

SEVENTEENTH REPORT
STANDING COMMITTEE ON
COMMUNICATIONS
(1995-96)

(TENTH LOK SABHA)

MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF TELECOMMUNICATIONS)

DEMANDS FOR GRANTS (1995-96)

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



LOK SABHA SECRETARIAT
NEW DELHI

May, 1995/Vaisakha, 1917 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON
COMMUNICATIONS (1995-96)

Kumari Vimla Verma –*Chairperson*

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2. Shri G.C. Malhotra – *Joint Secretary*
3. Shri O.P. Ghai – *Deputy Secretary*
4. Shri S.K. Sharma – *Under Secretary*

INTRODUCTION

I, the Chairperson of the Standing Committee on Communications having been authorised by the Committee to submit the Report on their behalf, present this Seventeenth Report on the Demands for Grants (1995-96) of the Ministry of Communications (Department of Telecommunications).

2. The Standing Committee on Communications was reconstituted on 7 April, 1995. One of the functions of the Standing Committee as laid down in Rule 331 E of the Rules of Procedure and Conduct of Business in Lok Sabha, is to consider the Demands for Grants of the concerned Ministry and make a Report on the same to the Houses.

3. The Committee (1995-96), took evidence of the officials of the Ministry of Communications (Department of Telecommunications) at their sittings held on 10th and 12th April 1995. The Committee wish to express their thanks to the officers of the Ministry/Department for furnishing requisite information and providing free and frank opinion on various points raised by the Members during oral evidence.

4. The Committee (1995-96) considered and adopted the Report at their sittings held on 25 April, 1995.

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;
25 April, 1995
5 Vaisakha, 1916 (Saka)

KUMARI VIMLA VERMA,
Chairperson,
Standing Committee on Communications.

REPORT

MINISTRY OF COMMUNICATIONS (DEPARTMENT OF TELECOMMUNICATIONS) DEMAND NO. 14

(In thousands of Rupees)

		Revenue	Capital	Total
Voted	Plan	163,95,00	6735,00,00	6898,9500
	Non Plan	93,42,20,00	2,19,99,00	9562,19,00
	Total	9506,15,00	6954,99,00	16461,14,00
Charged	Plan	-	-	-
	Non Plan	30,00	1,00	31,00
	Total	30,00	1,00	31,00
Total		9506,45,00	6955,00,00	16461,45,00

REVENUE SECTION

MAJOR HEAD	"3275" -	OTHER COMMUNICATIONS SERVICES
Sub Head	E4(1)(1) -	Centre for Development of Telematics
MAJOR HEAD	"3225" -	RESEARCH AND DEVELOPMENT
Sub Head	B4(1) -	(Telecommunication Engineering Centre)

1. The Committee in their Sixth Report on Demands for Grants (1994-95), had strongly recommended that Centre for Development of Telematics (C-DOT) should vigorously take on its R & D activities in the other areas of telematics as well, in addition to digital electronic switching systems as given in its mandate. Further, the Committee had recommended that the Department should assign more R & D projects to the R & D institutions operating under the jurisdiction of the Department so that wide technology gap that India is facing today could be bridged within the shortest possible time. The Committee had also recommended that Telecommunication Engineering Centre, may be encouraged to carry out major R & D works, which is not involved at the moment in major R & D efforts in telecommunications sector, so that not only R & D efforts in this would be

further strengthened but also could generate more revenue for the Government through exports.

2. Accepting these recommendations of the Standing Committee, the Department in their Action taken replies has informed the Committee that C-DOT has undertaken development of telecommunication equipment and systems in the projects other than digital switching such as, projects like 10 channel Digital Radio and Single Very High Frequency Radio Systems etc. The Department has further informed that these developmental activities would enhance telecommunication network at low and competitive cost especially in the rural areas. In addition, the Department informed that several new projects have also been initiated such as development of intelligent Network, 256 Port Terminal Unit, Generic Integrated Services Digital Network, Customer premises equipment, Fibre Access System, Wireless Local Loop, Very Small Aperture Terminal. To keep abreast of the latest development in Telematics Technology, study projects in the areas of Asynchronous Transfer Mode, Synchronous Transport Module-16, Code Division Multiple Access, Photonic Switching etc. have also been initiated by the C-DOT.

3. With regard to Telecommunication Engineering Centre (TEC) the Department has informed that TEC is not directly entrusted with any R & D work. However, in area of R & D in telecom, TEC coordinates activities. They are at the present moment engaged in identifying gaps in R & D activities with R&D institutions. In this activity, the Department assured the Committee that they may also take up some R&D works which are not covered by other Institutions.

4. As far as Budgetary allocation for C-DOT is concerned, in the Budget Estimates (BE) 1993-94, Rs. 70.00 crores was sanctioned for C-DOT. In Revised Estimates (1993-94), it was pruned down to Rs. 64.00 crores. The Actuals for the same year was only Rs. 60.00 crores. During 1994-95 BE was kept at Rs. 60.00 crores, whereas the Actual expenditure incurred was only Rs. 28.00 crores upto January, 1995. Again Rs. 70.00 crores has been kept for C-DOT in Budget Estimates (1995-96). Thus there has been under-utilisation of funds sanctioned for the Centre for Development of Telematics.

5. In the case of Telecommunication Engineering Centre, a meagre amount i.e. only Rs. 552 lakhs was kept in Budget Estimates 1994-95. In RE, 1994-95, the amount was reduced to Rs. 493 lakhs. In BE 1995-96, a provision of Rs. 568.20 lakhs has been made under this head.

6. In reply to a query as to whether the Department has made any effort to find out the reasons for underutilisation of funds by C-DOT, the Secretary, Department of Telecommunications replied that some of the amount which was kept under capital expenditure on land and buildings could not be incurred. He indicated that during ensuing year this would be fully utilised.

7. Despite all the assurances given to the Committee by the Department of Telecommunications (DOT) in reply to their recommendations contained in the Sixth Report, the Committee find that funds which were sanctioned to C-DOT, last year, could not be fully utilised by them. The shortfall has been as high as upto fifty per cent (upto January 1995). The Committee take a serious view of this.

8. The Committee understand that land and buildings, etc. are the basic necessities of any institution. Therefore, the Committee desire that formalities for purchase of land and building works etc. should be completed expeditiously and the Centre for Development of Telematics should make requisite effort to fully utilise funds allocated to them for the purpose.

9. During course of evidence, the Secretary DOT stated that C-DOT is facing problems as Scientists of C-DOT are leaving for jobs in private sector companies because of better pay prospects there.

10. With regard to remunerations provided to Scientists working in C-DOT, the Secretary, Department of Telecommunications stated that it is the same as is given in other scientific Departments. He further mentioned that if the Pay Scales are revised for any category of post in C-DOT, then it would have its repercussions in so far as the equivalent scales existing in other Departments are concerned, as the aspiration of the people working in same scales in other Departments also goes up. However, the Fifth Pay Commission is reportedly looking into these problems. The witness apprehended that when private companies would start operating, people who are either retired from C-DOT or those who are working in C-DOT at the moment may join them. Therefore, he contended that the remedy for this does not lie in the hands of the Department, because as far as pay prospects are concerned, they cannot compete with private companies. This problem would not remain confined to C-DOT, other Departments also would be faced with similar situation.

11. Keeping in view the fact that country's development to a great extent is dependent on the scientific pool of the society, the Committee feel that the remunerations provided to scientists/technocrats in the country including those of Centre for Development of Telematics (C-DOT) should be commensurate with their job requirements and should also take into account their alternative opportunity cost so that there are enough incentives to these people.

12. The Committee recommend that adequate laboratory facilities should also be provided to scientists working in C-DOT at least at par with some of the leading developing countries.

CAPITAL SECTION

Major Head '5225 BB – Capital Outlay on Telecommunication Services

13. Major head-wise/Scheme-wise break up of Capital (Plan) expenditure vis-a-vis Budget provision during the year 1992-93, 1993-94 and 1994-95 along with reasons for variation in expenditure in Budget Estimates and Actual Expenditure incurred have been given in Annexure I.

