12

STANDING COMMITTEE ON COMMUNICATIONS (1998-99)

TWELFTH LOK SABHA

Authenticated

MINISTRY OF COMMUNICATIONS (DEPARTMENT OF TELECOMMUNICATIONS)

WORKING OF TELECOM FACTORIES

TWELFTH REPORT

Chairman
Standing Committee on Communication

सत्यमेव जयते

PAPERS LAID ON THE TABLE
OF THE RAJYA SABHA
ON 23 APR

LOK SABHA SECRETARIAT
NEW DELHI

April, 1999/Chaitra, 1921 (Saka)

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Presented to Lok Sabha on .....

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LOK SABHA SECRETARIAT
NEW DELHI

April, 1999/Chaitra, 1921 (Saka)

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*Vacancy caused due to renomination of Shri Balasaheb Vikhe Patil as a member of the Committee on Human Resource Development on 9.3.1999.

INTRODUCTION

I, the Chairman, Standing Committee on Communications (1998-99) having been authorised by the Committee to submit the Report on its behalf, present this Twelfth Report on "Working of Telecom Factories" relating to Ministry of Communications (Department of Telecommunications).

2. The Committee took oral evidence of the representatives of the Ministry of Communications (Department of Telecommunications) at its sitting held on 4.9.1998 and that of the representatives of the Employees' Unions and Officers' Associations of Telecom Factories in the sitting held on 28.10.1998.

3. The Committee wishes to express its thanks to the representatives of the Ministry of Communications (Department of Telecommunications) and the representatives of the Employees' Unions and Officers' Associations of Telecom Factories for appearing before the Committee and placing before it the detailed information that the Committee desired in connection with the examination of the subject.

4. The Report was considered and adopted by the Committee at its sitting held on 31.3.1999.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

NEW DELHI;
31 *March*, 1999
10 *Chaitra*, 1921 *(Saka)*

SOMNATH CHATTERJEE,
Chairman,
Standing Committee on Communications.

CHAPTER I

I. Introductory

There are 7 departmental Telecom Factories located at Calcutta, Mumbai, Bhilai, Jabalpur, Richhai, Gopalpur and Kharagpur. Of these the factory at Calcutta is the oldest being more than a century old. These factories, previously known as P&T workshops were set up to repair telecom equipments. The factories at Calcutta and Mumbai were utilised for production of switchboards and equipments for Telephone Exchanges as per the telecommunication system prevailing from time to time. Presently, these factories are utilised for manufacture and production of CD Cabinet, CT Box, DP Box, Line Jack Unit, MDF, Modem, Mast, stores and accessories for the microwave towers and tubes, cable accessories, pay phones etc. for which adequate demand exists in the Department of Telecommunications (DoT). The detailed list of the products being manufactured by Telecom Factories is given at Annexure-I.

2. The Study Groups of this Committee visited Telecom Factories at Mumbai and Calcutta. During the course of discussions with the representatives of the staff and the management, it was brought to the Committee's notice that functioning of these factories has been adversely affected during the recent years because of technological obsolescence of conventional products. Most of the items which Telecom Factories are capable of producing have gone out of demand. Since these factories have not acquired the necessary know-how and skills for production of equipments required for Electronic Exchanges and its software, a large number of workers have practically no work and have been rendered 'surplus'. Though recently some new projects have been allotted, yet these items are of electro-mechanical nature and sufficient orders are not there. Therefore, production cost is comparatively higher. It was represented to the Committee that modernisation of Telecom Factories and training of staff in modern telecom technology was absolutely necessary. Another problem faced was lack of substantial orders from the Department of Telecommunications. It was further represented to the Committee that since these factories are captive units of the Department, they should get preference over others in supply of equipments/items.

3. In view of the worrisome situation prevailing at the Telecom Factories, the Committee has taken up this subject for intensive study and called representatives of the Department of Telecommunications (DoT) to seek further clarifications.

II. Modernisation and Diversification

(i) Low Level of Procurement

4. The Committee learnt during the course of evidence that Department of Telecommunications (DoT) has been spending more than Rs. 7000 crores per annum on procurement of equipments and stores. However, their purchases from Telecom Factories last year were of the order of Rs. 230 crores and this year, equipment proposed to be procured was stated to be worth Rs. 189 crores. The Department contended that whatever was being produced by the factories was procured by the Department and thus their full production was being utilised.

5. The Committee pointed out that purchases of only Rs. 189 crores to Rs. 230 crores was not sufficient considering the capacity of the Telecom Factories and asked whether larger quantities could not be procured from them. In reply, the Member (Production), DoT stated that the strength of these Telecom Factories was in the area of outdoor plant, etc. and the factories were focussing on that. The Committee asked if the Government has any policy to modernise these Telecom Factories to utilise the manpower and other resources available there. In reply, the Secretary, DoT stated that looking at the demand side, Department should expand Telecom Factories but based on the product lines in which they are engaged, their scope is limited. The scope of limited product diversification has been there and they have been trying to go in for technology upgradation and move to some other areas.

6. Further, he added that the efforts of the Department have been to support the Telecom Factories either by way of giving the orders or by way of helping them in exports. The Department has to address the problems on individual unit basis in order to make them more efficient. The witness further assured the Committee, in reply to another query, that Ministry has not taken any final decision and it has an open mind to resolve the problems of Telecom Factories.

(ii) Capacity Utilisation

7. The Committee was further informed that Department's effort was to make the factories as efficient as possible. The targets were increased every year but in case of Mumbai Telecom Factory the target fixed at Rs. 70 crores in 1997-98 was reduced to Rs. 45 crores, while the target was Rs. 50 crores in 1996-97. In case of Calcutta Telecom Factory, the targets fixed at Rs. 69 crores in 1997-98 was also reduced to Rs. 56 crores. The targets for Calcutta Telecom Factory was production worth Rs. 70 crores in 1996-97. Mumbai and Calcutta, CGMs had requested the Department to reduce the targets on the plea that actual requirement of CT Box, DP Box and Modem was less than the original demand forecast and mid-year change of the technical specification of Buttenski Telephone, DP Box, Support Bracket and 15M Mast necessitated fresh type approval thereby causing hold up in production.

8. To another query during evidence, the Secretary, DOT replied that it was their attempt to fix ambitious targets so that in trying to achieve the set targets, factories do as much as possible.

