

**PUBLIC ACCOUNTS COMMITTEE  
(1974-75)**

(FIFTH LOK SABHA)

**HUNDRED AND FORTY-THIRD REPORT**

[Action taken by Government on the recommendations of the Public Accounts Committee contained in their 122nd Report (Fifth Lok Sabha) on the Report of the Comptroller and Auditor General for the year 1971-72, Union Govt. (Posts and Telegraphs)]



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*April, 1975/Chaitra, 1897(S)*

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5	1.14	8	setting	settling
6	1.18	2	wire lines	wire from lines
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**PUBLIC ACCOUNTS COMMITTEE**  
**(1974-75)**

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**SECRETARIAT**

**Shri B. K. Mukherjee, Chief Legislative Committee Officer.**

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

## INTRODUCTION

I, the Chairman of the Public Accounts Committee having been authorised by the Committee, do present on their behalf this Hundred and Forty Third Report of the Public Accounts Committee on action taken by Government on the recommendations contained in the 122nd Report (Fifth Lok Sabha) relating to Posts and Telegraphs.

2. On the 31st May, 1974 an 'Action Taken' Sub-Committee was appointed to scrutinise the replies from Government in pursuance of the recommendations made by the Committee in their earlier Reports. The Sub-Committee was constituted with the following Members:

- Shri H. M. Patel—*Convener*
- |                               |   |                |
|-------------------------------|---|----------------|
| 2. Shri Sasankasekhar Sanyal  | } | <i>Members</i> |
| 3. Shri Jagannathrao Joshi    |   |                |
| 4. Shri S. C. Besra           |   |                |
| 5. Shri V. B. Raju            |   |                |
| 6. Shri Mohammed Usman Arif   |   |                |
| 7. Shri P. Antoni Reddi       |   |                |
| 8. Shri Narain Chand Parashar |   |                |
| 9. Shri T. N. Singh           |   |                |

3. The Action Taken Sub-Committee of the Public Accounts Committee (1974-75) considered and adopted this Report at their sitting held on 7th March, 1975. The Report was finally adopted by the Public Accounts Committee on the 12th April, 1975.

4. For facility of reference the main conclusions/recommendations of the Committee have been printed in thick type in the body of the Report. A statement showing the summary of the main recommendations|observations of the Committee is appended to the Report (Appendix).

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

NEW DELHI;

April 14, 1975.

Chaitra 24, 1897(S).

JYOTIRMOY BOSU,

*Chairman,*

*Public Accounts Committee.*

## CHAPTER I

### REPORT

1.1. This Report deals with the action taken by Government on the recommendations contained in the Hundred and Twenty Second Report of the Public Accounts Committee (Fifth Lok Sabha) on the Report of the Comptroller and Auditor General for the year 1971-72 Union Government (Posts and Telegraphs).

1.2. Replies to all the recommendations contained in the Report have been received from Government.

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

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

Sr. Nos. 1—8, 12, 16, 17, 18—22 (i), (ii), (iii) and (iv), 24—26, 28—37, 40—45, 47, 49.

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

Sr. Nos. 9, 27, 39.

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

Sr. Nos. 14, 15, 23.

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

Sr. Nos. 10, 11, 13, 38, 46, 48.

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

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

**Arrears of Telephone revenue: (Paragraphs 1.5 and 1.6—S. Nos. 1 and 2).**

1.6. In paragraphs 1.1 to 1.8, the Committee had dealt with the huge accumulation of arrears of telephone revenue in respect of bills issued upto 31st March, 1972. The Committee had made the following observations in paragraphs 1.5 and 1.6 regarding delay in liquidation of these outstandings:

“1.5. The Committee note that the arrears of telephone revenue increased from Rs. 6.28 crores as on 1st July, 1971 to Rs. 6.92 crores on 1st July, 1972. The position of arrears for the period upto 1971-72 was Rs. 3.90 crores as on 1st April, 1973. During the period from 1st July, 1972 to 1st April, 1973 while the arrears for the year 1971-72 were brought down from Rs. 3.81 crores to Rs. 1.46 crores, those relating to the period upto 1970-71 came down from Rs. 3.11 crores to Rs. 2.44 crores. The Committee have been informed that a special drive has been started with effect from 1st January, 1972 for clearing arrears for the years upto 1970-71 with greater emphasis on the liquidation of arrears in respect of the bills issued upto 31st March, 1968. As a result of this drive, the arrears upto 1970-71 have been brought down to Rs. 2.44 crores as on 1st April, 1973 from Rs. 3.58 crores as on 1st April, 1972. While this is encouraging, the Committee desire that a close watch should continue to be kept by the Posts and Telegraphs Board on the arrears for the period prior to 31st March, 1968 which stand at Rs. 98.81 lakhs as on 1st April, 1973. The Committee hope that the arrears for the period between April, 1968 to March, 1972 will also be recovered expeditiously.

1.6. The Committee are dissatisfied to see that Government subscribers continue to account for substantial amount of arrears of telephone revenues. Out of the total arrears of Rs. 6.92 crores outstanding as on 1st July, 1972, Rs. 2.38 crores were outstanding against Government Departments. The Committee desire that the Department should examine what further steps are necessary to avoid accumulation of arrears in respect of the Government Departments.”



1.7. In a note dated 2nd September, 1974, the Ministry of Communications (P and T Board) have stated:

“The Committee's recommendations have been noted and will be acted upon.

For the information of the Committee it is mentioned that the arrears upto 31st March, 1968 have come down from Rs. 98.81 lakhs as on 1st April, 1973 to Rs. 74.37 lakhs as on 1st April, 1974.

2. As a further step for expeditious recovery of outstandings against Government Subscribers, the Chief Secretaries of all State Governments/Departments of Government of India have been requested to nominate a Senior Officer of the Secretariat to whom the Post and Telegraphs Departmental Officers could look forward for assistance in realisation of outstanding telephone bills.”

**1.8. The Committee find that the arrears of telephone revenue relating to periods up to 31st March, 1968 have decreased from 98.81 lakhs as on 1st April, 1973 to Rs. 74.37 lakhs as on 1st April, 1974. While appreciating the efforts made for clearing the arrears, the Committee cannot but consider progress made in this regard as slow in as much as only Rs. 24.44 lakhs (representing 25 per cent) were realised during one year. Since fresh arrears arise each year and if the backlog of arrears is to be cleared up completely in a relatively short period of time, much larger sums would have to be recovered each year against the outstanding arrears.**

1.9. Referring to the write-off of arrears due to non-availability of relevant departmental files, the Committee had made the following observations in paragraph 1.8 (S. No. 4):

“The Committee regret to note that during 1971-72 arrears amounting to as much as Rs. 3.17 lakhs had to be written off as the relevant departmental files were not available. The Committee take a serious view of loss of papers in respect of pending bills and stress that the department should take action against the persons responsible for this lapse.”

1.10. In their reply dated 3rd September, 1974, the Ministry have stated as under:—

“The concerned Heads of Circle/Telephone Districts have been directed to fix responsibility and take action against the officials responsible for the loss of records, for want of which dues were written-off during 1971-72.”

**1.11. The Committee desire that enquiries into the loss of revenue records with a view to fixing responsibility should be completed early and final action taken on the basis of the findings reported to them within three months.**

*Arrears of royalty from State Electricity Boards (Paragraphs 1.17 and 1.18—S. Nos. 7-8).*

1.12. Commenting on the slow progress of recovery of outstanding amounts of royalty from various State Electricity Boards in respect of power line carrier communication systems established by them, the Committee had made the following observations in paragraphs 1.17 and 1.18 of the Report:

“1.17. The Committee feel concerned over the arrears of royalty amounting to Rs. 37.90 lakhs recoverable from certain State Electricity Board till April, 1971, in respect of power line carrier communication system established by the Boards for their own use. A part of the arrears relate to the period as early as 1953. Only a negligible amount of Rs. 0.62 lakh has been recovered so far.

1.18. The Committee are disturbed to find that although the Ministry of Law resolved the dispute in December, 1969 that royalty was payable to the P & T Department under the Telegraphs Act for such lines, some of the State Electricity Boards have again challenged the Department's right to recover the royalty. The Committee suggest that this dispute should be resolved with the State Governments concerned by discussion at a high level. The Committee would like to be informed of the precise progress made in recovering the outstanding amount.”

1.13. In a note dated 10th October 1974, the Ministry have stated as follows:—

“In spite of D.O. letter dated 26th March, 1973 from the Minister of Irrigation and Power to the State Ministers/Chief Ministers/Governors concerned and the follow-up action taken by the P. & T. Board with the Ministry of Irrigation and Power and also by the concerned P. & T. Circles with the State Electricity Boards, no further recoveries of outstanding amount of royalty have been possible since the submission of last report to PAC on 22nd November, 1973.

The Ministry of Irrigation and Power only wanted certain clarifications which were given to them on 18th February,

1974. The P. & P. Circles have been issuing repeated reminders and have held meetings with the State Electricity Board authorities, but to no avail.

The Ministry of Irrigation and Power have been repeatedly requested by this office to issue suitable instructions to the State Electricity Boards to clear their arrears without further delays. No response has been received so far either from the Ministry of Irrigation and Power or the Electricity Boards concerned. However, the Heads of P. & T. Circles are continuing to make all possible endeavours with the Electricity Boards. They have been advised to personally discuss these with the Chief Secretaries and the Chairman Electricity Boards concerned and intimate results of such meetings to us. In spite of all these efforts, no recoveries are in sight in the near future."

**1.14. Although the Committee had suggested settlement of disputes with the State Governments concerned at a higher level and had desired that precise progress in the recovery of outstanding amounts from various parties should be intimated to them, it appears from the information furnished by the Ministry that neither have the disputes been settled nor have the arrears been recovered as yet. The Committee would like to impress upon the Government the need for setting these disputes very expeditiously.**

*Review of working of Planning Cells (Paragraph 1.48—S. No 12):*

1.15. In paragraphs 1.19 to 1.49 the Committee had dealt with the failure of the Department in taking timely action due to one factor or the other, for implementation of a decision taken in November, 1956 to introduce measured rate system in all telephone exchanges having a capacity of 300 lines or more. Pointing out the need to review the working of Planning Cells created in various circles to tone up the execution work the Committee had made the following observations in paragraph 1.48:—

"The Committee note that the Department has created a Planning Cell under the Divisional Engineer Planning in each Circle to enable the Circle Office to monitor the works sanctioned and executed by subordinate offices. Action has been initiated by the Works Study Unit for formulating standards for carrying out minor works in Circles and Divisions. The Committee desire that the P. & T. Department should review the working of the

Cells after some time and on the basis of the findings of the Work Study Unit take further remedial steps to ensure proper execution of mine works."

1.16. In reply, the Ministry have stated in a note dated 31st October, 1974, submitted to the Committee as follows:

"The working of planning cells already created in circles, to monitor works in circles/divisions will be reviewed in due course and remedial measures, as necessary, will be taken to ensure proper execution of minor works."

**1.17. The Committee desire that the proposed review of planning cells should be completed without further loss of time and necessary steps taken to remedy the drawbacks.**

*Non-accountal of stores in Telegraph Engineering Divisions (Paragraph 1.67—S. No. 14).*

1.18. In paragraphs 1.50 to 1.71, the Committee had dealt with thefts of copper wire lines, short recovery of Stores and improper maintenance of accounts of recovered stores including copper wire obtained from a large number of work of replacement, reconstruction and dismantlement of overhead lines carried out between 1960-61 and 1969-70 in three Telegraph Engineering Divisions of Orissa Circle. The Committee had made the following observation with regard to accounting irregularities:—

"The Committee are displeased with the chaotic state of stores accounting in three Telegraph Engineering Divisions of Orissa Circle. Out of 56 works of replacement, reconstruction and dismentlement of over-head lines and wires carried out between 1960-61 and 1969-70, in as many as 51 works, no accounts was available of copper wires and other stores recovered. It is distressing to find that an irregularity of this nature continued for 10 years without being detected until pointed out by Audit. Even after this state of affairs was brought to the notice of the Department by Audit, the Postmaster General of the Circle failed to trace the credits of recovered stores. Ultimately a study team had to be deputed by the P. & T. Board for investigation into the matter, and they were able to settle the credits in about two weeks time. This indicates that no serious attempt was made by the Postmaster-General to investigate the matter. The evidence clearly

establishes that the Postmaster-General failed to take the matter of credits seriously and he should be called upon to give his explanation.

The Committee have been informed that the question of fixing responsibility for non-maintenance of proper accounts is under correspondence with the Postmaster-General. The Committee take serious note of non-maintenance of proper accounts over a long period of ten years. The Committee stress that expeditious action should be taken to fix responsibility of the persons concerned and also the higher officer for allowing this unsatisfactory state of affairs to continue for such a long time. The Committee would like to be informed about the action taken against the officers concerned."

1.19. In a note dated 2nd September, 1974, the Ministry of Communications have stated as follows:

"The Postmaster General, Orissa Circle, has been called upon to explain.

As regards fixing responsibility for non-maintenance of proper accounts, the matter is still under correspondence with the Postmaster-General, Orissa Circle."

**1.20. The Committee had taken a serious view of the chaotic state of stores accounting in three Engineering Divisions of Orissa circle and had desired that expeditious action should be taken to fix responsibility of the persons concerned, including the higher officers for allowing this unsatisfactory state of affairs to continue for as long a period as ten years. The Committee desire that the P. & T. Board should themselves see to it that the lapses are investigated in detail and exemplary action taken against all those found to be responsible.**

*Theft of copper wires—(Paragraph 1.68, Sl. No. 15)*

1.21. Referring to the theft of copper wire from the lines in the Orissa Circle, the Committee had made the following observations in paragraph 1.68:—

"The Committee find that as a result of investigation of the study team credits for stores worth about Rs. 10.39 lakhs have been traced and it has been found that works worth Rs. 6.3 lakhs had not been carried out and stores worth Rs. 2.35 lakhs had already been stolen from the lines. The Committee are surprised why after receipt of the Audit para, the Department did not even care to inform

Audit about the theft of copper wire. They would like the Department to investigate when exactly the theft was noticed and what action was taken immediately thereafter. The Committee has been informed that credits of Rs. 10.39 lakhs traced by the Study Team are being further verified. The Committee desire that this should be done expeditiously and reported to them."

1.22. The Ministry of Communications have stated in note dated 31st October, 1974, as follows:

"Thefts of copper wire were taking place frequently in each section in the three Engineering Divisions involving a distance of about 400 miles. As per departmental rules, reports of such thefts were being registered with the Police Authorities as and when they occurred. Efforts were made to collect the data about these thefts but it was not found feasible at such a distant date showing the dates when all such theft cases were registered with the Police. An annual statement of loss of copper wire due to thefts was being sent to the Audit Office. Cases registered with the Police were being investigated by them and quarterly statement of such theft cases was being received from the Circle but these were without any indication of the quantity of copper wire stolen from the lines, though at the time of registration with the Police authorities, the quantities stolen was reported. Considering the long time span involved, it is not possible to link up the thefts that occurred with the short recoveries that have been observed in different line sections.

Full details giving estimate-wise particulars of the credits have been furnished to AGP&T, who has examined them."

1.23. The P. & T. Board have not made any reference in their reply to the point made by the Committee that the Department should have informed Audit of the theft of copper wire at least after it had received the Audit Paragraph. Existing rules require that thefts exceeding the monetary limits prescribed from time to time should be reported to Audit. The Committee desire that this should be followed religiously in future.

*Delay in shifting of a wireless receiving station (Paragraph 1.98—S. No. 23).*

1.24. Dealing with the inordinate delay in commissioning a wire-

less receiving station at Borivli (Bombay), the Committee had, *inter alia*, made the following observations in paragraph 1.98—

“In the opinion of the Committee these are instances of glaring delays and lack of proper planning which deserve further examination with a view to fixing responsibility for failure at various levels and taking necessary remedial measures to obviate recurrence. The question that needs to be answered is: was no one in the entire organisation made responsible to ensure the completion of the project within a given time, after it was sanctioned? The Committee would be interested to know what answer to this question is thrown up by the Inquiry Officer.”

1.25. In a note dated 18th September, 1974, the Ministry of Communications have stated as follows:—

“The project of shifting of the station to Borivli included many sub-components to be executed by different wings of the Department, namely, land was to be acquired by Maharashtra Circle, building was to be constructed initially by C.P.W.D. and later on by Civil Wing of the Department, cables were to be procured and laid by Bombay Telephone District, technical work of shifting of equipment, erection of masts and aerials was to be carried out by Divisional Engineer Wireless. However, the responsibility to see that all these components are carried out in a co-ordinated manner remains that of the Head of the Circle—in this case, the Postmaster-General, Maharashtra Circle. Instructions recently issued whereby the Head of the Circle is required to hold co-ordination meetings periodically to ensure the necessary co-ordination from various wings of the Department for executing the whole project in time would cover this aspect also.”

1.26. The Committee had expressed their dissatisfaction at the manner in which the project of shifting a wireless receiving station from an unsuitable place to a new site had been processed. Even though the decision to shift the station to a suitable site was taken in 1955, it has not been implemented for a variety of reasons to this date even after 18 years have gone by. Since this was an instance of glaring delay, the Committee had desired that an enquiry should be held with a view to fixing responsibility for failures at various levels. The reply of the Ministry is far from satisfactory. Holding of meetings periodically to ensure necessary coordination between various wings of the Department may improve matters in the future

and the Committee note that instructions have been issued to this end. But the Committee had desired that action should be taken to fix responsibility for a bad failure of the past. The Committee desire the Ministry to give effect to the recommendations or to give convincing reasons for not being able so to comply. The Committee must necessarily reiterate that the various aspects of the case should be gone into in great detail and responsibility fixed.