14. The Committee notice that major savings shown under this Head have taken place both in 1992-93, and 1993-94 under Long Distance Transmission; Long Distance Switching and Ancillary Systems. There is also an excess under "Local Telephone Systems" of an almost matching amount. The largest component of the Plan is Local Telephone Systems where the demand has been the maximum. The Department has informed that for this reason the targets had to be fixed accordingly.

15. With regard to under-utilisation of sanctioned funds, the Department have stated that very often suppliers were unable to make timely delivery of equipment ordered. In some cases, supplies do not measure upto the required quality/specifications and had, therefore, to be rejected. Since a very large component of the Plan Demands of the Department of Telecom is material intensive (nearly 80-85%), any shortfall in supply results in budgetary variation. The Department submitted that certain transmission equipment developed by manufacturers within the country could not be supplied as anticipated. This led to a saving of Rs. 388.05 crores under " Long Distance Transmission Systems", during the year 1992-93 and Rs. 445.17 crores during the year 1993-94.

16. With regard to capital expenditure incurred so far for the year 1994-95, the Department have stated that as per Government's standing instructions, preliminary figures of March ending accounts are to be submitted by the end of April/first week of May, 1995, so that enough time is available to field accounting units (numbering about 500 in the case of DOT) to incorporate all transactions in the accounts. Therefore, provisional figures of March accounts will be available only by the first week of May, 1995. However, they informed that booked figures till end of February, 1995 were as follows:

(Rs. in crores)

	1994-95 (RE)	Actual Expen- diture upto February, 95	Percentage
(i) BB-1 Telegraph Telex System	95	31	33%
(ii) BB-2 Local telephone system	3491	2580	74%

	1994-95 (RE)	Actual Expen- diture upto February, 95	Percentage
(iii) BB-3 Long Distance Swg. system	158	62	39%
(iv) BB-4 Long Distance Trans. system	1917	882	46%
(v) BB-5 Ancillary system	60	23	38%
(vi) BB-6 Other Land & Buldgs. (Administrative Offices & Staff Quarters)	94	68	72%
Total	5815	3646	63%

17. The Department clarified that usually there is a time lag of about 1 to 2 months between incurrence of expenditure and booking in the accounts, specially in the case of expenditure on store items and overheads etc. These, therefore, get reflected not before March in Preliminary Accounts. Therefore, a realistic idea of Capital expenditure incurred in a year would be available only after March when Preliminary Accounts are compiled. An accurate picture of the same would be available even later-after the March Account is closed by about June. However, based on final modification, demands made by Circles and the trend of expenditure booked so far, the Department was quite hopeful that the amount of Rs. 5815 crores available under Major head 5225 BB Capital Outlay, will be fully utilised.

18. The Department further clarified that shortfall in supply resulting in less expenditure under a particular scheme does not actually result in lapse of funds. Within the overall Capital Outlay, the Department has powers to divert funds from schemes where it may not be possible to utilise funds fully due to some constraints, to schemes where the demand is more and there is a possibility of utilisation of funds. Infact, funds amounting to Rs. 388.00 crores under Long Distance Transmission System which could not be utilised during 1992-93 were transferred to "Local Switching" where the demand was more. So far as the totality of utilisation of funds under 5225 BB-Capital Outlay is concerned, the Department seemed confident of the fact that as in past years, they would be able to fully utilise the funds available in the Budget.

19. Schemewise Physical Targets/Achievements for Telecommunication Services have been mentioned in Annexure II. It would be seen that in many cases targets could not be realised due to delay in supply of equipment in Trunk

Automatic Exch., Trunk Cap (TAX Lines), Microwave System, UHF System, Village Public telephones since the beginning of the Eighth Five Year Plan period. However, in the areas like Local Telephone Systems, Co-Axial Cable System, OFC system, etc., the Achievements exceeded the targets fixed for the year.

20. With regard to TAX capacity lines the Department informed that shortfalls in the first two years have been made up in 1994-95. It was further informed that as against the Eighth Plan targets of 272000 lines, the Department has already achieved additional 2.17 lakh lines by 1.4.95 and the target for TAX lines is being enhanced to 7 lakh lines from the Eighth Plan original target of 2.7 lakh lines.

21. During evidence before the Committee, regarding microwave and UHF systems, the Department have stated that there have been shortfalls due to delay in supply of equipment and also due to non-availability of infrastructural facilities. However, the Department was quite hopeful that the shortfalls are likely to be made up in the next two years of the plan period. The Department have further informed that under UHF, the Department has developed equipment working in 2 GHz range and a number of vendors for supply of this equipment have now come up which will improve the supply position.

22. To a query with regard to scaling down of the target in respect of UHF systems RKM from 1,50,000 to 90,000 and increase of Optical fibre system RKM, from 20,00 to 40,000 under the mid-term Eighth Plan appraisal, the Department stated that in the beginning of the Eighth Five year Plan period, UHF was emerging out as the only cost effective medium of providing reliable communication on low capacity trunk routes. However, the prices of the OFC and the associated equipment have come down so much that for short distances and/or higher capacity it is comparable to UHF systems. Further UHF systems also get bogged down due to non-availability of land, frequency co-ordination problems etc. while the OFC systems do not have any of these problems. Accordingly, the target of UHF has been reduced while that of OFC has been increased. This change is not likely to affect the required outlay or the Plan objectives, the DOT have contended.

23. In respect of village telephones, the DOT have stated that the shortfall is due to delay in supply of Multi Access Rural Radio (MARR) equipment which is a radio based system for connecting village public telephone to the nearest Rural Exchanges and also due to problem in the reliability of the equipment. These have been sorted out and it is likely that more reliable equipment will be available in the next two years of the plan period and the shortfall is likely to be made up. In addition, vendor base has also stated to have been increased which

is likely to ease the supply position. Subsequently, the Committee were informed that out of the total 55858 Village Public Telephones based on MARR systems, as many as 4593 were not functioning being faulty as on 28 February, 1995.

24. When asked whether the country would be able to produce sufficient number of telephone equipments and meet the projected demand that is going to be there in foreseeable future with the help of private sector participation in telecommunication, the Secretary, DOT informed that adequate manufacturing base for items such as small and medium capacity switching equipment, telephone instruments, MARR, OFC and UG cables etc. are available in the country. "The manufacturing base is gradually being increased for other items so as to not only meet the local equipment but also to meet export requirement if any, to other countries." However, the Secretary DOT submitted that as far as private companies are concerned there is no condition attached for private companies to make use of Indian products only. Nevertheless, in the tender document, there is a clause, which states that the companies who would assure that they would utilise equipments/components produced in India, would be given weightage while licences are given.

25. The Committee pointed out that some of the equipments which were installed after being duly certified by the DOT became inoperative or non-functional after installation and in this context desired to know the reasons for failure of such equipment. In reply, the Secretary DOT informed that equipment of MARR systems provided by a manufacture MACE based in Hyderabad was of older version and could not deliver goods after being installed in villages. He further stated that initially Telecom Engineering Centre (TEC) had approved 80 MARR systems, produced by that company. So the DOT procured 80 systems which were supplied to the field. 73 thereof were installed. Due to certain design deficiencies, these equipments became out of order and out of 73 equipments, 41 have already been replaced. Cost of the replacement equipment (@ Rs. 2.24 lakhs/System) was approximately Rs. 91.91 lakhs. 32 systems are yet to be replaced in the field. Cost of the equipment required for replacement is stated to be approximately Rs. 71.74 lakhs. Because of the above, 296 village public telephones (VPTs) based on MACE Version I were faulty as on 17.04.95. As far as MACE VERSION II systems are concerned, the Department apprised that 520 systems have been allotted to the field (including 20 Spare systems), out of which 468 systems have been installed and 52 systems are in hand. It also did not function well due to certain design deficiencies. 103 systems out of 468 systems have been replaced. The DOT has taken a decision to upgrade/repair all MACE VERSION-II equipment so as to remove these deficiencies. As shortage of electricity supply was one of the major problem affecting proper functioning of these systems, the Department has also decided to install solar panels to ensure

adequate power supply. The cost of upgradation of MACE-II equipment is stated to be approx. Rs. 9,200/System. 7 systems have already been upgraded at a cost of approx. Rs. 64,400 and upgradation of further 513 systems would cost about Rs. 47.20 lakhs. 271 systems are working partially. 87 systems are faulty. Because of the above, 1985 Village Public Telephones (VPTs) were working and 1991 VPTs were faulty as on 17.04.1995.