9. The aggregate targets *vis-a-vis* installed capacity and actual production achieved are as under:

Sl. No.	Name of the item	Agg. Prod. capacity 1997-98	Production Achieved 1997-98		Capacity Utilisation(%) 1997-98
			Target	Achieved	
1	2	3	4	5	6
1.	Bkt. Ch IR 4W	1400000	1400000	1301500	93
2.	Buttenski Telephone	20000	20000	8225	41
3.	CBT-95 (Pay Phones)	12000	12000	3240	27
4.	C.D. Cabinet	19550	19550	15267	78

1	2	3	4	5	6
5.	CT-Box	135000	135000	132338	98
6.	D.P. Box	396000	396000	232450	59
7.	Line Jack Unit	1250000	1250000	1807290	145
8.	MDF C-DoT	2350	2350	3418	145
9.	Modems	3000	3000	450	15
10.	Microwave Tower	10400	10400	7224	69
11.	Masts 15M	10200	10200	6581	65
12.	Masts 40M	300	300	101	34
13.	Saddle	1000000	1000000	815000	82
14.	Socket B	100000	100000	32083	32
15.	Sole Plate	200000	200000	12400	6
16.	Stalks	800000	800000	748000	94
17.	Support Bracket	1000000	1000000	450750	45
18.	Tubes B-8 Equip	830000	830000	646790	78
19.	U-Back	1750000	17500000	1580500	90

10. It would be seen that the capacity utilisation in respect of 10 out of 19 items being produced in the Telecom Factories ranged from

6 per cent to 69 per cent. Also in respect of Modem, an item which according to the Secretary, DoT himself, has substantial demand in the context of internet, the capacity utilisation remained 15 per cent. As against the target to produce 3000 Modems, only 450 could be produced.

11. During evidence, when asked whether the Department was contemplating to compete in the Modem Market since it was one of the items being produced in the Telecom Factories which can be used not only by the Department of Telecom but outside the Department also, the Member (Production), DoT submitted that the Department would have to compete with the multinationals. Currently they are producing 14.4 kilo bits/sec. and they had been trying to further upgrade its production.

12. The item CT Box, CD Cabinet, DP Box, Line Jack Unit and MDF being produced in Telecom Factories are stated to be popular in the Telecom Market. It would be seen that the capacity utilisation in respect of CD Cabinets and DP Box during 1997-98 was 78 per cent and 59 per cent respectively. Asked about the steps taken to increase production of these items, the DoT in a written note has stated that they are trying to procure additional injection moulding machines, deploy surplus man-power on these products, expand fabrication and painting capacity with marginal investment and resort to contracting out components and sub-assemblies etc. based on the economics of "make or buy".

13. The financial targets and achievements during the past three years were as under :

(Rs. in Crore)

Unit	1995-96		1996-97		1997-98	
	Tgt.	Ach.	Tgt.	Ach.	Tgt.	Ach.
1	2	3	4	5	6	7
Mumbai	36.00	43.26	50.00	41.44	45.00	41.00
Calcutta & Gopalpur	60.00	55.72	70.00	55.97	56.00	64.60

1	2	3	4	5	6	7
Kharagpur	05.00	02.98	08.00	02.51	04.00	02.86
Wright Town, Jabalpur	47.00	41.04	52.00	44.04	55.00	47.08
Richai	26.00	16.00	26.00	27.05	27.00	21.19
Bhilai	08.00	08.43	10.00	10.27	11.00	11.76
Total	182.00	167.43	216.00	181.28	198.00	188.49

14. The main reason for the shortfall in physical and financial targets was stated to be dislocation of production due to severe earthquake during May, 1997 at Jabalpur and certain other temporary bottlenecks which were sorted out later by the Factories. The Committee was informed that the Department had purposely fixed the targets higher to make the Factories strive hard.

(iii) Higher cost of Production

15. The details of some of the items with their production cost at Telecom factories and the rates at which those items were procured from the open market is as under :

Sl. No.	Item	TF Cost/piece (in Rs.)	Outside Purchase Rate (in Rs.)
1	2	3	4
1.	Bracket Channel Iron	97	88.00
2.	Stalk	20	5.53
3.	Support Bracket	120	57.00

1	2	3	4
4.	Saddle	12	12.37
5.	Socket	650	310.59
6.	Sole Plates	110	61.87
7.	Telephones Poles	650	596.19
8.	U-Back	22	8.99

16. It would be seen that the cost of these items (except for one item) are higher at Telecom Factories than the rates at which they are available in the open market.

17. When asked about reasons for the higher cost of production at Telecom Factories, the Secretary, DoT clarified in evidence that the private manufacturers whose prices had been quoted were specialists in one particular product whereas the Department has the diversification of products in the Factories. Besides, overhead charges at the Telecom Factories were stated to be higher in respect of establishment and staff. He suggested that the other reason for higher cost of products at Telecom Factories could be surplus labour force.

18. During their evidence, the representatives of various Unions/ Associations of Telecom Factories submitted that though DoT was getting certain products at cheaper rates from outside yet this is for the time being and due to the competition offered by Telecom Factories. "Once that competition gets eliminated, the position would not be the same. The prices of the products procured from them would definitely go up". It was further submitted that Telecom Factories products ensure quality whereas the private sector suppliers can compromise so far as quality is concerned.

19. During evidence the Committee enquired if the Department would stop procurement of the products from outside market and whether Department of Telecom would allow the factories to have exclusive franchise of items produced by them. To this, the witness

replied that the capacity of the factories is now fully utilised and as DoT's requirement is greater, purchases will be made to that extent of extra requirement from the private sector within the country.

20. The Committee further enquired whether the Telecom Factories were adequately equipped to manufacture the products if more orders were placed with them. To this Secretary, DoT submitted that it is true that out of the total purchase of the items that are produced in the Factories, only about 30% was coming from these factories and the rest was coming from private suppliers. He further stated that the indigenous capacity in the country has already come up and they are also being supported.

(iv) Surplus workforce

21. The Committee has been informed that there was a surplus workforce of 209 persons at Telecom Factory, Calcutta and 333 persons in Telecom Factory, Mumbai. The reason for the same is stated to be obsolescence of the conventional products.

22. As regards steps taken by the Department of Telecom to achieve maximum utilisation of work-force, the Committee has been informed that new products have been included during the recent years in order to achieve maximum utilisation of work force. However, as those products are less labour intensive, a part of the surplus force could only be deployed. However, continuous efforts are stated to have been made to fully utilise the labour force by diversifying into new products. The reduction in idle workforce is as given below :

Unit	1997-98		1998-99 (May 98)	
	Idle Work force	Total Work force	Idle Work force	Total Work force
Mumbai	333	1614	255	1540
Calcutta	209	1751	100	1661

The Committee has further been informed that it would take 3 to 4 years to fully utilise the idle workforce.

23. All India P&T Industrial Workers' Union, Calcutta have stated in their Memorandum that the Telecom Factories in Calcutta and Mumbai were mainly engaged in production of Switch Boards and other telephone equipments. Though the Calcutta Factory had also on its production line some items of Line Stores *viz.* Channel Brackets, Stalks, Stay-rods, U-Backs, Sole Plates etc. yet because of technological obsolescence, most of the items being produced have gone out of the production line and since these Factories have not acquired the necessary know-how and skill for production of equipments of Electronic Exchanges and its software, a large part of workforce in these two factories practically do not have any work.

24. During evidence it was stated that the Department while switching over to the electronic system, did not visualise the potentialities of these factories and did not take measures to introduce modern technology, modern equipments and training and retraining of staff and that had resulted in idle work-force because factories are now not getting sufficient orders.

