s. ITI could delete these items from their supply schedule."

1.33 To a question whether the Department had made a calculation as to what would be the national loss on the basis of the current rate of interest due to the equipment costing over a crore of rupees for the second expansion received during the period October 1979 to November 1981 remaining idle for such a long time, the Ministry of Communications have replied in the negative.

1.34 The Committee enquired how much equipment from Vijayawada was proposed to be sent to each of the Stations-Guntakkal, Belgaum, Salem, etc., by what time the whole equipment was expected to be shifted to each station, to what extent the ITI had already supplied

equipment to these TAXs and what was the present utilisation in each case. In a note, the Ministry of Communications, have stated.

"The diversion of following equipment in consultation with M/s. ITI to various places as indicated below is proposed out of a total of 963 frames available at Vijayawada.

1	Bhatinda TAX (Main)	440
2.	Siliguri TAX Extn.	109
3.	Srinager TAX (Main)	110
4.	Trichur Exch. Extn.	20
5.	Mysore Exch. Extn.	15
6.	Bombay Thana Exch. Extn.	3
7.	Bombay Fountain Exch. Extn.	7
8.	Pune Swargate Exch. Extn.	1
9.	Patna Rajendranagar Exch. Extn.	7
10.	Bombay Borivili Exch. Extn.	1
11.	Salem TAX (Main)	24
12.	Trivandrum TAX Extn.	3
	Total	740

The concerned units have been asked to complete the diversion expeditiously.

The case is being pursued with M/s. ITI to finalise the places to which the remaining 223 frames can be diverted."

1.35 Noting that 80 per cent of step register capacity had been utilised in the case of Vijayawada Tax, the Committee desired to know the revenue earned based on this capacity *vis-a-vis* resvenue proiection in the project estimate both at constant prices. In a note, the Ministry of Communications have stated:

"In the 2000 lines TAX of VO TAX the stop register capacity is used upto 80 per cent and that of MF Register upto 69 per cent. The total anticipated revenue under 1200 lines was Rs. 123 lakhs (at 20 paise per local call) and 800 lines expansion was Rs. 307 lakhs (at 30 paise per local call). The total anticipated revenue for 2000 lines

at 30 paise per local call comes to Rs. 492 lakhs. Based on actual traffic carried in March 1983 by VO TAX the calculated notional revenue at 30 paise per local call comes to Rs. 36.8 lakhs. The total revenue anticipated earned as indicated above includes revenue earned on both outgoing traffic and incoming traffic of Vijayawada TAX and this revenue is distributed over all stations to which Vijayawada TAX has got access in respect of their outgoing traffic."

1.36 A trunk automatic exchange (TAX) with an equipped capacity of 1200—lines was installed at Vijayawada in October 1977. Based on an estimate made in October 1973, the first expansion of Vijayawada TAX by 800 lines (from 1200 to 2000 lines) was sanctioned by the P&T Board in January 1978 at a cost of Rs. 79.50 lakhs. The work on the expansion of the capacity was taken up in June 1978, and the expanded capacity was commissioned in May 1980. In May 1980, the TAX was loaded to the extent of 718 lines and even by November 1981 the total utilisation was 906 lines only. Even while the work on the first expansion was in progress (September 1978), the Department proposed further expansion of the capacity of the Exchange by 1000 more lines, *i.e.* from 2000 to 3000 lines. The project was sanctioned by the P&T Board in November 1979. By November 1981, equipment worth Rs. 102.88 lakhs for the second expansion had been received and the building in which the equipment for the expansion was to be installed had also been completed by December 1981 at a cost of Rs. 9.25 lakhs. However, due to anticipated traffic not coming upto expectation, equipment worth Rs. 102.88 lakhs received for the second expansion was not installed and the building with electric installations, in which the equpiment was to be installed, also remained vacant.

1.37 The Committee are distressed over the manner in which the P&T authorities had all along acted in this case. The capacity of a TAX is planned to cater to the requirements of two to three years from the date of commissioning. The Vijayawada TAX was installed in October 1977 with a capacity of 1200 lines. In May 1980, i.e. two and a half yearsafter the date of its installation, the utilised capacity was only 718 lines, i.e. less than 60 per cent of the then installed capacity. Even by November 1981, i.e. more than four years after the installation of TAX, the total utilisation was no more than 906 lines, i.e. nearly 75 per cent of the initially installed capacity. It is not clear to the Committee why the Department should have rushed with the first expansion without ensuring optimum utilisation of the

original capacity. Further the Committee are unable to understand how the P&T Board in November 1979 sanctioned a further expansion by 1000 lines i.e. from 2000 to 3000 lines) when the actual utilisation of the Vijayawada TAX just one month before was no more than 718 lines which was below the original capacity. The redeeming feature of this repeated failure is that before installing the equipment received for the second expansion, the Department had a review made which showed that their calculations as to traffic demand had been highly overpitched, and equipment worth over a crore of rupees which was lying idle for over two years is now proposed to be diverted to different stations all over the country. While the Committee are unhappy to note that due to highly unrealistic demand assesment and defective planning there is now no alternative but to divert the equipment, theye desire that the whole process of diversion should be completed within a period of six months from the presentation of this Report.

1.38 The Committee observe that as against the 2000 line capacity available at Vijayawada TAX since May 1980 and 2000 line capacity planned under the second expansion, only 1100 lines have so far been utilised. The explanation of the Ministry of Communications for the gross under-utilisation of the capacity of the Vijayawada TAX is that the P&T Department's traffic forecast was dependent upon automatisation of the local exchanges, which would have been connected to the STD network and commissionig of the related trunk automatic exchanges in the country. Due to inadequate availability of both local and trunk automatic switching equipment from indigenous sources, the network of trunk automatic exchanges could not be planned. Reliable transmission system like microwave/co-axial/UHF and the associated multiplexing equipment have been in short supply from indigenous sources and therefore the various routes could not be commissioned with adequate number of transmission circuits. According to the Ministry, another reason for under-uitlisation of the capacity of Vijayawada TAX was that requests for STD-braring from subscribers have been far more than expected, resulting in materilisation of less demand than anticipated. It is apparent to the Committee from the facts of the case that there was, on the one hand, unrealistic estimation and on the other, lack of proper planning.

1.39 As to the demand assessment for the first expansion (from 1200 to 2000 lines), the Committee observe from a note furnished by the Ministry that it was based on the data collected in January 1972 and projected to 1978. This gave terminating capacity of 1843 circuits for parenting seven stations to Vijayawada TAX. The

demand assessment for the second expansion (from 2000 to 3000 lines) was based on traffic data collected in 1978 and projected to 1982 for parenting 12 stations to Vijayawada TAX. The projection was inter alia based on the assumption that there would be full inter-dialling between all stations to be connected to the TAX network and that all the subscribers would avail themselves of STD facility. How wrong the P&T authorities were in their assumptions can be seen from the fact that as against the provision of 'zero' per cent STD barring under the system of traffic load estimation made by the P&T Department, there was as high as 48.8 per cent STD barring in one of the stations parented to Vijayawada TAX, viz. Visakhapatnam. In Vijayawada itself, the percentage of STD barring was 20.8.. The traffic assessment system followed by the Forecasting Cell of the Directorate suffers from another defect also. The traffic projection which is made on the traffic data collected several years before the start of a work is not reviewed in the light of actual traffic growth. In fact, there is no organisational set-up in the Directorate for carrying out such reviews. Nor is there any system of continuous monitoring of traffic growth. With a demand forecasting system based on very old data, unreviewed in the light of actual demand growth, together with highly unrealistic assumptions, the wide variations between traffic demand assessments made by the Forecasting Cell and the actual traffic materialisation should hardly cause any surprise.

1.40 In a note furnished to the Committee, the Ministry have now conceded that as far as possible, the capacity of a TAX to be installed or expanded should match with the actual growth in demand to avoid either under-provisioning or over-provisioning. This is possible by continuous monitoring and review of forecast in the light of actual traffic growth. The Ministry have stated that this is a complex exercise, considering the size, complexity and the rate of growth of the country's network. The Trunk Planning Group of the Directorate is reviewing the norms used at present for tunk traffic forecast. The Committee trust that the whole drill will be completed at an early date and the estimation norms and parameters suitably revised so as to enable the Department to make realistic estimates in future. The Committee desire that the Department should not remain content with mere refinements of estimation techniques and parameters; they should continuously monitor the traffic growth and periodically review the demand forecast in the light of actual traffic growth.

1.41 The Committee are unable to understand why the P&T Department should not have so planned th efirst expansion of the Vijayawada TAX from 1200 to 2000 lines that commissioning of this expansion should have synchronized with the automatization of

the local exchanges which would have been connected to the STD network and the commissioning of other trunk automatic exchanges in the country. In his evidence before the Committee, Member (TD) conceded that the automatic total switching equipment and transmission equipment which should have been installed in 1979 before the commissioning of the first expansion of the Trunk Exchange was expected to be installed in 1983. However, he pleaded in extenuation that this could not be done on account of inadequate availability of the equipment from indigenous sources. In the opinion of the Committee, it was a major planning failure on the part of the P&T Directorate not to have taken into account the supply position of the equipment so essential for the fuller utilisation of the capacity of the Vijayawada TAX. In his evidence before the Committee, the Secretary, Ministry of Communications conceded that there was lack of proper planning on the part of the Department which had resulted in the gross under-utilisation of the Vijayawada TAX thereby denying the subscribers the facility of making calls for outstations. The Committee were informed in evidence that if the Department could add 756 circuits, the utilisation of the line capacity of Vijayawada TAX would go up from the present 1100 to 1730, giving a utilisation percentage of over 85. The Committee desire that bhot in the interest of fuller utilisation of the available capacity of Vijayawada TAX as also in the interest of better service to the subscribers of the local outlying exchanges, immediate steps should be taken to provide the necessary equipment at th earliest.

1.42 In a note furnished to the Committee, the Ministry have stated that the extra expenditure involved in diverting the 1000-line equipment from Vijayawada to other places is likely to be approximately Rs. 24,000. In the opinion of the Committee, while calculating the waste caused by unrealistic demand assessment as also defective planning on the part of the Department, not only transportation charges for carriage of equpment from Vijayawada to other stations charges for carriage of equipment from Vijayawada to other stations charges on the lockedup capital. As the equipment worth over a crore of rupees ordered for the second expansion had remained idle for over two years at Vijayawada, the loss on the basis of 10 per cent per annum would come to over Rs. 20 lakhs. Besides, as a result of under-utilisation of the existing capacity of Vijayawada TAX, there had been a shortfall in revenue. Based on actual traffic carried in March 1983, the revenue comes to Rs. 368 lakhs as against the anticipated revenue of Rs. 492 lakhs on the basis of full utilisation. The Committee trust that the Department will draw upon their experience in the present case and take care to avoid such costly lapse, in future.

1.43 The Committee observe that Vijayawada TAX is not the only TAX in the country with grossly under-utilised capacity. Out of 23 other TAXs in the country, there are as many as nine other TAXs with a line capacity utilisation of less than 60 per cent. Four of these have a line capacity utilisation of less than 40 per cent. It is indeed shocking that line capacities of these exchanges created at heavy cost should have remained so under-utilised. The Committee desire that the Ministry of Communications should analyse th ecauses desire that the Ministry of Communications should analyse the causes at the earliest.

CHAPTER II

ARREARS OF TELEPHONE REVENUE AND EXCESS BILLING

(a) *Arrears of telephone revenue*

2.1 According to paragraph 6(i) of Audit Report (P&T) 1981-82, for bills issued up to 31st December 1981, collection of Rs. 17.01 crores as telephone revenue was in arrears on 1st April 1982 as indicated below:

	(Crores of rupees)
Government subscribers	2·93
Other subscribers	14·08

2.2 Out of the outstanding of Rs. 17.01 crores Rs. 5.30 crores related to bills issued during April 1981 to December 1981 and balance of Rs. 11.21 crores to bills issued up to and including 1980-81. The year-wise analysis of the arrears is given in Appendix II.

2.3 According to paragraph 6 (viii) *ibid.* the amounts outstanding at the end of the years 1978-79, 1979-80, 1980-81 and 1981-82 in respect of metropolitan cities of Delhi, Calcutta, Madras and Bombay were as follows:

	1978-79	1979-80	1980-81	1981-82
	(Lakhs of rupees)			
1. Delhi	1,155·57	1,240·70	1,188,18	1,174·36
2. Calcutta	345·69	629·29	492·42	520·41
3. Madras	62·58	72·93	73·12	174·74
4. Bombay	327·00	470·00	492·00	564·80

2.4 According to paragraph 6(v) *ibid*, 1076 cases involving an amount of Rs. 67.86 lakhs were under litigation as on 1 July, 1982. The number of cases under litigation as on 1-7-1981 was 909, involving an amount of Rs. 54.00 lakhs.