26. The Department further informed that a perspective Plan for the year 1990 to 2000 has already been prepared to meet the challenges of the twenty-first Century.

27. The Committee take a serious view of the fact that there have been shortfalls in achieving financial as well as physical targets by the Department of Telecommunications (DOT). The reasons advanced by the Department for not adhering to the targets have been delay in supply of equipment; sub-standard equipment supplied at times; non-availability of land in villages; frequent coordination problems in the field, etc. The Committee notice that the Department kept on shifting its policy/priorities as happened in the case of UHF, MACE I and II systems etc. UHF systems proved to be costlier than OFC systems, in addition to other problems connected with UHF systems like non-availability of land and frequent coordination problem etc. Targets of UHF were reduced while that of OFCs were increased in the middle of the Eighth Plan period. MACE equipment Version I and II were found to be faulty and did not function satisfactorily in villages due to inadequate power supply and therefore, needed to be replaced in large number. The replacement cost of these faulty equipment is stated to be Rs. 163.65 lakhs in the case of 73 equipments of MACE I. In the case of MACE II Rs. 48 lakhs have to be spent to upgrade 520 equipments. The Committee take a serious note of this costly lapse. The Committee are unable to understand how these kinds of problems like inadequate power supply in villages which made MACE I and II equipments non-functional and other related problems like non-availability of land in villages, etc. could not be visualised by the Department when the policy was being framed and targets laid down. In addition, of the 55858 Village Public Telephones installed based on Multi Access Rural Radio, as many as 4593 VPTs were reported to be faulty as on February, 1995. The Committee fail to understand how equipments having a specified life-span and duly certified before installation in the fields, could become faulty within a few months of installation. The installation of telephone equipment which developed faults so soon after commissioning also deprived the people of more than 2200 villages of the intended benefits. It reflects poorly on the functioning of the DOT. In the light of such revelations the Committee is quite apprehensive about the effectiveness of perspective plan drawn up for

the next 10 years by the DOT. It is shocking to note that DOT could not foresee even the basic problems which could arise in short span of less than two to three years time.

28. In this context, the Committee would like to mention that earlier also in their Sixth Report on Demands for Grants for the year 1994-95, at paras 3.13 and 3.14 this Committee had pointed out unrealistic planning and lack of follow-up action on the part of DOT with regard to execution of works. The Committee had desired that while drawing up plans for expansion of Telecom network utmost care should be taken to ensure proper budgetary provision, technical feasibility, timely completion of formalities, acquisition of land and construction of buildings etc. The Committee had also recommended *inter-alia* review of the progress of ongoing works at regular intervals and taking of timely corrective steps.

29. In their Action Taken Notes the DOT have stated that it was making proper realistic planning with suitable time-frame for execution of the works; proper action was taken for timely supply of the equipment and all efforts were made to complete allied activities and that proper budgetary provisions would also be ensured. The Committee were assured that in future, planning would be made more realistic and follow up action to complete the allied activities would be expedited. It was further stated that monitoring and coordination was being further strengthened.

30. It is a matter of grave concern that such problems still persist. Projects have been delayed because of those very problems for which timely action was stated to have been taken. The DOT owe an explanation on this account.

31. The Committee strongly feel that it is high time now for the Department to come out with a realistic planning at least for ten years or so, with a clear cut strategy as well as vision keeping in view the fast changes that world is likely to witness in telecommunications in coming years.

32. The Committee are also of the view that the DOT should devise its policy in such a way that preferential treatment is offered to those States, which ensure availability of land and other infrastructural facilities for spread of telecom network.

33. The Committee were informed that there were 91.65 lakh telephone connections working in the country as on 28.2.95 as against an estimated population of 91 crores. The telephone density in the country has thus crossed one telephone per hundred population mark on 28th February, 95. The telephone densities of some of the developing countries like China, Egypt, Indonesia,

Pakistan, Philippines, were 0.95, 3.02, 0.81, 1.05 and 1.05 respectively as per Seimen's year Book, 1994.

34. The total registered demand (working connections plus waiting list) in the beginning of the Eighth Five Year Plan i.e. 1 April, 92 was stated to be 80.94 lakh which rose to 115.42 lakh on 28 February, 95. The actual demand and the annual rate of growth of telephone demand during last three years has been as follows:-

	Actual Demand (in lakhs)	%age Annual Rate of Growth of Telephone Demand
1.4.92	80.96	-
1.4.93	96.41	19.08
1.4.94	105.33	9.20
28.2.95	115.42	12.64 (estimated)

(14.2% per annum on an average from 1.4.92 to 28.2.95)

35. The Committee were further informed that of the total telephone demand in the country, about 14-15% gets registered in rural areas and 4 to 5% in tribal areas.

36. Telephone demand projections made by DOT for 1997 for the four metro cities are as under:

	(in lakhs)	
Metro City	Telephones Provided as on 28.2.95	Telephone Demand Projection as on 31.3.97
Delhi	9.19	15.84
Bombay	11.72	15.21
Calcutta	3.63	5.02
Madras	2.63	4.61

37. Circle-wise telephone demand and telephone density as on 28 February, 1995 are given in Annexure III. As far as Direct Exchange Lines (DELs) are concerned, the DOT has stated that the achievement during the first three years

of the plan has been 39.8 lakh DELs, out of 75 lakh DELs target fixed for the entire Eighth Plan period. Circlewise targets and achievements for Direct Exchange lines and VPTs are given in the Annexure IV.

38. It would be seen (see Annexure IV) that so far as the village phones are concerned, the aggregate achievement during the first 3 years of the Plan has been as under:-

Village Telephones

Year	Target	Achievement
92-93	36509	30072
93-94	46820	33001
94-95	50968	47604
Total	1,34,297	1,10,677

39. This shortfall of about 24 thousand VPT has mainly being in six Circles of Andhra Pradesh, Bihar, Gujarat, Maharashtra, Uttar Pradesh, West Bengal. Targets and achievements for providing villages telephones in these Circles during the first three years of the Eighth Plan has been as under:-

	Targets				Achievements			
	92-93	93-94	94-95	Total	92-93	93-94	94-95	Total
Andhra Pradesh	3050	3600	3000	9650	1961	1440	2014	5415
Bihar	2000	3020	3164	8184	1265	926	2595	4786
Gujarat	3000	4500	3000	10500	1755	3370	3041	8166
Maharashtra	5000	6000	6000	17000	2881	4673	5125	12679
Uttar Pradesh	6858	10000	8000	24858	7037	3524	5200	15761
West Bengal	800	800	3000	4600	579	574	1950	3103
Total	20708	27920	26164	74792	15478	14507	19925	49910

40. The Committee find that there has been wide disparity in telephone density of different Circles. While Telephone density is the highest in Bombay i.e. 11.83, followed by Delhi, Madras and Calcutta being 9.81, 6.95 and 3.33 respectively, telephone density in West Bengal has been the lowest i.e. 0.19.

The other Circles having telephone density much lower than the National average are Bihar, Assam, Orissa, U.P., J&K and Northeast where telephone density has been 0.27, 0.38, 0.43, 0.45, 0.58 and 0.63 respectively. In aggregate terms, of the total 91.60 lakh telephones in the country as on 28 February, 1995 more than 27 lakh connections were there in the four Metro cities which constitutes 30% of the total. Obviously, the Circles with low telephone density deserve better treatment. The Committee desire that more attention should be given to these Circles in the matter of providing new telephone connections.

41. The committee observe that installed capacity of the equipment for providing telephone connections has not been used to the optimum extent. The aggregate installed capacity of telephone equipment in various circles as on 28 February, 1995 was 1,11,03,758 lines. As against it, the direct exchange lines provided on that date were 91,65,322. Evidently, about 20 lakh lines capacity is still lying unused. On the other hand, the waiting list for new connections aggregates to 23.77 lakh. The Committee are at loss to understand why the unsatisfied demand is not being met when line capacity to the extent of 20 lakh lines created at enormous cost is still there. It is a matter of grave concern. The Committee will like to be apprised of the reasons for low capacity utilisation of the installed capacity when effective demand is beyond the rated capacity.