25. It has further been stated in the Memorandum that though some more new projects are in process of being taken up in the production line of Mumbai factory whereas in Calcutta factory, Ariel Mast of different lengths and Microwave Towers of various sizes, Line Jack Units, Connector are to be taken up for production. However, these items of work will not be able to solve the problem of inadequacy of work. Therefore, the two factories were stated to be in dire straits which need urgent attention and remedial measures.

26. A representative of a Telecom Factories Employees Association during evidence submitted that at present out of seven Telecom Factories, only two units repair exchange cards and in all the other 5 factories the exchange cards of the telephone systems are being sent to private parties for repair at a huge cost. He further suggested that these factories can be encouraged to do repair work. "Repair units of Telecom Factories can be opened in every Circle Headquarters. All the telecom establishments should be directed to get their faulty Telephone instruments as well as different types of Exchange cards repaired through them which would save the heavy expenditure incurred on repairing".

(v) Research and Development

27. As regards the steps taken/proposed by the Department of Telecom to strengthen the Research and Development facilities in Telecom Factories, the Committee has been informed that the products of the Telecom Factories were used in the external plant of the Telecom Network which do not require basic R and D as the pace of technological advancement in this area is rather limited. No specific amount has been earmarked for the same. Necessary input for upgradation of external plant product are stated to be obtained through technology transfers from internationally reputed firms such as M/s Krone, M/s Tamura etc. The role of Telecom Factories is stated to be confined to absorb the technology and to carry out required in-house product adaptations/enhancements.

28. During evidence the Committee enquired about the steps taken by the Department to enable the factories to meet the demand of the telecom sector for new products, the witness submitted that they had phased out 13 items and added 18 new items. Besides, they were actively considering technology transfer and their own product development in case of six more items.

29. Telecom Factories Engineers Association in their memorandum has stated that at present there are R & D Cells at three Factories *viz.* Mumbai, Jabalpur and Calcutta but these are hardly functional. They are doing day-to-day upgradation work on the existing products and take up the small development work only. This is because the work force available for R & D Cells is drafted from amongst the industrial cadre whose intake level is unskilled. They are capable of doing only modification of existing products. "Engineers in R & D Cells are not given adequate exposure to new technologies in the field of communications. As a matter of fact these R & D Cells are misnomer. In the fast changing Telecom advancement, the R & D Cells should be strengthened for identifying and developing new products having potential demand in the market by recruiting qualified and trained staff. The Engineers associated with R & D Cells should be given appropriate training and exposure to latest technological field to do the R & D work in true sense."

30. The Committee enquired why these Factories were not treated as one of the industrial unit so that they could compete with very high technology based undertakings, the Secretary, DoT submitted that

it was their effort to make them as efficient as possible. He further admitted that whatever products these factories have been producing their technological upgradation should take place to maintain the competitiveness and for that whatever the basic research is required would have to be decided.

31. The Secretary, DoT assured the Committee that whatever product development and latest technological applications are there in the Telecom Factories would certainly be looked into. Asked if DoT is committed to provide R&D facilities to Telecom Factories the witness replied in affirmative.

32. During the course of evidence before the Committee, one of the representatives of the Federation of Telecom Factories submitted that the Telecom Factories at Mumbai and Calcutta are engaged in production of Main Distribution Frames (MDF) for C-DoT type Exchanges. Attempts can also be made to produce subsidiary items required for C-DoT Exchanges through Telecom Factories. These Factories should be provided with required support to produce more items of modern needs both for consumer as well as for industrial expansion.

33. They also apprised the Committee about the constraints which affected the performance of the Telecom Factories like ban on capital investment, absence of policy making cell for growth and development, absence of identification of new products based on day-to-day requirement and non-introduction of modern technologies. The witness further submitted that while making attempts to improve and strengthen the Telecom Factories there should be an equal concentration in addressing HRD issues.

34. The Committee has further been informed that a Committee was constituted by DoT in 1993 under the chairmanship of Senior DDG (TEC) for recommending new items of production. The Committee had *inter-alia,* recommended preparation of a corporate plan to strengthen the existing R & D Centres in the Factories by inducting suitably trained persons having electronics background and to set up a centralised R & D and product development centre at TEC HQ. As regards action taken it was informed that the recommendations were processed but no decision could be taken.

35. The Committee had further recommended that the new products *viz.* C-DoT RAX for 256 Port and Antennas at Mumbai, Jabalpur and Calcutta; 10 Channel UHF/MNT equipment and repair of C-DoT Cards at Jabalpur; 2/8 Mb. optical line terminal equipment of C-DoT design at Mumbai; Repair of E-10B cards at Mumbai and Calcutta and Power Plant 50V at Calcutta, Jabalpur and Mumbai; Repair of E-10B cards at Jabalpur; Repair of C-DoT cards at Mumbai and Calcutta should be taken up for development/production.

36. As regards manufacture of the above mentioned products, it has been stated that the repair of cards and manufacture of Antenna has been taken up.

37. The Committee learnt that the Senior DDG (TEC) stressed the importance of R&D and Product Development Activities in the present context of competition on account of liberalisation policy of the Government and entry of private sector including multinationals in a big way into the Telecom manufacturing area. While appreciating the past role of Telecom Factories, he stressed upon the need for inducting new electronic based items in DoT Network. He stated that being captive units of a high technology department, Telecom Factories would have to acquire competence to undertake manufacture, assembly and testing of electronic based Telecom equipments. Further, factories will have to give utmost importance to the cost and quality in order to remain in competition with outside agencies.

38. The Committee had further recommended that CGMs, Telecom Factories should have the liberty of taking up production of new items or enter into any new service area provided they are able to market the product/service on their own.

39. Telecom Factories Engineers Association in their memorandum have stated that Telecom Factories if given opportunity can compete with Private competitors provided todays concept of modern industry is adopted at the time of revival of Telecom Factories. "At present, Telecom Factories are producing finished products starting from scratch whereas they should be given facilities to develop their Ancilliaries for component manufacture. Ancilliary units so developed shall be supplying components required for different products at cheaper rates as their OH (Overhead Charges) are bound to be very low as compared to that of TFs whose OH are very high as salary of staff is governed by Wages Act."

III. Training of Staff

40. The Committee has been informed that one of the constraints for effective functioning of Telecom Factories was that the staff was not being trained for new processes/technologies.

41. As regards remedial steps taken to counter these difficulties to accelerate the growth of Telecom Factories, it has been stated that the Department had delegated full financial powers to CGMs for training of staff. The scheme of pre/post training for industrial workers (1995) has been implemented. Besides, the training syllabus of JTO's and Assistant Managers (1991) has been revised.

42. During evidence, the witness submitted that the Department has 40 training centres under it and DoT is one of the biggest organisations with such an extensive training centres. The ALTTC is stated to be an advance level telecom training centre which is of world class. It has been informed that personnel of Telecom Factories are also being sent for managerial training to the ALTTC.

43. The number of persons trained in different TFs during the last 5 years is as under:

Year	No. of Persons
1993-94	22
1994-95	19
1995-96	60
1996-97	78
1997-98	52

44. It has been stated in the Memorandum that the average age of staff have gone very high due to ban on recruitment since 1984. Approximately 30% staff are below 35 years, 20% between 35 to 45 years and 50% above 45 years. Telecom Factories should be allowed to induct fresh work force by direct recruitment mainly from ITI diploma holders.