*Delay in acceptance of tender (Paragraph 1.138 and 1.139—S. Nos. 29-30).*

1.27. Expressing regret over the inordinate delay at various stages in the acceptance of a tender for the construction of a microwave building in Imphal, resulting in loss to the exchequer, the Committee, in paragraphs 1.138 and 1.139, had observed as follows:—

“1.138. Yet another case of inexcusable delay has come to the notice of the Committee. Here the officers concerned failed to take a decision on the offer of a contractor for execution of microwave building at Imphal within the validity period of 3 months. The result was that the Department had to incur an extra expenditure of Rs. 45,000 after inviting fresh tenders for the work. The offer of the contractor was valid upto 4th May, 1970, but the tender was accepted on 10th September, 1970 four months after the due date. Understandably, the contractor demanded 10 per cent over and above the tendered amount because of the expiry of the validity period and rise meanwhile in the cost of labour and materials. It took the department two months after opening the tenders to negotiate with the contractor and thereafter further five months to verify the reasonableness of the rates offered by him. It is regrettable that the officers concerned did not act with the sense of urgency required in such cases. In the opinion of the Committee it is a fit case where responsibility of the officers concerned should be fixed for delay at various stages which resulted in loss to Government.

1.139. Another unsatisfactory aspect of the case was that no provision was made in the initial estimates for seismic protection and the specification had to be modified after acceptance of the second tender. The lack of fore thought on the part of the officers is regrettable.



1.28. In a note dated 17th October, 1974, the Ministry have stated as follows:

“The General Manager, Telecom- Projects, Calcutta has been asked to investigate and fix the responsibility on the offices concerned for causing delay in the acceptance of the tenders at various stages which resulted in loss to Government.”

1.29. While expressing their regret over the inordinate delay, at various stages, in the acceptance of the tender for the construction of a microwave building at Imphal, resulting in loss to the exchequer, the Committee had desired fixation of responsibility for the lapse. The Ministry in their reply have intimated that the General Manager, Telecommunication Project, Calcutta has been asked to investigate into the case. The Committee urge that the enquiry should be completed expeditiously.

*Procurement of excessive quantity of Stores (Paragraphs 1.213 and 1.214—S. Nos. 46-47).*

1.30. In paragraphs 1.212 to 1.214, the Committee had dealt with the procurement of excess quantity of a category of stores at a time when the scheme where these could be used was being changed. Suggesting fixation of responsibility for the lapses, the Committee had made the following observations in paragraphs 1.213 and 1.214:—

“1.213. The D.G.S. & D. placed orders for the stores in April, 1963 and November, 1964, on four firms. The D.G.S. & D. extended the date of delivery four time for the first time, twice for the second, thrice for the third and twice for the fourth firm between April, 1964 and December, 1965, by which time the new scheme had come in vogue. But no action was taken by the Department to cancel or reduce the order. The Committee are not satisfied with the Department’s explanation that the delivery dates were extended by the DGS&D without consulting them. After the old scheme was changed, it was the duty of the officers to review the position of outstanding indents, and advise the DGS&D to cancel or reduce the orders. The failure of the Department is regrettable. The Committee desire that responsibility should be fixed for the failure.

1.214. The net result of the failure is that the Department is burdened with about 2 lakh numbers of unwanted stores valuing Rs. 9.69 lakhs. The alternative uses of the

stores are under examination of the Department. The Committee would like to know about the utilisation/disposal of the surplus stores."

1.31. In a note dated 17th September, 1974, the Ministry have stated as follows:—

"Review of the position of all pending orders/indent and A/T's is periodically undertaken now. Regarding the fixing of responsibility for the failure pointed out, a further communication will follow.

The stock balance of BAST. 8" as on 1-6-1974 was only 184,894. The forecast demand for 1974-75 received from the Circles is for a total quantity of nearly 57,000. It is therefore expected that the stock balance will be reduced at least by this amount during this year. Separately, two alternative uses to which the BAST 8" can be put are under consideration.

1.32. The Committee regret the tardy processing of the recommendations of the Committee in this case and desire that the appropriate disposal of the surplus stores should be taken as expeditiously as possible and responsibility for the failure fixed forthwith for suitable action.

## **CHAPTER II**

### **RECOMMENDATIONS|OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT**

#### **Recommendation**

1. The Committee note that the arrears of telephone revenue increased from Rs. 6.28 crores as on 1st July, 1971 to Rs. 6.92 crores on 1st July, 1972. The position of arrears for the period upto 1971-72 was Rs. 3.90 crores as on 1st April, 1973. During the period from 1st July, 1972 to 1st April, 1973 while the arrears for the year 1971-72 were brought down from Rs. 3.81 crores to Rs. 1.46 crores, those relating to the period upto 1970-71 came down from Rs. 3.11 crores to Rs. 2.44 crores. The Committee have been informed that a special drive has been started with effect from 1st January, 1972 for clearing arrears for the years upto 1970-71 with greater emphasis on the liquidation of arrears in respect of the bills issued upto 31st March, 1968. As a result of this drive, the arrears upto 1970-71 have been brought down to Rs. 2.44 crores as on 1-4-73 from Rs. 3.58 crores as on 1-4-72. While this is encouraging, the committee desire that a close watch should continue to be kept by the Posts and Telegraphs Board on the arrears for the period prior to 31st March, 1968 which stand at Rs. 98.81 lakhs as on 1st April, 1973. The Committee hope that the arrears for the period between April, 1968 to March, 1972 will also be recovered expeditiously.

2. The Committee are dissatisfied to see that Government subscribers continue to account for substantial amount of arrears of telephone revenues. Out of the total arrears of Rs. 6.92 crores outstanding as on 1-7-72, Rs. 2.38 crores were outstanding against Government Departments. The Committee desire that the Department should examine what further steps are necessary to avoid accumulation of arrears in respect of the Government Departments.

[Sl. Nos. 1 & 2 (Paras 1.5 & 1.6) of Appendix III to 122nd Report (5th Lok Sabha)]

#### **Action taken**

The Committee's recommendation have been noted and will be acted upon.

For the information of the Committee it is mentioned that the arrears upto 31-3-68 have come down from Rs. 98.81 lakhs as on 1-4-73 to Rs. 74.37 lakhs as on 1-4-74.

2. As a further step for expeditious recovery of outstandings against Government Subscribers, the Chief Secretaries of all State Governments/Departments of Government of India have been requested to nominate a Senior Officer of the Secretariat to whom the Posts & Telegraphs Departmental Officers could look forward for assistance in realisation of outstanding telephone bills.

[Ministry of Communications (P & T Board) O.M. No. 23-6/74-TR dated 2-9-74]

### **Recommendation**

The Committee take a serious note of the short recoveries as well as failure to issue bills by the Department. Short recoveries of Rs. 4.80 lakhs and failure to issue bills for Rs. 5.31 lakhs were brought to the notice of the Department by Audit during the year 1971-72. In reply to a recommendation made by the Committee in paragraphs 2.19, 2.21 of their 40th Report (1963-69), the Department had stated that the billing and accounting procedure are being studied by a Committee. The Committee would like to be informed about the out come of the Study and action taken to remedy the defects. The Committee cannot over-emphasise the need for thorough checking of the bills and taking action against the persons responsible for short recoveries and failure to issue bills.

[Sl. No. 3 (para 1.7) of Appendix III to 122nd Report (5th Lok Sabha)]

### **Action taken**

The Committee appointed by the Government in October 1968 (Posts and Telegraphs Board Memo No. 6-2/68-TR dated 23-10-68) for evaluating different billing and accounting systems submitted their report in April, 1970.

(a) The main recommendations made by the Committee in respect of accounting in small and medium size Telephone Revenue Units were as follows:

- (1) Staggering of bills—With a view to ensuring that there is an even-flow of work during the month, bills be issued thrice a month—on the 1st, 11th and 21st.

- (2) Maintenance of a rent control register by each Telephone Revenue Unit to ensure that all bills have been issued correctly and that there are no omissions.
- (3) Replacement of the rent ledger by personal accounts in the form of Subscriber's Record Card which should exhibit at one place a complete history of the subscriber and show at a glance all the outstanding bills against him on a particular date.
- (4) There should be a single consolidated bill to a subscriber in one month covering all the charges-rent, local call charges, trunk call charges, etc.
- (5) Exhibition of past arrears in the bills so that the subscriber should not deny the existence of arrears.
- (6) Noting of payment should be made in the Subscriber's Record Card in addition to noting in the Bill Register, so that an effective reconciliation is made in respect of bills outstanding.
- (7) Intimation regarding opening and closing of telephones should be given to the TRAOs on a daily basis.
- (8) Disconnection of telephones should be made after giving a telephone warning.
- (9) Revision of the existing procedural manual dealing with Telephone Revenues accounts incorporating the revised procedure to be followed in the TRAOs.

The P & T Board have accepted these recommendations, and the revised billing/accounting procedure based on these recommendations has been introduced in small & medium size Telephone Revenue Units with effect from 1-7-1970.

(b) In respect of major Telephone Districts, the committee recommended that:

- (1) The work of billing and accounting should be computerised.
- (2) Initially the computerisation be on 'Service Agency' basis for two years at the end of which the Department should make its own arrangements either to hire or having its own computers.
- (3) The Department should work on multi-agency basis in awarding contracts for Service Bureau.

- (4) During the period of two years, the staff should get practical and theoretical training.

The P & T Board had generally accepted the above recommendations and computerised billing on service Bureau basis has already been introduced at Delhi, Bombay, Calcutta and Madras, although there are practical difficulties in the Department making its own arrangements at the end of the 2 year period.

2. The following steps were taken to guard against instances of short billing/failure to issue bills.

(i) In pursuance of the recommendations of the above mentioned Committee instructions were issued vide letter No. 2050/69-TR dated 26th June, 1970 (Copy enclosed) that:

- (a) A Rent Control Register be maintained to check that the total amount billed tallied with the amount due to be billed.
- (b) Complete reconciliation of amounts billed for trunk calls/ local calls should be effected in the prescribed manner before the bills are actually despatched.

(ii) Further, pursuant to the observations/recommendations of the P.A.C. made in para 1.1333 of their 2nd Report 1971-72 instructions were issued in letter No. 4-1/72-TR dated 11-2-1972. (copy enclosed) reiterating the need for enforcement of the conduct of the various checks/counter checks prescribed in the Rules. A number of additional checks and counter checks were also prescribed in that letter.

3. Instructions have been issued in letter No. 23-3/74-TR dated 20-5-1974 (copy enclosed) for prompt and proper check of the entries made in the Subscribers Record Cards whether initially or subsequently while copying from one Card to a fresh card to guard against omissions in billing for due charges. Importance of review of Subscriber's Record Cards has been emphasised to detect omissions, if there should be any.

4. Where the work is done manually by operative staff the possibility of errors due to human failure cannot be wholly ruled out. While errors will get corrected by following the above mentioned instructions, where cases of wilful manipulations or malpractices in

Billing or accounting are detected the concerned departmental authorities are required to take appropriate disciplinary action.

(Ministry of Communications (P&T Board) O.M. No. 23-8/74-TR dated 8-10-1974)

TR.

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

No. 20/50/69-TR

New Delhi-1: June 26, 1970.

To

All Heads of Circles and District Manager Telephones (by name)

**SUBJECT.**—*Report of the Committee for evaluating different telephone revenue billing and accounting system—Recommendations for billing and accounting methods for small and medium sized Telephone Revenue Units.*

A reference is invited to this office letter of even No. dated 15th May 1970, intimating that the revised procedure recommended by the Committee will be introduced with effect from 1st July, 1970. The revised forms as recommended by the Committee have also since been supplied under this office letter No. 2/8/70-TR dated 20th May, 1970, and you have been authorised to get the forms printed locally to meet your 3 months' requirements. Instructions were issued in our letter No. 2/2/69-TR dated 13-5-1969, and reiterated under Lr. No. 20/50/69-TR dated 15th May, 1970 that the records of the Telephone Revenue Units should be brought up-to-date for correct transfer of the outstanding balances on to the Subscriber's Record Cards. It is hoped that this work would have been completed and the balance shown in the sub-ledger Accounts should have been tallied with the balances shown in the Outstanding Bill Registers.

2. As per recommendations of the Committee contained in paras 4.18.1 and 4.18.2 of Chapter IV of the Report, action is in hand for writing the detailed manual which will replace the existing P & T Manual Vol. XIV. Writing up of the detailed procedure will obviously take some time. Meanwhile, it is requested that Chapter V of the Report giving staff standards for T.R. work may also be gone through. This Chapter details a number of processes which the revised system contemplates. Certain points have been raised by some offices. These points have been examined and the following clarifications are issued. Paras 4.4.1 & 4.4.2: Rent Control Register:

At the commencement of the system, the particulars of all the telephones dealt by each dealing assistant will be entered in this Register. Advice note particulars of the existing telephones will not be entered initially. Suitable identifications as to whether the telephone is 'spare' or 'service' should be indicated. The total amount billed under 'Rental' for the initial quarter should, be tallied with the Rent Control Register.

Subsequently in the next quarter all the Advice Notes for opening, closing, shifting, giving of additional facility, etc. which affect the amount to be billed will be entered. It should, however, be ensured from the Register of Advice Notes that all the Advice Notes which would affect the rentals have been noted down in the Rent Control Register. At the end of the month a summary should be prepared as under:

	M in	Excess
Opening balance on.....		
Changes affected from.....to.....		
Add. Rental liability broken period		
Less advance payment of rentals		
Add. Local Call Charges, as per meter reading Register (For MR areas)		
<b>Total amount to be billed.</b>		



**ANNEXURE A**

Sample entries made in the Bill Register

<i>Amount Filled</i>	<i>Payment</i>		<i>Reconciliation</i>		<i>T. R. A. O.</i>	<i>Cancellation</i>	<i>Adjustment</i>
	<i>Tr-1</i>	<i>Date of Payment</i>	<i>Date of Payment</i>	<i>Amount P.O.</i>			
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	
512	24/3	24/3	512				
525	2/4	24/3	410				
25	2/5	24/3	203				
8	4/4	24/3	672				
410	24/3	25/3	705				
700	2/5	26/3	801				
203	24/3	26/3					
605	6/4	26/3	105				
705	25/3	O/S: 28/3	828				
403		28/3	72				
			<u>4228</u>				Balance 6549
801	26/3	2/4		525			
702	8/4	2/4		920	92		
612	24/3	2/4			85		

1	2	3	4	5	6	7
703	7/5	2/4	112			
828	26/3	4/4	8	605		
1012	2/4	6/4				
72	28/3	6/4	65			
65	6/4	6/4		170		
80	16/3	8/4	702			
			837	2220	85	92
						Total 3284 Pay Balance 2765
85	2/4	2/5			25	
105	26/3	2/5	700			
112	2/4	2/5			703	
170	6/4	27/5	727			
717	27/5					
217		0/8				
10,377			1417		728	Payments 2145 Balance 620

20

Note: Under 'MODE' should be written name & PO in abbreviation

Certified that the amount billed on \_\_\_\_\_ has been agreed to with this amount. It is also certified that the individual amounts totalling to this figure, have been posted in the Bill Register and in the Subscriber's Record Card.

Clerk

Head Clerk

Senior Accountant

**Para 4.6.1: Bill Register.** The revised form of Bill Register will be used even if only Trunk Calls are billed during a particular month. In the Bill Register payments will continue to be noted for three months as at present. The individual payments will simultaneously be noted below the 'Reconciliation' column in date wise order. As soon as the payment noting of the first month is over, the totals of the various columns under 'Reconciliation' will be struck and the balance taken out. Below that will be shown the 'Reconciliation' for the 2nd month, and like-wise, thereafter 'Reconciliation' for the 3rd month will also be shown. Specimen entries of the Bill Register are given in Annexure 'A'.

Reconciliation of the No. of Trunk Call tickets and the amount billed will continue to be done as prescribed in para 128 of P & T Manual Vol. XIV. The number of Trunk Calls and overseas calls will be reconciled with the Register of Trunk Call, Tickets, and the amount billed under 'Trunk Calls and Phonograms' and 'Overseas Calls' with the totals shown on the Listing Sheets. The local call charges are reconciled with Meter Reading Register, and 'Rental' charges with the Rent Control Register. Directory charges damages, etc. shown under 'Misc.' Column of Bill Register with the respective Schedules. The bills should be despatched after the 'Reconciliation' is done.