42. In the matter of village public telephones (VPT), the Committee note with concern that achievements have been very low in case of Andhra Pradesh, Bihar, Gujarat, Maharashtra, Uttar Pradesh and West Bengal. The aggregate target for these States for village public telephone (VPT) was 20708 in 1992-93; 27920 telephones in 93-94 and 26164 in 94-95. As against it the achievements were 15478 in 92-93; 16067 in 93-94 and 19925 in 1994-95, the overall position being that of 51360 village telephones against the target of 72092.

The shortfall of targets by 30 percent is highly unsatisfactory. Not only this, the very fact that a meagre target of 4900 village public telephones was fixed for West Bengal for the first 3 years of the Eighth Plan and even that meagre target remained unachieved – the achievement being only 3093 which is far short of the target speaks poorly of the DOT. Therefore, the Committee strongly recommend that proper attention may be given to abridge such wide gap in installation of DELs and VPTs in different regions of the country, so that some sort of parity could be maintained in terms of telephone density, which is an important tool for development.

43. The National Telecom Policy announced in May 1994 has paved the way for private sector participation in telecommunications services. It has revised some of the major Eighth Plan targets. The revised targets vis-a-vis the Eighth Plan approved targets are as below:-

- (i) Against the target of providing 75 lakh new telephone connections so as to reduce the waiting period to less than two years the National Telecom Policy, 1994 has proposed that telephones should be available on demand by 1997.
- (ii) As against covering 3.6 lakh villages by 1997, the Policy has proposed to cover all villages by 1997 i.e. at least one village public telephone in all the six lakh villages.
- (iii) As against the original target of providing a PCO for 100 households, it has proposed to provide a PCO for every 500 persons.
- (iv) As against the introduction of value-added services during the Eighth Plan, the Policy has proposed the provision of these services at international standards during Eighth Plan, preferably by 1996.

However, some of the Members were of the opinion that basic telecom services should not be opened to private sector.

44. After a mid-term review of the Eighth Plan the availability of funds from internal resources and extra Budgetary Resources has been estimated at Rs. 33,733 crores, while the requirement of funds for approved physical targets was estimated at Rs. 40555 crores which indicates a shortfall of about Rs. 6800 crores. Planning Commission has advised DOT to resort to innovative methods of financing like leasing etc. to bridge the resource gap. Department of Telecom has already started resorting to lease financing for increasing the resource base. In 94-95 around Rs. 562 crores worth of equipment was taken on lease/deferred payment and the Department proposes to lease equipment worth around Rs. 1000 crores in 1995-96.

45. In order to provide telephone on demand by 1997, about 2.5 million additional telephones will have to be provided over the existing target of 7.5 million. For the increased physical targets as per the National Telecom Policy, additional resources required will be of the order of Rs. 11750 crores. Therefore, participation of Private sector is being sought in the basic services. The Department informed that as per the tender documents for privatisation of telephone services, it has been made mandatory for private companies to provide atleast ten percent of their total line capacity in rural area. This would be monitored on a quarterly basis. The second obligation is that their network must grow in such a manner that 50 per cent of the district headquarters are covered in the first three years out

of a total period of 15 years of licence so that spreading of its network to small towns could be ensured. An alternative proposal is that growth of network quoted by a bidder should be given weightage in the evaluation of the tender.

46. To a query as to whether the private operators would be inclined to operate in uneconomic areas like villages, etc. where the demand is very low, the Secretary, DOT stated:

We have already foreseen this possibility and provided in our tender for a rural obligation. A private operator is going to operate over the whole Circle as a unit. We are not saying you operate only in a city. He is going to operate in the whole State and he has an obligation. Ten per cent lines for rural areas at the rate of at least one public telephone per village is the obligation which is to be fulfilled and monitored on a quarterly basis. It is not that he merely provides telephones to rural areas..... . If the private sector performs well and comes with the requisite level of investment subsidisation which has obligations to the rural clientele, Government could possibly consider opening up the national and the international traffic which today is spreading its activities throughout the country. Today the rural and the local traffic is not giving returns in relation to cost. I am able to finance it because of inter-city and inter-State and international traffic. It will all depend on how the whole brave experiment of admitting private sector within the circle operates on the ground in the next five years."

47. The Committee learnt that major income in telecom comes from the urban areas where there are more lines as well as higher volume of traffic. Investment in urban areas in Telecom is, therefore, commercially more viable. Income generated from urban areas compensate expenditure incurred in providing telecom services and facilities in uneconomic rural areas. Once the Department stipulates that the private sector provide ten percent of their total lines in rural areas, it implies that this would give the private companies substantial benefits. At present, 14-15% of total telephone demands getting registered is from rural areas and 4 to 5% from tribal areas. Considering the fact that the historic step that Government has undertaken currently in strengthening Panchayati Raj System throughout the length and breadth of the country and also because of the opening of the backward rural areas besides the spread of industrialisation, the social, commercial and industrial activities in rural areas are likely to be accelerated. The rural demand for telephone is, therefore, expected to grow at a much higher rate in future. The Committee are afraid that unless timely steps are taken, it would aggravate rural/urban imbalances in telephone density. Therefore, the Committee strongly recommend that necessary steps may be taken up to ensure realisation of targets.

48. To a query whether DOT has made any attempt to make use of Railways and national power grids network to provide services to the rural areas, the Secretary, DOT stated:

“We are already in dialogue with the Railways and the National Power Grid Corporation for an arrangement under which we can share the facilities of the Railways and the Power Grid Corporation for expanding our network. These two organisations have an inbuilt advantage because the Railways need a captive telecommunication system and they have plans of laying optical fibre cables along the railway lines for their own captive use. Since they are laying the optical fibre cables which may have a surplus capacity or it can be planned in such a manner that it can have the requisite surplus capacity which can be availed by us. The same thing applies to the National Power Grid Corporation. They have electric wires going all over the country; they need a captive telecom system; and now the technology is available where they wrap the optical fibre around the neutral electric wires and they can carry it easily at a low cost. This way, we will be able to have a long distance transmitting system. We want to participate in their projects and see what surplus capacity can be built at such cost effective means to put into Telecom network so that I can serve the country better. As far as going to the villages is concerned, if I can avail of the Railways and Power Grid Corporation’s infrastructure, certainly they will be strengthening my long distance transmitting system. It helps me to at least go to such villages which can be brought on the wire systems.”

49. The Committee note that DOT has taken up the matter with the Railways and the National Power Grid Corporation to use their vast infrastructure for expansion of Telecom network all over the country which will not only be cost effective but will also accelerate spread of their network in rural areas. The Committee desire the DOT to pursue the matter vigorously with the concerned Ministries of Railways and Power at the highest level with a view to expedite the agreement in this regard.

50. With regard to a query as to whether any appraisal from security point of view has been made by the concerned ministries for import of foreign technology that private companies might bring in the country in the field of telecommunications, the Secretary, DOT stated that:

“We had detailed consultations with the Ministry of Home Affairs on the security aspect and we have a full chapter on security in our tender documents of what kind of obligations will lie on the shoulders of the private operators and we have even prescribed the ultimate remedy in case the circumstances arising out of internal disturbance, sabotage etc., was required, the Government can issue any directions including the taking

over of the system that is laid down by the private operator. All the necessary security precautions have been worked out in consultation with the Ministry of Home Affairs and have been incorporated in the tender document."

51. The witness further informed the Committee that an operation does not have the right to record telephone conversation. In case any private company indulges in unauthorised telephone tapping, it would be a criminal offence punishable under the law of the land.

52. The Committee understand that security aspects to a certain extent have been taken care of in the tender document prepared by the Department in case of the circumstances arising out of internal disturbances, sabotage, etc.

The Committee feel that in normal times also, problems related to telephone tapping could pose equally grave threat to the nation as well as infringe on privacy of citizens. Therefore, the Committee urge the Department to take necessary steps in this regard.

I.T.I. LIMITED

53. Indian Telephone Industries Limited (ITI Ltd.) and H.T.L. Limited are the two manufacturing undertakings under the administrative control of the Ministry of Communications besides other undertakings in service sector like Mahanagar Telephone Nigam Limited and Videsh Sanchar Nigam Limited., Telecommunications consultants India Limited. The ITI Limited manufactures a wide range of equipments which include Electronic Switching equipments, Transmission equipments, V-Sat equipment and telephone instruments of various types and Net-work systems unit to provide basic telephone services along with value added services like Paging, E-Mail, Voice Mail, etc. with head quarters at Bangalore. The Company has seven manufacturing units located at Bangalore (Two Units), Naini, Rae Bareli, Srinagar, Palghat and Mankapur.