IV. Diversification

45. All India Telecom Employees Union Class III has stated during evidence that new available technology has not been assimilated in the manufacturing process at the Telecom Factories and the Department was procuring its majority equipments from private companies like Fujitsu and other multinational companies.

46. At the Committee's instance, the Union has submitted a list of following items that according to them can be taken up for manufacturing by Telecom Factories:

1. Electronic Push Buttons Telephones (EPBTs)
2. Terminals and Adaptors for ISDN
3. Switch Mode Power Supply (SMPS) for Exchanges
4. Solar Power Plants
5. Optical Fibre Cable and Accessories
6. Smart Card Payphones
7. Smart Card for Payphones
8. Equipment pertaining to Wireless in local loop (WILL)
9. Equipment pertaining to Satellite communication
10. High Bitrate Digital Subscribers Line (HDSL)

47. It is also stated that the Telecom Factories have the capability to take up the production of the above mentioned products with the support of suitable transfer of technology and training package from Indian/Foreign manufacturers.

48. It has also been stated that C-DoT can be entrusted to identify and develop suitable products exclusively for Telecom Factories, transfer the technology and impart training for successful manufacturing of such products. This is required as Telecom Factories being captive units of DoT did not have their own R&D in the real sense.

49. The Committee notes that functioning of Telecom Factories has been adversely affected in recent years because of technological

obsolescence of conventional products produced there. Old Electro-mechanical Exchanges have almost been replaced by Electronic Exchanges all over the country but the Department of Telecommunications (DoT) did not devise timely steps to modernise and assign purposeful role to its Telecom Factories in the changing scenario. The indecision has cost the nation dearly as the factories are rendered sick with a large number of idle workforce; their annual production is dwindling and idle capacity increasing; workforce is totally demoralised as their future looks bleak; costly assets are rusting and DoT has to secure supplies from private companies.

50. The Committee notes that DoT has been procuring equipments and stores of about Rs. 7000 crores every year. However, their purchase from their own factories has been of the order of Rs. 230 crores approximately this year and Rs. 189 crores in the previous year. The reasoning that "whatever is being produced has been procured and their full production is being utilised" is not at all convincing in view of the fact that production capacity of Telecom Factories is much higher and that they could not attain full capacity for lack of sufficient orders from DoT. Thus the costly assets have not been put to optimum use.

51. No doubt these factories are engaged in production of conventional equipments for which limited demand is there. However, keeping in view future requirements of DoT, there is an urgent need to modernise these captive units. Product diversification through technological upgradation should be taken in hand expeditiously with a view to utilise costly assets. Since the DoT states that it has an open mind to resolve the problem, the Committee trusts that its views will be taken note of with all seriousness.

52. The Committee is concerned to note that during the year 1997-98, out of 19 items being produced in different Telecom Factories, capacity utilisation in respect of 10 items ranged between 6 and 70 per cent. These products are Buttenski Telephone (41 per cent), CBT-95 (Pay Phones) (27 per cent), DP Box (59 per cent), Modems (15 per cent), Microwave Towers (69 per cent), Masts 15 M (65 per cent), Masts 40 M (34 per cent), Socket B (32 per cent), Sole Plate (6 per cent) and Support Bracket (45 per cent). The Committee would like to be apprised of the precise reasons for poor capacity utilisation of each of these items.

53. The Committee finds that even though capacity utilisation for Support Bracket, Socket and Sole Plates was only 45 per cent, 32 per cent and 6 per cent respectively, yet these items were procured from open market. The Committee takes serious view of it. It will like to be apprised of the quantity procured from open market of these products and also the reasons for procuring them when idle captive capacity was available with DoT. The level at which decision in this regard was taken may also be intimated to the Committee.

54. The Committee notes that Modem is an item which has great demand in and outside the Department and is being produced in Telecom Factories. The Committee is unhappy to note that though the target during 1997-98 was to produce 3000 Modems, yet only 450 Modems could be produced and the capacity utilisation remained at 15 per cent only. The Committee is of the opinion that lack of serious efforts have resulted in such an extensive shortfall in achievement of targets more so when it has much demand in the market. The Committee, therefore, recommends that the Department should make serious and continuous efforts to upgrade the production of Modems.

55. The Committee notes that during the last 3 years, financial achievements have been much below the targets. The achievements were Rs. 167.43 crores in 1995-96, Rs. 181.28 crores in 1996-97 and Rs. 188.49 crores in 1997-98 against the targets of Rs. 182 crores, Rs. 216 crores and Rs. 198 crores respectively. The statement that targets were fixed higher purposely to make the factories strive hard does not convince the Committee. There is no use in fixing higher targets in the absence of adequate demand. On the other hand, the Committee desires that DoT should fix realistic targets so that no request to reduce the target is made.

56. The Committee is extremely unhappy to note that the cost of 7 products manufactured in the Telecom Factories is much higher than the rates at which they were procured from market. Cost price of Sockets at factories was Rs. 650 per piece against Rs. 310.59 in the market. Similarly, Sole plates were procured from market @Rs. 61.87 against the factories' cost of Rs. 110; Telephone Poles @Rs. 596.19 against factories' cost of Rs. 650, Support Bracket at Rs. 57 against factory's cost of Rs. 120 and Stalk at Rs. 5.53 against the factory's cost of Rs. 20. Obviously, it is not a satisfactory position even though the heavy overhead cost and very low capacity utilisation may be the reasons. The Committee desires that urgent steps be

devised to bring cost of production in Telecom Factories in tune with the market rates.

57. The Committee notes with regret that out of the items that are being produced in the Telecom Factories, DoT purchases only 30% of the same and the rest are purchased from the private suppliers. No doubt, indigenous capacity in the country which has come up has to be supported, but it should not be done at the cost of Telecom Factories which are captive units of the DoT. This may also be one of the reasons for higher unit cost of certain products of Telecom Factories as their capacity utilisation was very poor. The Committee, therefore, desires that DoT should first fully utilise the capacities of captive units before procuring these items from the market.

58. The Committee notes that because of the technological obsolescence, most of the products so far manufactured in the factories have gone out of production line and since these factories have not acquired the necessary know-how and skill for production of equipments of Electronic Exchanges and its software, a large section of the workforce in Mumbai and Calcutta factories has become 'surplus'. According to the latest information made available to the Committee, there are 255 idle workforce at Mumbai and 100 at Calcutta factories as on May, 1998. Although efforts were made by the Department to reduce the idle workforce by diversifying into new products yet only a few of them could be utilised. The Committee feels that surplus workforce can be fruitfully utilised by diversifying into the repair of Exchange Cards. The Committee desires DoT to examine it in detail and take necessary steps.