2.5 The Committee desired to know the reasons for arrears of telephone revenue in Delhi Circle from 1978-79 till 1982-83. The Ministry of Communications, in a note, have stated:

> "Telephone billing and collection is a continuous process. Every month bills are issued in respect of 50 per cent of over 2 lakh

subscribesrs in Delhi Telephone District and payment of these bills is watched. The following figures will show the extent of telephone bills issued and amount collected during the period from 1978-79 to 1982-83.

(Rupees in crores)

Year	Amount billed	Amount collected
78-79	55·38	49·93
79-80	63·83	63·02
80-81	66·83	67·35
81-82	81·72	80·62
82-83	96·14	96·75

The amount for which bills are issued each year has almost doubled since 1978-79. And during the last four years the collection has been almost equal to or slightly more than the amount billed. This would indicate that the collection machinery of the Department has not been slack.

The Department issues Telephone bills claiming the dues in arrears in respect of Trunk Call and local call charges. Any organisation which renders service first and recovars charges later is bound to end up with some un-realised dues, however small their percentage may be. This gets accumulated over the years despite the best efforts of the Department for the recovery. Such accumulated 3 months old arrears pending in Delhi Telephone District as on 31-3-83 are as under:

Year		Year-wise break up of outstandings (in thousands)
1		2
upto	72-73	1361
	73-74	439
	74-75	2506
	75-76	2746
	76-77	5118

1	2
77-78	7378
78-79	7109
79-80	9722
80-81	10579
81-82	17513
82-83	23788
Total :	88248

The above arrears are further analysed as under:

		(in thousands)
Govt.	State	2447
-do-	Centre	4996
	Defence	1157
	Others	79648
	Total :	88248

The number of Telephone connections in Delhi Telephone District has grown from 1.50 lakhs to 2.20 lakhs during the period from 1-4-1979 to 31-3-1983. The value of Telephone bills issued rose from Rs. 55.38 crores in 78-79 to Rs. 96.14 crores in 82-83 but the gross arrears at the end of each year had registered only a very small increase as indicated below:

Year	Arrears as on 31st March
1979	11·56 crores
1980	12·39 "
1981	11·88 "
1982	12·98 "
1983	12·38 Increase over 1979 arrears—6·92%

The percentage increase in the value of bills issued as compared to 1978-79 is 75.4 per cent whereas the increase in the arrears is only 6.9 per cent.

. According to Audit—73·6%

The main factors which have contributed to the accumulation of arrears in Delhi Telephone District are summarised below:

(1) The rapid expansion of telephone facilities in the Metropolitan District necessitated the switch over the billing from manual to computer during 1973-74. Initially the work was being got done by hiring computer time from the Govt. Computer Centre, R. K. Puram, New Delhi. Unfortunately they could not provide additional computer hours required to meet the expanding needs of the District. The billing work almost came to an abrupt halt for want of computer facilities. The department had to run from pillar to post to obtain the required computer time. To overcome the crisis the computer time was hired from the O.N.G.C. Dehradun and the entire data required for billing was being transported to Dehradun. The O.N.G.C. could provide the computer facilities only at odd hours. This resulted in serious dislocation of work and the billing as well as collection fell into heavy arrears. This was one of the major causes which contributed to the accumulation of arrears in Delhi District. The issue of bills stabilised with the entering into contract with M/s. MAS Services, Delhi for telephone billing and accounting work in February, 1978. The arrears were pulled up in a phased programme by 3/79. As the issue of bills had been delayed, many of the subscribers could not pay the accumulated dues and some of them had also absconded. While this problem of issue of bills and collection continued, the District kept up the pace of rapid growth adding to the problem.

(2) Delhi being the Capital city it has been linked to all the important cities of India through the S.T.D. net work. A number of subscribers complain about receiving larger bills for local call charges than they had anticipated. Such complaints are investigated in detail both technically and by other enquiries and settled. This process takes some time and results delay in recovery of dues. A part of the accumulated arrears is also due to such complaints.

(3) Delhi District accounts for a large number of Govt. subscribers. Due to frequent shifts of telephones from one deptt. to another, the recovery of the telephone bills in respect of Govt. telephones is affected. Though the amounts are re-

covered finally there is some delay in settlement of bills in sorting out the Deptt. which should pay the bill.

(4) Again there are a large number of Embassies at Delhi. Telephone bills of Embassies are some time held up. As a matter of courtesy to the countries involved, telephones of the Embassies are generally not disconnected and such outstanding dues are brought to the notice of the Ambassador/ High Commissioner for settlement. This has also retarded the recovery process in the District to some extent.

(5) *Dispute in the Bills*

Another important factor which affected the recovery of bills is the dispute of the charges claimed by subscribers for one reason or another. The recovery has to be necessarily held up till the dispute is settled; if the amount involved is insignificant the subscriber is asked to pay the bill first and get his dispute settled later.

(6) Subscribers who are not satisfied with the decision of the Department seek redress at the hands of the court. A number of such cases is pending in the court. As court cases take a long time to settle, the recovery of dues is also held up till the final decision of the court is received.

(7) Instances of individuals and firms becoming bankrupt and the firms being under liquidation after accumulation of telephone dues are not uncommon.

The only means available with the Department for recovery of the dues is the disconnection of lines for non-payment. After disconnection, the subscribers are reminded through registered letters and personal contacts through Telephone Revenue Inspectors wherever necessary. Legal action is also resorted to in cases where the chances of recovery are bright. Though the amount of accumulated arrears in Delhi Telephone District is quite heavy, it should be appreciated that the District has been able to recover *more than 98 per cent of the bills issued. For example, during the period from 1979 to 1983 the department has issued bills for Rs. 363.90 crores and the amount outstanding as on 30-6-83 in respect of these bills is only **5.95 crores, which works out to *1.63 per cent only. All out efforts are being made

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*According to Audit—about 98%

**According to Audit—7.40 crores.

†According to Audit—2%

by the District to continue the process of recovery. The Minister of State (Communications) has approved the creation of special Cells in each area of the District to attend specially to the collection of Telephone Revenue arrears. As soon as the Cabinet approval is received for this, such cells will be created and it is hoped the position will improve."

2.6 In this context the Committee desired to know the particulars of subscribers in each category *viz.*, (1) Central and State Governments (2) Public Sector Undertakings (3) Foreign Embassies/Missions (4) Private Business Houses/Organisations and (5) Private individuals from whom outstandings of Rs. 50,000 and above towards arrears of telephone revenue were due and the present position of realisation thereof. The information furnished by the Ministry of Communications in this regard showing the position as on 30-9-1983 is given in Appendix III.

(b) *Telephone revenue written off*

2.7 The Audit Para 6 (vi) points out that during 1981-82, the telephone revenue written off was Rs. 11.3 lakhs; of this, Rs. 5.26 lakhs was written off as the whereabouts of the subscribers were not known. The Committee wanted category-wise break up of this figure indicating in particular as to how much of it was due from individual parties. The information furnished by the Ministry of Communications in this regard is given below:

"Such detailed information is not available in the Directorate and has to be obtained from the primary Units *viz.*, Engineering Divisions (more than 260) and Telephone Districts (30) of the Department. All the Heads of Circles/Districts were addressed accordingly to furnish the information immediately. The Heads of Telecom. Circles have in turn addressed the Engineering Divisions to furnish the information relating to the Divisions under their control and the information received will have to be compiled by them and sent to us.

At the outset it may be pointed out that telephone revenue is written off only as a last resort when all efforts to recover the dues become unsuccessful. The amount written off represents normally very old arrears and such amounts form an

nsignificant percentage of the revenue. For example during 1981-82, telephone bills to the extent of Rs. 670.65 crores were issued. During this year the total amount of telephone revenue written off was only Rs. 11.33 lakhs of which the amounts written off due to "whereabouts of subscribers not known" was only Rs. 5.26 lakhs. The total amount of telephone revenue written off, even with reference to the bills issued during 1981-82, was only 0.017 percent while the amounts written off due to "whereabouts of subscribers not known" worked out to .008 per cent of the amount billed during 1981-82. These percentages will be far lower if total amount billed over the years is taken into account. It may therefore be appreciated that the write off of telephone revenue is insignificant compared to the No. of subscribers and amount of revenue billed. It may not be out of place to mention that even best managed companies provide for 2 per cent of their sundry debtors towards bad debts.

The information received from a few Circles and Telephone Districts so far indicates that the amounts written off have been less than Rs. 20/- in some cases. The total amount of Rs. 5.26 lakhs written off during 1981-82 will therefore comprise several hundreds of cases. For example Madras District alone had 75 cases. In this connection it may be added that each case is reviewed in detail by the Liquidation Board consisting of Internal Financial Adviser, Divisional Engineer and the Accounts Officer of the Unit before a decision is taken to write off the dues. The replies so far reviewed indicate that all the amounts written off relate to private parties including firms and they do not relate to Government Departments."

2.8 In reply to a question as to how after installation of telephones the whereabouts of the subscribers become unknown, the Secretary, Communications explained in evidence.

"The subscriber took a telephone. After having used it for some time, he pulled down his shutters and went away somewhere. These are such cases."

2.9 Asked whether all the subscribers whose whereabouts were stated not to be known had put down their shutters within the grace period in which they had to make payment and gone away, the witness stated:

"No, I cannot."

2.10 In this context the Ministry of Communications, in at note have further stated:

> "When the telephones are installed, the subscribers whereabouts are known. The problem arises only when after accumulation of arrears, the subscribers depart from the known address without any intimation. Write off is resorted to only after making thorough enquiries through the Telephone Revenue Inspectors and also through the Police Authorities wherever necessary and feasible."

2.11 Asked whether the subscribers in this case were not imaginary persons with imaginary addresses and the telephones were in fact held by the employees of the Telephone Department, who subsequently surrendered the same, the Secretary, Ministry of Communications, replied:

> "I have not come across with that type of situations. In collusion with some of the staff members, there have been some cases of unauthorised connections which are disconnected, but the headquarters of the Department or even the headquarters of the Delhi Telephones or Calcutta Telephones, do not have data of such cases."

In reply to another question he edded:

> "I do not think these were used by the officials of the Department."

2.12 On being enquired about the steps taken/proposed to be taken to obviate such cases in future, the Ministry have stated:

> "Any Department which renders services first and recovers the charges later, is likely to end up with small percentage of irrecoverable dues, however efficient the collection machinery may be. The Department has certain inbuilt safeguards against the occurrence of such osses—such as security deposit, advance rental. Under the departmental procedure, the telephones are disconnected for non-payment between 30th and 35th day from the date of issue of the bill, after reminding the subscriber on phone about the pending bills or by registered notice in the case of those subscribers who have requested for this facility. After disconnections, it is generally expected that the subscriber will come up for the restoration of the telephone after clearanceof the dues. The telephones are resorted with 10 days without any extra charge and thereafter on payment of Rs. 50/- as restoration fee. If the telephone are not got restored by the defaulters within three

months, the lines are generally used for providing service to other subscribers. The defaulting subscriber is issued a notice asking him to settle the dues immediately failing which, his line will be permanently closed. If even after this, the subscriber does not pay the dues, his accounts are finally closed adjusting the deposits if any and the subscriber is informed that his telephone has been permanently closed and he is asked to pay the dues of the department immediately. Thereafter, the Telephone Revenue Inspector is sent to contact the subscriber personally and persuade him to settle the dues. It is noticed that in some cases subscribers leave the premises where the telephones are installed by the time personal contact is attempted. The Department generallly seeks the help of Postal and Police Authorities to locate the whereabouts of the defaulting subscribers. If all the efforts fail, then only the dues are written off."