The Register of Trunk Call tickets will continue to be maintained in the Telephone Revenue Offices irrespective of whether the tickets are valued in T.R. Offices in the Exchanges. The classification of calls into  $\frac{1}{2}$  rate, full rate, etc. as is done at present will no longer be required. **Para 4.9.1:** Past arrears will be exhibited in the bills, but their totals will not be added to the current bill. The payment of the arrear bills will be made by the subscribers either on the original bills or on the Demand Notes. Duplicate copies of the arrear bills will not be enclosed with the current bills, but if any subscriber wants the same, he may obtain them from the T.R. Offices. **Para 4.10.1:** Each page of the meter reading register will be signed by the Incharge Exchange or the A.E. concerned. **4.11.1:** In accordance with para 4.11.1(b) of the Report, in the phones division and Telephone Districts under the District Manager Telephones, the valuation, sorting and listing of Trunk Call tickets will be done in the

exchanges themselves. In offices where phonograms are billed through the Telephone Revenue Units, the Telegraph Offices will continue to send the Phonogram tickets to the TRAO's concerned. The Phonogram tickets will be sorted Telephone number wise by the Telephone Revenue Accounting Units, and after the end of the billing period the sorted Phonogram tickets will be transferred to the exchange for amalgamating them with the Trunk Call Tickets and listing them along with the Trunk Call Tickets. 4.12.3: Sub-Ledger: At present the Sub-Ledger Accounts for 'Rent' and 'Trunks' are prepared separately, with the introduction of the new system, only one sub-ledger will be prepared. The Sub-Ledger for 'Deposits' and 'Receipts' classified under B-III such as 'Telex' 'Speech Circuits' will continue to be prepared separately.

3. To bring uniformity it may be ensured that the revised procedure is introduced simultaneously in all the Divisions under your control, and not piece meal. Some Circles have suggested that before introducing the revised procedure, the staff should be trained in the new technique. As the instructions on the subject are quite exhaustive such a training is not considered necessary. Any further clarification that may be needed may be obtained from this office.

4. Please acknowledge receipt.

Sd/-

**UMA SHANKAR,**

*Dy. Director General (Accounts).*

Copy to:

2

1. The A G P & T. Delhi-1;
2. All Directors/Dy. Directors of Audit and Accounts, Posts and Telegraphs.
3. All the Divisional Engineer Telegraphs|Telephones.
4. The General Managers Telephone, Bombay, Calcutta, Delhi and Madras.
5. Chief Accounts Officer (Manual Revision) P. & T. Directorate, New Delhi/Budget/TE/Sections of the P. & T. Department.

Sd/-

**O. P. BHATNAGAR,**

*Asstt. Director General (TR).*

## COPY

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

No. 4-1/72-TR

Dated 11th February, 1972. New Delhi.

**To**

All Heads of Circles/Telephone Districts.

**SUBJECT:** 'Short recoveries' and 'Failure to issue bills'—recommendations of the PAC.

The PAC have taken a serious view of the Persistent occurrence of cases of 'Short recovery' and 'Failure to issue bills' on the Telephone Revenue side. In para 1.133 of their 2nd report 1971-72 (Fifth Lok Sabha), the Committee have observed and recommended.

'Although these have been attributed to failure of human element, the Committee would like to stress the need for providing necessary safeguards such as surprise checks to ensure correct and prompt billing and recovery of dues fully and in time.'

2. In pursuance of the above recommendations, all out effort should be made to see that the causes leading to 'Short recovery' and or 'failure to issue bills' are immediately put an end to. The first essential step in this direction is to tighten up the existing prescribed checks and test checks in regard to the billing of the following charges:

- (a) Local call charges;
- (b) Rental of Telephone and accessories, etc., and
- (c) Trunk Call Charges.

**3. Local Call Charges :**

Attention is invited in this connection to this Directorate's Circular letter No. 5-63/70-PHB(1) dated 23-9-1970 prescribing:

- (a) The detailed procedure for taking the meter readings especially for the consideration that no completed revolution was missed and how the completed cycles should be exhibited in the Register of Local Calls (Meter Reading Register) to be sent to the TR Unit for billing;
- (b) The following checks to be made/exercised in connection therewith.

3.1. (i) The Exchange Officer to send a list of telephones in respect of which one or more revolutions were completed during the quarter and the TR Unit to check the list with the Register of local calls.

(ii) The Inspecting Officer to furnish to the TRA Unit a list of 100 working telephones with the meter reading as on the date of inspection in the TRA Unit to check and see that the meter readings shown therein are broadly correct.

(iii) The Inspecting Officer to check the proper maintenance of meter reading records in the exchanges; and

(iv) The TRA Unit to maintain a list of heavy callers and keep a watch over the bills of such subscribers.

3.2. It should be ensured that the said instructions and the checks are scrupulously followed/made by all concerned.

3.3. According to the new procedure introduced on the basis of the Billing Committee's Report, all the particulars relating to the meter readings, credit, debit and net local calls, etc., will be filled by the meter clerk in the Register of Local Calls (Meter Reading Register) which will be completed by him upto the costing stage. The meter clerk should take particular care to ensure that:

- (i) the 'last reading' in the register tallies with the 'present reading' in the previous quarter's register.
- (ii) The No. of gross calls as worked out correctly represents the difference between the 'present' and 'last' readings.
- (iii) the number of net chargeable calls equals the gross calls minus credit calls (including free calls) plus debit calls.
- (iv) the evaluation of local calls has been done correctly.
- (v) Page-wise totals and cross-totals are correct and the total of the money column represents the correct charges with reference to the net chargeable calls.

3.4. On receipt in the TRA Unit, a test check of 25 per cent of the items should be conducted by the Accounting Clerk who should check the entries in all respects and put his initials against each Telephone Number whose entries are checked. The Head Clerk of the Section should personally ensure that the prescribed check has been carried out and completed. It should also be seen that the total amount of local calls billed for as per the Bills Register has

been reconciled and tallied with the total value of the local call charges to be billed as worked out in the Local Call Register. He should sign with date on the last page the Local Call Register in token of having done so.

#### **4. Rental of telephones and accessories:**

'Short Recovery'/'Failure to issue bills' in respect of such charges generally occur on account of non-receipt or delay in the receipt of A/Notes in the TRA Unit and exhibition of incorrect chargeable distance therein. In this connection, the position should be tightened up as indicated below:

- (1) Any delay in the issue of or despatch of completed A/Notes to TRA Units. should be seriously viewed.
- (2) The A/N issuing Officer should personally ensure that the A/Note is complete in all respects and the chargeable distance and the rate of rental are shown therein.
- (3) When cases of delay of more than one month in the despatch of completion A/Notes to the TRA Unit are brought to the notice of Heads of Circles, the delay should be viewed seriously, responsibility fixed and suitable action taken in each case.
- (4) The OYT Scheme was introduced in 1949-50. The prescribed period of 20 years in respect of OYT telephones opened during 1949-51 still working would have expired in 1969-71. After the expiry of that period, rental was chargeable at non-OYT rates. The cases of all OYT telephones provided in 1949-51 should be reviewed and it should be ensured that the rental has been suitably revised. In this connection, Directorate's instructions issued under letter No. 2-43/67-TR dated 18-5-1968 should be referred to.
- (5) A Register of Guaranteed Connections should be maintained in each TRA unit and a watch kept that the charges due are recovered from year to year upto the date of expiry of the period of guarantee.
- (6) Check of Telephone Directory in the TRA Unit with the Subscribers' Record Card should be strictly enforced to ensure, *inter alia*, that no unauthorised telephone exists for which rent is not being recovered.

- (7) Internal review of the Subscribers' Record Card should be strictly enforced to ensure that rental for each telephone and accessory provided to a telephone is billed for correctly and timely and there is no failure to issue any bills. This work should on no account be allowed to fall in arrears.
- (8) A complete list of the PBXs, PXs non-exchange lines etc. as working on the 31st March is to be furnished by the Engineering authorities to the TRA Unit before the 30th April. Any failure or delay in this regard should be viewed seriously. The A.O. incharge of the TRA Unit should ensure that on receipt, the list is checked with the Subscribers' Record Cards and discrepancies, if any, reconciled.

**5. Trunk Call Charges:**

- (i) Under the existing orders the test check of 10 per cent of valued tickets for smaller exchanges and 25 per cent of such tickets for bigger exchanges, in respect of the valuation done in TRA, is provided. In respect of T.C. tickets valued by the exchanges, the test check is to be done for 10 per cent of these. It should be ensured that this work is not skipped over or omitted to be done on any account.
- (ii) In the case of these exchanges where the valuation, sorting and listing is done in the local Trunk Exchange, a reconciliation between the total No. of tickets used in the Exchange on each day and during each billing period with the total No. of tickets listed and transferred to the TRA. Unit for billing plus the PCO tickets and non-chargeable tickets taken together should be made and this is the responsibility of the Exchange Officer. The reconciliation between total No. of tickets received in the TRA Unit duly listed and the total No. of tickets billed for as per the Bill Register as also between, the amount of the listing sheets with the amount of TC charges billed for as per the bill Register is the responsibility of the TRA Unit. It should be ensured that the required reconciliation is properly done in the exchange and in TRA Unit respectively.

6. In addition to the above checks and counter-checks which are already provided for in the various rules and orders at present,



surprise checks as suggested by the PAC should also be devised and enforced by the DET, A.O. as the case may be, to ensure correct and prompt billing and recovery of dues fully and in time.

7. These instructions will also apply *mutatis mutandis* to billing of International calls, Telex calls, Intelex calls and leased long distance circuits.

8. The receipt of this letter may kindly be acknowledged.

(Sd.) Uma Shanker DDG(A).

Copy of the letter No. 23-3/74-TR dated 20-5-1974 from DGP&T to all heads of Circles/Telephone Districts.

**SUBJECT:** *Measures to prevent short/non-billing for Telephone Services.*

With a view to guarding against cases of short/non-billing in regard to telephone/Telex/intelex lines/circuits, detailed instructions were issued vide letter No. 4-1/72-TR dated the 11th Feb. '72 emphasising the need for strict enforcement of the various checks and counter checks prescribed under the rules. Recently, a case has come to notice of the Directorate in which while copying out the particulars in the new Subscriber's record cards, the entries relating to the extension provided to the telephone were not copied with the result that no bill was issued in respect of the extension in subsequent periods. It is not likely that it is a lone case.

2. The general principle of posting of particulars of opening, shifting and closing of telephones and their accessories in the subscriber's record card requires that the entries made therein should be checked and attested by the Supervisor with reference to the documents from which the postings are made. Thus, while copying entries from one card to another, the entries made in the latter should be checked and attested by the Supervisor with reference to the entries in the old card. If this check had been exercised then and there, the omission would have been detected and the loss due to non-billing of rental charges of the extension avoided. Subsequently also the omission should have come to notice in the Course of review of Subscribers Record Cards. That the irregularity did not come to notice shows that either the review had not been done by the time the omission came to notice through other sources or in case the review had been done, it was not done properly.

3842 LS-3.

With a view to ensure that such irregularities do not recur, instructions may be issued to all concerned emphasising the need for prompt and proper check and attestation of the entries made in the Subscribers records cards whether initial entries or subsequent entries while copying from one card to a fresh card. Similarly, the review of subscribers record cards should also be conducted regularly and timely to detect some omissions, if there should be any.

SD/-

(K. L. GOYAL).

*Asstt. Director General (TR).*

### **Recommendation**

The Committee regret to note that during 1971-72 arrears amounting to as much as Rs. 3.17 lakhs had to be written off as the relevant departmental files were not available. The Committee take a serious view of loss of papers in respect of pending bills and stress that the department should take action against the persons responsible for this lapse.

[Sl. No. 4 (Para 1.8) of Appendix III to 122nd Report (5th Lok Sabha)].

### **Action taken**

The concerned Heads of Circles/Telephone Districts have been directed to fix responsibility and take action against the officials responsible for the loss of records, for want of which dues were written-off during 1971-72.

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

[Ministry of Communications (P & T Board) O.M. No. 23-7/74-TR dated 3-9-74].

### **Recommendation**

The Committee feel concerned over heavy arrears of rent of telegraph, telephone and teleprinter circuits. For the bills issued upto 31st March, 1972, collection of rent amounting to Rs. 250.19 lakhs was in arrears as on 1st July, 1972. The Committee understand that despite specific provision having been made in the rules for withdrawal of the circuits due to default in payment with effect from 30th June, 1969, instances of non-observance of this came to notice. The Department therefore issued instructions on 20th March, 1971 and 30th March, 1971 laying down the procedure for withdrawal of circuits in case of default in payment. The Com-

mittee desire that the Department should ensure that these instructions are observed by the local authorities and that no laxity is tolerated.

[Sl. No. 5 (Para 1.12) of Appendix III to 122nd Report (5th Lok Sabha)].

#### Action taken

Heads of Circles|Telephone Districts concerned where the outstandings continue to be heavy have been specifically instructed (copy enclosed) to ensure that instructions issued by this Directorate on 20th March, 1971 and 30th March, 1971 regarding withdrawal of Circuits in case of default in payment are observed by the local authorities and to ensure recovery action noting particularly the observations of the P.A.C. so as to clear the outstandings.

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

[Ministry of Communications (P. & T. Board) O.M. No. 23-5/73-TR  
(i) dated 7-8-1974].

#### COPY

No. 23-5/73-TR

Bhartiya Dak Tar Vibhag

Office of the Dak Tar Mahanideshak (DGP&T TR SECTION).

No. 23-5/73-TR

New Delhi-110001, 1-6-1974.

To

The General Managers Telephones, Calcutta/Delhi/Bombay.

The Postmasters General, Shillong/Ambala/Lucknow/Calcutta/  
Bihar/Bhopal/Gujarat.

SUBJECT: *Collection of outstanding bills of rental of telegraph/  
telephone/teleprinter Circuits issued upto 31st March,  
1972.*

In their one hundred and twenty-second Report presented to Lok Sabha on 18th April, 1974, Public Accounts Committee have observed as follows:—

“The Committee feel concerned over heavy arrears of rent of telegraph, telephones and teleprinter circuits. For bills issued upto 31st March, 1972 collection of rent amounting to Rs. 250.19 lakhs was in arrears as on 1st July, 1972. The Committee understand that despite specific provision

having been made in the rules for withdrawal of the Circuits due to default in payment with effect from 30th June, 1969, instances of non-observance of this came to Notice. The Deptt. therefore issued instructions on 20th March, 1971 and 30th March, 1971 laying down the procedure for withdrawal of Circuits in case of default in payment. The Committee desires that the Department should ensure that these instructions are observed by the local authorities and that no laxity should be tolerated.

While the Committee note that arrears in respect of bills issued upto 31st March, 1972 were brought down to Rs. 108.64 lakhs as on 1st April, 1973, they feel that progress in clearance of old arrears is slow. The Committee would like the Department to make vigorous efforts to recover the old arrears. The Committee hope that as a result of introduction of a special procedure in December, 1972 for recovery of arrears due from the Defence authorities, the realisation will substantially improve."

2. Rule 481/511 of ITRs contemplates advance payment of all rentals for Circuit/Tele connections and failure to do so may entail in withdrawal of service. The current instructions prescribe, *inter-alia*, the procedure for (i) issue of bills for rentals for Circuits (ii) follow up action for enforcing timely recovery and (iii) withdrawals of the Circuits for default in payment of dues.

3. The following further instructions were issued for speedy recovery of outstanding dues:—

- (i) No. 9-41/71-TR dated 31-12-1971. Cases of serious delay in settlement of bills by Defence Department to be brought to the notice of the authorities concerned.
- (ii) No. 9-54/71-TR dated 13-12-1972. Requiring particulars of bills remaining unpaid by the end of the 2nd month following the month of issue against the Army authorities to be reported by the Billing Authority to this Directorate simultaneously sending a copy thereof to the concerned Defence authority.
- (iii) No. 23-5/73-TR dated 24-1-1973. Impressing upon the need for the immediate recovery of arrears especially those relating to the bills issued upto 31-3-1972.
- (iv) No. 2-46/73-TR dated 5-9-1973. Issue of 'Provisional' bills in the case of Speech Circuits till final rental is fixed.

4. Despite the above instructions the arrears in your Circle/District, as would be seen from the enclosed statement still continue to be heavy.

You are requested to ensure recovery action noting particularly the observations of the P.A.C. so as to clear the outstandings.

Sd/-

S. VENKATASUBRAMANIAN,  
Director (TR).

Copy to all other Heads of Circles/Telephone District for information.

Sd/-

S. VENKATASUBRAMANIAN,  
Director (TR).

Circlewise, yearwise analysis of arrears as on 1-1-74 in respect of bills issued upto 31-3-72 for Circuits

(Amount in thousands of Rs.)

	Upto						Total
	66-67	67-68	68-69	69-70	70-71	71-72	
Calcutta Phones	—	—	—	—	2	516	58
Delhi Phones	3	7	37	49	138	278	512
Bombay Phones	2	1	66	273	22	416	780
N. E. Circle	111	113	84	507	151	1273	2239
Bihar Circle	25	11	11	17	—	1	65
M. P. Circle	15	2	..	3	9	37	66
Gujarat Circle	—	—	51	—	—	47	98
Punjab Circle	139	100	191	362	29	462	1283
U. P. Circle	—	—	—	—	2	784	786
West Bengal Circle	99	14	18	—	24	374	529

### Recommendation

While the Committee note that arrears in respect of the bills issued upto 31st March, 1972 were brought down to Rs. 108.64 lakhs as on 1-4-1973, they feel that progress in clearance of old arrears is slow. The Committee would like the Department to make vigorous efforts to recover the old arrears. The Committee hope that as a result of introduction of a special procedure in December, 1972 for

recovery of arrears due from the Defence authorities, the realisation will substantially improve.