59. The Committee notes that products of Telecom Factories are used in the external plant of Telecom Network which do not require basic Research and Development as the pace of technological advancement in this area is limited. However, the Committee finds that a Committee constituted by the DoT in 1993 under the chairmanship of senior DDG(TEC) had recommended strengthening of existing R & D centres in the factories by inducting suitably trained persons having electronics background and to set up a centralised R & D and product development centre at TEC (Hq.). Thus, the Committee feels that technological upgradation of products must take place to maintain the competitiveness of Telecom Factories. It is distressing to note that no action was taken on the

recommendation of that Committee. The Committee, therefore strongly desires that R & D at Telecom Factories should be suitably strengthened.

60. The Committee set up under the chairmanship of Senior DDG (TEC) in 1993, had *inter-alia* recommended development of certain new product *viz.* C-DOT RAX for 256 Port and Antennas; 10 Channel UHF/MNT equipment and repair of C-DOT Cards, 2/8 Mb optical line terminal equipment of C-DOT design, repair of E-10B Cards and Power Plant 50v at Telecom Factories. However, only repair of Cards and manufacture of Antenna was taken up. The Committee will like to be apprised of the reasons for not taking up development of other products as recommended by the above said Committee.

61. The 1993 Expert Committee had also emphasised the need of training the staff in new technology. However, the Committee is disturbed to find that during the last 5 years (1993-94 to 1997-98) only 231 personnel have been trained. The Committee feels that with such an insignificant number of employees trained during the last five years, the Telecom Factories would not be able to meet the challenges when the technology is changing fast. The Committee, therefore, recommends that training process should be geared up to make the workers capable of taking up the production of modern equipments.

62. The Committee also desires that in order to modernise the Telecom Factories, the Department should prepare a Perspective Plan for training and retraining of existing workforce. Due to obsolescence of conventional items in the Telecom Factories, there is an urgent need to induct new technology and therefore, training and exposure of engineers/workers to new technology are inescapable so as to enable them to take up production of items currently in demand.

63. The Committee also notes that the Technical Committee had recommended that CGMs, Telecom Factories should have the liberty of taking up production of any other new item or enter into any new service area provided they are able to market the product/service of there own. The Committee would like to be apprised of the action taken by the Department in the matter.

64. the Telecom Factories Engineers Association have furnished a list of high quality products and stated that these items can be

manufactured in the Telecom Factories with the support of suitable transfer of technology and training package from Indian/Foreign Manufacturers. These items are Electronic Push Buttons Telephones (EPBTs), Terminals and Adapters for ISDN, Switch Mode Power Supply (SMPS) for Exchanges, Solar Power Plants, Optical Fibre Cable and Accessories, Smart Card Payphones, Equipment pertaining to Wireless in local loop (WILL), Equipment pertaining to Satellite communication and High Bitrate Digital Subscribers Line (HDSL). It has been suggested that C-DOT can be entrusted to identify and develop suitable products for manufacturing by Telecom Factories. The Committee desires the Department to examine the possibility of production of the above products in Telecom Factories and inform the Committee about the developments in this regard.

CHAPTER II

I. Marketing and Export of Products

65. During evidence, a representative of Department of Telecom stated that in the beginning the Telecom Factories were producing items for the internal requirements of the Department of Telecom as they were captive units. They did not have to do any marketing at any stage. Now, when more number of suppliers have come up and they are also trying to find new products which they could sell, the need of marketing has been recognised as one of the focussed areas.

66. As regards measures taken to encourage exports, the Committee has been informed that marketing cells have been set up in the Factories to secure more orders and receive prompt payment. Proforma on Profit and Loss statement and Balance sheet are prepared annually to make the Factories conscious of the performance. Constant efforts are reportedly being made to reduce the cost of production in order to become more competitive. Besides, Engineering graduates in Electronic and Computers have been recruited at JTO and JTS levels instead of Mech. Engg. graduates only. Further, a revised Profit and Loss Statement based on commercial principles is stated to be under formulation.

67. However, the sale of products of Telecom Factories within the country to customers other than the DoT was stated to be almost negligible.

68. The Committee has been informed that for some low technology items there was a market in some Gulf countries and in Africa. A small beginning is stated to have been made in this area but the percentage of the export is insignificant. Telecom Factories had successfully exported CT Box Modules from Mumbai and Calcutta units to Gulf countries through TCIL and Alloy steel casting from Kharagpur to USA in recent past, valued at about Rs. 23.50 Lakhs. It was also proposed to continue this policy to encourage the Factories to expand their export base.

69. Asked about the steps being taken to promote export of products manufactured by the factories, it has been stated that in

accordance with the existing rules, Factories have been authorised to offer quotation at reduced rates in response to tender inquiries from foreign Government/parties etc. Also, Telecom Factories are participating in major Telecom exhibitions in the country and abroad.

II. Problems of Engineering Cadres

70. The Committee has been informed that Fifth Central Pay Commission had recommended the merger of Group 'A' posts of Telecom Factory Service with Indian Telecom Service and the matter is stated to be under consideration of the Department. When asked about further progress made in this regard, it has been stated that no final decision is taken by the Department in this regard since the issue is linked with the future organisational set up of the Factories in the restructured Department of Telecom as a corporation which is also under active consideration of the Department.

71. To another query, it was replied that Telecom Factory Officers' Association had been consulted in the matter and they were also in agreement with recommendation of the Fifth Central Pay Commission.

72. The Committee has learnt that the majority of the directly recruited candidates selected through UPSC Engineering Service Examination leave the organisation due to lack of career prospects and stagnation in Telecom Factories. The retention of direct recruits is stated to be just about 25%.

73. From the material submitted to the Committee it appear that there are 173 engineers employed in seven Telecom Factories. The Telecom Factory engineers are recruited at two levels, one at the level of JTO and the other at the level of Assistant Manager at Group 'A' level. The JTOs are recruited from amongst graduate engineers after competitive examination conducted by the Department of Telecommunications. Similarly, the Assistant Managers are appointed through UPSC. Telecom Factories under the banner of DoT have lot of attraction for graduate engineers who come from competitive examination.

74. During the Study Tour of the Committee, it was represented to it that Junior Telecom Officers working in the Telecom Factories who were supposed to be treated at par with their conterparts in the

mainstream of DoT are not given equal pay scales according to their capabilities in the Department. It has caused demoralisation and unrest among them. It was stated that Junior Telecom Officers (TFs) selected through All India Competitive examination with Engineering qualification have been placed in the pay scale of Rs. 5000-8000 whereas their counterparts in the mainstream of the DoT with similar qualification are enjoying the pay scale of Rs. 6500-10500. This issue is stated to be pending with Government for decision.

75. In a written Memorandum Telecom Factories Engineers Association has stated that one of the hurdles in the way of progress of Telecom factories is that they do not have an adequate team of Engineering Officers. The ratio of Officers *vs.* staff in Factories is stated to be about 1:36 whereas in ITI/HTL it is about 1:3 to 1:5.

76. The Committee has further been informed that demand of JTO (TF) for the parity in the pay scale with the JTO (Telecom) has been referred to Anomaly Committee on 20th July, 1998. The anomaly Committee has since recommended the matter. Further necessary action in this regard is being taken.