(C) *Wrong billing/Over-billing*

2.13 The Audit para 6(ix) points out that 39105 complaints regarding telepone over-billing were received in the P&T Department during the year 1981-82. This does not include the figures in respect of Delhi, West Bengal, North East, Gauhati, Tamil Nadu, Agra and Bangalore Telecommunication Circles/Telephone Districts. At the instance of the Committee, the Department has furnished the following information in respect of each of the four Metropolitan cities for the years 1980-81, 1981-82 and 1982-83:

Sr. No.	Name of Metropolitan City	No. of Telephone bills issued during each of last 3 years			No. of bills during each of last 3 years in respect of which there was a complaint of over-billing			No. of cases out of (ii) in respect of which bills were revised on receipt of complaints from subscribers		
		(i)			(ii)			(iii)		
		1980-81	1981-82	1982-83	1980-81	81-82	82-83	80-81	81-82	82-83
1	Bombay . . .	17,61,777	19,08,413	18,93,239	10,409	10,685	9,659	1,035	1,214	1,181
2	Calcutta . . .	9,70,375	9,83,627	10,29,185	16,370	14,594	6,961	2,191	2,317	2,798
3	Delhi . . .	12,17,837	13,67,358	13,87,645	15,004	13,315	11,959	3,208	3,887	3,339
4	Madras . . .	6,31,647	6,51,358	4,86,901	3,649	4,151	3,681	403	223	310

2.14 The Committee desired to know the amount of relief on account of over-billing given during 1981-82. The Secretary, Ministry of Communications stated in evidence:

> "In one year we gave relief of Rs. 1 crore in regard to over-billing. We will give the exact figure but it is likely to be more than Rs. 3 crores."

2.15 The Committee enquired whether there was any time-limit after which the bills become time-barred. The witness stated that "This is 60 years for all Government dues."

2.16 To another question whether the Department could indicate any period after which a subscriber could rest assured that he would not get a bill for an earlier period, the witness deposed:

> "We do not have such a time limit....so long as there are dues we will (claim them)."

2.17 Asked further whether it was a good system whereunder a claim may be made after ten years, the witness replied:

> "This problem can be solved only by tightening up the system. I do not thank this practice is good."

2.18 The Committee thereupon enquired whether Government have any proposal under consideration to change the system. The witness stated:

> "There is no proposal under consideration or under contemplation."

2.19 When asked about the measures proposed to be taken by the Department to tackle the problem of over-billing, the witness stated:

> "We are trying to install an equipment to evolve a procedure whereby automatic accounting will be there which will tackle our problem of over-billing to a considerable extent, if not fully. I can only say that."

2.20 Asked by what time the above said equipment was expected to be installed and what other steps have been taken or are proposed to be taken to minimise cases of over-billing, the Ministry of Communications, have stated in a note:

> "The equipment for the Automatic Message Accounting System has been jointly developed by the Telecom. Research Centre and a private firm of Bangalore. This equipment gives full details of STD calls made by a subscriber who wants such a

facility. The field trials have been successfully conducted in a telephone exchange at Bangalore and action has been taken to order 20 units of the equipment for using in 10 crossbar and 10 strowger exchanges. Out of these 20 units, the first six units will be treated as extended field trial of the equipment. The firm has been asked to quote the price for the supply of the first 20 units. Since there is only one source for the supply of this equipment, a committee has been appointed to ensure that the equipment is supplied at a reasonable price. These equipments are expected to be commissioned progressively during a period of about two years after placement of orders.

The following steps have been taken to prevent mal-practices that may lead to excess billing complaints:

(i) Sealing of meters

(ii) Locking of meters room

(iii) Restriction of entry to the MDF room

(iv) Raising the location of Distribution points

(v) Locking of distribution points

(vi) Formation of mobile vigilance squads

(vii) Furnishing of fortnightly meter readings to the subscribers on demand on a nominal charge."

2.21 In their successive Reports, the Public Accounts Committee have expressed concern over heavy arrears of telephone revenue. In their 64th Report (Seventh Lok Sabha), they had regretted to observe that in spite of their recommendations and the claim made by the P&T Board that the Departmental procedures for periodical and systematic review of outstandings at various levels, the position was deteriorating. As against arrears for more than three months amounting to Rs. 18.26 crores as on 31.3.1980, and Rs. 18.42 crores as on 31.3.1981, the arrears upto December 1981 as amounted to Rs. 17.01 crores. Of the arrears as on 31.3.1982 Rs. 5.80 crores related to bills issued during April 1981 to December 1981 and Rs. 11.21 crores to bills issued upto and including 1980-81. Thus there has been no tangible improvement in the position. The Committee take a serious view of the old arrears, some of which date back to the year 1972-73. The Departmental procedure demands that telephones should be disconnected for non-payment of dues, between 30th and 35th day from the date of issue of the bill, after reminding the subscriber. The Committee, therefore, wonder why there should be such a huge accumulation of dues. It is more than two years since the Committee had recommended that to deal with the problem of arrears on a continuous basis, a separate cell should be set up in each telephone district. Although this was accepted by Government, the Ministry of Communications are yet to place the matter

before the Cabinet for approval. The Committee hope that the Cabinet will soon accord its approval to the proposal. The Committee desire that the Department should tackle the problem of arrears, particularly old ones, with vigour and determination and liquidate the arrears under a timebound programme. The Committee desire that Heads of Circles|Districts should be made personally responsible for ensuring this.

2.22 The Committee observe that an amount of Rs. 2.93 crores, i.e. nearly 1|6th of the total outstandings as on 31.3.1982, was due from Government subscribers. The Committee desire that the Secretary, Ministry of Communications should personally take up the matter with the concerned Secretaries|Heads of Departments for early settlement.

2.23 The Committee observe that as in the past, Delhi accounts for the largest amount of telephone outstandings followed by two other metropolitan cities—Bombay and Calcutta. The up-to-date telephone arrears of Delhi metropolitan city as on 31.3.1982 amounted to Rs. 1174.36 lakhs as against telephone arrears of Rs. 564.80 lakhs and Rs. 520.41 lakhs in case of Bombay and calcutta metropolitan cities, respectively. What is particularly disturbing about the telephone outstandings of Delhi is that an over whelming proportion of it is more than one year old. One of the main reasons given by the Department for the heavy outstandings is Delhi is that for some time before 1978 the Department faced the problem of obtaining computer service for preparation of telephone bills, with the result that not only billing, but even accounting and recovery got into heavy arrears. The Committee are surprised at this explanation for, as they find from the Ministry's note, the issue of bills stabilised with the Department's entering into a contract with a private agency for telephone billing and accounting work in February 1978 and the arrears are claimed to have been "pulled up in a phased programme by March 1979". As the Committee observe, five years have since elapsed and it should have been possible for the Department by now to collect the telephone arrears which had got accumulated due to delay in issuance of bills caused by non-availability of computer service for some time before 1978.

2.24 Another aspect to which the Committee would like to draw attention is that although the decision to computerise the billing in metropolitan cities was taken in 1974 and although lakhs of telephone bills are issued in the metropolitan cities of Delhi, Bombay, Calcutta and Madras, the Department has all along depended upon computers of outside agencies for preparation of such bills. From a note* furnished by the Ministry in the context of inventory control, the Committee observe that in 1974 the Department had appointed a private company of Bombay as consultants to undertake a feasibility study of the computer requirements of the Department. The consultants submitted their report in February 1976 listing out the

* Appendx IV

areas which deserved to be considered for computerisation on highest priority. Telephone billing was one of the areas meriting highest priority. The Committee regret to observe that although more than eight years have elapsed since the consultants gave the report, the Department is still lost in procedural formalities. After the receipt of the report of the consultants, the Department had taken five years to get Cabinet approval for the installation of in-house computer system for the four metropolitan districts, and even after the opening of the tenders for computers in January 1982, the matter is still at consideration stage—now under the consideration of the Technical Evaluation Committee of the Department of Electronics. The lackadaisical manner in which the Telephone Department had acted in this case is a sad commentary on the functioning of the Department which is supposed to be run on commercial lines. The Committee desire that the matter should now be finalised without any further delay so that the Department becomes selfreliant in this field and chances of recurrence of the types of situations which occurred in Delhi in the 70s may be obviated.

2.25 The Committee observe that bills under dispute generally emanating from over-billing represent one of the most important factors responsible for telephone arrears. The Committee do not have break-up of the data as to how much of the total outstandings of Rs. 17.01 crores upto December 1981 related to bills under dispute. But, from a statement of telephone bills each of Rs. 50,000 and above outstanding in Delhi as on 30.9.1983, the Committee observe that almost the entire amount of outstandings of Rs. 58.42 lakhs is on account of disputed bills (including cases taken to courts) or bills under correspondence. This is true of all categories for which information has been furnished, viz. (i) Government, (ii) private business, (iii) public sector undertakings, (iv) foreign embassies and (v) individuals. During the year 1981-82, as many as 39,105 complaints of overbilling were received by the Department. This figure does not include the complaints received from Delhi, West Bengal, North-East Gauhati, Tamil Nadu, Agra and Bangalore Telecommunication Circles/Telephone Districts. The above figures indicate that the problem of overbilling has assumed serious proportions. Apart from the fact that it is one of the most important factors responsible for heavy arrears of telephone revenue, it has involved the Department in a large number of cases of litigation, leading to unecessary waste of Government time and money. As on 1.7.1982, there were as many as 1076 cases under litigation involving an amount of Rs. 67.86 lakhs as against 909 cases involving an amount of Rs. 54.00 lakhs as on 1.7.1981. In the opinion of the Committee, it is of paramount importantance for the Department to ensure correct billing. From a note furnished by the Ministry, the Committee observe that an equipment for Automatic Message Accounting System (AMAS) has been jointly developed by the Telecommunication Research Centre and a private firm of Bangalore. This equipment gives full details of STD calls made by a subscriber who wants such a facility. According to the Ministry, the field trials have

been successfully conducted in a telephone exchange at Bangalore and action has been taken to order 20 units of the equipment for using in 10 Crossbar and 10 Strowger exchanges. The equipment is expected to be commissioned progressively during a period of about two years after placement of orders. The Committee would like to watch the working of the Automatic Message Accounting System. In addition, the Committee would like the Telephone Department to rigorously enforce the existing measures to prevent malpractices leading to excess billing complaints, such as, sealing of meters, locking of distribution points and formation of mobile vigilance squads. If in spite of these measures, any complaints of excess billing are received, it should be the duty of the Department to attend to them with all despatch, and wherever warranted, to afford immediate relief.

2.26 In their 64th Report, the Public Accounts Committee (1981-82) had desired the Telephone Department to make an indepth study of the billing system in the Department in order to identify the reasons for incorrect billing and take urgent steps to remove all loopholes and shortcomings in the system so that loss of revenue due to short-billing as also harassment to the subscribers on account of wrong billings could be obviated. The Committee desire that the above study should be conducted without delay.

2.27 Apart from overbilling, nother irritant which greatly disturbs the subscribers is the practice of sending bills to them in respect of old subscribers long after the transfer of the telephone number. During evidence, an instance was cited where a new subscriber was asked to pay arrears in respect of the old subscriber 4-5 years after the telephone number had been allotted to the new subscriber. The Committee desire that the Telephone Department should see to it that such instances do not recur.

2.28 The Committee note that at present there is no time limit for sending bills in respect of old arrears. The Committee would like the Ministry to examine whether, in the interest of both efficient working of the Department as also early clearance of arrears, a time limit for sending bills of old arrears could not be imposed.

CHAPTER III

STD-BARRING

3.1 The Committee have been informed by the Ministry of Communications that the total number of telephones (direct exchange lines) working as on 31.3.1983 in each of the metropolitan cities Bombay, Calcutta, Delhi and Madras were 324313, 184084, 222839 and 85845 respectively. In all these cities, about 40 per cent of the telephones were STD-barred. Most of the cases of STD barring were at the request of the subscribers. The reasons for barring STD faciltity were stated to be as under:

(i) In large offices where the telephones are easily accessible to many people, the administration wants STD-barred to cut down expenditure on unauthorised calls.

(ii) Some subscribers want STD barring to prevent the telephones being misused by servants and visitors.

3.2 The Committee drew attention of the Secretary, Ministry of Communications to a statement made by him during evidence that in the last three years, STD barring had started on a sizeable scale and enquired whether the Department had made any investigation into the causes of such heavy STD-barring. The Witness deposed:

"Because of billing complications, many of the subscribers have got connections which are STD-barred."

He further stated:

"In a big commercial city-I would not name it-many subscribers got their STD facility barred, but they were still making STD calls in collusion with some of our employees through alternative means. When that was plugged, all of them again asked for restoration of STD."

3.3 The Committee desired to know whether the P&T Department had made a thorough investigation into the matter and if so, what action was taken against the persons involved. The Witness stated:

"A court case has been instituted. Disciplinary action has been taken against the persons involved."