I. Plan Outlay and Utilisation

The Plan outlay and its utilisation by ITI Limited has been as under:-

(Rs. in crores)

Outlay (1992-97)	Outlay		1992-93		Outlay Actual	1993-94		Actual
	BE	RE	BE	RE		BE	RE	
450			111.00	166	48.5	145	145	38.14
1994-95								
Outlay								
BE	RE		Actual upto Sept. '94			BE		
130	130			11.3		132		

54. The Capital expenditure incurred by the Company in 1992-93 and 1993-94 were Rs. 48.5 crores and Rs. 38.14 crores against a target of Rs. 111.00 crores and Rs. 145 crores made at the Budget Estimates for the above periods respectively. The proposed Capital Outlay for 1994-95 is Rs. 130 crores. Against this, only Rs. 11.3 crore were expended upto September, 1994. Evidently, there have been under-utilisation of funds by ITI. The Plan Outlay budgeted is Rs. 132 crs. during 1995-96 (BE). As per the approved Eighth Plan Outlay for ITI, there is no budgetary support from the Government for Capital Programmes of the Company. The Capital Programme of the Company is being met from internal resources, domestic/foreign borrowings etc.

II. Capacity Utilisation

The capacity utilisation of ITI Ltd. during the last 3 years has been as under:-

Sl. Product No.	Installed Capacity	Production		
		1992-93	1993-94	1994-95
1. Electronic small				
A. MILT & ILT Family	200 KL	373.2	145.4	15.8
% Utilisation of Capacity		186.60%	72.70%	7.90%
B. C-DOT Products	400 KL	291.00	294.5	303.8
% Utilisation of Capacity		72.75%	73.63%	75.95%
2. Electronic Medium				
C-DOT Max-L	300 KL	71.0	217.0	104.5
% Utilisation of Capacity		23.67%	72.33%	34.83%
3. Electronic large				
E-108/DTAX	4000 Racks	2284	3538	3032
% Utilisation of Capacity		57.10%	88.45%	75.80%
4. OCB-283	1000 KL		60 KL	232 KL
		Capacity Established since Jan '95		
5. Telephones	1200 K Nos.	633.3	695.7	695.4
% Utilisation of Capacity		52.78%	57.98%	57.95%
6. Transmission equipments	Rs. 500 crs.	413	462	249
% Utilisation of Capacity		82.60%	92.40%	49.80%

55. It would be seen that installed capacity of various products have not been fully utilised by the ITI. The reasons given for low capacity utilisation of certain products like MILT and TLT exchanges during 1994-95 are stated to be reduced

off-take of these exchanges by the main consumer, *i.e.* the DOT. The Secretary DOT have stated that ITI was a highly profitable company but its profitability is not getting eroded because of the competition.

56. The Committee note that capacity utilisation has also been substantially low in respect of telephone instruments. The Department apprised the Committee that this is primarily because of one of the units engaged in the manufacture of telephone instruments *viz.* Srinagar unit, having capacity of 2,00,000 instruments per annum, is adversely affected by the peculiar law and order situation there and production has virtually come to a standstill. Additionally, production has been low in other units like Naini and Bangalore also because a number of other manufacturers in the private sector have built up large capacity and the market for this product has become very competitive as in the case of other major products of ITI. Therefore, the Department informed that the market share of ITI keeps changing depending upon the competitiveness of its prices and ITI has to regulate its production commensurate with the size of orders received. Otherwise inventories will accumulate and these will have an additional carrying cost. The Secretary DOT further stated that in case DOT is getting telephone instruments at cheaper rate in open market than that from ITI, then they go in for the product available in the open market.

57. To another query as to what corrective measures have so far been undertaken by the Ministry/Department to step up overall capacity utilisation, the Department informed that following specific steps have been taken to step up the capacity utilisation of ITI:

- (i) In order to protect the interest of the PSUs purchase policy preference has been adopted in the DOT. 30% of the orders are reserved for the two PSUs *viz.* ITI & HTL outside the tender. In case an item is produced both by ITI & HTL, the total reservation is 35%-20% for ITI and 15% for HTL. ITI also participates in the tenders floated by the Department of procurement of equipment and the company is able to get additional orders depending upon their ranking in the tender.
- (ii) Keeping in view the new business environment, ITI is restructuring itself to develop integrated business groups to cover all related aspects under one umbrella, such as marketing, production and after sale service within the same group. Such integrated business groups have been developed for all major products such as switching, transmission, terminal equipment, control system engineering, micro electronic and computer and network system engineering.
- (iii) The Company is also diversifying into new areas of manufacture such as cordless telephones, pair-gain system, skip-mux, digital cross connect,

point to multi-point system, switch-mode power supply, MCPC V-SAT, Wireless LANS and Bridges, etc.

- (iv) ITI is trying to broad-base its customer base by trying to sell equipment to Defence, Railways, Industrial Organisation and Electricity Boards, etc.
- (v) The Company is planning to enter into value-added services. For example, a Letter of Intent has been awarded to the Company for operation of Paging Services in the State of Kerala.
- (vi) ITI is also trying to step up export of its products. The level of export was about Rs. 0.87 crores in the year 92-93. This became Rs. 2.2. crores in 93-94. Expected export figure for 94-95 is Rs. 3.6 crores.

HTL LIMITED

58. HTL Limited is pioneer in the manufacture of Terminal equipments like Electromechanical Teleprinters. The Company is presently engaged in the manufacture of various ranges of C-DOT Switching exchanges including MAX-L, EWSD Local exchanges, C-DOT Transmission Equipments like 10 channel MARR OLTE, etc. Higher order Mux, Digital Microwave Transmission Equipments, Main Distribution Frames (MDF) C-DOT/higher orders Power Plants, Charge Indicators, Data Modems for various applications, Computer networking systems, Rural messaging terminals (RMTs), EKBs, EKBCs, Formated Terminals (FTs), Gist Cards, Chips Cards, Pay Phones, etc. The Company is also taking up Radio Paging and Cellular, etc. The Company offers supply and installation of switching systems consisting of exchanges, MDFs & Power Plants as a package. With the liberalisation of Industrial Policy and announcement of new telecom policy on basic and value added services, HTL is diversifying into value added services like Radio Paging and Cellular Phones.

I. Plan Outlay and Utilisation

The Plan Outlay and its utilisation during the last three years has been as under:-

Outlay 1992-97	(Rs. in crores)								
	1992-93 Outlay			1993-94 Outlay			1994-95 Outlay		
	BE	RE	Actual	BE	RE	Actual	BE	RE	Actual
33.65	7.00	7.55	2.03	5.00	5.00	1.61	6.15	8.70	6.34
1995-96 Outlay BE	12.30								

59. The Committee find that capital utilisation by the company was only Rs. 2.03 crores and Rs. 1.61 crores in 1992-93 and 1993-94 against a target at Rs. 7.00 crores and Rs. 5.00 crores made during Budget Estimates made for the same period. However, during 1994-95, there has been a better utilisation of outlay made in the Budget Estimates. Against the outlay made in Revised Estimate of Rs. 8.70 crores, Actual expenditure was Rs. 6.34 crores (provisional). During 1995-96 the outlay is Rs. 12.30 crores for the company.

60. The net profit earnings of the Company was Rs. 6.59 crores during 1992-93 which came down to Rs. 2.63 crores during 1993-94. However, for 1994-95 and 1995-96, the net profits have been projected at Rs. 5.36 crores and Rs. 11.02 crores.

II. Capacity Utilisation

61. Capacity utilisation in respect of major products of HTL is as under:

Sl. No.	Product	Installed capacity	Production		
			92-93	93-94	94-95 (Provisional)
1.	Electronic Teleprinters	16,500	70%	13%	Nil
2.	MDF	6 lakh lines	42%	76%	117%
3.	Switching (C-DOT)	2 lakh lines	8%	69%	62.5%
4.	Switching (large-EWSD)	Project stage (5 lakh lines) (- Ultimate)	-	-	80KL

62. The DOT has stated that low capacity utilisation in respect of Electronic Teleprinters is due to the fact that there is no demand for this product now by the DOT. The capacity utilisation in respect of C-DOT Exchanges being manufactured by HTL is also low because a number of other manufacturers in the private sector have built up capacity for manufacture of this Equipment and the market for this product has become very competitive.