[Sl. No. 6 (Para 1.13) of Appendix III to 122nd Report (5th Lok Sabha)]

#### **Action taken**

Continuous efforts are being made to clear the arrears in respect of bills issued upto 31-3-1972 as quickly as possible. The arrears pertaining to this period which had been brought down to Rs. 108.64 lakhs as on 1-4-1973 have been further reduced to Rs. 76.45 lakhs as on 1-4-1974.

As regards improvements in recovery consequent on the introduction of a special procedure in December 1972, it may be mentioned that while during 1971-72 (July 1971 to June 1972) the percentage of recovery of one year old arrears was 41.1 per cent the percentage of recovery of one year old arrears during 1972-73 (July 1972—June 1973) was 58 per cent thus indicating improvement in collections during 1972-73.

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

[Ministry of Communications (P&T Board) O.M. No. 23-5/73-TR(ii) dated 7-8-1974].

#### **Recommendation**

The Committee feel concerned over the arrears of royalty amounting to Rs. 37.90 lakhs recoverable from certain State Electricity Boards till April 1971 in respect of power line carrier communication system established by the Boards for their own use. A part of the arrears relate to the period as early as 1953. Only a negligible amount of Rs. 0.62 lakhs has been recovered so far.

[Sl. No. 7 (Para 1.17) of Appendix III to 122nd Report (5th Lok Sabha)]

#### **Recommendation**

The Committee are disturbed to find that although the Ministry of Law resolved the dispute in December, 1969 that royalty was payable to the P&T Department under the Telegraphs Act for such lines, some of the State Electricity Boards have again challenged the Department's right to recover the royalty. The Committee suggest that this dispute should be resolved with the State Govern-

ments concerned by discussion at a high level. The Committee would like to be informed of the precise progress made in recovering the outstanding amount.

[Sl. No. 8 (Para 1.18) of Appendix III to 122nd Report (5th Lok Sabha)]

#### **Action taken**

In spite of D.O. letter dated 26-3-73 from the Minister of Irrigation and Power to the State Ministers|Chief Ministers|Governors concerned and the follow-up action taken by the P&T Board with the Ministry of Irrigation and Power and also by the concerned P&T Circles with the State Electricity Boards, no further recoveries of outstanding amount of royalty have been possible since the submission of last report to PAC on 22-11-1973.

The Ministry of Irrigation and Power only wanted certain clarifications which were given to them on 18-2-74. The P&T Circles have been issuing repeated reminders and have held meetings with the State Electricity Board authorities, but to no avail. The Ministry of Irrigation and Power have been repeatedly requested by this office to issue suitable instructions to the State Electricity Boards to clear their arrears without further delays. No response has been received so far either from the Ministry of Irrigation and Power or the Electricity Boards concerned. However, the Heads of P&T Circles are continuing to make all possible endeavours with the Electricity Boards. They have been advised to personally discuss these cases with the Chief Secretaries and the Chairman Electricity Boards concerned and intimate results of such meetings to us. In spite of all these efforts, no recoveries are in sight in the near future.

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

[Ministry of Communication (P&T Board) O.M. No. 27-7/71-PHB(III) dated 10-10-74]

#### **Recommendation**

The Committee note that the Department has created a Planning Cell under the Divisional Engineer Planning in each Circle to enable the Circle Office to monitor the works sanctioned and executed by subordinate offices. Action has also been initiated by the Works Study Unit for formulating standards for carrying out minor works in Circles and Divisions. The Committee desire that the P&T Department should review the working of the Cells after some time and on the basis of the findings of the Work Study Unit take further remedial steps to ensure proper execution of minor works.

[Sl. No. 12 (Para 1.48) of Appendix III to 122nd Report (5th Lok Sabha)]

### **Action taken**

The working of planning cells already created in circles, to monitor works in circles/divisions will be reviewed in due course and remedial measures, as necessary, will be taken to ensure proper execution of minor works.

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

[Ministry of Communications (P&T Board) O.M. No. 27-2-74;  
PHB(Pt) dated 31-10-1974]

### **Recommendation**

The Committee were given to understand that copper wire recovered was valued at the rate of Rs. 12 per kg. for the purpose of giving credit to works as against the MMTC price of Rs. 19 per kg. The Committee suggest that the method of valuation should be examined and particular care should be taken to see that copper wire is not sold below market rate. As copper is becoming costlier and scarcer, the Committee suggest that the Department should have arrangements for melting old and unserviceable copper wire rather than disposing it of.

[Sl. No. 16 (Para 1.69) of Appendix III to 122nd Report  
(5th Lok Sabha)]

### **Action taken**

The rate of recovered copper wire for providing credit to the estimates and valuation of stock in store depots, is presently fixed at Rs. 22 per kg. for the period 1-4-74 to 31-3-75. The earlier method of valuation of recovered copper wire has been communicated to the Lok Sabha Secretariat (P.A.C. Branch) on 31-7-73). This envisaged taking the three years' average of the ruling MMTC prices for copper. In order to reflect the rising trend of prices of copper, the procedure has recently been changed accordingly to which the average MMTC price of copper during the year preceding is adopted for fixing the accounting price of recovered copper wire. For the purpose of sale to M/s. H.C.L. the rates are fixed quarterly on the basis of the average of the MMTC rates for the last two quarters. For other sales, the prices are based on current MMTC rates.

Sale of recovered copper wire is presently done only to M/s. Hindustan Cables Ltd. and priority industrial users like pesticide manufactures and cable & wire industries. Recovered copper wires



are being converted into ingots/wire bars through M/s. Hindustan Cables Ltd. for use in manufacturer of telephone cables.

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

[Ministry of Communications (P. & T. Board) O.M. No. 28-7-72-  
MMS dated 31-10-1974].

### **Recommendation**

The Committee feel concerned that inspite of the efforts made by the Department with State Governments to prevent thefts of copper wire on the lines, pilferage of copper wire continues to be wide-spread. The loss of copper wire was Rs. 1.6 crores in 1969-70, Rs. 2.89 crores in 1970-71 and 2.1 crores in 1971-72. The Committee desire that the question of setting up a special cell by the State Governments to prevent the thefts of Copper Wire should be vigorously pursued. The Committee further suggest that this problem should be studied in depth to identify the *modus operandi* of thefts and the Sections vulnerable to thefts. In the light of this study, the State Governments may be advised to take necessary remedial measures particularly intensification of patrolling the vulnerable sections. The Department should also ensure that the cases of thefts are promptly reported to the Police and necessary follow-up action is taken so that the culprits are apprehended and prosecuted. The Committee are of the view that theft of copper wire should attract more deterrent punishment. If necessary, the Indian Telegraph Act should be amended. The Committee also suggest that the Government should examine how public cooperation can be enlisted in preventing thefts of copper wire.

[Sl. No. 17 (Para 1.70) of Appendix III to 122nd Report (5th Lok Sabha)]

### **Action taken**

Minister of Communications had personally addressed the Chief Ministries of all the States [*vide* No. 1-18/70-NM (pt) dated 9th November, 1970] for setting up of Special Cells in the various States for seriously tackling the copper-wire theft menace. The Secretary, Ministry of Home Affairs had also personally addressed the Chief Secretaries of the State Governments vide 17/44/70-GPA I dated 24th November, 1970. Secretary (C) P&T had again personally addressed the Home Secretary vide 1-18/70-NM dated 15-12-71 for earmarking police squads for covering critical sections where the incidence of thefts is particularly high.

A Police Research Advisory Council to guide and coordinate Police Research in the Country, has been established in Ministry of Home Affairs under the C.B.I. The problem of copper wire theft was discussed by the Council and fresh Study was undertaken by the Research Division in collaboration with P&T Department in certain line sections which were adversely affected by copper-wire thefts. The object of the Study was to have a survey of the situation by making full observations on a number of routes where the problem was acute, study effectiveness of the measures already taken and to work out any other suitable measures considered appropriate by them. Based on the Recommendations of their Study Report, instructions were issued to the Heads of Circles *vide* 1-34/72-ML dated 11-7-73. Instructions for maintaining close liaison with the IGs Police in each State were earlier issued to the Heads of Circles *vide* 1-18/70NM dated 10th November, 1970 and again reiterated *vide* 1-18/70-NM dated 15th December, 1971. The Heads of Circles were also directed to furnish the details of the Sections where there is a larger incidence of copper wire thefts to bring to the notice of the IGs Police in the concerned States for an investigation and prosecution.

Instructions for prompt reporting the cases of thefts to the Police have been issued from time to time. Instructions were issued last *vide* 1-34/72-ML dated 11-7-73.

An amendment to the Telegraph Wires (Unlawful Possession) Act 1950 is under consideration. *Inter alia* clause (a) of Section 5 of the Principal Act has been proposed to be amended as follows:

“For the first offence, with the imprisonment for a term which may extend to 5 years or with a fine or both and in the absence of special and adequate reasons to be mentioned in the judgement of the court, such imprisonment shall not be less than one year and such fine shall not be less than Rs. 1,000.”

Measures for enlisting effective cooperation from the Public in the prevention of copper wire thefts are under consideration.

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

[Ministry of Communications (P&T Board) O.M. No. 1-18/70-NM (Pt.) dated 4-10-1974].

### **Recommendation**

The Committee were informed that production of copper weld wire by the Hindustan Cables Ltd., was expected from September,

1973. The Committee hope that this will quicken the pace of replacement of copper wire.

[Sl. No. 18 (Para 1.71) of Appendix III to 122nd Report (5th Lok Sabha)]

#### **Action taken**

Hindustan Cables Ltd., have commenced production of copper-coated wire and supplied about 10Mt of the wire so far against the order for 500 Mt. As production and supplies pickup, the replacement of copper wire by copper-coated wire will be accelerated. Even now copper wire is replaced by ACSR Wire in short-haul repeater applications.

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

[Ministry of Somcommunications (P. & T. Board) O.M. No. 29-7-/72-MMS dated 2-9-74]

#### **Recommendation**

The Committee regret to note that it took 3 years to screen and dispose of unserviceable stores recovered from dismantled overhead alignment consequent on electrification of Howrah-Durgapur section. Unserviceable stores valued at Rs. 6.46 lakhs were suggested by the P&T Department in August 1966 to be screened by the Circle Stores Scrapping Committee as required under departmental instructions of 1965. But the matter remained under correspondence between the Postmaster-General and the P&T Directorate for two years and a screening committee was ultimately constituted in May-June, 1968. It is amazing that it should have taken as long as two years to interpret the departmental instructions. The Committee desire that the Departmental instructions should be precise and unambiguous so as to preclude delays of this nature.

[Sl. No. 19 (Para 1.179) of Appendix III to 122nd Report (5th Lok Sabha)]

#### **Action taken**

The Committee's observations have been noted.

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

[Ministry of Communications (P&T Board) O.M. No. 13-4/74-MMU dated 10th September, 1974]

### Recommendation

The Committee regret that due to delay of 3 years in the disposal of unserviceable stores there was avoidable expenditure of Rs. 3,750 on account of the rent of the store dump and Rs. 58,000 on chowkidars.

Sl. No. 20 (Para 1.80) of Appendix III to 122nd Report (5th Lok Sabha)].

### Action taken

Committee's observations have been noted. Instructions have been issued to all the field/units to take expeditious steps to dispose off unserviceable stores. (Copy enclosed).

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

[Ministry of Communications (P. & T. Board) O.M. No. 13-4/74-MMD dated 14-9-1974].

### COPY

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

No. 13-4/74-MMD

dated New Delhi, 3rd August, 1974

To

All Heads of Circles/Telephone District/Mtce. Regions Projects.

Sub: Prompt disposal of unserviceable and recovered stores.

The Public Accounts Committee has adversely commented on the delay in the disposal of unserviceable line stores recovered from works which had resulted in avoidable expenditure on account of rent of the Store-dump and wages for chowkidars. All the serviceable/obsolete stores lying in stock under your control should be inspected by the Circle stores scrapping committee and disposal action initiated forthwith. The Divisional Engineer concerned should watch the progress of each case personally and report cases of abnormal delay to the Director of Telegraphs responsible for Material Management coordination in the Circle. In the case of recovered stores from works serviceable and unserviceable stores should be sorted out immediately after recovery. All serviceable items should be returned to stock at the concerned Circle/Distt. store depot or despatched to indentors direct as per allotment instructions. Normally, efforts should be made to utilise the serviceable recovered materials for works within the same Circle.

Infructuous freight should be avoided. Simultaneously, the un-serviceable stores should be got reviewed by the Circle Stores Scrapping Committee and disposal action initiated. Expenditure on store keeping like rent for godowns and wages for chowkidars should be kept to the unavoidable minimum level.

Delay in disposal of recovered stores should be brought to the personal notice of the Director of Telegraphs responsible for MM Co-ordination in the Circle by the Officer-in-Charge of the concerned works. All subordinate units under your control may kindly be suitably instructed.

The receipt of this communication may be acknowledged.

Sd./- A. BANERJEA,

Dy. Director General (MM).

#### **Recommendation**

"The Committee are dissatisfied with the manner in which the project of shifting of a Wireless receiving station from an unsuitable place to a new site has been processed. It was decided in 1955 to shift the station from Malabar Hills, Bombay to a suitable site but due to delays of one kind or another and lack of proper planning, the object of improving the wireless reception services and the new cost by setting up the new station remains a paper scheme even after a lapse of about 18 years."

[Sl. No. 21 (Para 1.96) of Appendix III to 122nd Report (5th Lok Sabha)].

#### **Action taken**

Instructions have been issued for better co-ordination of all component works for major wireless projects to:

- (a) Lay down the target for completion of the project;
- (b) nominate a senior officer to be in overall charge for the purpose of coordination and progress; and
- (c) hold quarterly co-ordination meeting with Divisional Heads to check that satisfactory progress is made and bottlenecks remove. (Copy enclosed).

[Ministry of Communications (P & T. Board) [O.M. No. 44-7/55-WT (Coll. IV) dated 17-9-1974].

INDIAN POSTS AND TELEGRAPHS DEPARTMENT OFFICE  
OF THE DIRECTOR-GENERAL OF POSTS AND TELEGRAPHS  
PARLIAMENT STREET, NEW DELHI-110001.

No. 34-50/74-MR dated the 17th July, 1974.

*Circular*

**SUBJECT: Execution of Wireless Projects.**

Instances have come to light where serious delays have taken place in execution of wireless projects within target periods mainly because of lack of inter-wing coordination required at various stages of execution of the projects.

2. These projects are under the overall control of the Postmasters General of the P. & T. Circles or under G.M. Telephone District, Delhi. A major project involving setting up of a wireless transmitting/receiving station involves a number of component works such as acquisition of land, construction of building, its electrification, air-conditioning, provision of bulk electric supply connection, provision of approach roads, water supply etc., provision of suitable trunk/local cables to link the station with CTO/Trunk exchange and transmitting/ receiving station, construction of quarters, procurement of necessary stores, installation/commissioning involving erection of masts and aerials, stand by power plant and A&P, etc., Execution of the above components is achieved by closely coordinated action of various units of the Department such as Civil Wing P. & T. Circle/ Telephone District/DES Wireless, etc., to Suit Specific target dates laid down by the Head of the Circle controlling the overall project.

3. In order to ensure that the whole project is executed efficiently in optimum time, it is essential that all the units work in close co-ordination immediately after the work on the project is sanctioned. To enable this Heads of the Circles should (a) lay down the target for completion of the project, (b) nominate a Senior Officer to be in overall charges for the purpose of co-ordination and progressing and (c) hold quarterly co-ordination meetings representing Divisional Heads of all the units concerned to check that satisfactory progress is made and bottlenecks removed.

The above instruction may be followed in case of all current and future projects.

Receipt of the above may please be acknowledged.

B. K. BHATNAGAR,  
Asstt. Director-General (MR).

To

1. All Heads of Circles.
2. All G. Ms. Telephones/D. Ms. Telephones.
3. All D. Es. Wirless,
4. C. E. Civil—All S. Es. Civil.
5. D. Es. Telegraphs, North Eastern Circle.
6. Precedent Book.
7. Guard file.

### **Recommendation**

“The unsatisfactory features of the case are listed below:—

The decision to shift the station to a suitable site was taken in 1955 but the site was selected only in 1959. Action to acquire the land was initiated in 1960 but the acquisition proceedings were completed only in February, 1967. In February, 1962, the Postmaster-General, Bombay was asked to approach the state Government for acquisition of the land under the Emergency provision. Although the Postmaster General wrote about this to the Special Land Acquisition Officer in March, 1962 it is not clear whether he pursued this matter vigorously enough. It was admitted during evidence by Secretary (Communications) that ‘I do not think we have done anything’.

[Sl. No. 22 (i) (Para 1.97) of Appendix III to 122nd Report (5th Lok Sabha)].

### **Action taken**

There is no record to show if the Postmaster-General pursued this matter vigorously enough.

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

[Ministry of Communications (P. & T. Board) O.M. No. 44-7/55-WT (Coll. IV), dated 17th September, 1974].

### **Recommendation**

“The unsatisfactory feature of the case are listed below:—

There was lack of planning in the acquiring and laying of the cables for the station. Cables costing Rs. 2.31 lakhs were laid in 1962 i.e., 5 years before the land was actually acquired. These were used for press reception service till September, 1967, and thereafter not used except for a small portion (7kms.). It was admitted by

Secretary, Communications that these cables have already lived more or less half of their life, although the wireless station has not yet been commissioned."