3.4 The Committee desired to know the modus operandi adopted by the subscribers in collusion with the Departmental employees and the action taken against the dishonest employees, as a result of investigations carried

out by the Department. The Ministry of Communications have stated in a note:

> "The malpractices adopted by the subscribers in collusion with the departmental employees are of varied nature. The methods depend on the ingenuity of the subscribers and the employee involved. It is in fact a constant battle of wits between the Department and the culprits.
>
> It is almost impossible to totally prevent malpractices that are being done with the collusion of the departmental employees. In addition to a large number of technical measures to prevent malpractices, the Department also takes action against the employees found engaged in such malpractices. The rules of the department have been proposed to be revised to treat such an offence as a cognizable offence. Supervision is being tightened to prevent malpractices. Sample observation of calls is also being done to detect any leakage of revenue."

3.5 On being enquired whether similar instances had come to the notice at other places and if so, what was the extent of loss to the Department in a year on this account, the Ministry of Communications have stated that a few instances have come to their notice from time to time at other places also. However, due to the action taken by the Department, the malpractices and the consequent revenue losses were kept at a low level.

3.6 The preventive|corrective steps taken by the Department to prevent the occurence of such cases as furnished by th Ministry of Communications are listed below:

> "(1) Flying squads have been set up in large cities. These squade make surprise visits|checks of the telecommunication plant.
>
> (2) Sample observation of calls are being done.
>
> (3) Supervision over the operative staff is being tightened.
>
> (4) The individual meters of the subscribers are being scaled.
>
> (5) The Meter room in the exchange is kept under lock and key.
>
> (6) The distribution points are being fitted at a higher level.
>
> (7) Certain malpractices are being made as congnizable offences."

3.7 The Committee observe that there are in all a little more than 8 lakhs telephones in the metropolitan cities of Bombay, Calcutta, Delhi and Madras, all of which have STD facility. But, at the request of subscribers, about 40 per cent of the telephones are STD-barred. In some cities, as in Visakhapatnam, the percentage of STD-barring is still higher. While the Committee note that STD-barring has been requested for by some subscri-

bers to prevent misuse of this facility by their servants and visitors, STD barring is in quite a substantial measure on account of overbilling by the Department or malpractices indulged in by others in collusion with corrupt Departmental employees. In evidence, the Secretary, Ministry of Communications cited the case of a city in which many subscribers got their STD facility barred but they continued to make STD calls in collusion with the employees of the Telephone Department through other means. But when their malpractice came to light, all of them asked for the restoration of the STD facility. According to a note furnished by the Ministry, Similar instances at other places have also come to notice from time to time. In reply to a question whether there were some other modus operandi adopted by the subscribers in collusion with Departmental employees with the intent of evading telephone charges, the Ministry have stated that such malpractices "are of varied nature. The methods depend on the ingenuity of the subscriber and the employees involved. It is in fact a constant battle of wits between the Department and the culprits." The Ministry have also stated that although to prevent such malpractices, supervision is being tightened and a number of technical and other measures have been taken, "it is almost impossible to totally prevent malpractices" being indulged in by subscribers in collusion with Departmental employees. The Committee are concerned over this situation. They need hardly observe that such malpractices not only result in loss of revenue to the Department but also tarnish the image of the Department in the public eye. The Committee feel that the malady is fairly deep-rooted and will need much more efforts for its eradication than made hitherto. The Committee desire that an indepth study may be conducted by the Department to identify the causes for such heavy STD-barring, the modus operandi of various types of malpractices indulged in by the subscribers in collusion with the Departmental employees and the measures—technical, Departmental or penal—that may be necessary to effectively prevent such malpractices. The Committee note that one of the measures proposed to be taken by the Department is to revise the rules of the Department so as to treat such an offence as a cognizable one. The Committee feel that it is a step in the right direction. They would like the Department also to examine in consultation with the Ministry of Law whether with the same object in view it is necessary to amend any other law at present in force and if so, to take necessary steps to that end. They also desire that flying squads set up in large cities to make surprise visits or checks of the telecommunication plants should be strengthened, and the feasibility of setting up similar squads in other cities considered.

CHAPTER IV

COMPLAINTS ABOUT NON-WORKING OF TELEPHONES

4.1 The Committee enquired how the Department assessed the efficiency of the telephone system in the country. The Secretary, Ministry of Communications stated:

> "We try to collect it on the basis of the complaints made by the subscribers ..... we have the data regarding the time taken to repair the telephones."

In reply to a question, he added:

> "We have parameters of performance under a single management information system about the time taken to remove faults etc. which are based on these data. We assess the performance of the system on the basis of these parameters."

In reply to another question, he, however, conceded:

> ".....We have no means of averring that all the telephones for which no complaints have been made have worked properly."

4.2 Explaining the present arrangements in the Department for attending to telephone complaints and the average time taken to attend to a complaint, the Ministry of Communications have stated in a note:

> "The complaints about functioning of telephones from the subscribers are booked with the fault repair service on '198' where the booking is centralised and on XX2198 where the booking is decentralised (XX stands for exchange code). The complaint booking service works round the clock. The complaints when received is registered and a docket is prepared, and the docket number is given to the complainant. The docket after recording is transferred to the docket despatch position in case of the centralised booking from where the dockets are booked with the respective exchange over the other wire lines.
>
> The docket along with the relevant fault card of the subscriber is then made over to the initial testing position which tests the

line to find out the exact nature of fault and whether the fault lies inside the exchange or in the external cable/line plant. The results of the tests are entered on the docket and the docket is passed on to the appropriate directing position.

The details of fault are communicated to the switch room or the external section depending on the lacation of fault. The maintenance staff, in the switch room, test and clear the fault and intimate the fault repair service. The line is re-tested to confirm that the fault has been actually cleared.

In case the fault is in the external plant, it is made over to the external sub fault control section. The external sub fault control sections work generally during day time. The lineman is despatched to the subscriber's premises for clearing the fault. He starts by giving tests from the subscriber's end and proceeds towards the DP post to lacalise the fault. The lineman gets access to the test position by dialling a code (say 192) for testing the faulty telephones. The test operator obtains the docket and the fault card pertaining to the lines and takes prescribed tests. After the fault has been removed the operator retests the line and speaks to the subscriber to ensure that the telephone has been set right to the subscriber's satisfaction.

The details of the cleared fault are entered in the docket. The fault card and the docket are sent to the fault card operator. The fault card operator enters the details of faults, time at which the faults were cleared and the total duration of interruption in the fault card. The docket is then despatched from the fault card and sent to the statistics position where all dockets pertaining to the previous day are analysed for preparation of the M.I.S. information.

The fault card operator checks for repeat complaints and long duration faults. If there are three complaints about the functioning of a telephone in a month, this is treated of a repeat fault. A special docket is made in case of a repeat fault. Detailed investigations to ascertain the exact nature of fault are made at the level of P.I. or Junior Engineer or Assistant Engineer depending on the complexity of the fault.

The average time taken to clear a fault was 9 hours in year 1982-83 for the entire country."

4.3 Asked whether there were any instructions as to the maximum period in which such complaints must be attended to and whether these instructions were being observed in practice, the Ministry of Communications have stated that complaints are to be attended and cleared with the least possible delay. However, targets are fixed by the operating units for average duration of faults in consultation with he Directorate every year. The actual performance is compared with the targets set. Senior Officers keep a special watch on the speed of clearance of telephone faults.

4.4 The Committee drew attention of the Secretary, Ministry of Communications to the worsening position of the telephone system in Calcutta where after making a complaint, a ticket number is allotted but nobody turns up to remove the defect. However, after some days when an enquiry is made whether the man would turn up to rectify the telephone fault, the complainant is informed that his complaint was registered and he was being allotted a fresh ticket number. This process is repeated 3-4 times whereafter the subscriber comes to the conclusion that there was no point in lodging a complaint with the Telephone Department. The witness stated in reply:

> "I agree that it is possible.....Calcutta is one city where this has been happening. It is not the case with all the cities."

4.5 To a suggestion from the Committee to have an independent body which would record the telephone complaints and also record whether the phones were repaired within a reasonable time, his reaction was:

> "No, I cannot....."

4.6 Asked whether repeat complaints were linked up with earlier complaints, the Member (TD) P&T Board stated:

> "In case there are 'repeat' complaints, the two are correlated and they are attended to together."

4.7 However, the Secretary, Ministry of Communications clarified the position as under:

> "The system provides that they should be linked up, but in actual fact, they are not unoften linked up."

4.8 Referring to the above statement of the witness the Committee enquired what were the instructions in the matter and what were the rea-

sons for no linking he repeat complaints in regard to the same defect. In a note, the Ministry of Communications have stated:

> "For each complaint received a fault docket is prepared. The docket number is given to the complaint which is to be quoted as reference for any enquiry regarding the position of fault clearance later on. To link up the cases of repeat complaints regarding the same defect, a tally sheet is maintained in the Fault Repair Service Centre. The fault dockets are sent to the position where the number of the telephone is noted in the tally sheet. In case of repeated reports about the same complaint on a telephone number, action is taken as follows:—
>
> "If the clearance report has not been indicated in the tally sheet for the fault reported earlier, the docket is endorsed as "duplicate" and the telephone number noted in the tally sheet is encircled. The duplicate docket is sent to the Supervisor who investigates the progress of clearance. The duplicate docket is then attached to the fault card alongwith the earlier docket. This procedure enables linking up of repeat complaints about same defect of a telephone number."

4.9 Asked whether the Department had any figures regarding repeat complaints, the witness deposed:

> "Yes, in several places they have already computerised the system on the basis of the time hired from computers."

But he added:

> ".....we have decided that for fault control we will computerise the system. That is going to be operational in the four metropolitan cities and later on it will be extended elsewhere, where complete data will be maintained."

4.10 At the instance of the Committee, the Ministry of Communications have furnished the following information in respect of each of the metropolitan cities regarding fault complaints:

(i) The total number of telephones (Direct exchange lines) as on 31-3-83 in Bombay, Calcutta, Delhi and Madras were 324313, 184084, 222839 and 85845 respectively.

(ii) The number of complaints about the faults per 100 telephones per month received during each of the last three years in the four metropolitan districts is as under:—

	1980-81	1981-82	1982-83
Bombay	30·7	32·2	34·9
Calcutta	58·9	44·6	35·7
Delhi	67·7	67·5	60·2
Madras	37·9	44·0	43·2

(iii) Pending faults are being categorised under the categories, viz., those pending for more than 1, 2 and 7 days. The percentage of faults cleared within 1, 2 and 7 days for the four metropolitan telephone districts for the last three years are as under:

Telephone District	Year	Percentage fault clearance		
		One Calendar day	Two calendar days	Seven calendar days
1	2	3	4	5
Bombay	1980-81	54	83	95·9
	1981-82	55·2	94	98·5
	1982-83	51·8	78·1	95·4
Calcutta	1980-81	46·3	67·2	84·3
	1981-82	42·2	66·6	89·9
	1982-83	44·8	66	92·7

The speed of fault clearance is slower due to higher percentage of cable breakdowns caused due to theft and damage by other utility agencies.

1	2	3	4	5
Delhi	1980-81	66·3	86·1	92·9
	1981-82	55·3	84·9	100
	1982-83	56·4	80·5	100
Madras	1980-81	76·1	86·6	99·9
	1981-82	77·7	96·5	99·9
	1982-83	70·2	91·4	99·9

4.11 The Committee desired to know as to generally for how many days the entire exchange or most of the telephones in the same exchange remain out of order when an entire telephone exchange goes out of order or when a very large number of telephones under the same exchange simultaneously go out of order. In reply the Ministry of Communications have stated:

"The entire telephone exchange rarely goes out of order. Such occasions arise only when there are natural calamities like flood, cyclone fire etc. A number of telephones in the same exchange may go out of order when there is a large scale cable break down. On occurence of a cable break-down the staff works round the clock and generally the faults are cleared within about 3 days. Some cases of cable break-down, however, take about 2 weeks to repair. The reasons for delay are as follows:—

Any damage caused to the sheath of the cable does not show as a fault during dry season. However with the first showers of monsoon the water enters the cables at points of rupture and causes break down of service. As a large number of cable break downs show up within a short period, the Department is hardpressed to rectify them with the available staff. It takes longer to rectify Multiple faults in the same cable as they can be attended to only one after the other. The speed of fault clarance is also affected by slushy conditions in the cable pits when there is flooding or constant downpour.