77. The Committee notes that the Department has taken certain measures to gain marketing capability like setting up of marketing cells in the factories to capture more orders and receive prompt payment. Profit and Loss accounts and Balance Sheets are prepared annually to make the Factories conscious of profit. Efforts are made to reduce cost of production in order to make them more competitive. The Committee feels that in the emerging competitive environment when there would be a large number of suppliers as well as buyers of telecom equipments it would be difficult for Telecom Factories to sell their products without a well equipped marketing organisation. The steps taken to adopt sound commercial practices are in the right direction and require to be further reinforced.

78. The Committee notes that DoT has taken certain steps to promote export of Telecom Factories products *viz.* factories have been authorised to offer quotation at reduced rates in respect of tender enquiries from foreign Governments/parties, participation of Factories in major Telecom exhibitions in the country and abroad besides emphasising more on R & D activities. However, these steps cannot be termed as adequate in view of the competitive environment in the Telecom Equipment Manufacturing Sector. The Committee,

therefore, desires the DoT to support the Telecom Factories more actively to expand their exports which at Rs. 23.50 lakh is quite insignificant.

79. The Committee has expressed concern that there exists an anomaly in the pay scales of JTO(TF) and JTO(Telecom). The Engineers in Telecom Factories selected through All India Competitive Examination with engineering qualification are placed in a lower pay scale of Rs. 5000-8000 whereas JTO (Telecom) in the mainstream has been placed in a higher scale of Rs. 6500-10500. Though the Department has referred the case to Anomaly Committee on 20th July, 1998 no decision has yet been taken on the same. The Committee has desired the Department should take an early decision in this regard so that the production at the Telecom Factories do not suffer due to unrest among the Telecom Factories Engineers.

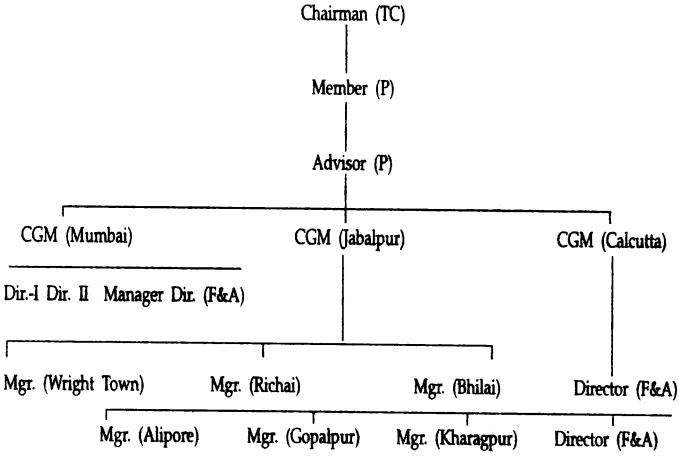
80. The Committee further notes that the Fifth Central Pay Commission recommended the merger of Group 'A' post of Telecom Factories with Indian Telecom Service (ITS) and the matter is stated to be under consideration of the Department. The Committee expects an early decision in this regard keeping in view the interest of the workers of the Telecom Factories.

81. The Telecom Factories Engineers Association in their memorandum have stated that the number of Engineers in the Telecom Factories is not adequate and it is one of the factors hampering the progress of Factories. The ratio of Officers *vs* staff is stated to be 1:36 whereas in ITI/HTL it is about 1:3 to 1:5. The Committee would like the Department to examine the matter in depth and if required take measures to correct the imbalance.

CHAPTER III

Administrative Set-up

82. The Telecom Factories are under the charge of Chief General Managers (CGMs) in Senior Administrative Grade. CGM, Telecom Factory, Mumbai is incharge of Mumbai Factory. CGM, Telecom Factory, Jabalpur is incharge of Wright Town, Richai and Bhilai units. CGM, Telecom Factory, Calcutta is incharge of Alipore, Gopalpur and Kharagpur units. The organisational chart of Telecom Factories is as under :



83. The Committee desired to know whether organisational set up of Telecom Factories required any change. In reply, it has been stated that the organisational set up of Telecom Factories needed a review in order to make them more competitive and self-reliant in view of the liberalisation of Telecom sector of the economy. The Committee has further been informed that there are two options before the Department either to retain the factories as an integral part of the proposed 'India Telecom' under single DoT corporation or to convert them into a separate Public Sector Undertakings (PSUs) to compete alongwith other PSUs and private telecom manufacturers to share the Indian Telecom

market. The matter is stated to be under consideration of the Department.

84. In reply to another query, the DoT in a note have stated that the corporatisation of the Department alongwith restructuring of factories had been under consideration since early 1990's and the final decision in this regard is linked with corporatisation of DoT.

85. The Vth Central Pay Commission in its Report has stated that as per the National Telecom Policy, 1994 the Telecom Sector has been thrown open to private participation. Though DoT has entered the area of value-added services, these are mostly on private franchise. Research and production in Switching is already substantially with the autonomous bodies, public sector units or private sector. However, Telecom Factories are still in the Departmental mould and are not yet geared to undertake production of equipments and instruments based on modern technology. The Central Pay Commission has viewed that with strong infrastructure of production outside the Department, there are strong grounds for giving greater autonomy to Telecom Factories, so as to enable them to upgrade obsolete technologies, methods and products.

86. The Central Pay Commission has recommended that the Telecom Factories should not be expanded. Till they are retained in Government they should be corporatised and as competition increases, they should gradually be wound up.

87. However, the DoT is of the view that it was able to obtain competitive price advantage by retaining Telecom Factories and it would be possible to supply to private operators also by the Factories as "Departmental Units."

88. The All India Post and Telegraphs Industrial Workers Union has represented to the Committee that DoT even if corporatised should retain Telecom Factories as its captive manufacturing units. It has been pointed out that the Ministry of Railways and the Defence Ministry have their own manufacturing and production units. It was further represented that production of equipments, accessories and machineries by Telecom Factories would place DoT at an advantage in the competitive market.

89. The Committee learnt that an Expert Committee constituted by the Department of Telecom (DoT) under the chairmanship of

Shri S.R. Chawdhry, Chairman and Managing Director, Bharat Bhari Udyog Nigam Ltd. in 1988 observed certain drawbacks in the organisational structure of Telecom Factories. It found that many of the decisions on matters concerning the factories were getting considerably delayed because there was too many stages of consideration and the decision making process was too cumbersome. The problems of Telecom Factories are different from the problems of other units which are service units rather than being manufacturing and industrial establishment. Besides, requisite financial autonomy necessary to run a manufacturing organisation was not available and there was no set up for Corporate Planning to visualise future growth of the Telecom Factories by way of introduction of new technologies etc.

90. The said Committee had recommended that a separate Telecom Factory Board should be created and held fully responsible for the efficient functioning of the Telecom Factories. This Board should report to the Secretary of the Department of Telecommunications.

91. When asked about the action taken in this regard, the Committee was informed that no decision was taken to formation of Telecom Commission.

92. During Study Tour to Telecom Factory, Calcutta, the Committee learnt from a written Memorandum submitted by All India P&T Industrial Workers Union, Calcutta that some years back a Telecom Factory Management Board was existing for management, control and co-ordination of the Departmental Factories but the Board was subsequently dismantled and the Factories were brought under the direct control of the Department of Telecommunications.