[Sl. No. 22(ii) (Para 1.97) of Appendix III to 122nd Report (5th Lok Sabha)].

#### **Action taken**

The instructions issued for better co-ordination referred to in the reply against Sl. No. 21 would cover this point.

[Ministry of Communications (P. & T. Board)  
O. M. No. 44-7/55-WT (Col. IV)  
Dated 17th September, 1974.].

#### **Recommendation**

"The unsatisfactory features of the case are listed below:—

The construction of the building for the receiving station costing Rs. 1.43 lakhs was completed by the contractor in May, 1969, but the building was not taken over till August, 1972. The architect of the Department who inspected the building in September, 1969, found certain defects and refused to issue the completion certificate. It was admitted during evidence that the building could have been utilised in spite of these defects except that the floor needed to be polished before the installation of the machine. The contractor was not prepared to remove the defects till electric power became available. It is disappointing that nothing was done between September, 1969, and January, 1972, either to rectify the defects either through the contractor or departmentally. It was in January, 1972, that the building was jointly inspected by the officials of Engineering, Wireless and Civil Wings of the Department. Thereafter the defects were rectified and the building taken over in August, 1972. It is regrettable that the officers did not take any action for 16 months and ultimately found time to inspect the building jointly only after the issue of a circular letter in November, 1971, providing for joint inspection. Such routine and unimaginative approach of departmental officials is indeed distressing."

[Sl. No. 22(iii) (Para 1.97) of Appendix III to the 122nd Report (5th Lok Sabha)].



### **Action taken**

The instructions issued for better co-ordination referred to in the reply against Sl. No. 21 would cover this point.

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

[Ministry of Communications (P&T Board) O.M. No. 44-7/55-WT (Coll. IV), dated 18th September, 1974].

### **Recommendation**

"The unsatisfactory features of the case are listed below:

There was gross lack of planning in getting power supply without which the equipment and machinery could not be installed. The Electric Supply Company was approached by the Department only in April, 1969, by which time the construction of the building was almost complete. The Electric Supply Company when belatedly approached refused to give power from the existing transformer and suggested putting up of another power station. Ultimately the construction of sub-station was dropped as the Electric Supply Company arranged for a sub-station to be built there by another organisation. It was only after July, 1972, that a temporary power connection was given to the Department after which the installation of equipment was started in October, 1972, and it still in progress."

[Sl. No. 22(iv) (Para 1.97) Appendix III to the 122nd Report (5th Lok Sabha)].

### **Action taken**

The instruction issued for better co-ordination referred to in the reply against Sl. No. 21 would cover this point.

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

[Ministry of Communications (P. & T. Board).  
O. M. No. 44-7/55-WT (Col. IV)  
Dated 18th September, 1974].

### **Recommendation**

"The Committee would like to be informed about the progress made in installation of the equipment in the new building and commissioning of the station.

[Sl. No. 24 (Para 1.99) of Appendix III to 122nd Report (5th Lok Sabha)].

### Action taken

The progress made in the installation of the equipment in the new building at Borivli and commissioning of the station is given below:—

Shifting of wireless equipment from Malabar Hill to Borivli was completed between the months of July—August, 1973. The services working from Andheri Marine Receiving Station have also been shifted and commissioned to work from Borivli except for the following two services:

- (i) HF RT ship to shore service; and
- (ii) Direction Finding service for the ships of sea.

The shifting work of the latter two services will be started after the monsoons are over and is scheduled to be completed by the end of December, this year.

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

[Ministry of Communications (P. & T. Board).]

O.M. No. 44-7/55-WT (Coll IV)

Dated 18th September, 1974].

### Recommendation

The Committee regret to have to make observation on yet another case of gross delay. The expansion of telephone network in Telephone District was approved by the Telecommunication sub-Board in October, 1960. It was proposed to complete an exchange in East of Shahdara by the end of the Third Plan in order to expand the Telecommunication facilities and to meet the future requirements of industries in the area. But due to delays at various stages such as in the acquisition of land, estimation and designing, execution of building works and supply and utilisation of equipments, the Exchange has not yet been commissioned. A case study of the project made by the Department reveals delays at the following stages:

- (i) Land acquisition proceedings.
- (ii) Between approval of the schedule of accommodation and the preparation of preliminary drawings.
- (iii) Between receipt of preliminary estimates and issue of preliminary sanctions.
- (iv) Between issue of sanction and award of work.
- (v) Completion of construction.
- (vi) Commissioning the exchange.

The Committee trust that remedial measures taken or proposed to be taken by the Department will be such as will help in future in avoiding delays in providing telecommunication facilities to the public and industry.

[Sl. No. 25 (Para No. 1.128) of Appendix III to 122nd Report (5th Lok Sabha)].

#### **Action taken**

The reply of the Government under point 25 of the List of Points arising out of evidence tendered before P.A.C. on 11, 12 and 13th July, 1973, sent under this Department O.M. No. 5(5)72-A & C dated 12th November, 1973, covers the corrective measures taken by the Department. The present position of the measures taken in these matters is as follows:

- (i) Measures for taking-over land during the periods when appeal is pending regarding compensation have been considered and suitable powers have been delegated to the Heads of Circles in this matter vide DGP & T Order No. 63-14/61—TPS (BG) dated 15th May, 1974 (copy enclosed).
- (ii) Steps for enlistment of contractors in this P. & T. Civil Wing have been initiated. Applications have been invited from contractors for enlistment in the P. & T. Civil Wing. Out of 37 contractors from whom such applications have been received since July, 1973, four have been enlisted, one in Class IA, one in Class III and 2 in Class IV categories. The contractor enlisted in class III and one of the two enlisted in class IV have declined as they had sought enlistment in higher classes. The remaining applications are under scrutiny.
- (iii) Expansion of the existing factories and setting up of new units of the ITI have been projected in the 5th Five Year Plan. In addition, work of setting up of two factories, one for manufacture of 1,00,000 lines of strowger switching equipment per annum at Rae Bareilli, and the other for the manufacture of 10,000 lines per annum of electronic type of PABXs at Palghat, has started.

[Ministry of Communications (P. & T. Board)  
O.M. No. 5-5/72-A & C Vol. II  
Dated 18th November, 1974].

No. 63-14/61-TPS(BG)

OFFICE OF THE DIRECTOR GENERAL POSTS AND TELE-  
GRAPHS P&T DIRECTORATE.*New Delhi, the 3rd May, 1974*

## MEMORANDUM

**SUBJECT.**—*Taking over of land during the period when an appeal is pending for higher compensation against the LAO's award.*

Instructions were issued in this office Memo No. 61-3/61 TP dated 27th July, 1961 indicating *inter alia* that possession of land under the Land Acquisition Act should not be taken pending finalisation of the compensation cases by the Court. Accordingly cases, where the Heads of Circles feel that the land should be taken over pending decision of the Court, are being referred to this office for orders. This matter was discussed in the Heads of Circles Conference held in June, 1973, when it was agreed that Broad guide-lines would be laid down by the Directorate and that the power to take decision in respect of take over of lands would be delegated to the Heads of Circles to be exercised by them personally and judiciously.

2. It has now been decided that the Heads of Circles may aside cases of taking over of land in such cases. The following procedure has been evolved in consultation with P & T Finance:—

- (i) The Heads of Circle may examine the urgency to take over the land, keeping in view the financial and physical capability to bring the land under use. It should be ensured that a situation does not subsequently arise that the land cannot be put to the use for which it is being acquired due to non-availability of water electricity etc. All such factors should be taken into account before deciding to take over land.
- (ii) The decision to take over the land should be arrived at by judicious consideration of the costs. The compensation claimed by the owners in the court should be kept in view.

3 The powers delegated in this memorandum are to be exercised personally by the Heads of Circles after consultation with their IFAS. All doubtful cases, or cases in which the IFA's opinion is sought to be overruled, should be referred to the Directorate for decision.

4. For the present, these orders will cover only those cases where land is required immediately for a purpose other than the construction of non-functional buildings.

5. These orders take effect immediately and is issued the concurrence of Finance (vide No. 6-DF. III dated 24th April, 1974.

Sd./- K. K. AGRAWAL,  
Director (BT).

All Heads of Circles|Districts, including Additional G.M. |  
Additional PMG.

Copies to:

- (i) DDG(S), DDG (Trg.), DDG(L), DDG (Plg. Store), P. & T. Directorate.
- (ii) Director (BT), (E), (F-II), (F-III) (L), (PRP), (XP), P. & T. Directorate.
- (iii) ADG(BG), (BT), (XP), F(II), F(III).

#### **Recommendation**

The Committee are unhappy over gross negligence on the part of the officers who were entrusted with the execution of the building work as would appear from the following instances:

- (i) The Officers of the Civil Wing were not aware that the plan of the building was required to be approved by the Ghaziabad Improvement Trust. The Plan was submitted for approval of the Ghaziabad Municipality in July, 1964. What is more, no action was taken thereafter to pursue the matter till August, 1966 when a reminder was again sent to the Municipality. When no reply was received it was assumed that the Plan has been approved and the Department proceeded with the construction. At least at that stage the officers should have checked up the position. But regrettably they proceeded with the work, with the result that in March, 1968 a notice was received from the Improvement Trust that the Plan had not been approved by them and the work had to be suspended. It was resumed in November, 1968 after obtaining clearance from the Trust authorities which necessitated deviation from the site plan and consequential changes in drawings. The municipality and the Improvement Trust of Ghazia-

bad appear to have functioned in a most irresponsible manner. This matter should be brought to the notice of the concerned Government.

- (ii) Although the officers of the Civil Wing were aware that the land was located in Ghaziabad (Uttar Pradesh) in tender notice for the work they mentioned the place as Shahdara (East) Delhi; they mechanically copied this name from the scheme prepared by the Telephone District. Although the contractor might have been aware at the time of tendering that the site was actually in Uttar Pradesh, he took advantage of the mistake of the Department of not mentioning the correct location in the tender or contract and claimed payments of octroi charges for the material transported from Delhi across the U.P. Border and extra electricity charges paid by him for having executed the work in Uttar Pradesh instead of Delhi. These charges were accepted by the arbitrator who also awarded compensation for delay because of suspension of work by the Department. Such a confusion in future, could have easily been avoided if the scheme had been correctly designated according to its location.

[Sl. No. 26 (Para 1129) of Appendix III to 122nd Report (5th Lok Sabha)].

#### **Action taken**

(i) Instructions have already been issued vide letter No. 1(79)65-W(P&T)/2590 dated 8-12-69 (copy attached) Annexure 'A' in which it has been laid down that tenders should not be invited unless approval of the drawings is first obtained from the Local Body.

The Chief Secretary of the U.P. Government was addressed to investigate the lapse of the Municipality and the Improvement Trust. He has replied on 28-6-74 that the matter is engaging his attention.

(ii) The consequences that arose due to incorrect nomenclature of the work in the Notice Inviting Tenders has been brought to the notice of the officers of the Civil Wing, and they have been directed to ensure that the name and situation of the work are, in future, correctly incorporated in the NIT's before these are issued. A copy of the circular issued in this matter is attached. (Annexure 'B').

[Ministry of Communications (P&T Board) O.M. No. 5(5)72-A&C  
Vol. II dated 7th September, 1974]

## ANNEXURE (A)

DIRECTORATE GENERAL OF POSTS & TELEGRAPHS  
(Civil Engg. Wing)

No. 1(79)65-W(P&amp;T)/2590

dated, New Delhi, the 8/12-9-69

## MEMORANDUM

**SUBJECT.**—*Obtaining approval to the drawings from the Local Municipal and Civil Bodies.*

Cases have come to notice where progress on building works has received a set-back for not obtaining approval to the building drawings from the local bodies concerned. In some cases, the works could not be commenced for want of approval to the buildings plans, by the local body and in other cases, works in progress had to be stopped for the same reason.

2. As per para 56(iv) of the Central P.W.D. Code, defining duties and responsibilities of the Senior Architects, the Senior Architects are to obtain approval to the drawings from the local municipal and civil bodies and/or development authorities wherever necessary. As such, to obviate the difficulties and complications mentioned in the preceding para, the Senior Architects and the Regional Architects are requested to pay due attention to the matter regarding obtaining of approval from the local bodies to the drawings. It is requested that in this connection, the following procedure may be adopted.

- (i) As soon as preliminary drawings are finalised and approved by the Administrative authority, the same should be submitted by the Senior Architects/Architects to the Local Municipal/Civil body for obtaining their approval and case pursued vigorously. In cases even where the local bye-laws warrant submission of working drawings only, approval of local body concerned should be obtained at the stage of preliminary drawings to obviate large scale revisions of the scheme after issue of A/A & E/S.
- (ii) While issuing preliminary drawings for the work, it should be clearly stated in forwarding letters whether approval of the local Municipal/Civil body has been obtained, if not, whether the plans have been submitted to the local body or not.

(iii) While issuing working drawings, the Architects will intimate specifically whether the drawings have received the approval of the local municipal body. In other cases, they should indicate whether they have discussed the drawings with the concerned authorities and in view of such discussions, they are hopeful of obtaining necessary approval so that the detailed estimates can be prepared on the basis of the said drawings.

3. The S.Es Surveyor of Works Executive Engineers will ensure that details estimates are prepared on the basis of the drawings duly approved by the local bodies or where the Senior Architects/Architects have specifically intimated that there will be no difficulty in obtaining the necessary approval, detailed estimates can be prepared on the basis of the same. In any case, they will not call for tenders for works for which the drawings have not been approved by the local Body.

Sd/- BALBIR SINGH SAIGAL,  
C.E. (Civil), P&T.

To

- (1) All Senior Architects.
- (2) All S.Es.; Ex. Engineers, S.Ws. and Regional Architects.

Copy to:

- (1) The DDG(S), P&T Dte. (2) All Heads of Circles/Distt. (3) Copy file No. 9(41)69-W(P&T).

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**ANNEXURE (B)**

**DIRECTORATE GENERAL OF POSTS & TELEGRAPHS**  
Civil Engineering Wing

No. 5/5/72-A&C/520

dated. New Delhi, 27-5-74

To

- All Superintending Engineers
- All Senior Architects.
- All Executive Engineers
- All Regional Architects, P&T Civil Wing.

**SUBJECT.—***Nomenclature of works in Notice Inviting Tenders.*

A case has come to the notice of the Department where the name of the work and its situation were not mentioned correctly in the Notice Inviting Tenders. Subsequently, during the course of the



work, the contractor claimed extra payments towards Octroi, taxes etc. as the work was actually situated in a state different from what was shown in the tender papers. The claims on this account which were refused by the Department were referred to Arbitration and these were paid to the contractor as awarded by the Arbitrator.

The Public Accounts Committee who have taken a serious notice of this case, have commented adversely on the negligence of the officers of the Civil Wing in failing to specify the name of the place correctly in the NIT. In the case in point the mistake occurred due to the fact that name of the work was copied mechanically from the nomenclature of the scheme as forwarded to the Civil Wing by the Telephone Authorities.

It is, enjoined on all officers of the Civil Wing that they should ensure that the name and situation of the work should be entered correctly in the NIT, before these are issued.

Sd/- K. RAMA VARMAN,  
Chief Engineer (Civil)

Copy to all Heads of Circles/Districts for information.

Sd/- K. RAMA VARMAN,  
Chief Engineer (Civil)

### **Recommendation**

The Committee find that in this case the claims of the contractor for payment of octroi charges and excess electricity charges and compensation for delay were referred to arbitration by the Chief Engineer, although in the course of arbitration it was pleaded that these matters were not subject to arbitration. The Committee were informed that according to a circular issued by Government in March, 1963 all claims put forward by contractors are to be referred to arbitration and the Chief Engineer has no discretion in the matter. The Committee would like Government to examine in consultation with the Ministry of Law whether it is necessary to refer to arbitration all issues irrespective of whether or not there was any violation of a clause of the contract involved. It should be examined whether clause 25 of the standard contract form needs any modification. The Committee would like to be informed of the precise action taken in the matter.

{Sl. No. 28 (Para 1.131) of Appendix III to 122nd Report (5th Lok Sabha)}

**Action taken**

The matter was referred to the Ministry of Law who have opined that any disputes arising out of, or relating to the contract will have to be referred to arbitration. They have also stated that clause 25 of the standard contract form has stood the test of time and implied that revision of this clause is not necessary. A copy of the note containing the observations of the Ministry of Law in the matter is enclosed.

The question of modification to Clause 25 of the standard contract form was also referred to the Engineer-in-Chief C.P.W.D. who has replied that there is no proposal at present to modify the clause.

This has been seen by AGP&T.

[Ministry of Communication (P&T Board) O.M. No. 5(5)/72-A&C  
Vol. II dt. 7th September, 1974]

**MINISTRY OF LAW JUSTICE & C.A.**

(Department of Legal Affairs)

**ADVICE (A) SECTION**

The Public Accounts Committee has desired that two questions may be examined in consultation with this Ministry namely:

- (1) Whether it is necessary to refer to arbitration all issues irrespective of whether or not there was any violation of a clause of the contract involved, and
- (2) Whether clause 25 of the standard contract form needs any modification.