Time for restoration of service disrupted due to natural calamities depend upon the extent of the damage caused. On such occassions efforts are made on a war footing to restore the service within a minimum period."

4.12 Asked about the approximate telephone days lost per year on account of telephone defects|telephones being dead and the approximate loss of revenue as a result thereof, the Ministry of Communications have stated:

"The approximate telephone days lost per telephone per year on account of telephone defects is less than 2 days.

The loss of revenue on account of faults can at best be only hypothetical. In fact the revenue loss if any will be very small due to the following reasons:—

(i) The complaints are made for so many reasons and 'no service' forms only a portion of those complaints.

(ii) The majority of telephones are repaired within a short time.

(iii) The subscriber either waits for his telephone to become all-right and then makes the calls or if urgent, makes calls from neighbours' telephones or public telephones to which he has easy access."

4.13 The Committee then enquired whether the Department had ever assessed how they were faring, th Secretary, Communications admitted that inmany cases the system was deteriorating and it was a failure. Asked about Department's assessment of wrong calls, the witness stated:

"We do not maintain data about wrong calls."

4.14 On being enquired whether it was a fact that in Delhi sometimes it took two hours to get a number, the witness stated:

"I am in no position to deny these allegations".

4.15 The Committee wanted to know whether there was any system of test checking of telephones, the witness explained:

"In big cities we have started test checking some months ago from the Exchange telephones of MPs, MLAs, Ministers, High Court Judges, Secretaries to Government etc."

4.16 Asked why such test checking was not done in case of ordinary subscribers, the witness replied:

"In that case it will run into thousands".

4.17 The Committee desired to know from the Secretary, Ministry of Communications whether, in his opinion, the mess in the telephone system was so deep and so widespread that it was beyond redemption. The Secretary, Ministry of Communications replied:

> "No, I don't believe so. The situation can be redeemed, but it will need persistent and determined efforts all down the line."

4.18 Asked whether such efforts were being made, he replied,"..there it not adequate evidence that it is being done". Pointing out that recently during the ASIAD and NAM, the telecommunications team had given a good account of itself, the witness stated:

> "When we had ASIAD and when we had NAM, of course, we gave special attention. The supervision was much closer than nomal. The Generay Manager downwards practically breathed down the heels of their subordinates. There was very close supervision, which does not normally exist".

4.19 The efficiency of the Telephone Department is judged by the number of complaints it receives and the time it takes to clear a fault reported to it. The Committee regret to observe that judged from these criteria, the working of the Indian Telephone Department does not present a bright picture. As they note, for a little over 8 lakh telephones in the four metropolitan cities of Bombay, Calcutta, Delhi and Madras, over 42 lakh fault complaints were received during the year 1982-83. The largest number of complaints were in Delhi which, with about 2.30 lakh telephones, accounted for over 16 lakh complaints. Bombay came next. With about 3.24 lakh telephones, it accounted for nearly 13.60 lakh complaints. The number of fault complaints per hundred telephones per month were 60.20 in Delhi, followed by 43.2 in Madras, 35.7 in Calcutta and 34.9 in Bombay. Although the number of fault complaints per hundred telephones per month was the lowest in Bombay in 1982-83, the position had deteriorated in that city during the period 1980-81 to 1982-83, the faults per hundred telephones per month having increased from 30.7 in 1980-81 to 34.9 in 1982-83. The position in Madras had also deteriorated during the same period—the number of faults per hundred telephones per month having increased 37.9 in 1980-81 to about 43.2 in 1982-83. Of the four metropolitan cities, Calcutta is the only city which has recorded a significant improvement in this regard-the number of faults per hundred telephones per month having come down from 58.9 in 1980-81 to 35.7. Delhi has also recorded an improvement, but a negligible one—from 67.7 in 1980-81 to 60.2. The about figures show that the Indian telephone system is highly fault-prone. The Committee would like the Ministry of Communications to make determined efforts to tone up the telephone system with a view to bringing down the number of faults in each telephone district to the barest minimum.

4.20 So far as clearance of faults is concerned, the overall performance of the Telephone Department can hardly be considered to be satisfactory. But, among the four metropolitan cities, the best performance was that of Madras which was able to clear 91.4 to 96.6 per cent of the reported faults within two calendar days of the complaint. Delhi came next having cleared 80.5 to 86.1 per cent of the reported faults within two calendar days of the complaint. Bombay, having given a highly creditable performance of 94 per cent within two calendar days in 1981-82 came down to 78.1 per cent in 1982-83. The worst was Calcutta where only 66 to 67.2 per cent faults could be cleared within two calendar days of the complaint. There, 7.3 to 16.7 per cent faults could not be cleared even within 7 days of the complaint. The reason given by the Department for slower pace of clearance in Calcutta is higher percentage of cable breakdowns caused by thefts and damage by other utility agencies. Another noticeable aspect was that the fault clearance position by and large deteriorated in all the four metropolitan cities, although markedly in case of Bombay. The Committee would like the Telephone Department to make all out efforts to reduce significantly the average time taken for the clearance of faults in all telephone districts.

4.21 From a note furnished by the Ministry, the Committee note that there are detailed instructions for linking repeat faults and special procedure has been prescribed for their clearance. However, the Committee observe that, as conceded by the Secretary, Ministry of Communications, in actual practice, repeat complaints "are not unoften linked up". When asked whether he was aware of cases in Calcutta where in spite of repeated complaints for the same faults, neither the fault was rectified nor the repeat complaints were linked up, with the result that the subscriber, in sheer disgust, came to the conclusion that there was no point in pursuing the complaint, the Secretary, Ministry of Communications conceded by saying, "Calcutta is one city where this has been happening. It is not the case with all the cities." This is a sad commentary on the functioning of the Telephone Department. The Committee desire the Telephone Department to make resolute efforts to improve the position in this regard. In particular, the Department should ensure that repeat complaints are cleared at the earliest and the Departmental instructions in this regard are followed by the lower formations in letter and spirit. The Committee were informed in evidence that telephone fault control system was proposed to be computerised. A beginning would be make with the four metropolitan cities and it would be later extended to other cities. The Committee desire that this should be done without delay.

4.22 As to the overall performance of the Telephone Department in the country as a whole, the Secretary, Ministry of Communications conceded in evidence that "in many cases the system is deteriorating and it is a failure". When asked whether it was a fact that in Delhi sometimes it takes more than two hours to get a telephone number, the witenss stated, "I am

in no position to deny these allegations." The Committee would not like to add anything in view of the very straightforward admissions make by the Secretary, Ministry of Communications. They would only like the Department to make persistent and determined efforts to improve the position After all, in the recent ASAID and NAM, the Telephone Department had given a very good account of itself. The Committee expect constant vigil to ensure sustained good performance at all times and ..not only on special occasions.

CHAPTER V

DELAY IN REPLY TO AUDIT PARAGRAPHS

5.1 The Committee were given to understand by Audit that replies to only a few Audit paragraphs were given by the P&T Department within the prescribed period of six weeks and that replies to most of the Audit paragraphs were either inordinately delayed or not given at all. The Committee desired to know the reasons for the failure on the part of the P&T Department to furnish replies to Audit paragraphs within the prescribed time limit of six weeks. The Secretary, Ministry of Communications stated:

> ".....I admit the failure to improve the situation to the extent I indicated here earlier. Even to-day we are receiving reminders from the Audit. After the Audit send their original notice to us, if the replies are not furnished to them within a period of six weeks, they send a reminder. These are dealt with from the coordination point of view by Member (Finance). He may not be the operating Member for furnishing all the details. He has to obtain replies from the other Members. But I request him to look into the cases personally and ensure that the replies are sent up without any further avoidable delay. He also tries his best; but due to the defects in the system, he has got some difficulty, i.e. because the Members in the Board do not always have the information available to formulate the replies. They are to be brought forth from the field quite often, because the earlier replies given to the Audit when the inspection was taking place in the field, were not adequate. Quite often, further questions are naturally asked by Audit, and we have to further replies.
>
> While furnishing replies, the Directorate has to see to it that they carry some conviction. The replies should not be such that they are fit to be thrown into the wastepaper basket. So, I apologize for the failure to make sure that replies are sent, if not in all the cases but in a vast majority of cases, within a period of six weeks. In this case, replies were sent only to 11 out of 52. The total was 73 in 1981-82. Draft numbered 66; those received in 1983-84, so far are 52— Audit paragraphs received by P&T Directorate in 1982

and those replied to till date is 30. Out of 52, only in respect of 11, i.e. about 20 per cent replies were given by the due date. This, I admit, was case of very unsatisfactory compliance of the assurance I gave earlier. I apologize fully for this".

5.2 To a question whether at least from now on some drastic steps would be taken to see that the replies to Audit paragraphs are sent promptly, the witness state:

"Energetic steps will be taken; but looking into the recent past history, I will not give another assurance that henceforth it will be given always in time. But energetic steps will be be taken; that much I can say".

5.3 In reply to another question as to what extra steps the P&T Department proposed to take to improve the position, the witness replied:

".....the senior supervisory officers will give adequate personal attention to pending paragraphs of the Audit".

5.4 Asked to give his reaction to a suggestion that, as in case of parliamentary questions a special file may be opened for replying to Audit paras and time fixed for its disposal so that it immediately received the attention of the senior most officer, and thus the delay in replying to Audit paras was eliminated, the Secretary, Ministry of Communications replied that "This we will certainly do " and added:

"The first suggestion that the Chairman made was to ensure that files do not get bogged down. They should carry some marking as we do on the eve of general election—an emergency sort of a thing".

5.5 Replies to Audit queries are to be given within a period of six weeks. The Committee regret to observe that in spite of assurances given by the Secretary, Ministry of Communications, replies to most of the audit queries were not given within the prescribed period. Such delay should be avoided in future.

NEW DELHI;
March. 28. 1984.
Chaitra 8, 1906 (*Saka*)

(SUNIL MAITRA)
Chairman.
Public Account Committee.

APPENDIX I

(*Vide* Para 1·24)

Statement showing position of utilisation of line and traffic capacity of Working TAXs in the Country as on 31-3-1982

Sl. No.	Name of TAX	Capacity in lines	Date of commissioning (last expn)	Utilisation of line capacity	Utilisation of traffic capacity	Remarks
1	2	3	4	5	6	7
1.	Bombay . .	5000	30-3-77	90·5%	Overloaded	Relief arranged by Electronic TAX.
2.	Delhi . .	3000	26-2-75	94·6%	Do.	Do.
3.	Calcutta . .	4000	31-3-80	62·2%	MF-75% Step-85%	Do.
4.	Madras . . .	1750	5-2-77	69·6%	MF-Full Step-40%	Do.
5.	Kanpur . .	1800	31-3-79	74·3%	MF-90% Step Full	Expansion in progress
6.	Ernakulam .	1600	5-1-81	69·5%	MF-Full Step-Over-loaded	*
7.	Trivandrum .	1000	28-2-76	87·4%	MF-85% Step-Full	Expansion in progress
8.	Ambala . .	1700	10-3-76	69·6%	MF-Full Step-Full	Do.
9.	Coimbatore .	2000	30-3-76	65·5%	MF-90% Step-Over-loaded	
10.	Indore . .	1100	31-3-81	66·8%	MF-80% SXS-Full	Expansion in progress
11.	Hyderabad .	2000	12-7-82	79·1%	MF-60% SXS-Full	
12.	Patna. . .	1400	31-3-82	55·7%	MF-50% Step-Full	
13.	Asansol . .	900	31-3-83	53·6%	MF-25% SXS-60%	

1	2	3	4	5	6	7
14.	Ahmedabad .	20000	9-10-77	85·85%	MF- } Full Step- }	Expansion in progress
15.	Jammu . .	800	31-3-82	35·37%	MF-14% Step-80%	Transfer of pt. to pt. STD traffic via TAX to be done.
16.	Bangalore . .	2830	March 81	73%	MF-95% Step-Full	
17.	Shillong . .	800	29-3-80	38·75%	MF-60% SXS-80%	
18.	Nagpur . .	2000	Jan. 83	39%	MF-11% SXS-50%	Nagpur to Bombay pt. to pt. traffic yet to be transferred via TAX.
19.	Bareilly . .	1000	23-6-80	52·8%	MF-30% SXS-Over-loaded	
20.	Madurai . .	2200	March 83	46·09%	MF-66% SXS-70%	
21.	Jaipur . .	2000	June 82	45·9%	MF-60% SXS-90%	
22.	Siliguri . .	500	March 83	39·2%	Report still awaited.	
23.	Aurangabad .	400	March 83	61·25%	MF-20% SXS-Full	Recently commissioned
24.	Vijayawada .	2000	May 80	50·85%	MF-69% SXS-80%	