63. The Department has further informed that following steps have been taken to step up capacity utilisation in HTL apart from the purchase preference policy adopted by the DOT mentioned earlier.

- i. The company is diversifying into new areas of manufacture such as new technology switching and certain types of transmission equipment and setting up a project for manufacture of 5 lakhs lines per annum in

collaboration with M/s. Siemens of Germany. The estimated cost of the project is Rs. 4.5 crores (excluding, land, building etc.) in collaboration with M/s. Siemens of Germany.

- ii. The Company is thinking of entering into the area of operation of Value Added Service also.

64. The Committee are distressed to note that capacity utilisation of ITI Ltd. and HTL Ltd. has been substantially low. The Committee are not convinced of the reasoning that price-wise, products of ITI and HTL are not competitive because of the under-utilisation of installed capacity of production but rather feel that it is otherway round. The under-utilisation of the capacity may be in Committee's opinion, due to higher prices of their products as compared to similar products of other manufacturers, technological obsolescence, higher cost of production, higher over-head costs, inefficiency and the resultant lower level of productivity, etc. The Committee therefore, desire, the Ministry to have an indepth study of these two Undertakings under their control and analyse the reasons for under-utilisation of their capacities created at enormous cost. The Committee feel that with proper monitoring and timely diversification their functioning can be improved to face the competitive environment.

65. As telecommunication market is not restricted to the Department of Telecommunications, its vast potential in other segments like Railways, Defence, Exports, etc. should be fully utilised by ITI and HTL Limited. The Committee hope that Government should make every endeavour to exploit full potential of the indigenous telecom industries including Public Sector Undertakings.

NEW DELHI;
 April 25, 1995
 Vaisakha 5, 1917 (Saka)

KUMARI VIMLA VERMA,
 Chairperson,
 Standing Committee on Communications.

ANNEXURE-I

Major Head 5225-BB Capital Outlay on Telecommunication Services

Scheme-wise/Sub-Major head-wise breakup of Plan (Capital) expenditure vis-a-vis Budget Provision during 1993-94 & 1994-95

(Figures in Crores of Rs.)

Sub	1992-93				1993-94				1994-95				1995-96			
	Major Head	BE	RE	Actual Exp.	Variation Excess (+) Savings (-)	Reason for Variation	BE	RE	Actual Exp.	Variation Excess (+) Savings (-)	Reason for Variation	BE	RE	Actual Exp.	upto Jan '95	BE
BB-1	Telegraph Telex system	81.00	63.00	60.77	-2.23	Variation between RE & BE is due to increased demand under Local Telephones and less demand under other schemes at RE stage	135.00	130.00	85.05	-44.95	Variation between RE & BE is due to increased demand under Local Telephones and less Demand under other schemes at RE stage.	95.00	95.00	27.98	150.00	

BB-2	Local Telephone system	2129.00	2358.01	3003.95	645.94	Excess exp. under Local Telephone system due to increase in procurement of material under A&P and Cables and Savings	2512.00	2800.01	3376.94	+576.93	Excess Exp. under Local Tele system is due to provision of more telephones than the target in order to waiting list. Savings under other schemes are due to less delivery of materials.	3291.00	3491.00	2039.87	3950.00
BB-3	Long distance switching system	164.00	138.00	59.33	-78.67		109.00	104.00	62.28	-41.72		158.00	158.00	55.83	205.00
BB-4	Long distance Transmission system	1243.00	1077.00	688.95	-388.05		1779.00	1549.00	1103.83	-445.17		1940.00	1917.00	769.08	2180.00
BB-5	Ancillary system	59.00	59.00	32.11	-26.89		103.00	80.00	33.39	-46.61		37.00	60.00	21.01	75.00
BB-6	Other land & Bldg. (Administrative office & staff quarters)	77.00	58.00	56.84	-1.16		125.00	106.00	82.12	-23.88		94.00	94.00	62.07	-175.00
	Total	3753.00	3753.01	3901.95	148.94		4763.00	4769.01	4743.61	-25.40		5615.00	5815.00	2975.84	6735.00

SCHEME-WISE PHYSICAL TARGET/ACHIEVEMENT - TELECOMMUNICATION SERVICE

S. No.	Telecom Service	Unit	8th Plan Target	1992-93		%age of achi.	Reasons for short-fall, if any	1993-94		Reasons shortfall, if any	1994-95		1995-96	
				Target	Achi.			Target	Achi.		Target	Acual upto 31.3.95	Target	Target
1. Local Telephone System														
(i)	Sw. Cap.	Lakh line	93.00 22.70*	11.44 2.2*	11.86 1.61*	104.3	Exceeded the targets	15.44 1.83*	18.27 3.41*	Exceeded the Targets	19.00 4.00*	22.28 4.68*	24# 5#*	
(ii)	Direct Exch.	Lakh line	75.00 19.20*	8.50 1.50*	9.87 1.91*	116.1	Exceeded the targets	11.00 1.19*	12.4 2.62*	Exceeded the targets	14.00 3.50*	17.57 3.58*	20# 4#*	
2. Long Distance Switching Systems														
(i)	Trunk Automatic Exch.	Nos.	21	15	71.43	Delay in supply of equipment	35.00	32.00	100	89	100	89		
(ii)	Trunk Cap. (TAX Lines)		272000	49500	44000	88.9	Delay in supply of equipment	37500	40600	Exceeded in targets	125000	142000	370000 55000#	
3. Long Distance Transmission System														
(i)	Co-axial Cable system	RKMs	3000	1000	1112	111.2	Exceeded the Targets	800	848	Exceeded the Targets	600	1239	400	
(ii)	Microwave system	RKMs	20000	3200	2578	80.6	Delay in supply of equipment	3500	3383	Delay in supply of equipment	4500	4973	5500	

(iii)	UFH System	RKMs	150000	3000	5710	190.3	Exceeded the targets	6000	4822	Delay in supply of equipment	20000	5639	10000
(iv)	OFC System	RKMs	20000	3500	3586	102.5	Exceeded the targets	4200	6442	Exceeded the Targets	6000	6915	10000
4.	Village Pub. Telephones	Nos.	338000	36500	30072	82.4	Delay in supply of equipment	46800	33001	Delay in supply of equipment	50000	47604	105000
5. Telex and Telegraph													
(i)	Telex Cap.												
(a)	Local line		3534	3274	3274	92.6	Fall in demand	3118	2132	Fall in demand	2125	-2598 (as on 28.2.95)	
(b)	Transmit Lines		2288	1708	1708	74.6	Fall in demand	1714	648	Fall in demand	1850	928 (as on 28.2.95)	

Note: * indicate figures of MTNL, component.
indicates figures include leasing component.

ANNEXURE III

CIRCLE-WISE TELEPHONE AND TELEPHONE DENSITY
AS ON 28.2.95

Sl. No.	Name of Circle	Equipped Capacity	D.E.L.	W/L	Demand	Telephone Density/100
1.	Andhra Pradesh	726433	617213	138821	756034	0.93
2.	Assam	102176	84417	15688	100105	0.38
3.	Bihar	292877	230822	32198	263020	0.27
4.	Gujarat	842655	724095	235506	959601	1.75
5.	Haryana	276240	228154	70550	298704	1.40
6.	H.P.	98501	72252	18830	91082	1.41
7.	J&K	53105	44392	23633	68025	0.58
8.	Karnataka	758327	610454	128631	739085	1.36
9.	Kerala	595627	497273	341324	838597	1.71
10.	M.P.	682041	503519	50564	554083	0.76
11.	Maharashtra	919376	696741	245165	941906	1.00
12.	N.E.	72330	56959	6772	63731	0.63
13.	Orissa	183293	134084	8893	142977	0.43
14.	Punjab	469234	383034	181131	564165	1.84
15.	Rajasthan	466120	359613	176338	535951	0.82
16.	T. Nadu	583494	475397	234881	710278	0.90
17.	U.P.	765595	619809	121208	741017	0.45
18.	W.Bengal A. & N.	146240	108039	30104	138143	0.19
19.	Bombay	1307160	1172405	64831	1237236	11.83
20.	Calcutta	413734	363446	48267	411713	3.33
21.	Delhi	1049550	919362	121189	1040551	9.81
22.	Madras	299650	263842	82574	346416	6.95
Total		11103758	9165322	2377098	11542420	1.09

Note: The Telephone density has been computed based on 1991 census.