2. In the present case, the arbitrator was appointed to decide the claims of dispute mentioned in the contractor's letter dated 28-4-1969 (Annex. G.I.). In the said letter, the firm had stated that they had stated that had tendered for the work of 'construction of telephone exchange building at Shahdara (East) Delhi, and that the site lay in the territory of U.P. and therefore, they had to pay octroi charges'. The firm asked reference, of the dispute to arbitration. The Chief Engineer referred the matter for arbitration by his Memoranda dated 29-5-69 whereby he also referred to arbitration' the counter-claims of the Government against the contractors' statement to follow, if any, subject always, however, to their admissibility under clause 25 of the aforesaid agreement'. In other works the reference to arbitration was subject to admissibility of the matter

in dispute to arbitration under clause 25 of the agreement. This is the usual form normally adopted while making an order of reference to the arbitrator.

3. The contractor's claim towards octroi duty and increased electricity charges are related to the site of the work. In the agreement, the name of the work is given as 'construction of Telephone Exchange Building, Shahdra East Delhi'. In fact, the actual site of work was in U.P. Therefore, it cannot be said that the claim made by the Contractor did not relate to a clause of the contract. The site of the work is one of the clauses of the contract and the dispute related to that clause. The contractor's claim also related to the interpretation of that clause.

In the cause *Union of India vs. Salween Timber and Construction Co.* (AIR 1969 SC p. 488), the Supreme Court has held that if it is necessary to take recourse, to the term of the contract for the purpose of deciding the matter in dispute it must be held that the matter is within the scope of the arbitration clause. In the circumstances, the references of the contractor's claims on account of octroi changes and increase electricity rates cannot be said to be outside the scope of the arbitration clause.

4. Clause 25 of the standard contract form does not need any modification. It has been evolved years back and has stood the test of time. Under that clause, certain disputes are not referable to arbitration. These are matters on which the decision of the Engineer-in-chief or S.E. is expressly stated to be final and conclusive in some of the clauses of the agreement for example, clause 2, clause 3(c), clause 4 etc. These are commonly called 'excepted matters'. In regard to other matters arising out of or relating to the contract, reference to arbitration becomes unavoidable. The appointing authority, however, usually makes reservation in the order of reference itself that the appointment of arbitrator is made to decide the dispute subject to their admissibility under clause 25 of the agreement. Such a reservation was also made by the Chief Engineer in the present case.

5. The fact that the Deptt. contended before the arbitrator that the dispute raised by the contractor were outside the scope of arbitration clause, does not mean that the same was not covered by the arbitration clause. It is the usual practice of the litigants to raise all available pleas, including the plea of lack of jurisdiction. In the present case, the claim related to the site of the work and the Government plea that it was not covered by the arbitration clause cannot be said to be strong.

6. We have also gone through the circular issued by the Deptt. in 1963 regarding reference of dispute to arbitration. The position stated therein seems to be broadly in order. However, it may be pointed out that the circular may be revised to make it clear that only those claims which are related to terms of the contract need be referred to arbitration.

7. Since it is a matter on which Public Accounts Committee has made observations, J.S. & L.A. may kindly see.

Sd/- (R. N. Mishra),  
Asstt. Legal Adviser, 13-6-74

J.S. & L.A. (Shri A. P. Roy).

At the instance of the PAC the administrative Ministry has raised the following two questions:

- (i) whether it is necessary to refer to arbitration all issues irrespective of whether or not there was any violation of a clause of the contract involved; and
- (ii) whether clause 25 of the standard contract form needs any modification.

2. Clause 25 of the conditions of contract *inter-alia* provides that:

- (a) Except where otherwise provided in the contract
- (b) All questions and disputes relating to the meaning of the specifications, designs, drawings and instruction herein before mentioned and as to the quality of workmanship or materials used on the work or as to any other question, claim, right, matter or thing whatsoever in any way arising out of or relating to the contract, designs, drawings, specifications, estimates, instructions, orders or these conditions or otherwise concerning the works or the execution or failure to execute the same whether arising during the progress of the work or after the completion or abandonment thereof.
- (c) Shall be referred to the sole arbitration of the
- (d) appointed by the Chief Engineer, CPWD.

3. It will be noticed that clause 25 is expressly wide in its scope

and effect. Clause 25 is divided into two parts namely what questions or disputes must be referred and to whom the said questions are required to be referred.

4. From the opening words it is clear that *except where otherwise provided in the contract* every question and dispute between the parties are required to be referred to arbitration even the question of dispute relating to the conditions of contract. The clause 25 also shows that the said question shall be referred to the sole arbitration of the person appointed by the Chief Engineer CPWD. Thus the functions of the Chief Engineer, is merely to appoint a person to whom the questions and disputes are required to be referred and he has no jurisdiction to decide what questions and disputes are required to be referred.

5. Before any question is referred to arbitration, dispute invariably arises as to whether there has been violation of the provisions of any clause of the contract and whether the Government or the contractor is liable for the default. Thus when a dispute arises out of or relating to the contract or conditions of contract or otherwise concerning the works, or the execution of work or failure to execute the same and the Government or the contractor requests the C.E. to appoint a sole arbitrator he is bound to do so and has no jurisdiction to decide whether there has been violation of a clause or condition of the contract. The appointment of the arbitrator does not mean, however, that the question which the contractor requests to refer to arbitration is within the scope of the arbitration if the said question falls within the opening word 'except where otherwise provided in the contract'. In such an event if the contractor in the statement of fact filed before the arbitrator claims certain amounts and the Government is of the view that the said question cannot be referred to arbitration since it is provided in the contract then it is open to the Government to appear before the arbitrator and submit that the arbitrator has no jurisdiction to deal with the same.

In spite of the submission, if the Arbitrator proceeds with the matter then it is open to the Government to apply under section 33 of the Arbitration Act for having the effect of the arbitration agreement, namely clause 25 of the conditions of the contract, determined.

6. Clause 25 of the standard contract form has been evolved years back and has stood the test of time. As aforesaid under this clause only the matters which have been otherwise contained in the contract can not be referred to arbitration. Usually these are the matters on which the decision of the Superintending Engineer or the

Engineer-in-chief etc. is expressly stated to be final and conclusive in some of the clauses of the contract. With regard to other matters arising out of or relating to the contract reference to arbitration becomes unavoidable.

7. While appointing the sole arbitrator usually reservation is made that the appointment of the arbitrator has been made to decide the dispute subject to their admissibility thereof under the arbitration clause.

8. In the arbitration proceeding the parties raise various kinds of issues including the plea of lack of jurisdiction. In the present case the dispute relates to the site of the work and the Government's contention that it was not covered by the arbitration clause was not correct.

9. It is a matter on which Public Accounts Committee has made observations. Law Secretary may please see.

Sd/- A. P. RAY,  
Jt. Secy. & L.A. 26-6-74

Clause 25 of the conditions of contract is quite wide enough to clause any dispute as to any question, claim right matter or thing whatsoever which may *inter-alia* relate to the contract. Unless, therefore, the matter in question came under one of the excepted categories, the matter had to be referred to arbitration. It is not suggested that the matter is covered by any of the exceptions. Whether there is any violation of a clause of the contract or not on which a right is based is a matter for the Arbitrator to decide and the appointment of or reference to the Arbitrator cannot be made conditional to such a case being made out. Whether a case is good on merits or not is not a matter to be decided by the appointing authority or the authority making the reference. I, therefore, agree with the observations in the note of Shri A. P. Roy.

2. MMLJ & CA may kindly see as the reference arises out of the observations made by the Public Accounts Committee.

Sd./- P. G. GOKHLE,  
Secretary.  
1-7-74

M.M.L.J. & C.A.

It'd. (Nitiraj Singh Chaudhry)  
1-7-74.

D.G.P. & T.

[Ministry of Law & Company Affairs, Deptt. of Legal Affairs, U.O. No. 4094/74, dated 1-7-1974]

### **Recommendation**

Yet another case of inexcusable delay has come to the notice of the Committee. Here the officers concerned failed to take a decision on the offer of a contractor for execution of microwave building at Imphal within the validity period of 3 months. The result was that the Department had to incur an extra expenditure of Rs. 45,000 after inviting fresh tenders for the work. The offer of the contractor was valid upto 4th May, 1970 but the tender was accepted on 10th September, 1970, 1st four months after the due date. Understandably, the contractor demanded 10 per cent over and above the tendered amount because of the expiry of the validity period and rise meanwhile in the cost of labour and materials. It took the department two months after opening the tenders to negotiate with the contractor and thereafter further five months to verify the reasonableness of the rates offered by him. It is regrettable that the officers concerned did not act with the sense of urgency required in such cases. In the opinion of the Committee it is a fit case where responsibility of the officers concerned should be fixed for delay at various stages which resulted in loss to Government.

[Sl. No. 29 (Para 1.138) of App. III to 122nd Report (5th Lok Sabha)].

### **Recommendation**

Another unsatisfactory aspect of the case was that no provision was made in the initial estimates for seismic protection and the specification had to be modified after acceptance of the second tender. The lack of forethought on the part of the officers is regrettable.

[Sl. No. 29 (Para 1.139) of App. III to 122nd Report (5th Lok Sabha)].

### **Action taken**

The General Manager, Telecom. Projects, Calcutta has been asked to investigate and fix the responsibility on the officers concerned for causing delay in the acceptance of the tenders at various stages which resulted in loss to Government.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No. 70-25/72-TPL (MW) dated 14-11-1974].

### **Recommendation**

The Committee feel concerned over the increasing average number of daily wages staff employed each month by the New Delhi Trunk Exchange in addition to the regular attendants employed for serving women operators. The Committee were given to understand that no standards have been laid down by the department for employment of attendants for doing various types of jobs and this was under examination by the work study Unit who are expected to report in four months. The committee desire that the standards for employment of attendants should be finalised expeditiously and the decision reported to them.

[Sl. No. 31 (Para No. 1.145) of Appendix III to 122nd Report  
(5th Lok Sabha)].

### **Action taken**

In the Trunk Exchanges, standards already exist for the posts of women attendants, Head Women Attendants, adults peons, office peons, sweepers and watermen. In case of adult peons, the existing standards are being reviewed. With regard to standards for Mazdoors a work study has been carried out. The Workstudy report is now under examination in consultation with Internal Finance.

This has been seen by AGP&T.

[Ministry of Communication (P&T Board) O.M. No. 6-8/72-  
TE dated 15-11-1974].

### **Recommendation**

The Committee were informed that a general complaint that persons employed on muster roll were not actually doing the work was under investigation by the Central Bureau of Investigation. If this is found to be correct, the matter would take a serious complexion. The Committee desire that the investigations should be completed without delay and effective action taken in the light thereof to obviate recurrence of such irregularities in this or other exchanges. The Committee would like to be informed also of the action taken against those who may be found to have been remiss in the discharge of their responsibilities.

[Sl. No. 32 (Para 1.146) of Appendix III to 122nd Report  
(5th Lok Sabha)].



### **Action taken**

With a view to find out if there were any malpractices/irregularities in the employment of casual labour, the case was reported to Director (CBI) for conducting necessary investigation. Investigation in this case were entrusted by the Director (CBI) to one of his D.I.Gs to whom relevant records viz. Muster Rolls etc, and other records were made available.

CBI selected 39 instances for verification and out of this 36 instances were verified with satisfactory result. They also carried out secret verification with a view to detect fictitious names etc. being indicated on the muster rolls of casual labourers but could not detect any such case.

CBI gave a list of 3 names and desired verification in respect of these 3 names to be got done departmentally.

Out of the 3 names mentioned by the CBI, verification was carried out in case of two names with satisfactory result. One person could, however, not be contacted at the given address.

Out of 39 cases, 38 cases have been verified beyond any doubt. As a result of investigations carried out by the CBI, as well as by the Department, no irregularities such as indicated in the P.A.C. deliberations could be established.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No. 6-8/72-TE dated 15-11-1974].

### **Recommendation**

The Committee feel concerned about the under utilisation of the machines installed in two shops of the Calcutta Factory and four shops of the Bombay factory. During the year 1972-73 the percentage of idle hours to the total available hours in the two shops of Calcutta Workshop worked out to 35 per cent while in the case of four shops of Bombay factory, percentage were 10, 32, 44 and 39 respectively. While the outside purchase of stores is stated to be one of the contributory factors for keeping the machines idle, the main reason is that a number of these machines are very old and have out-lived their lives. They are being maintained only as standby for avoiding dislocation in production when the regular machines break down. The Committee find that roughly 10 per cent of the machines in the Bombay factory and 8 per cent in the Calcutta factory including life expired machines remained idle due

to break down. It is thus obvious that even after providing for standby the percentage of idle machines is on the high side. The Department expects that on account of the production programme for the current year, it would be necessary and possible to utilise some of these life expired machines. Elsewhere in this report, the Committee have suggested that the implementation of the scheme of modernisation of the Calcutta workshop should be expedited. The Committee hope that the old and obsolete machines lying in the Calcutta and Bombay Factories which are of little use will be discarded early.

[Sl. No. 33 (Para 1.156) of Appendix III to 122nd Report (5th Lok Sabha)].

### **Action taken**

Every endeavour is being made to replace machines which have outlived their lives by new ones. Some of the machines have already been replaced and the remaining are under process of replacement. The question of modernisation of the Calcutta Factory has also been taken up.

During 1973-74, 1 and 4 Nos. machines have been replaced in Calcutta and Bombay Telecom. Factories respectively. During the next three years, it is proposed to replace 19 and 37 numbers machines in these two factories.

In the first phase, construction of the galvanizing shop has been completed except for internal drainage. Action in the light of the directives of the Board of Management about the installation of an oil fired furnace in the Calcutta Factory, has been initiated. However in the altered situation arising out of the oil crisis, the economies of availability of furnace oil *vis-a-vis* coke and the savings on the consumption of zinc are being reassessed. A draft proposal has been prepared for the second and subsequent phases of construction for the Calcutta Factory and is under examination. Efforts will be made to complete these steps as expeditiously as possible consistent with the availability of resources.

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

[Ministry of Communications (P&T Board) O.M. No. 15-12/72-TF dated 15-10-74].

### **Recommendation**

The Committee feel concerned over the high cost of production in Telecom. Factories, Calcutta. The unit cost of socket of depart-

mental manufacture in 1970-71 (Rs. 51.18) was higher than the unit cost of purchase (Rs. 40.21) in 1971-72 (in which year the price level had recorded increase over than in 1970-71) by 27 per cent. The differential between departmental manufacturing cost and the unit cost of purchase from the market widened to 47 per cent in 1971-72. The factory produced 47,595 sockets in 1970-71 and 55,084 in 1971-72. Compared to the market rate of 1971-72, the extra expenditure in the departmental production in 1970-71 and 1971-72 works out to Rs. 15.40 lakhs roughly although unfinished sockets were purchased from out side. The Committee have been informed that a departmental committee went into this aspect and made recommendations in December, 1971 for reducing the cost of manufacture of sockets and these recommendations are being implemented gradually. The implementation of the long term measures recommended by the departmental committee will take some time. From the figures made available to the Committee they find the departmental manufacturing cost which increased to Rs. 71.79 in 1972-73 has come down to Rs. 64 in 1973-74. The outside purchase rate on the basis of tenders finalised by the DGS&D till March 1973 was Rs. 55.67. The current rate of Departmental production is roughly 15 per cent higher than the outside rate. The Committee desire that recommendations of the expert committee should be implemented expeditiously.

[Sl. No. 34 (Para 1.170) of Appendix III to 122nd Report (5th Lok Sabha)].

#### **Action taken**

The following short term recommendations of the Expert Committee on the manufacture of sockets have been implemented:

- (i) Relaying of Blower Pipe Lines.
- (ii) Orders have been placed for air-blower and air-pressure measurement guages and are expected to be installed by the end of December, 1974.
- (iii) The Double Box Moulding for cores and sockets have been introduced.
- (iv) Three mono rails are already functioning and one more mono rail is under manufacture for installation so that these mono rails can carry sockets, mould and molten metal.
- (v) A post of Assistant Manager and a post of Assistant Engineer have been sanctioned for supervisory purpose.

The Committee had recommended a gradual adoption of a higher metal to coke ratio. However, the adoption of this ratio on a regular basis cannot be ensured because the availability of B.P. premium of coke having about 15 per cent of ash content (against the 25 per cent ash content of the B.P. hard coke) is not assured. The extension of mono rail from Fettling Section is not now required because of the introduction of Double Box Moulding. Adoption of pneumatic tools for fettling is not considered necessary because in the Double Box Moulding the surface finish is better than the Floor Moulding process. Further, if pneumatic tools are used for core-knocking, the sockets with the core-bars will have to be raised from the ground level. The socket with core-bar being very heavy, will involve much labour in the process. Further, the impact required for removing the core-bars is much less and does not require use of pneumatic hammer.

Some of the long-term measures like future provision of cupplas with improved designs, mechanisation of the small casting section, raising the Cupola height for accommodating a tilting receiver, are under examination for implementation. The expansion of boundary is not possible at present because of the limited space but with the modernisation process of the factory getting under way, this will be possible and will be adopted.

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

[Ministry of Communications (P&T Board) O.M. No. 15-8/72-TF.  
dated 10-10-1974].

### **Recommendation**

In reply to the recommendation made in paragraph 4.22 of their 40th Report of 4th Lok Sabha the Department informed in August, 1969 that wherever the workshop cost of manufacture was higher than the market rate by more than 25 per cent, the prospects of cost reduction and justification for continuance of manufacture would be examined and put up to the Board of Management of the Telecom. Factories. The Committee regret that during the year 1970-71 and 1971-72 although the manufacturing cost of socket was higher than the unit cost of purchase in 1971-72 by 27 per cent and 47 per cent respectively, no action was taken by the Deptt. to put up the matter to the Board of Management of Telecom. Factories. The Committee desire that it should be ensured that in all cases when the departmental manufacturing cost exceeds the market rate by

more than 25 per cent, the matter should invariably be placed before the Board of Management with a view to reducing the cost.