APPENDIX II

(*Vide* Prra 2.2)

Year-wise analysis of telephone revenue in arrears on 1st April 1982 for the bills issued up to 31st December, 1981

Year		Amount (Lakhs of rupees)
Upto	1974-75	176·91
	1975-76	51·88
	1976-77	96·50
	1977-78	144·30
	1978-79	150·37
	1979-80	209·40
	1980-81	292·32
	1981-82 (Upto December 1981)	579·67
	Total	1701·35

APPENDIX III

(*Vide* Para 2-6)

Statement showing cases of outstanding of Rs. 50,000 *and above of telephone revenue as on* 30.9.83 *in Delhi Telephones*

Category I Government

Sr. No.	Telephone Number	Name of the Subscriber	Amount standing	Year wise break up of the amount outstanding	Remarks
1.	345231	G.M. S&T N/Rly.	100135-00	82-83 — 42428·00 83-84 — 57707·00	Bills disputed.
2.	353191	Comptroller, Kerala House	96357-00	82-83 — 65697·50 83-84 — 30659·50	Bills disputed.
3.	812731	Commanding Officer, Air Force	93122-37	80-81 — 10·00 83-84 — 93112·37	
4.	088493	S.D.O. Haryana State Elect. Board	53082-80	82-83 — 52402·40 83-84 — 680·40	Bills disputed.
5.	2512201	Supdt. of Police	239766-82	83-84 — 239766·82	Bills disputed.
6.	202252	Air Force Hindon	55843-41	77-78 — 46893·95 78-79 — 77·40 81-82 — 54·00 82-83 — 2606·71 83-84 — 6211·35	Bills disputed.
7.	393401 PABX Board (10+50) & its extns.	S.O. 2 Sngnals HQ Delhi Cantt.	254380-00	81-82 — 254380·00	Now being paid in instalments.
8.	393441 (10+50) PABX Board & its extns.	SO 2 Signals HQ Delhi Cantt.	211654-85	81-82 — 211654·85	under correspondence..

Category II—Private Business

Sr. No.	Telephone No.	Name of the subscriber	Amount outstanding	Year-wise break up of the amount outstanding	Remarks
1	2	3	4	5	6
1.	370251	Akbar Hotel	333996-09	83-84 — 333996·09	Disputed.
2.	385718	TRNSCRERE	59512-00	78-79 — 59512·00	Bills disputed. Legal case pending.

1	2	3	4	5	6
3.	637569	M/s Ranbaxy Lab. Ltd.	68173-00	81-82 — 31687-00 82-83 — 36486-00	Bills disputed.
4.	813015	Laxmi Commercial Bank	50704-90	79-80 — 20012-10 80-81 — 30692-80	Bills disputed.
5.	40909	Kupal Materials and Metals	82083-66	79-80 — 76482-05 80-81 — 2164-80 82-83 — 690-00 83-84 — 2746-81	Legal action taken.
6.	312680	Ram Kishan Kulwant Rai	117215-22	80-81 — 38653-10 81-82 — 42659-10 82-83 — 29070-60 83-84 — 6832-42	Legal action taken. Judgement awaited.
7.	312814	M/s Pearay Lal and Sons	105583-75	79-80 — 10-15 82-83 — 96664-10 83-84 — 8909-50	Do.
8.	322103	Premier Cable and Co.,	57344-21	82-83 — 57344-21	Do.
9.	386162	Indian Hotels Co. Ltd.	569365-29	83-84 — 569365-29	Bills disputed.
10.	634612	M/s Sikand Const. Company	50597-20	80-81 — 11531-40 81-82 — 39065-80	Bills disputed. Case pending in court.
			Category III—Public Sector Undertakings.		
1.	690481	Steel Authority of India	80,000	83-84 — 80,000-00	—
			Category IV—Embassy cases		
1.	382888	Iran Embassy	68822-13	78-79 — 1286-70 79-80 — 6388-20 80-81 — 5203-00 81-82 — 8398-83 82-83 — 39068-10 83-84 — 8477-30	Under correspondence.
2.	384491	Iran Embassy (imperial)	64462-10	82-83 — 49650-80 83-84 — 14811-30	Do.
3.	385491	Iran Embassy	88097-63	78-79 — 2504-40 79-80 — 816-00 80-81 — 28467-10 81-82 — 13017-03 82-83 — 43293-10	Do.

(1)	(2)	(3)	(4)	(5)	(6)
4	615594	Kirsanor A.E. Counsellor	103672—60	74-75— 350—00 75-76— 389—00 76-77— 13046—10 77-78— 6221—70 78-79— 8427—90 79-80— 13772—50 80-81— 18000—90 81-82— 12418—30 82-83— 21981—00 83-84— 9065—20	Claims disputed.
5	617870	Techno Export Bureau, Balgaria	54879—10	78-79— 280—00 79-80— 773—70 80-81— 44340—40 81-82— 9485—00	Legal action being taken.
6	690351	Communication Officer, American Embassy	119603—93	83-84— 119603—93	Under correspondence
7	697717	Embassy of Libya	72711—21	78-79— 10816—04 79-80— 28360—37 80-81— 16062—00 81-82— 10087—00 82-83— 3402—80 83-84— 3983—00	Do.
8	697679	Uganda High Commission	256121—70	76-77— 1736—00 77-78— 11864—80 78-79— 242520—90	Do.
9	673038	Embassy of Zairs (Congo)	124275—37	80-81— 13753—80 81-82— 47900—80 82-83— 62420—77 83-84— 200—00	Do.
10	674124	Embassy of Yeman	56019—81	81-82— 7517—07 82-83— 38259—36 83-84— 10243—38	Do.
11	698744	Bangladesh High Commission	55304—50	82-83— 55304—50	Do.

Category V—Individuals

1	646926	Dr. Ramesh Kumar	54998—07	81-82— 20451—50 83-84— 34546—57	Bills disputed.
2	681818	Sh. S.N. Anand	75683—90	80-81— 54357—90 81-82— 21326—00	Do.
3	221066	Sh. Bajan Singh	89535—80	81-82— 44714—90 82-83— 44820—90	Do.
4	231835	Sh. Anil Mohan	103540—40	81-81— 96754—40 81-82— 6602—00 82-83 784—00	Do.
5	592173	Sh. P.N. Malik	71643—10	81-82— 71643—10	Do.
6	592998	Shri Rameswar Dass	53696—70	81-82— 53696—70	Do.

(1)	(2)	(3)	(4)	(5)		(6)
7	561343	Sh. Ram Gopal Saraf	53520—35	80-81— 81-82—	13921—70 39598—65	Bills disputed.
8	693873	Sh. S.C. Jain .	59689—90	81-82—	59689—90	Do.
9	352564	Sh. Amit Dutta .	98008—05	82-83— 83-84—	97808-05 200—00	Legal action is being taken.
10	373202	Sh. K.V. Kholc .	64860—83	76-77— 78-78— 78-79—	15851—95 48836—88 172—00	Do.
11	385844	Sh. Krishna Aggarwal	84345—97	77-78— 78-79— 79-80—	1100—00 69145—00 14100—72	Under correspondence with legal heirs of the subscriber.
12	386567	Sh. Kamlapati Tripathi (M.P) President AICC (I) (M.P. Pvt.)	68139—22	79-80— 80-81— 81-82— 82-83— 83-84—	1854—40 14287—90 18247—55 28223—87 5525—50	Under correspondence
13	387337	Smt. Madhuri Singh M.P. (L/S); M.P. (Pvt.)	75362—68	81-82— 82-83— 83-84—	17510—15 57652—53 200—00	Under correspondence
14	617042	Lt Col. R.K. Mchta	54697—90	77-78— 78-79— 80-81—	352—80 30—90 54314—20	Do.
15	622836	Sh. B.N. Pasari .	102130—80	80-81— 81-82— 82-83—	44543—90 3947—50 53639—40	Legal case pending in Court.
16	654953	Maj. K.C. Kapoor	80381—87	80-81— 81-82— 82-83—	3—55 74035—62 6342—70	Bills disputed.
17	671798	Smt. Rani Chandra	67431—40	81-82— 82-83—	52411—20 15020—20	Under correspondence.
18	645769	Sh. Mohan Singh	67794—73	83-84—	67794—73	Do.
19	634419	Sh. Prem Prakash Chowdhury	60038—43	81-82— 82-83— 83-84—	8361—40 48975—83 2701—20	Do.
20	635288	Smt. Swaraj Sharma	201190—20	82-83— 83-84—	99137—00 102053—20	Bills disputed.
21	529516	Sh. Manjeet Singh	133916—35	77-78— 78-79—	99525—75 34390—60	Wherea bouts of the party not known.

(1)	(2)	(3)	(4)	(5)		(6)
22	89282	Sh. Sudhan Mal	157482—49	78-79 = 200—40 79-80 = 157282—09		Amount proposed for write-off. Case is being processed for sanction by D. G. P&T.
23	2511796	Sh. M.M. Jain .	62510—83	80-81 = 5082—11 81-82 = 23085—85 82-83 = 30823—37 83-84 = 3519—50		Case pending in court of law.
24	2529478	Sh. Brij Bhushan	78007·47	81-82 = 78000—47 82-83 = 7—00		Under correspondence.
25	2529784	Sh. Jogminder Dass Jain	80606—80	82-83 = 80446—80 83-84 = 160—00		Do.

CONSOLIDATION

		Amount
1	Category—I Government	11,04,342,—25
2	Category—II Private Business	14,94,575—32
3	Category—III Public Sector undertakings	80,000—00
4	Category—IV Embassy cases	10,63,970—08
5	Category—V Individuals	20,99,214—24
	TOTAL	58,42,101—89

APPENDIX IV

(*Vide* Para 2.24)

Note furnished by the Ministry of Communications in the context of inventory Control vis-a-vis *Computer requirements of the P & T Department.*

P&T Board in its meeting No. 9 of 1973-74 held on 13-7-73 decided that the question of obtaining services of a suitable consultant/consulatants to go into the present and future needs and to advise the Department about the procurement of computors for Bombay, Madras and establishing E.D.P. Centres should be examined and proposal put up to the Board. As a result of this decision M/s. Ferguson & Company, Bombay were appointed consultants *vide* No. 48-67/73-TR, dated 26-10-74 to undertake the feasibility study of the computor requirements of the Department. They submitted their report on 14-2-1976 and listed out the areas which deserved to be considered for computerisation on highest priority. A committee was constituted *vide* P & T Board Memo No. 48-10/76-TR, dated 7-6-76 to have a detailed and critical review of the feasibility report by M|s. Ferguson & Company for practical consideration. The terms of reference of the committee were: (i) study the feasibility report of the consultants with a view to pin-point the areas where computerisation may be introduced as a matter of priority. (ii) to suggest the method that should be followed to achieve the results.

This Committee submitted its final report in September, 1976.

P & T Board Memo examining the recommendations of the Committee was submitted under No. 10-1/76-MIS. In the P&T Board meeting No. 8 of 1976-77 held on 15-11-1976 the Board, broadly agreed for establishing in house facilities of computerisation for the 4 areas of (a) Telephone Billing, (b) Inventory control, (c) cable and commencial records and (d) Telephone Directory in major telephone Districts. Computor co-ordinating Group was constituted in September 1979 and in its second meeting held in November 1979 it was decided thatt he responsibility for development of inventory control system should be given to Calcutta Telephones. Tris decision was taken in view of the fact that it would be necessary to co-ordinate very frequenetly with General Manager, Telecom. Stores, Calcutta for the system development work. Director (MMD) was nominated to the co-ordinating group to represent the MM Branch in November 1979 and later Director (MMS) was nominated on 28-12-61. As a part of inventory control stores accounting system

developed by the Computor Cell of Calcutta Telephones and it was handed over to GMTS Calcuatta on 15-9-1982. The system as being run on the computer of Jadavpur University with hired computer time.