93. Telecom Factories Engineers Association, Jabalpur in a written Memorandum have stated that Telecom Factories could not flourish or expand with updated technologies merely for want of clear cut policies. Policies did not exist simply because there was no Board of Management for the governance of Telecom Factories. The Government, therefore, should form Board of Management for Corporate planning of Telecom Factories. Once Board of Management of Telecom Factories will start functioning there would be no reason as to why the Telecom Factories cannot be revived to suit to the needs of the day and

sustained development is bound to occur.

94. It has further been stated that "Board of Management thus constituted should be made responsible for sustained growth of Telecom Factories and answerable to the Telecom Commission. Once Board of Management starts functioning exclusively for Telecom Factories long term policies on product identification and production would be suitably regulated and short term policies be implemented for proper man and machine power utilisation".

95. As regards perspective plan for the Telecom Factories, the Committee has been informed that perspective plan for the Telecom Factories depends upon the perspective plan of the Department, on the basis of which the Annual Production programme of the Factories is formulated.

96. The Committee has further learnt that a Technical Committee constituted by DoT in 1993 for recommending new items for production in Telecom Factories has recommended that a corporate plan for Telecom Factories should be prepared specifying the role and field of activity of Telecom Factories for the next 15 to 20 years.

97. Regarding action taken in this regard, the Committee was informed that this recommendation of the Technical Committee was processed but no decision could be taken.

98. The Committee notes that the Department of Telecommunications has yet to decide whether the Telecom Factories would remain as an integral part of the proposed 'India Telecom' under single DoT Corporation or would be converted into a separate Public Sector Undertaking (PSU) to compete alongwith other Public Sector Undertakings (PSUs) and private manufacturers to share the Indian Telecom Market. The Committee expresses its displeasure to learn that though an Expert Committee constituted by DoT under the chairmanship of Shri S.R. Chowdhry pointed out certain drawbacks in the organisational structure of Telecom Factories as early as in 1988 and in pursuance of its recommendations, a review of organisational structure of Telecom Factories is under consideration since 1990, yet the Department of Telecommunications has not been able to take any final decision in this regard even after the lapse of

more than 8 years. The Committee desires the Department to take an early decision in this regard.

99. The Committee has expressed its concern on the fact that the Vth Central Pay Commission (CPC) on Telecom has recommended privatisation/corporatisation of the Telecom Factories. Strangely, the Vth C.P.C. has not considered the DoT's view which says that the Department was able to obtain competitive price advantage and possibility of supplying equipment to private operators would be there by retaining the factories as departmental units. The Committee has viewed that Telecom Factories should continue to function as captive units of the Department of Telecommunications as are Railway Workshops and Defence Factories, as it would be advantageous for the Department in the developing competitive environment.

100. The Committee is unhappy to learn that constitution of Factories Management Board as recommended by the abovesaid Expert Committee to streamline the decision making process and make it fully responsible for the efficient functioning of Telecom Factories has not been implemented nor has any step been taken to ascertain the need for it. The Committee recommends that the recommendation for setting up of a separate Telecom Factory Board be examined expeditiously so that focussed attention can be provided to the working of Telecom Factories. In this context, the Committee commends the suggestion made by the Telecom Factories Engineers Association that there should be a Board of Management exclusively for corporate planning of the Telecom Factories and the same should be made responsible for the sustained growth of the Factories and also answerable to the Telecom Commission. Once a separate Board is constituted for the Telecom Factories, the long term policies on product identification and productionisation would be suitably regulated and sort term policies for proper man and machine power utilisation would also be suitably implemented.

101. As recommended by the Expert Committee, requisite financial autonomy necessary to run a manufacturing and industrial establishment should be made available to the Telecom Factory Board so that adequate supply of raw-material and components whenever required can be made available well in-time thereby resulting in smooth flow of production in Telecom Factories.

102. The Committee has noted with concern that at present the Department has not prepared any Perspective Plan exclusively for the Telecom Factories and the annual production programme of the Factories is prepared on the basis of the Perspective Plan of the Department. The Committee has further noted that way back in 1993, a Technical Committee constituted by DoT for recommending new items for production had recommended preparation of a Corporate Plan for specifying the role and field of activity of Telecom Factories. It has noted with regret that the Department has not taken any decision in this regard so far. The Committee has disapproved such casual attitude and recommended that a Perspective Plan should be prepared within this year with a view to making Telecom Factories viable units.

SOMNATH CHATTERJEE,
Chairman,
Standing Committee on Communications.

NEW DELHI;
31 *March,* 1999
10 *Chaitra,* 1921 *(Saka)*

ANNEXURE I

PRODUCT PROFILE OF TELECOM FACTORIES

Telecom Factory, Bombay :

- C.D. Cabinets
- C.T. Box
- D.P. Box
- Electronic Relay Plates
- Line Jack Units
- MDFs
- Moderns
- Pay Phones
- Private Wire Relay Sets
- Support Bracket

Telecom Factory, Calcutta (Alipore) :

- Bracket Channel Iron
- Buttenski Telephone
- C.D. Cabinets
- C.T. Box
- D.P. Box
- Line Jack Units
- MDFs

- Microwave Towers/TTH Tower
- Mast 40/15 Meter
- Personal Computer
  (Supply and Maintenance)
- Power Plants
- Repair of E-10-B/C-DOT Cards
- Repair of Telephone Instruments
- Stalks
- Support Bracket
- U-Back

Telecom Factory, Calcutta (Gopalpur) :

- Galvanising Operation
- Microwave Towers

Telecom Factory, Kharagpur :

- Saddles
- Sockets
- Sole Plates
- Special Alloly Castings for Exports

Telecom Factory, Jabalpur (Wright Town) :

- Bracket Channel Iron
- C.D. Cabinets
- Line Jack Units
- Microwave Towers/TTH Towers

- Masts 40/15 Meter
- Repair Of C-Dot Cards
- Repair of Telephone Instruments
- Stalks
- Support Bracket
- Tubes (Rivetted)
- U-Back

Telecom Factory, Jabalpur (Richhai) :

- Galvanising Operation
- Tubes (Welded)

Telecom Factory, Bhilai :

- Microwave Towers/TTH Tower
- Mast 15 Meter

APPENDIX I

MINUTES OF THE SIXTEENTH SITTING OF THE COMMITTEE ON COMMUNICATIONS (1998-99)

The Committee sat on Friday, the 4th September, 1998 from 11.00 hrs. to 12.30 hrs. in Committee Room No. 53, Parliament House New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri Dowarka Parashad Bairwa
3. Shri Mahendra Baitha
4. Shri Somjibhai Punjabhai Damor
5. Shri M. Durai
6. Shri A. Ganeshamurthi
7. Smt. Sheela Gautam
8. Shri T. Govindan
9. Shri Rizwan Zaheer Khan
10. Shri Balasaheb Vikhe Patil
11. Shri Madan Vishwanath Patil
12. Shri Baijnath Rawat
13. Shri Harpal Singh Sathi
14. Dr. Chhatrapal Singh
15. Shri Nakli Singh
16. Shri Rajveer Singh