[Sl. No. 35 (Para 1.171) of Appendix III to 122nd Report  
(5th Lok Sabha)].

#### **Action taken**

Noted: Instructions have been issued to the General Manager to ensure that all the cases where the departmental manufacturing cost exceeds the market rate by more than 25 per cent are brought before the Board of Management who after examination will issue suitable instructions

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

[Ministry of Communications (P. & T. Board) O.M. No. 15-8/  
72-TF dated 10-10-1974].

#### **Recommendation**

In paragraph 4.21 of their 40th Report (1968-69) the Committee had desired that the scheme for modernisation of Telecom. Factory, Calcutta introduced in 1959 should be completed expeditiously. From the position made available to them, the Committee find that the scheme is still in the process of being implemented. The Committee desire that necessary steps should be taken to complete the modernisation of the workshop by the end of the Fifth Plan, at least.

[Sl. No. 36 (Para 1.172) of Appendix III, to 122nd Report  
(5th Lok Sabha)].

#### **Action taken**

In the first phase, construction of the galvanizing shop has been completed except for internal drainage. Action in the light of the directives of the Board of Management about the installation of an oil fired furnace in the Calcutta Factory, has been initiated. However in the altered situation arising out of the Oil Crisis, the economics of availability of furnace oil *vis-a-vis* coke and the savings of the consumption of zinc are being reassessed. A draft proposal has been prepared for the second and subsequent phases of construction for the Calcutta Factory and is under examination. Efforts will be made to complete these steps as expeditiously as possible consistent with the availability of resources.

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

[Ministry of Communications (P. & T. Board) O.M. No. 15-8/  
72-TF dated 10-10-1974].

### Recommendation

The Committee could not get a satisfactory reply from the Department whether the installed capacity of Telecom. Factory, Calcutta is fully utilised. The Committee desire that the Deptt. should ensure that the installed capacity is fully utilised in order to reduce the overheads and cost of manufacture. It should also be examined whether and to what extent it is possible to work the factory on three shifts, instead of two at present.

[Sl. No. 37 (Para 1.173) of Appendix III to 122nd Report (5th Lok Sabha)].

### Action taken

The welding machines and galvanising shops are at present working in three shifts. Forging fitting, welding and foundry shops are running in two shifts. Machine shops cater to the needs of assembly and equipment shop. As such, until the assembly shop is extended and capacity augmented, necessity of running the second shift in the machine shops is not felt. Further, constraints on budgetary provision, price escalations, etc. have shrunk the actual outlay and consequently three shifts in all shops is at present, not possible. However, the directions of the Committee will be kept in view and wherever it is possible, introduction of three shifts will be considered consistent with the financial outlay provided.

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

[Ministry of Communications (P. & T. Board) O.M. No. 15-8/72-TF dated 10-10-1974].

### Recommendation

The Committee note that the P. & T. Department are making efforts to locate other sources of supply for towers. The Committee would like the Department to intensify their efforts.

[Sl. No. 40 (Para 1.198) of Appendix III to 122nd Report (5th Lok Sabha)].

### Action taken

The efforts have been further intensified. Three other sources have been encouraged to take up production of the towers viz.

- (1) Richardson and Cruddas
- (2) Tamil Nadu Small Industries Corporation
- (3) Telecom. Factories, P. & T.

A project already stands approved for increasing the capacity of P. & T's own Telecom. Factory at Jabalpur to 4000 M. Ts. from 1974-75 onwards.

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

[Ministry of Communications (P. & T. Board) O.M. No. 70-1/73-TPL(L) dated 14-11-1974].

### **Recommendation**

The Committee note that the commissioning of microwave stations is dependent on availability of matching imported equipment especially antenna and waveguides of which there is short supply. The Department of Atomic Energy are developing antenna for production but no manufacturer has yet been found who is ready to manufacture waveguides. The committee desire that the Department should continue their efforts to locate manufacturers for this equipment so as to achieve self-reliance at the earliest.

[Sl. No. 41 (Para 1.199) of Appendix III to 122nd Report (5th Lok Sabha)].

### **Action taken**

The Department has made all out efforts to indigenise various items of matching equipments. Of the main components only antennas and waveguides are still imported. A prototype antenna has now been developed by M/s. ECIL Hyderabad and is under test. Further P. & T's own Telecom. Factory at Jabalpur is negotiating for a collaboration with M/s. Budavox of Hungary for the manufacture of antennas.

As for waveguides, nothing so far has crystallised to indigenously manufacture them.

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

[Ministry of Communications (P. & T. Board) O.M. No. 70-1/73-TPL(L) dated 11-11-1974].

### **Recommendation**

The Committee are surprised that the Departmental Stores Purchase Committee did not record any reasons in this case for dividing the order for coil cords of 4 types between the two firms 'A' and 'B' (The rates of firm 'B' were cheaper for the first two items and higher for the other two). The Committee find that necessary instructions have been issued by the Department for reasons to be recorded by

the Stores Purchase Committee when they have to depart from accepted principles or procedures of purchases. The Committee hope that it will be ensured that the instructions are invariably followed.

[Sl. No. 42 (Para 1.204) of App. III to 122nd Report  
(5th Lok Sabha)].

#### **Action taken**

The Department will make all possible efforts to ensure the following of above instructions.

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

[Ministry of Communications (P. & T. Board)  
O.M. No. 29-4/72-MMS, dt. 17-9-74].

#### **Recommendation**

The Committee find that the delivery period fixed as June, 1970 was extended to August, 1970 for firm 'B'. The Committee desire that the reasons for this may be examined and outcome intimated to them.

[Sl. No. 43 (Para 1.205) of Appendix III to 122nd Report  
(5th Lok Sabha)].

#### **Action taken**

On examination of the records, it is found that as per clause 4 of the purchase order No. T-372/2168 dated 29th August, 1969, the firm was required to submit the prototype samples to the Sr. Electrical Engineer, Calcutta, for test and approval within 30th September, 1969, before effecting bulk supply. The Sr. Electrical Engineer had a chain of correspondence with the firm on certain test requirements and clarifications from the T. & D. Circle from time to time were called for by him and finally, the Sr. Electrical Engineer could approve the prototype only on 1st October, 1970, *vide* his letter No. CDI-2/G/84 dated 1st October, 1970. He gave instructions for bulk supply testing also under the above letter to the A.E., Test Room, Bombay.

In view of the above delay in approval of the prototype samples and allowing for testing and transit time from Poona to Bombay, the original delivery date of 30th June, 1970, was successively extended to 31st December, 1970 (on 30th July, 1970), 31st March, 1971 (on 18th January, 1971) and finally to 31st August, 1971 (on 3rd April, 1971), by which date the firm completed the supply of 81,000 coiled cords on border. Incidentally, it may be stated that the firm in their tender dated 9th July, 1969 quoted delivery after 45 days of receipt of intimation of approval of samples at the rate of 10,000 cords per month. Considering the quantity on order, date of approval of



samples, transit and testing time involved and the terms of delivery in the tender, the grant of extension of delivery date from 30th June, 1970 to 31st August, 1971 appears quite justified.

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

[Ministry of Communications (P & T Board)  
O.M. No. 29-4-/72-MMS dated 17-9-1974].

#### **Recommendation**

The Committee note that the coil cords of the first type were supplied by the Indian Telephone Industries between November, 1969 and April, 1971 at an average rate of Rs. 12.46 each as against the rate of Rs. 8.50 of firm 'B' which resulted in an extra expenditure of about Rs. 1.58 lakhs. The Committee were informed that the purchases from ITI were not based on competitive rates but according to the pricing agreement between the P & T and ITI. The Committee suggest that the Department should ascertain market rates of stores before finalising agreements with the ITI so as to procure stores at competitive and reasonable prices, from them.

Sl. No. 44 (Para 1.206) of App. III to  
122nd Report (5th Lok Sabha)].

#### **Action taken**

The suggestions of the Committee have been noted. The present agreement between P. & T. and ITI does not cover this aspect. While drawing up and negotiating the new contract/agreement with the ITI the above suggestion of the Committee will be considered.

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

[Ministry of Communications (P & T Board)  
O.M. No. 29-4-/72-MMS dated 17-9-1974].

#### **Recommendation**

The Committee regret that in this case, the Department procured excessive quantity of stores (Bracket attachments TPN 8 inches) at a time when the transposition scheme, where these could be used, was in the process of being changed. The transposition stalks were declared obsolete in March, 1962, and the transposition scheme was changed in January, 1964. An indent for 2 lakhs bracket attachments was placed on the DGS & D in October, 1962, and for 3 lakh

numbers in June, 1963 (after obsolescence of transposition stalks). As the old records are not available, the Department are unable to corroborate whether the position of stock of the stores and future requirements were reviewed at the time of placing the indents.

[Sl. No. 45 (Para 1.212) of Appendix III to 122nd Report (5th Lok Sabha)].

#### **Action taken**

The circumstances leading to the unhappy situation had been explained in the replies earlier *vide* this Department's O.M. No. 29-9/72-MMS dated 29th November, 1973 with reference to the List of Points arising out the Audit Paragraphs (Cat. B) on Para 24. The practice has now been to obtain the forecast of demand from the Circles for the various items of stores and control procurement action on the basis of such forecast demand, stock balance available, the pending orders, the provision of funds and, of course, the surrency of the item on the rate list. Instructions in this regard are reiterated to avoid lapses of the kind that appended.

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

[Ministry of Communication (P. & T. Board)  
O. M. No. 29-9/72-MMS(i) dated 17-9-1974].

#### **Recommendation**

The net result of the failure is that the Department is burdened with about 2 lakh numbers of unwanted stores valuing Rs. 9.69 lakhs. The alternative uses of the stores are under examination of the Department. The Committee would like to know about the utilisation/disposal of the surplus stores.

[Sl. No. 47 (Para 1.214) of Appendix III to 122nd Report (5th Lok Sabha)].

#### **Action taken**

The stock balance of BAST 8" as on 1-6-1974 was only 184,894. The forecast demand for 1974-75 received from the Circles is for a total quantity of nearly 57,000. It is, therefore, expected that the stock balance will be reduced at least by this amount during this year. Separately, two alternative uses to which the BAST 8" can be put are under consideration.

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

[Ministry of Communications (P. & T. Board) O.M. No. 29-9/72-MMS (iii) Dated 17th Sept., 1974].

### Recommendation

From the information given to them the Committee find that the percentage of quarters to the staff strength in some Circles/Districts is much too low particularly in Bangalore District (.5 per cent), Calcutta District (2.5 per cent), Madras District (2.7 per cent), Jammu and Kashmir Circle (2.2 per cent) and Maharashtra Circle (3.1 per cent). The Committee are very anxious that adequate number of quarters should be available to the employees in the various Circles/Districts as early as possible, within a definite target date. The Committee would like to be informed of the detailed plan drawn up to increase the number of quarters for P & T staff, particularly in the lower income group.

[Sl. No. 49 (Para 1.223) of Appendix III to 122nd Report  
(5th Lok Sabha)]

### Action taken

1. Observation of PAC draws the attention of the P & T Deptt. to the low availability of staff quarters with special reference to 5 Districts/Circles, viz., Bangalore, Calcutta, Madras Telephones, J & K and Maharashtra Circles. It recommends adequate provision of staff quarters to the employees, specially in the lower category and framing of time bound programme for construction of quarters.

2. Statistics quoted in the letter relates to the availability of quarters as on 31-3-1972. There is an error regarding percentage satisfaction of quarters indicated against Calcutta Telephone District. Against 2.5 per cent shown in the last column indicating the percentage availability of quarters for Calcutta, the actual availability is only 1.3 per cent.

3. 879 staff quarters were constructed during 1972-73. But the department had to surrender large No. of quarters (1278) taken on rent from other agencies including State Government. Therefore there is a slight decrease in the provision of quarters to the employees during 1972-73 from 6.8 per cent to 6.2 per cent. Steps were taken during 1972-73 and first quarter of 1973-74 for construction of a No. of quarters. The number of quarters approved for construction on the available lands and the lands approved for acquisition for the construction of quarters for the 5 Districts/Circles specially referred in the PAC observation, is indicated in the annexure which would confirm that steps have been taken to improve the percentage satisfaction in all the 5 Circles/Districts referred to.

4. On account of financial stringency a ban was imposed in August, 1973 against construction of non-functional buildings. This

has brought to halt and new construction of staff quarters which have not been proceeded with beyond plinth level. The ban is still continuing. Therefore, the large number of quarters approved during 1972-73 and first quarter of 1973-74 have not been constructed.

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

[Ministry of Communications (P. & T. Board) O.M. No. 482-34/  
71 TPS (BG) Dated 2-11-1974].

## ANNEXURE

*The availability of quarters and the programme of construction during the 5th Plan period at Bangalore, Calcutta, Madras, J&K and Maharashtra.*

Sl. No.	Station	Staff Strength	Availability as on 31-3-1972	Number of quarters approved for construction after 31-3-72	Additional quarters that can be constructed on the lands available/ approved for acquisition	Percentage satisfaction after construction of qrs. indicated in columns 5 & 6]				
1	2	3	4	5	6	7				
-----										
			Deptt. Rented Total		Percentage					
			Land area		No. of qrs.					
1	Bangalore	6232	36	..	36	0.5	1028	..	..	17.70
2	Calcutta	24645	312	3	315	1.3	546	Available	364	5.04
3	Madras	14146	387	..	387	2.7	1236	..	..	11.47
4	J & K	2687	59	..	59	2.2	24	0.5 acre	24	3.98
5	Maharashtra	26603	937	12	849	3.1	485	3.5 acre	110	5.42

## **CHAPTER III**

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

#### **Recommendation**

The Committee note with concern that as on 1st July, 1973 13 telephone exchanges which have qualified for introduction of metering were still without measured rate system. These include two out of 21 exchanges which were reported to the Committee as outstanding in 1970. According to the Department it has not been possible to introduce metering system in remaining exchanges due to non availability of metering equipment and for want of certain modifications. The Committee understands that 3 of the 13 exchanges have been metered and the remaining are programmed to be metered during 1973-74. Even this date is unlikely to be adhered to. Therefore, the Committee cannot help concluding that necessary steps are not being taken with the expedition called for to introduce metering system in the remaining exchanges.

[Sl. No. 9 (Para 1.45) of Appendix III to 122nd Report  
(5th Lok Sabha)].

#### **Action taken**

On these 13 telephone exchanges which had qualified for introduction of metering, on 1-7-1973, 11 Exchanges have already been metered. In respect of the remaining two exchanges, the present position is as under:

##### **1. Rishikesh (U.P.)**

It has not been possible to introduce metering upto now as full equipment required for the purpose was not received. This equipment has since been received and installed. Its acceptance testing is being arranged. Metering is expected to be introduced at this place before the end of October, 1974.

##### **2. North Lakhimpur (NE)**

Full Metering equipment has not yet been received. Meter

plates are still awaited, on receipt of which work in connection with the introduction of metering will be carried out on priority basis.

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

[Ministry of Communications (P. & T. Board) O.M. No. 27-2/74-PHB Vol. II Dated 4th October, 1974].

### **Recommendation**

The Committee take a serious view of the negligence on the part of the officers. To say the least they lacked ordinary prudence and commonsense. The Committee understand that the Executive Engineer responsible for this is no more. The Committee have been informed that detailed information regarding various officers responsible for the delays is being collected for suitable action. The Committee would like the Department to do so expeditiously and inform them about the outcome of detailed investigations in six months' time.

[Sl. No. 27 (Para 1.130) of Appendix III to 122nd Report (5th Lok Sabha)].

### **Action taken**

Apart from the delays caused by the submission of the drawings for approval to the wrong authority (dealt with in para 1.129) the delay in construction occurred due to certain modifications that had to be made in the drawings. Due to paucity of architectural capacity in the Civil Wing it was decided that the building will be constructed according to a plan already approved for Allahabad. During the actual execution of the work and planning of the space for installation of equipment etc., it was found that several modifications were required to these drawings. The decision to adopt the design used at Allahabad was taken in good faith and no particular officer can be held responsible for this. We have, however, taken note that drawings should be prepared in future for such technical buildings to suit individual sites as far as possible and that these should be approved by the Project Authorities after careful examination by them before the works are commenced. This procedure is now being strictly adhered to.

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

[Ministry of Communications (P. & T. Board) O.M. No. 5(5)/72, A&C Vol. II Dated 17-9-1974].

### Recommendation

The Committee are not satisfied with the progress made by Triveni Structural Ltd. with the supply of steel towers to the P. and T. Department required for microwave projects in spite of an *ad hoc* advance paid to them. According to the information given to the Committee, 168 towers had been ordered by the Department for supply by March, 1974. Out of these the undertaking was able to supply no more than 71 towers, 26 complete and 45 without certain components. Some of the towers supplied to the Department had defects such as loose nuts and bolts which were removed by the Undertaking by changing plates. Now that the initial difficulties regarding the towers are settled, the Committee hope that Triveni Structural Ltd. will step up the production and supply the remaining towers expeditiously in order to help the P. and T. Department to go ahead with their programme of installation and shorten the time taken for commissioning the microwaves stations. The Committee were given to understand by the Department that unless Triveni Structural Ltd. enhance their rate of production the position was going to be difficult. The Committee would like Government to examine in consultation with Triveni Structural Ltd. whether the later's failure to achieve an adequate rate of production is due to unsatisfactory supplies of steel and if so, take necessary steps to overcome them. The Committee would like to be informed about the progress made in supply of remaining towers.