In the meantime proposal for import of computers for the inhouse computer project was submitted to Public Investment Bureau in May/ June 1980. Approval for import of computers for P&T was accorded by P.I.B. on 20th March, 1981. The meme for the Cabinet was prepared under No. 5-4/79-Computer Dated 30-6-1981. Cabinet committee on Economic Affairs in its meeting held on 23-7-1981 approved the installation of inhouse computer system for improvement of local telephone service Metropolitan telephone districts of Delhi, Bombay, Calcutta and Madras as contained in the Cabinet Memo dated 30-6-1981. Tenders for imper were floated by Department of Electronics on 21-11-1981 and tenders were opened on 25-1-1982. Internal Evaluation Committee (P&T) was formed on 28-1-1982 and it submitted its report to D.O.E. on 1-3-1982. The matter is still under consideration of the Technical Evaluation Committee, constituted by Department of Electronics.

APPENDIX V

(*Vide* Para 9 of Introduction)

Statement of Conclusions and/or Recommendations

Sl. No.	Para No.	Ministry/Department	Recommendations
1	2	3	4
1	1.36	Ministry of Communications (P. & T. Board)	A trunk automatic exchange (TAX) with an equipped capacity of 1200-lines was installed at Vijayawada in October 1977. Based on an estimate made in October 1973, the first expansion of Vijayawada TAX by 800 lines (from 1200 to 2000 lines) was sanctioned by the P & T Board in January 1978 at a cost of Rs. 79.50 lakhs. The work on the expansion of the capacity was taken up in June 1978, and the expanded capacity was commissioned in May 1980. In May 1980, the TAX was loaded to the extent of 718 lines and even by November 1981 the total utilisation was 906 lines only. Even while the work on the first expansion was in progress (September 1978), the Department proposed further expansion of the capacity of the Exchange by 1000 more lines, *i.e.* from 2000 to 3000 lines. The project was sanctioned by the P & T Board in November 1979. By November 1981, equipment worth Rs. 102.88 lakhs for the second expansion had been received and the building in which the equipment for the expansion was to be installed had also been completed by December 1981 at a cost of Rs. 9.25 lakhs. However, due to anticipated traffic not coming upto expectation, equip-

ment worth Rs. 102.88 lakhs received for the second expansion was not installed and the building with electric installations, in which the equipment was to be installed, also remained vacant.

2 1.37 —do— The Committee are distressed over the manner in which the P & T authorities had all along acted in this case. The capacity of a TAX is planned to cater to the requirements of two to three years from the date of commissioning. The Vijayawada TAX was installed in October 1977 with a capacity of 1200 lines. In May 1980, *i.e.* two and a half years after the date of its installation, the utilised capacity was only 718 lines, *i.e.* less than 60 per cent of the then installed capacity. Even by November 1981, *i.e.* more than four years after the installation of TAX, the total utilisation was no more than 906 lines, *i.e.* nearly 75 per cent of the initially installed capacity. It is not clear to the Committee why the Department should have rushed with the first expansion without ensuring optimum utilisation of the original capacity. Further the Committee are unable to understand how the P & T Board in November 1979 sanctioned a further expansion by 1000 lines (*i.e.* from 2000 to 3000 lines) when the actual utilisation of the Vijayawada TAX just one month before was no more than 718 lines which was below the original capacity. The redeeming feature of this repeated failure is that before installing the equipment received for the second expansion, the Department had a review made which showed that their calculations as to traffic demand had been highly overpitched, and equipment worth over a crore of rupees which was lying idle for over two years is now proposed to be diverted to different stations all over the country. While the Committee are unhappy to note that due to highly unrealistic demand assessment and

1	2	3	4
			defective planning there is now no alternative but to divert the equipment, they desire that the whole process of diversion should be completed within a period of six months from the presentation of this Report.
31	1.38	Ministry of Communications (P&T Board)	The Committee observe that as against the 2000 line capacity available at Vijayawada TAX since May 1980 and 3000 line capacity planned under the second expansion, only 1100 lines have so far been utilised. The explanation of the Ministry of Communications for the gross under-utilisation of the capacity of the Vijayawada TAX is that the P&T Department's traffic forecast was dependent upon automatisation of the local exchanges, which would have been connected to the STD network and commissioning of the related trunk automatic exchanges in the country. Due to inadequate availability of both local and trunk automatic switching equipment from indigenous sources, the network of trunk automatic exchanges could not be planned. Reliable transmission systems like microwave/co-axial/UHF and the associated multiplexing equipment have been in short supply from indigenous sources and therefore the various routes could not be commissioned with adequate number of transmission circuits. According to the Ministry, another reason for under-utilisation of the capacity of Vijayawada TAX was that requests for STD-barring from subscribers have been far more than expected, resulting in materialisation of less demand than anticipated. It is apparent to the Committee from the facts of the case that there was, on the one hand, unrealistic estimation and on the other, lack of proper planning.

4 1.39 — 6 —

As to the demand assessment for the first expansion (from 1200 to 2000 lines), the Committee observe from a note furnished by the Ministry that it was based on the data collected in January 1972 and projected to 1978. This gave terminating capacity of 1843 circuits for parenting seven stations to Vijayawada TAX. The demand assessment for the second expansion (from 2000 to 3000 lines) was based on traffic data collected in 1978 and projected to 1982 for parenting 12 stations to Vijayawada TAX. The projection was *inter* alia based on the assumptions that there would be full inter-dialling between all stations to be connected to the TAX network and that all the subscribers would avail themselves of STD facility. How wrong the P&T authorities were in their assumptions can be seen from the fact that as against the provision of 'zero' per cent STD barring under the system of traffic load estimation made by the P&T Department, there was as high as 48.8 per cent STD barring in one of the stations parented to Vijayawada TAX, *viz.* Visakhapatnam. In Vijayawada itself, the percentage of STD barring was 20.8. The traffic assessment system followed by the Forecasting Cell of the Directorate suffers from another defect also. The traffic projection which is made on the traffic data collected several years before the start of a work is not reviewed in the light of actual traffic growth. In fact, there is no organisational set-up in the Directorate for carrying out such reviews. Nor is there any system of continuous monitoring of traffic growth. With a demand forecasting system based on very old data, unreviewed in the light of actual demand growth, together with highly unrealistic assumptions, the wide variations between traffic demand assessments made by the

1	2	3	4
			Foecasting Cell and the actual traffic materialisation should hardly cause any surprise.
5	1.40	Ministry of Communications (P&T Board)	In a note furnished to the Committee, the Ministry have now conceded that as far as possible, the capacity of a TAX to be installed or expanded should match with the actual growth in demand to avoid either under-provisioning or over-provisioning. This is possible by continuous monitoring and review of forecast in the light of actual traffic growth, The Ministry have stated that this is a complex exercise, considering the size, complexity and the rate of growth of the country's network. The Trunk Planning Group of the Directorate is reviewing the norms used at present for trunk traffic forecast. The Committee trust that the whole drill will be completed at an early date and the estimation norms and parameters suitably revised so as to enable the Department to make realistic estimates in future. The Committee desire that the Department should not remain content with mere refinements of estimation techniques and parameters; they should continuously monitor the traffic growth and periodically review the demand forecast in the light of actual traffic growth.
6	1.41	—do—	The Committee are unable to understand why the P&T Department should not have so planned the first expansion of the Vijayawada TAX from 1200 to 2000 lines that commissioning of this expansion should have

synchronized with the automatization of the local exchanges which would have been connected to the STD network and the commissioning of other trunk automatic exchanges in the country. In this evidence before the Committee, Member (TD) conceded that the automatic total switching equipment and transmission equipment which should have been installed in 1979 before the commissioning of the first expansion of the Trunk Exchange was expected to be installed in 1983. However, he pleaded in extenuation that this could not be done on account of inadequate availability of the equipment from indigenous sources. In the opinion of the Committee, it was a major planning failure on the part of the P&T Directorate not to have taken into account the supply position of the equipment so essential for the fuller utilisation of the capacity of the Vijayawada TAX. In his evidence before the Committee, the Secretary, Ministry of Communications conceded that there was lack of proper planning on the part of the Department which had resulted in the gross under-utilisation of the Vijayawada TAX thereby denying the subscribers the facility of making calls for outstations. The Committee were informed in evidence that if the Department could add 756 circuits, the utilisation of the line capacity of Vijayawada TAX would go up from the present 1100 to 1730, giving a utilisation percentage of over 85. The Committee desire that both in the interest of fuller utilisation of the available capacity of Vijayawada TAX as also in the interest of better service to the subscribers of the local outlying exchanges, immediate steps should be taken to provide the necessary equipment at the earliest.

7./1.42/ do

In a note furnished to the Committee, the Ministry have stater that the extra expenditure involved in diverting the 1000-line equipment from

1	2	3	4
			Vijayawada to other places is likely to be approximately Rs. 24,000. In the poinion of the Committee, while calculating the waste caused by unrealistic demand assessment as also defective planning on the part of the Department, not only transportation charges for carriage of equipment from Vijayawada to other stations should be taken into account but also the loss represented by interest charges on the locked-up capital. As the equipment worth over a crore of rupees ordered for the second expansion had remained idle for over two years at Vijayawada, the loss on the basis of 10 per cent per annum would come to over Rs. 20 lakhs. Besides, as a result of under-utilisation of the existing capacity of Vijayawada TAX, there had been a shortfall in revenue. Based on actual traffic carried in March 1983, the revenue comes to Rs. 368 lakhs as against the anticipated revenue of Rs. 492 lakhs on the basis of full utilisation. The Committee trust that the Department will draw upon their experience in the present case and take care to avoid such costly lapses in future.
8	1.43	Ministry of Communications (P & T Board)	The Committee observe that Vijayawada TAX is not the only TAX in the country with grosssly under-utilised capacity. Out of 23 other TAXs in the country, there are as many as nine other TAXs with a line capacity utilisation of less than 60 per cent. Four of these have a line capacity utilisation of less than 40 per cent. It is indeed shocking that line capacities of these exchanges created at heavy cost should have remained so under-utilised. The Committee desire that the Ministry of Com-

munications should analyse the causes of the under-utilisation of these TAXs and take corrective measures at the earliest.

9	2.21	—do—	In their successive Reports, the Public Accounts Committee have expressed concern over heavy arrears of telephone revenue. In their 64th Report (Seventh Lok Sabha), they had regretted to observe that in spite of their recommendations and the claim made by the P&T Board that the Departmental procedures for periodical and systematic review of outstandings at varioius levels, the position was deteriorating. As against arrears for more than three months amounting to Rs. 18.26 crores as on 31-3-1980, and Rs. 18.42 crores as on 31-3-1981, the arrears upto December 1981 amounted to Rs. 17.01 crores. Of the arrears as on 31-3-1982 Rs. 5.80 crores related to bills issued during April 1981 to December 1981 and Rs. 11.21 crores to bills issued upto and including 1980-81. Thus there has been no tangible improvement in the position. The Committee take a serious view of the old arrears, some of which date back to the year 1972-73. The Departmental procedure demands that telephones should be disconnected for non payment of dues, between 30th and 35th day from the date of issue of the bill, after reminding the subscriber. The Committee, therefore, wonder why there should be such a huge accumulation of dues. It is more than two years since the Committee had recommended that to deal with the problem of arrears on a continuous basis, a separate cell should be set up in each telephone district. Although this was accepted by Government, the Ministry of Communications are yet to place the matter before the Cabinet for approval. The Committee hope that the Cabinet will soon accord its approval to the proposal. The Committee

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			desire that the Department should tackle the problem of arrears, particularly old ones, with vigour and determination and liquidate the arrears under a time-bound programme. The Committee desire that Heads of Circles/Districts should be made personally responsible for ensuring this.
10	2.22	Min. of Communication	The Committee observe that an amount of Rs. 2.93 crores, *i.e.* nearly 1/6th of the total outstandings as on 31-3-1982, was due from Government subscribers. The Committee desire that the Secretary, Ministry of Communications should personally take up the matter with the concerned Secretaries/ Heads of Departments for early settlement.
11	2.23	—do—	The Committee observe that as in the past, Delhi accounts for the largest amount of telephone outstandings followed by two other metropolitan cities—Bombay and Calcutta. The up-to-date telephone arrears of Delhi metropolitan city as on 31-3-1982 amounted to Rs. 1174.36 lakhs as against telephone arrears of Rs. 564.89 lakhs and Rs. 520.41 lakhs in case of Bombay and Calcutta metropolitan cities, respectively. What is particularly disturbing about the telephone outstandings of Delhi is that an overwhelming proportion of it is more than one year old. One of the main reasons given by the Department for the heavy outstandings in Delhi is that for some time before 1978 the Department faced the problem of obtaining computer service for preparation of telephone bills, with the result that not only billing, but even accounting and recovery got into heavy arrears. The Committee are surprised at this explanation for, as they find from the Ministry's note, the iissue of bills stabilised with the Department's entering into a contract with a private agency for tele-

phone billing and accounting work in February 1978 and the arrears are claimed to have been pulled up in a phased programme by March 1979". As the Committee observe, five years have since elapsed and it should have been possible for the Department by now to collect the telephone arrears which had got accumulated due to delay in issuance of bills caused by non-availability of computer service for some time before 1978.