CIRCLE-WISE TARGETS AND ACHIEVEMENTS FOR DIRECT EXCHANGE LINES & VPTS DURING LAST 3 YEARS

Circles	Direct Exchange Lines				Village Phones							
	1992-93		1993-94		1994-95		1992-93		1993-94		1994-95	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
1. Andhra Pradesh	66000	63278	77000	77857	82000	126278	3050	1961	3600	1440	3000	2014
2. Assam	10000	11461	13000	13450	10000	13103	550	555	620	621	2000	2010
3. Bihar	28000	34389	27000	37189	35000	44068	2000	1265	3020	926	3164	2595
4. Gujarat	94000	79275	81000	82187	80500	122507	3000	1755	4500	3370	3000	3041
5. Haryana	26000	23343	41000	41793	22000	46828	1200	981	1250	1255	1130	1335
6. H.P.	7000	7030	10000	11009	12000	21347	200	205	250	301	1000	720
7. J&K	3500	2569	7000	7047	4000	4724	125	126	80	94	400	421
8. Karnataka	46000	59413	62000	73539	79000	136008	1500	1207	1500	1450	4000	5074
9. Kerala	80000	72200	53000	58936	79000	90460	-	-	-	-	18	18
10. Madhya Pradesh	50000	72537	98000	104964	57000	89427	5000	3668	6000	6157	5706	7869
11. Maharashtra	46500	70894	114000	108284	107000	155554	5000	2881	6000	4673	6000	5125
12. North East	7000	9200	7300	8687	8000	8689	417	519	600	602	500	512
13. Orissa	9000	15083	26000	21021	8000	18638	1000	1230	800	853	3000	3531
14. Punjab	23000	33503	51000	59008	20500	101059	2000	2126	3000	3502	1550	605
15. Rajasthan	32000	50081	62000	75135	67000	84623	1800	1811	1800	1882	4000	4011
16. Tamilnadu	32000	41316	63500	63689	82000	106744	2000	2157	3000	1777	1500	1573
17. Uttar Pradesh	70000	92590	115000	59330	82000	116290	6858	7037	10000	3524	8000	5200
18. West Bengal	5000	9744	17000	13499	18000	24131	800	579	800	574	3000	1950
19. A&N	-	-	-	-	-	722	-	-	-	-	-	-
20. Bombay	70000	107168	42800	137179	140000	205049	-	-	-	-	-	-
21. Calcutta	32000	26208	34200	34386	260000	45387	-	-	-	-	-	-
22. Delhi	80000	83558	76600	125020	53000	153090	9	9	-	-	-	-
23. Madras	33000	21979	33200	30427	70000	43155	-	-	-	-	-	-
	850000	986819	1111600	1240636	1426000	1757881	36509	30072	46820	33001	50968	47604

--(include in West Bengal)

MINUTES OF THE FIRST SITTING OF THE STANDING COMMITTEE
ON COMMUNICATIONS (1995-96)

The Committee sat on Monday, the 10 April 1995 from 11.00 hrs. to 13.30 hrs.
in Committee Room No. 'B', Parliament House Annexe, New Delhi.

PRESENT

Kumari Vimal Verma – *Chairperson*

MEMBERS

Lok Sabha

2. Shri R. Jeevarathinam
3. Shri Shravan Kumar Patel
4. Shri N. Dennis
5. Shri R. Anbarasu
6. Shri Sonjibhai Damor
7. Shri Lal Krishna Advani
8. Shri Rupchand Pal
9. Shri G.M.C. Balayogi
10. Shri Chandrajeet Yadav

Rajya Sabha

11. Shri M.A. Baby
12. Shri Virendra Kataria
13. Shri Mohammed Afzal *alias* Meem Afzal
14. Shrimati Anandiben Jethabhai Patel
15. Shri V. Kishore Chandra Deo
16. Shri Janeshwar Mishra
17. Smt. Veena Verma

SECRETARIAT

1. Shri G.C. Malhotra – *Joint Secretary*
2. Shri O.P. Ghai – *Deputy Secretary*
3. Shri S.K. Sharma – *Under Secretary*

WITNESSES

*Officers of the Ministry of Communications
(Department of Telecommunications)*

1. Shri R.K. Takkar – *Chairman (TC)*
2. Shri C.K. Joseph – *Member (Finance)*

- | | |
|---------------------------|-----------------------|
| 3. Shri P.S. Saran | - Member (Services) |
| 4. Shri V.P. Saxena | - Member (Tech), |
| 5. Shri B.B. Karandikar | - Member (Production) |
| 6. Shri S. Krishnan | - DDG (LTP) |
| 7. Shri A. Prasad | - DDG (B & A) |
| 8. Shri A.K. Sharma | Director (TPS) |
| 9. Shri Jainendra Kumar | - Director (CP) |
| 10. Shri V. Nagabhushanam | - ADG (PFI) |
| 11. Shri D.B. Sehgal | - Advisor (P) |
| 12. Shri G.S.S. Murthy | - Advisor (O) |

2. At the outset, the Chairperson welcomed the officials of the Ministry of Communications, Department of Telecommunications to the sitting of the Committee.

3. The Committee sought clarifications on various points relating to the Demands for Grants, 1995-96 pertaining to the concerned Ministry/Department. The officials of the Ministry/Department explained the position in response to their queries.

4. A verbatim record of the evidence was kept.

5. The Committee then adjourned for lunch to reassemble once again at 15.30 hrs. on the same day to continue discussion on the same subject.

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**MINUTES OF THE SECOND SITTING OF THE STANDING COMMITTEE
ON COMMUNICATIONS (1995-96)**

The Committee sat on Monday, the 10 April 1995 from 15.30 hrs. to 15.45 hrs. in Committee Room No. 'B', Parliament House Annexe, New Delhi.

PRESENT

Kumari Vimla Verma – Chairperson

MEMBERS

Lok Sabha

2. Shri Laeta Umbrey
3. Shri Pawan Kumar Bansal
4. Shri B.G. Jawali
5. Shri Lal Krishna Advani
6. Shri Rupchand Pal
7. Shri Chandrajeet Yadav

Rajya Sabha

8. Shri Mohammed Afzal *alias* Meem Afzal
9. Shrimati Anandiben Jethabhai Patel
10. Smt. Sushma Swaraj
11. Shri V. Kishore Chandra Deo
12. Smt. Veena Verma

SECRETARIAT

1. Shri G.C. Malhotra – *Joint Secretary*
2. Shri O.P. Ghai – *Deputy Secretary*
3. Shri S.K. Sharma – *Under Secretary*

WITNESSES

*Officers of the Ministry of Communications
(Department of Telecommunication)*

1. Shri R.K. Takkar – *Chairman (TC)*
2. Shri C.K. Joseph – *Member (Finance)*
3. Shri P.S. Saran – *Member (Services)*
4. Shri V.P. Saxena – *Member (Tech.)*
5. Shri B.B. Karandikar – *Member (Prod.)*
6. Shri S. Krishnan – *DDG (LTP)*
7. Shri A. Prasad – *DDG (B & A)*
8. Shri A.K. Sharma – *Director (TPS)*

9. Shri Jainendra Kumar – *Director (CP)*
10. Shri V. Nagabhushanam – *ADG (PF-I)*
11. Shri D.B. Sehgal – *Advisor (P)*
12. Shri G.S.S. Murthy – *Advisor (O)*

2. The Committee passed a Resolution condoling the sad demise of Shri Mdrarji R. Desai, a freedom fighter, an eminent Parliamentarian, a distinguished Statesman and the former Prime Minister of India and observed silence for two minutes as a mark of respect to the departed soul.

The Committee then adjourned.