17. Shri Surender Singh
18. Shri P.C. Thomas
19. Shri Braja Kishore Tripathy
20. Shri Surendra Prasad Yadav (Jhanjharpur)

Rajya Sabha

21. Shri R.N. Arya
22. Shri Raj Babbar
23. Shri Kartar Singh Duggal
24. Shri K. Rahman Khan
25. Shri R. Margabandu
26. Shri Narendra Mohan
27. Shri Kuldip Nayyar
28. Shri K. Kalavenkata Rao

SECRETARIAT

1. Dr. A.K. Pandey	—	*Additional Secretary*
2. Shri S.K. Sharma	—	*Deputy Secretary*
3. Shri Ashok Balwani	—	*Assistant Director*

List of Witnesses

Ministry of Communications (DoT)

1. Shri Anil Kumar	—	Secretary, DoT & Chairman Telecom Commission
2. Shri R.R.N. Prasad	—	Member (Production)
3. Shri A. Prasad	—	Member (Finance)
4. Shri Prakash Narain	—	DDG (Production)

2. At the outset the Chairman welcomed the Secretary, Ministry of Communications (DoT) and the officials of the Department accompanying him.

3. The Committee sought certain clarifications on the subject "Working of Telecom Factories" as well as points arising out of the written replies to the questionnaire furnished by the DoT on the Subject Telecom Factories.

4. A verbatim record of the sitting has been kept.

5. The Chairman thanked the officials of the Ministry of Communications (DoT) for furnishing valuable information to the Committee and for free and frank answers and the cooperation that they extended to the Committee.

The Committee then adjourned.

APPENDIX II

MINUTES OF THE NINETEENTH SITTING OF THE STANDING COMMITTEE ON COMMUNICATIONS (1998-99)

The Committee sat on Wednesday the 28th October, 1998 from 11.00 hours to 12.30 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri Dowarka Parashad Bairwa
3. Shri Mahendra Baitha
4. Smt. Nishaben Amarsinhbhai Chaudhari
5. Shri M. Durai
6. Shri Giridhar Gamang
7. Shri A. Ganeshamurthi
8. Shri T. Govindan
9. Shri Madan Vishwanath Patil
10. Shri Baijnath Rawat
11. Shri Chandrashekhar Sahu
12. Shri K. Asungba Sangtam
13. Shri K.L. Sharma
14. Dr. Chhatrapal Singh
15. Shri Rajveer Singh
16. Shri Surender Singh
17. Shri Braja Kishore Tripathy

Rajya Sabha

18. Shri R.N. Arya
19. Shri Raj Babbar
20. Shri Shatrughan Sinha
21. Smt. Veena Verma

SECRETARIAT

1. Shri S.K. Sharma — *Deputy Secretary*
2. Shri A.S. Chera — *Under Secretary*

Representatives of Employees' Unions and Associations of Telecom Factories

1.	Shri O.P. Gupta	—	Secretary-General, National Federation of Telecom Employees, New Delhi
2.	Shri R. Venkatraman	—	Secretary-General, Federation of Telecom Organisation, New Delhi
3.	Shri P.N. Singh	—	Central Council Member, Telecom Factories Engineers Association, Jabalpur
4.	Shri Pranab K. Roy	—	Vice-President, All India P&T Industrial Workers Union, Calcutta
5.	Shri V.A.N. Namboodiri	—	General-Secretary, All India Telecom Employees Union Class-III (Namboodiri)
6.	Shri M. Tekchandani	—	Asstt. Circle Secretary, Bhartiya Telecom Employees Union Class-III, Jabalpur

7.	Shri R.M. Oke	—	Secretary-General, Telephone Workers Union, Mumbai
8.	Shri Sujit Chatterjee	—	Circle Secretary, All India Telecom Employees Union Class-III (N), Calcutta

2. At the outset, the Chairman welcomed the representatives of the Employees' Unions and office of Associations of Telecom Factories and asked them to give their views/suggestions on the working of Telecom Factories. The representatives of Unions/Associations expressed their views on the subject in brief.

3. The Committee, then, sought clarifications from the representatives on the views/grievances expressed by them on the working of Telecom Factories. The representatives replied to the queries of the Members on the issues like reduced production of Telecom Factories during the recent past, their standing in relation to MNCs, R&D, assistance required from the Government and suggested measures to improve performance of the Telecom factories.

4. In the end, the Chairman thanked the representatives for furnishing valuable information as well as for expressing free and frank views on various points raised by the Members.

5. A verbatim record of the proceedings of the sitting has been kept.

The Committee then adjourned.

APPENDIX III

MINUTES OF THE THIRTIETH SITTING OF THE COMMITTEE ON COMMUNICATION (1999-2000)

The Committee sat on Wednesday, the 31 March, 1999 from 11.00 hrs. to 13.30 hours in Committee Rom No. '62', Parliament House New Delhi.

PRESENT

Shri Somnath Chatterjee - *Chairman*

MEMBERS

Lok Sabha

2. Shri Dowarka Parashad Bairwa
3. Shri Mahendra Baitha
4. Shri M. Durai
5. Shri Sudip Bandyopadhyay
6. Smt. Sheela Gautam
7. Shri Jay Krishna Mandal
8. Shri Baijnath Rawat
9. Shri K. Asungba Sangtam
10. Shri Harpal Singh Sathi
11. Dr. Chhatrapal Singh
12. Shri Nakli Singh
13. Shri Rajveer Singh
14. Shri Surender Singh
15. Shri Braja Kishore Tripathy
16. Shri Surendra Prasad Yadav (Jhanjhgarpur)

Rajya Sabha

17. Shri Kartar Singh Duggal
18. Shri Kanak Mal Katrara
19. Shri K. Rahman Khan

20. Shri Dawa Lama
21. Smt. Chandresh Kumari
22. Shri R. Margbandhu
23. Shri Narendra Mohan
24. Ms. Mabel Rebello
25. Shri Shatrughan Sinha
26. Smt. Veena Verma

SECRETARIAT

1. Shri P. D. T. Achari — *Joint Secretary*
2. Shri S. K. Sharma — *Deputy Secretary*
3. Shri A. S. Chera — *Under Secretary*

Representatives of Department of Telecommunications

1. Shri Anil Kumar, Chairmna (TC) & Secretary,
2. Shri A. Prasad, Member (F)
3. Shri P. S. Saran, Member (S)
4. Shri N. K. Sinha, Member (T)
5. Shri S. P. Purwar, Advisor (F)
6. Shri R. N. Goel, Advisor (O)
7. Dr. Vijay Kumar, Advisor (P)
8. Shri N. R. Mokhariwale, Adviser (HRD)

2. *** *** *** ***

3. *** *** *** ***

4. The Committee then took up for consideration the Draft Report on 'Working of Telecom Factories' and approved the same without any modifications/amendments.

5. thereafter the Committee authorised the Chairman to finalise and present the Report in both Houses of Parliament.

The Committee then adjouned.