12 2.24 —do—

Another aspect to which the Committee would like to draw attention is that although the decision to computerise the billing in metropolitan cities was taken in 1974 and although lakhs of telephone bills are issued in the metropolitan cities of Delhi, Bombay, Calcutta and Madras, the Department has all along depended upon computers of outside agencies for preparation of such bills. From a note* furnished by the Ministry in the context of inventory control, the Committee observe that in 1974 the Department had appointed a private company of Bombay as consultants to undertake a feasibility study of the computer requirements of the Department. The consultants submitted their report in February 1976 listing out the areas which deserved to be considered for computerisation on highest priority. Telephone billing was one of the areas meriting highest priority. The Committee regret to observe that although more than eight years have elapsed since the consultants gave the report, the Department is still lost in procedural formalities. After the receipt of the report of the consultants, the Department had taken five years to get Cabinet approval for the installation of in house computer system for the four metropolitan districts, and even after the opening of the tenders for computers in January 1982, the matter is still at consideration stage—now under the consideration of the Technical Evaluation Committee of

*Appendix IV

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			the Department of Electronics. The lackadaisical manner in which the Telephone Department had acted in this case is a sad commentary on the functioning of the Department which is supposed to be run on commercial lines. The Committee desire that the matter should now be finalised without any further delay so that the Department becomes self-reliant in this field and chances of recurrence of the types of situations which occurred in Delhi in the 70s may be obviated.
13	2.25	—do—	The Committee observe that bills under dispute generally emanating from over-billing represent one of the most important factors responsible for telephone arrears. The Committee do not have break-up of the data as to how much of the total outstandings of Rs. 17.01 crores upto December 1981 related to bills under dispute. But, from a statement of telephone bills each of Rs. 50,000 and above outstanding in Delhi as on 30-9-1983, the Committee observe that almost the entire amount of outstandings of Rs. 58.42 lakhs is on account of disputed bills (including cases taken to courts) or bills under correspondence. This is true of all categories for which information has been furnished, *viz.* (i) Government, (ii) private business, (iii) public sector undertakings, (iv) foreign embassies and (v) individuals. During the year 1981-82, as many as 39,105 complaints of overbilling were received by the Department. This figure does not include the complaints received from Delhi, West Bengal, North-East Gauhati, Tamil Nadu, Agra and Bangalore Telecommunication Circles/ Telephone Districts. The above figures indicate that the problem of overbilling has assumed serious proportions. Apart from the fact that it is

			one of the most important factors responsible for heavy arrears of telephone revenue, it has involved the Department in a large number of cases of litigation, leading to unnecessary waste of Government time and money. As on 1-7-1982, there were as many as 1076 cases under litigation involving an amount of Rs. 67.86 lakhs as against 909 cases involving an amount of Rs. 54.00 lakhs as on 1-7-1981. In the opinion of the Committee, it is of paramount importance for the Department to ensure correct billing. From a note furnished by the Ministry, the Committee observe that an equipment for Automatic Message Accounting System (AMAS) has been jointly developed by the Telecommunication Research Centre and a private firm of Bangalore. This equipment gives full details of STD calls made by a subscriber who wants such a facility. According to the Ministry, the field trials have been successfully conducted in a telephone exchange at Bangalore and action has been taken to order 20 units of the equipment for using in 10 Crossbar and 10 Strowger exchanges. The equipment is expected to be commissioned progressively during a period of about two years after placement of orders. The Committee would like to watch the working of the Automatic Message Accounting System. In addition, the Committee would like the Telephone Department to rigorously enforce the existing measures to prevent malpractices leading to excess billing complaints, such as, sealing of meters, locking of distribution points and formation of mobile vigilance squads. If in spite of these measures, any complaints of excess billing are received, it should be the duty of the Department to attend to them with all despatch, and wherever warranted, to afford immediate relief.
14	2.26	—do—	In their 64th Report, the Public Accounts Committee (1981-82) had desired the Telephone Department to make an indepth study of the billing

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			system in the Department in order to identify the reasons for incorrect billing and take urgent steps to remove all loopholes and shortcomings in the system so that loss of revenue due to short-billing as also harassment to the subscribers on account of wrong billings could be obviated. The Committee desire that the above study should be conducted without delay.
15	2.27	—do—	Apart from overbilling, another irritant which greatly disturbs the subscribers is the practice of sending bills to them in respect of old subscribers long after the transfer of the telephone number. During evidence, an instance was cited where a new subscriber was asked to pay arrears in respect of the old subscriber 4-5 years after the telephone number had been allotted to the new subscriber. The Committee desire that the Telephone Department should see to it that such instances do not recur.
16	2.28	—do—	The Committee note that at present there is no time limit for sending bills in respect of old arrears. The Committee would like the Ministry to examine whether, in the interest of both efficient working of the Department as also early clearance of arrears, a time limit for sending bills of old arrears could not be imposed.
17	3.7	—do—	The Committee observe that there are in all a little more than 8 lakh telephones in the metropolitan cities of Bombay, Calcutta, Delhi and Madras, all of which have STD facility. But, at the request of subscribers, about 40 per cent of the telephones are STD-barred. In some cities, as in Visakhapatnam, the percentage of STD barring is still higher. While

the Committee note that STD-barring has been requested for by some subscribers to prevent misuse of this facility by their servants and visitors, STD-barring is in quite a substantial measure on account of overbilling by the Department or malpractices, indulged in by others in collusion with corrupt Departmental employees. In evidence, the Secretary, Ministry of Communications cited the case of a city in which many subscribers got their STD facility barred but they continued to make STD calls in collusion with the employees of the Telephone Department through other means. But when their malpractice came to light, all of them asked for the restoration of the STD facility. According to a note furnished by the Minisitry, similar instances at other places have also come to notice from time to time. In reply to a question whether there were some other *modus operandi* adopted by the subcribers in collusion with Departmental employees with the intent of evading telephone charges, the Ministry have stated that such malpractices "are of varied nature. The methods depend on the ingenuity of the subscriber and the employees involved. It is in fact a constant battle of wits between the Department and the culprits." The Ministry have also stated that although to prevent such malpractices, supervision is being tightened and a number of technical and other measures have been taken, 'it is almost impossible to totally prevent malpractices" being indulged in by subscribers in collusion with Departmental employees. The Committee are concerned over this situation. They need hardly observe that such malpractices not only result in loss of revenue to the Department but also tarnish the image of the Department in the public eye. The Committee feel that the malady is fairly deep-rooted and will need much more efforts for its eradiciation than made hitherto. The Committee desire that an indepth study may be conducted by the Department

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			to identify the causes for such heavy STD-barring, the *modus operandi* of various types of malpractices indulged in by the subscribers in collusion with the Departmental employees and the measures—technical, Departmental or penal—that may be necessary to effectively prevent such malpractices. The Committee note that one of the measures proposed to be taken by the Department is to revise the rules of the Department so as to treat such an offence as a cognizable one. The Committee feel that it is a step in the right direction. They would like the Department also to examine in consultation with the Ministry of Law whether with the same object in view it is necessary to amend any other law at present in force and if so, to take necessary steps to that end. They also desire that flying squads set up in large cities to make surprise visits or checks of the telecommunication plants should be strengthened, and the feasibility of setting up similar squads in other cities considered.
18	4.19	—do—	The efficiency of the Telephone Department is judged by the number of complaints it receives and the time it takes to clear a fault reported to it. The Committee regret to observe that judged from these criteria, the working of the Indian Telephone Department does not present a bright picture. As they note, for a little over 8 lakh telephones in the four metropolitan cities of Bombay, Calcutta, Delhi and Madras, over 42 lakh fault complaints were received during the year 1982-83. The largest number of complaints were in Delhi which, with about 2.30 lakh telephones, accounted for over 16 lakh complaints. Bombay came next. With about 3.24 lakh telephones, it accounted for nearly 13.60 lakh complaints. The number of fault complaints per hundred telephones per month were 60.20 in, Delhi,

followed by 43.2 in Madras, 35.7 in Calcu.ta and 34.9 in Bombay. Although the number of fault complaints per hundred telephones per month was the lowest in Bombay in 1982-83, the position had deteriorated in that city during the period 1980-81 to 1982-83, the faults per hundred telephones per mon h having increased from 30.7 in 1980-81 to 34.9 in 1982-83. The position in Madras had also deteriorated during the same period—the number of faults per hundred telephones per month having increased from 37.9 in 1980-81 to abou: 43.2 in 1982-83. Of the four meropolitan cities, Calcutta is the only city which has recorded a significant improvement in this regard—the number of faults per hundred telephones per month having come down from 58.9 in 1980-81 to 35.7. Delhi has also recorded an improvement, but a negligible one—from 67.7 in 1980-81 to 60.2. The above figures show that the Indian telephone system is highly fault-prone. The Committee would like the Ministry of Communications to make determined efforts to tone up the telephone system with a view to bringing down the number of faults in each telephone district to the barest minimum.

19	4.20	—do—	So far as clearance of faults is concerned, the overall performance of the Telephone Department can hardly be considered to be satisfactory. But, among the four metropolitan cities, the best performance was that of Madras which was able to clear 91.4 to 96.6 per cent of the reported faults within two calendar days of the complaint. Delhi came next having cleared 80.5 to 86.1 per cent of the reported faults within two calendar days of the complaints. Bombay, having given a highly creditable performance of 94 per cent within two calendar days in 1981-82 came down to 78.1 per cent

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			in 1982-83. The worst was Calcutta where only 66 to 67.2 per cent faults could be cleared within two calendar days of the complaint. There 7.3 to 16.7 per cent faults could not be cleared even within 7 days of the complaint. The reason given by the Department for slower pace of clearance in Calcutta is higher percentage of cable breakdowns caused by thefts and damage by other utility agencies. Another noticeable aspect was that the fault clearance position by and large deteriorated in all the four metropolitan cities, although markedly in case of Bombay. The Committee would like the Telephone Department to make all out efforts to reduce significantly the average time taken for the clearance of faults in all telephone districts.
20	4.21	Ministry of Communications (P & T Board)	From a note furnished by the Ministry, the Committee note that there are detailed instructions for linking repeat faults and special procedure has been prescribed for their clearance. However, the Committee observe that, as conceded by the Secretary, Ministry of Communications, in actual practice, repeat complaints "are not unoften linked up". When asked whether he was aware of cases in Calcutta where in spite of repeated complaints for the same faults, neither the fault was rectified nor the repeat complaints were linked up, with the result that the subscriber, in sheer disgust, came to the conclusion that there was no point in pursuing the complaints, the Secretary, Ministry of Communications conceded by saying, "Calcutta is one city where this has been happening. It is not the case with all the cities." This is a sad commentary on the functioning of the Telephone Department. The Committee desire the Telephone Department

to make resolute efforts to improve the position in this regard. In particular, the Department should ensure that repeat complaints are cleared at the earliest and the Departmental instructions in this regard are followed by the lower formations in letter and spirit. The Committee were informed in evidence that telephone fault control system was proposed to be computerised. A beginning would be made with the four metropolitan cities and it would be later extended to other cities. The Committee desire that this should be done without delay.

21 4.22 —do— As to the overall performance of the Telephone Department in the country as a whole, the Secretary, Ministry of Communications conceded in evidence that "in many cases the system is deteriorating and it is a failure". When asked whether it was a fact that in Delhi sometimes it takes more than two hours to get a telephone number, the witness stated, "I am in no position to deny these allegations." The Committee would not like to add anything in view of the very straightforward admissions made by the Secretary, Ministry of Communications. They would only like the Department to make persistent and determined efforts to improve the position. After all, in the recent ASIAD and NAM, the Telephone Department had given a very good account of itself. The Committee expect constant vigil to ensure sustained good performance at all times and not only on special occasions.

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22	5.5	Ministry of Communication (P & T Board)	Replies to Audit Paragraphs are to be given within a period of six weeks. The Committee regret to observe that in spite of assurances given by the Secretary, Ministry of Communications, replies to most of the audit paragraphs were not given within the prescribed period. Such delays should be avoided in future.