MINUTES OF THE THIRD SITTING OF THE STANDING COMMITTEE
ON COMMUNICATIONS (1995-96)

The Committee sat on Wednesday, the 12 April 1995 from 09.00 hrs. to 11.00 hrs. in Committee Room No. 'C', Parliament House Annexe, New Delhi.

PRESENT

Kumari Vimla Verma – *Chairperson*

MEMBERS

Lok Sabha

2. Shri Shraavan Kumar Patel
3. Shri Pawan Kumar Bansal
4. Shri R. Anbarasu
5. Shri Ram Pujan Patel
6. Shri Chandrajeet Yadav

Rajya Sabha

7. Shri Mohammed Afzal *alias* Meem Afzal
8. Shri V. Kishore Chandra Deo
9. Shri Janeshwar Mishra
10. Smt. Veena Verma

SECRETARIAT

1. Shri G.C. Malhotra – *Joint Secretary*
2. Shri O.P. Ghai – *Deputy Secretary*
3. Shri S.K. Sharma – *Under Secretary*

WITNESSES

*Officers of the Ministry of Communications
(Department of Telecommunications)*

1. Shri R.K. Takkar – *Chairman (TC)*
2. Shri C.K. Joseph – *Member (Finance)*
3. Shri P.S. Saran – *Member (Services)*
4. Shri V.P. Saxena – *Member (Tech.)*
5. Shri B.B. Karandikar – *Member (Prod.)*
6. Shri S. Krishnan – *DDG (LTP)*
7. Shri A. Prasad – *DDG (B & A)*
8. Shri A.K. Sharma – *Director (TPS)*
9. Shri Jainendra Kumar – *Director (CP)*
10. Shri V. Nagabhushanam – *ADG (PF-I)*

11. Shri D.B. Sehgal – *Advisor (P)*
12. Shri G.S.S. Murthy – *Advisor (O)*

2. The Committee continued the discussion and sought further clarifications on certain points with regard to Demands for Grants, 1995-96 in respect of the Ministry of Communications, Department of Telecommunications from the officials. The officials replied to various queries made by the Committee.

3. Thereafter, the Chairperson thanked the officials for giving valuable information to the Committee during the course of evidence.

4. A verbatim record of the evidence was kept.

The Committee then adjourned.

MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE
ON COMMUNICATIONS (1995-96)

The Committee sat on Saturday, the 22 April, 1995 from 11.00 hours to 11.30 hours in Main Committee Room, Parliament House Annexe, New Delhi.

PRESENT

Kumari Vinla Verma – *Chairperson*

MEMBERS

Lok Sabha

2. Shri Laeta Umbrey
3. Shri Pawan Kumar Bansal
4. Shri Ram Pujan Patel
5. Shri Satyagopal Misra
6. Shri Chandrajeet Yadav

Rajya Sabha

7. Shri O. Rajagopal
8. Shri Mohammed Afzal *alias* Meem Afzal
9. Smt. Sushma Swaraj
10. Shri Janeshwar Mishra
11. Smt. Vecna Verma

SECRETARIAT

1. Shri S.N. Mishra - *Additional Secretary*
2. Shri G.C. Malhotra - *Joint Secretary*
3. Shri S.K. Sharma - *Under Secretary*

2. The sitting was scheduled for consideration and adoption of the Draft Report on Demands for Grants pertaining to Ministry of Communications (Department of Telecommunications) for the year 1995-96.

The Committee adjourned to meet again on 25 April, 1995 due to lack of quorum.

MINUTES OF THE SEVENTH SITTING OF THE STANDING
COMMITTEE ON COMMUNICATIONS (1995-96)

The Committee sat on Tuesday, the 25 April, 1995 from 17.00 hours to 19.00 hours in Committee Room No. '62', Parliament House, New Delhi.

PRESENT

Kumari Vinla Verma – *Chairperson*

MEMBERS

Lok Sabha

2. Shri R. Jeevarathinam
3. Shri Shravan Kumar Patel
4. Shri Lacta Umbrey
5. Shri Pawan Kumar Bansal
6. Shri Sonjibhai Damor
7. Shri Lalit Oraon
8. Shri Lal Krishna Advani
9. Shri Ram Pujan Patel
10. Shri Rupchand Pal
11. Shri Satyagopal Misra
12. Shri Sanat Kumar Mandal

Rajya Sabha

13. Shri Vizol
14. Shri Janeshwar Mishra
15. Smt. Veena Verma

SECRETARIAT

1. Shri S.N. Mishra – *Additional Secretary*
2. Shri G.C. Malhotra – *Joint Secretary*
3. Shri S.K. Sharma – *Under Secretary*

2. The Committee took up for consideration the Draft Report on "Demands for Grants (1995-96)" in respect of Ministry of Communications—Department of Telecommunications (Demand No. 14) and adopted the same with amendments/modifications as indicated at the Appendix.

3. Thereafter, the Committee authorised the Chairperson to finalise and present/lay the Report in both the Houses of Parliament.

The Committee then adjourned.

APPENDIX

Page No.	Para No.	Line	Amendments/Modifications
4	7	3	<i>For "their"</i> <i>Read "the"</i>
		5	<i>For "being"</i> <i>Read "has been"</i>
		6	<i>For "note"</i> <i>Read "view"</i> <i>For "it"</i> <i>Read "this"</i>
	8	5	<i>For "adequate"</i> <i>Read "requisite"</i>
5	10	2	<i>Delete "to be"</i>
	11	3	<i>Delete "strongly"</i>
		4	<i>Insert "those of" after including</i>
10	23		<i>Add at the end "Subsequently, the Committee were informed that out of the total 55858 Village Public Telephones based on MARR systems, as many as 4593 were not functioning being faulty as on 28 February, 1995."</i>
13	27	18	<i>After "laid down"</i> <i>Add "In addition of the 55858 village Public Telephones installed based on the system of Multi Access Rural Radio, as many as 4593 Village Public Telephones were faulty as on 28 February, 1995."</i>
14	30	4	<i>Delete "to the Committee"</i>
15	31	4	<i>Delete "are going to be there the"</i>
		5	<i>For "over"</i> <i>Read "is likely to witness"</i> <i>Delete "forth"</i>

Page No.	Para No.	Line	Amendments/Modifications
17	40	11	<i>For "have been"</i> <i>Read "were"</i>
18	40	1	<i>For "these"</i> <i>Read "the"</i> <i>Insert after circles.</i> <i>"with low telephone density."</i>
18	41	7	<i>Delete "there" after "still"</i>
	42	8	<i>Insert "that of" after "being"</i>
		9&10	<i>Delete "the achievements in this regard which fall"</i>
18		10	<i>Add "The" before short and "fall" after short</i> <i>For "are"</i> <i>Read "is"</i> <i>For "deplorable"</i> <i>Read "unsatisfactory"</i>
19	43	8	<i>For "of"</i> <i>Read "to"</i> <i>Add at the end</i> <i>"However, some of the Members were of the opinion that basic telecom services should not be opened to private sector."</i>
21	47	7	<i>For "allows the"</i> <i>Read "stipulates that"</i> <i>Delete "to"</i> <i>Add "of their total" after "percent"</i>
		8	<i>Delete "allocated to them to invest."</i>
		9	<i>For "90% of commercial"</i> <i>Read "substantial"</i>
		10	<i>Delete "from their share"</i>
22	47	3	<i>For "is"</i> <i>Read "are"</i>

Page No.	Para No.	Line	Amendments/Modifications
		6	<i>For "reinforce" Read "aggravate"</i>
		7&8	<i>Delete "that are already there"</i>
		8&9	<i>For "some additional safeguards" Read "necessary steps"</i>
		9&10	<i>For "by the Department..... Private Sector" Read "to ensure realisation of targets"</i>
24	52	1	<i>Delete "However"</i>
		4	<i>For "people" Read "citizens"</i>
		5&6	<i>For "make sufficient..... document." Read "take necessary steps in this regard."</i>
32	64	12&13	<i>Delete "of the functioning"</i>
		13	<i>Delete "manufacturing"</i>
33	65	3&4	<i>For "Electricity Board, Industrial Organisations" Read "Exports"</i>
33		5, 6&7	<i>For "Therefore..... the country" Read "The Committee hope that Government should make every endeavour to exploit full potential of the indigenous telecom industries including Public Sector Undertakings."</i>