[Sl. No. 39 (Para 1.197) of Appendix III to 122nd Report  
(5th Lok Sabha)].

### Action taken

There have been shortfalls in the supply of tower materials from M/s Triveni Structural Ltd., Allahabad due to unsatisfactory supplies of certain matching sections of steel. Necessary steps to overcome these have been taken and meetings are being held at appropriate levels so that decisions are taken enabling TSL to get the unavailable sections by rerolling billets or obtain from stockyards, imports etc.

As for the progress, M/s TSL completed supplies against 1971-72 programme of 26 towers totalling to 1150 Tonnes. Against 1972-73 programme they have supplied 3200 Tonnes out of 3300 M. Tonnes. Against 1973-74 programme totalling 4100 M. Tonnes of tower about 2000 M. Ts. of Tower materials have been fabricated.

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

[Ministry of Communications (P&T Board) O.M. No. 70-1/  
73-TPL(L) dated 14th November, 1974].



## CHAPTER IV

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

#### Recommendation

The Committee are displeased with the chaotic state of stores accounting in three Telegraph Engineering Divisions of Orissa Circle. Out of 56 works of replacement, reconstruction and dismantlement of over-head lines and wires carried out between 1960-61 and 1969-70, in as many as 51 works, no account was available of copper wires and other stores recovered. It is distressing to find that an irregularity of this nature continued for 10 years without being detected until pointed out by Audit. Even after this state of affairs was brought to the notice of the Department by Audit, the Postmaster General of the Circle failed to trace the credits of recovered stores. Ultimately a study team had to be deputed by the P&T Board for investigation into the matter, and they were able to settle the credits in about two weeks time. This indicates that no serious attempt was made by the Postmaster-General to investigate the matter. The evidence clearly establishes that the Postmaster-General failed to take the matter of credits seriously and he should be called upon to give his explanation.

The Committee have been informed that the question of fixing responsibility for non-maintenance of proper accounts is under correspondence with the Postmaster-General. The Committee take a serious note of non-maintenance of proper accounts over a long period of ten years. The Committee stress that expeditious action should be taken to fix responsibility of the persons concerned and also the higher officers for allowing this unsatisfactory state of affairs to continue for such a long time. The Committee would like to be informed about the action taken against the officers concerned.

[Sl. No. 14 (Para 1.67) of Appendix III to 122nd Report  
(5th Lok Sabha)].

#### Action taken

The Postmaster-General, Orissa Circle, has been called upon to explain.

As regards fixing responsibility for non-maintenance of copper accounts, the matter is still under correspondence with the Postmaster General, Orissa Circle.

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

[Ministry of Communications (P. & T. Board) O.M. No. 29-7/72-MMS (ii) dated 2nd Sept., 1974].

### Recommendation

The Committee find that as a result of investigation of the study team credits for stores worth about Rs. 10.39 lakhs have been traced and it has been found that works worth Rs. 6.3 lakhs had not been carried out and stores worth Rs. 2.35 lakhs had already been stolen from the lines. The Committee are surprised why after receipt of the Audit para, the Department did not even care to inform Audit about the theft of copper wire. They would like the Department to investigate when exactly the theft was noticed and what action was taken immediately thereafter. The Committee has been informed that credits of Rs. 10.39 lakhs traced by the Study Team are being further verified. The Committee desire that this should be done expeditiously and reported to them.

[Sl. No. 15, (Para 1.66) of Appendix III to 122nd Report (5th Lok Sabha)].

### Action taken

Thefts of copper wire were taking place frequently in each section in the three Engineering Divisions involving a distance of about 400 miles. As per departmental rules, reports of such thefts were being registered with the Police Authorities as and when they occurred. Efforts were made to collect the data about these thefts but it was not found feasible at such a distant date showing the dates when all such theft cases were registered with the Police. An annual statement of loss of copper wire due to thefts was being sent to the Audit Office. Cases registered with the Police were being investigated by them and quarterly statement of such theft cases was being received from the Circle but these were without any indication of the quantity of copper wire stolen from the lines, though at the time of registration with the Police authorities. The quantities stolen was reported. Considering the long time span involved, it is not possible to link up the thefts that occurred with the short recoveries that have been observed in different line sections.

Full details giving estimate-wise particulars of the credits have been furnished to AGP&T, who has examined them.

[Ministry of Communications (P&T Board) O.M. No. 29-7/72-MMS (iii) dated 31st October, 1974].

### **Recommendation**

"In the opinion of the Committee these are instances of glaring delays and lack of proper planning which deserve further examination with a view to fixing responsibility for failure at various levels and taking necessary remedial measures to obviate recurrence. The question that needs to be answered is: was no one in the entire organisation made responsible to ensure the completion of the project within a given time, after it was sanctioned? The committee would be interested to know what answer to this question is thrown up by the Inquiry Officer".

[Sl. No. 23 (Para 1.98) of Appendix III to 122nd Report  
(5th Lok Sabha)].

### **Action taken**

The project of shifting of the station to Borivli included many sub-components to be executed by different wings of the Department, namely, land was to be acquired by Maharashtra Circle, building was to be constructed initially by C.P.W.D. and later on by Civil Wing of the Department, cables were to be procured and laid by Bombay Telephones District, technical work of shifting of equipment, erection of masts and aerials was to be carried out by Divisional Engineer Wireless. However, the responsibility to see that all these components are carried out in a co-ordinated manner remains that of the Head of the Circle-in this case, the Postmaster-General, Maharashtra Circle. Instructions recently issued whereby the Head of the Circle is required to hold co-ordination meetings periodically to ensure the necessary co-ordination from various wings of the Department for executing the whole project in time would cover this aspect also.

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

.. [Ministry of Communications (P&T Board) O.M. No. 44-7/  
55-WT(Col. IV) dated 18-9-1974].

## **CHAPTER V**

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

#### **Recommendation**

The Committee are unhappy that in the three exchanges in Orissa Circle (Sambalpur, Puri and Balasore), there was delay of several years in introduction of measured rate system even after the meters were made available. This resulted in an estimated loss of revenue of Rs. 2.51 lakhs. The Committee regret that the lack of planning and series of lapses that have led to the delay indicate incredible administrative inefficiency and surprising disregard of public interest. This will be evident from the following.

- (i) In Sambalpur exchange meter, testers were indented only after receipt of meters and these were received after two years. There was delay of 21 months in testing the meters after the installation and thereafter further delay took place in removing the defects. Further no meters were included in the original estimates for two satellite exchanges in Hirakund and Burla and these were planned after 5-6 years of receipt of meters for the main exchange. Action has been initiated against the officers for certain lapses. But lack of planning and non-inclusion in original estimates of meter, testers for the Sambalpur exchange and meters for Burla and Hirakund exchanges in the original estimates have been attributed to organisational weakness. To remedy this a Planning Cell has been created in each Circle. The Committee regard this lack of planning as a serious lapse and suggest that responsibility should be fixed for this also.
- (ii) In the case of Puri exchange there was delay of 3 years in the supply of meter testers. The relevant records are not available to establish the non-availability of meters with the suppliers (CTS Bombay and ITI). The Committee consider this to be serious and desire that the necessary files should be traced and responsibility fixed on officers concerned for the delay in supply. The installation of meters was delayed by one year and

their testing by another year. The explanation of the Department that no staff was available for one year to test the meters is thoroughly unsatisfactory and unacceptable and needs further investigation with a view to fixing responsibility.

- (iii) In the Balasore exchange there was delay of three years in procurement of a rack (not a complex instrument (costing Rs. 375 only, which held up installation of the matters.

[Sl. No. 10 (Para 1.46) of Appendix III to 122nd Report (5th Lok Sabha)].

#### **Action taken**

The matter is under examination.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No. 27-2/74-BHB (Pt.) dated 31-10-1974].

#### **Recommendation**

The Committee would like to be informed about the action taken against the officers concerned for the various lapses mentioned above. It should also be examined whether there have been any malpractices in these cases. The result of the inquiry carried out should be reported to the Committee.

[Sl. No. 11 (Para 1.47) of Appendix III to 122nd Report (5th Lok Sabha)].

#### **Action taken**

Disciplinary action is still in progress against the defaulting officers.

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

[Ministry of Communication (P&T Board) O.M. No. 27-2/74-PHB(Pt) Dated 31st October, 1974].

#### **Recommendation**

The Committee understand that in certain exchanges where metres have been installed the average calling rate per subscriber is low. The Committee desire that the Department should investigate the reasons for the average rate being low in some exchanges, particularly large exchanges, with a view to ensuring that there is no malpractice in metering the calls.

[Sl. No. 13 (Para 1.49) of Appendix III of 122nd Report (5th Lok Sabha)].

### Action taken

The reasons for the average calling rate per subscriber being low on introduction of metering in certain exchanges, are being investigated. The preliminary reports so far received from some Exchanges indicate that the low calling rate is due to the fact that the connections are predominantly 'residential' and the places are not important business centres.

This has been seen by AGP&T.

[Ministry of Communication (P&T Board) O.M. No. 27-2/74 PHB Vol. II Dt. 4-10-74].

### Recommendation

The Committee feel concerned over the delay in settlement of dues for the stores supplied by the Telecom. Factories to the Defence authorities. At the end of March, 1972, dues amounting to Rs. 14.75 lakhs were outstanding in respect of sales made upto the year 1970-71. The outstanding dues were brought down to Rs. 13.26 lakhs at the close of June, 1973. The Committee are not satisfied with this progress of recovery. The Committee are surprised that price had not been settled for a Sale amounting to Rs. 6.20 lakhs plus miscellaneous charges of Rs. 1.18 lakhs since 1967-68. The Committee desire that the dues should be finally settled without further delay.

[Sl. No. 38 (Para 1.179) of Appendix III of to 122nd Report (5th Lok Sabha)].

### Action taken

In respect of the dues amounting to Rs. 6.40 lakhs being the development charges of 50-lines Switch Board, the Defence Deptt. have accepted their liability. However, the question of its discharge has been linked by the Defence Authorities with the adjustment of certain over-payments made by that Department. This matter is under discussion.

The realisation of arrears from the I.T.I. amounting to Rs. 2 lakhs was taken up at higher levels with the ITI.

As regards the realisation of Rs. 7.38 lakhs relating to the cost of Field Switch Boards supplied by the Telecom. Factory, Jabalpur to the Defence Department, the delay is due to the non-settlement of

The escalation of Cost of supplies by the DGS&D who is the purchaser in this case. The case is being pursued at a high level.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No. 15-11/72-TF, dated 26-9-74].

### **Recommendation**

The D.G.S&D placed orders for the stores in April, 1963 and November, 1964, on four firms. The D.G.S&D extended the date of delivery four times for the first firm, twice for the second, thrice for the third and twice for the fourth firm between April, 1964 and December, 1965, by which time the new scheme had come in vogue. But no action was taken by the Department to cancel or reduce the order. The Committee are not satisfied with the Department's explanation that the delivery dates were extended by the DGS&D without consulting them. After the old scheme was changed, it was the duty of the officers to review the position of outstanding indents, and advise the DGS&D to cancel or reduced the orders. The failure of the Department is regrettable. The Committee desire that responsibility should be fixed for the failure.

[Sl. No. 46 (Para 1.213) of Appendix III to 122nd Report (5th Lok Sabha)].

### **Action taken**

Review of the position of all pending orders/indents and A/T's is periodically undertaken now. Regarding the fixing of responsibility for the failure pointed out, a further communication will follow.

This has been seen by AGP&T.

[Ministry of Communications (P&T Board) O.M. No. 29-9/72-MMS (ii), dated 17-9-74].

### **Recommendation**

The Committee note that there has been delay in the recovery of service charges from the occupants of quarters, which have been paid by the Department of P&T to the Municipal Corporation, Madras, from March 1968 onwards. The orders issued by the Postmaster General, Madras provided for a recovery at the rate of Rs. 2.50 p.m. from the employees whose pay was less than Rs. 350/- and at the rate of Rs. 21.00 p.m. from those occupying the same type of

quarters whose pay was above Rs. 350/-. These orders have since been held in abeyance. The Committee desire that early decision should be taken to fix charges recoverable from the occupants which should be fair to all.

[Serial No. 48 (Para 1.222) of Appendix III to 122nd Report (5th Lok Sabha)].

#### **Action taken**

The question regarding the recovery of service charges from the occupants of Government quarters was referred to the Ministry of Works and Housing who are examining the same in consultation with the Ministry of Law. The Directorate of Estates have intimated to this office recently that the matter is at present under consideration of the Ministry of Law and they have been reminded to expedite their advice. Necessary action to fix service charges recoverable from the occupants can be taken by this office only after receipt of the decision of the Ministry of Works and Housing.

This has been seen by the AGP&T.

[Ministry of Communications (P&T Board) O.M. No. 42-46/71-NB, dated 26-8-74].

NEW DELHI;

April 14, 1975

Chaitra 24, 1897 (S).

JYOTIRMOY BOSU,

Chairman,

Public Accounts Committee.



## APPENDIX

### SUMMARY OF MAIN CONCLUSIONS/RECOMMENDATIONS

S. No.	Para No. of Report	Ministry/Department Concerned	Conclusions Recommendations
1	2	3	4
1	1.4	P. & T. Board	The Committee hope that final replies in regard to those recommendations to which only interim replies have been furnished will be submitted to them expeditiously after getting them vetted by Audit.
2	1.8	-Do-	The Committee find that the arrears of telephone revenue relating to periods upto 31st March, 1968 have decreased from Rs. 98.81 lakhs as on 1st April, 1973 to Rs. 74.37 lakhs as on 1st April, 1974. While appreciating the efforts made for clearing the arrears, the Committee cannot but consider progress made in this regard as slow in as much as only Rs. 24.44 lakhs (representing about 25 per cent) were realised during one year. Since fresh arrears arise each year and if the backlog of arrears is to be cleared up completely in a relatively short period of time, much larger sums would have to be recovered each year against the outstanding arrears.

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3	I. 11	P. & T. Board	The Committee desire that enquiries into the loss of revenue records with a view to fixing responsibility should be completed early and final action taken on the basis of the findings reported to them within three months.
4	I. 14	-Do-	Although the Committee had suggested settlement of disputes with the State Governments concerned at a higher level and had desired that precise progress in the recovery of outstanding amounts from various parties should be intimated to them, it appears from the information furnished by the Ministry that neither have disputes been settled nor have the arrears been recovered as yet. The Committee would like to impress upon the Government the need for settling these disputes amicably and expeditiously.
5	I. 17	-Do-	The Committee desire that the proposed review of planning cells should be completed without further loss of time and necessary steps taken to remedy the drawbacks.
6	I. 20	-Do-	The Committee had taken a serious view of the chaotic state of stores accounting in three Engineering Divisions of Orissa circle and had desired that expeditious action should be taken to fix responsibility of the persons concerned, including the higher officers for allowing this unsatisfactory state of affairs to continue for as long a period as ten years. The Committee desire that the P&T Board

should themselves see to it that the lapses are investigated in detail and exemplary action taken against all those found to be responsible.

7 1.23

-Do-

The P&T Board have not made any reference in their reply to the point made by the Committee that the Department should have informed Audit of the theft of copper wire at least after it had received the Audit Paragraph. Existing rules require that thefts exceeding the monetary limits prescribed from time to time should be reported to Audit. The Committee desire that this should be followed religiously in future.

8 1.26

-Do-

The Committee had expressed their dissatisfaction at the manner in which the project of shifting a wireless receiving station from an unsuitable place to a new site had been processed. Even though the decision to shift the station to a suitable site was taken in 1955, it has not been implemented for a variety of reasons to this date even after 18 years have gone by. Since this was an instance of glaring delay, the Committee had desired that an enquiry should be held with a view to fixing responsibility for failures at various levels. The reply of the Ministry is far from satisfactory. Holding of meetings periodically to ensure necessary coordination between various wings of the Department may improve matters in the future and the Committee is glad that instructions have been issued to this end. But the Committee had desired that action should be taken to fix responsibility for a bad failure of the past. The Committee expect the Ministry to give effect to the recommendations or to give convincing

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			<p>reasons for not being able so to comply. The Committee must necessarily reiterate that the various aspects of the case should be gone into in great detail and responsibility fixed.</p>
9	I.29	P. & T. Board	<p>While expressing their regret over the inordinate delay, at various stages, in the acceptance of the tender for the construction of a <b>microwave building</b> at Imphal, resulting in loss to the exchequer, the Committee had desired fixation of responsibility for the lapse. The Ministry in their reply have intimated that the General Manager, Telecommunication Project, Calcutta has been asked to investigate into the case. The Committee urge that the enquiry should be completed, early.</p>
10	I.32	-Do-	<p>The Committee regret the tardy processing of the recommendations of the Committee in this case and desire that the appropriate disposal of the surplus stores should be taken as expeditiously as possible and responsibility for the failure fixed forthwith.</p>

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