

**ESTIMATES COMMITTEE**  
**1960-61**

**HUNDRED AND FOURTEENTH REPORT**  
(SECOND LOK SABHA)

**MINISTRY OF TRANSPORT AND  
COMMUNICATIONS**

**(Departments of Communications and Civil  
Aviation)**

**OVERSEAS COMMUNICATIONS SERVICE**



**सत्यमेव जयते**

**LOK SABHA SECRETARIAT**  
**NEW DELHI**

***March, 1961***  
***Phalguna 1882 (Saka)***  
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## CORRIGENDA

Hundred and Fourteenth Report of the Estimates Committee on the Ministry of Transport and Communications (Departments of Communications and Civil Aviation) - Overseas Communications Service.

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Cover page, for 'E C. No. 297' read 'E. C. No. 207'

Page 14, para 44, line 3, for 'ful' read 'full'

Page 16, para 53(iv), line 2, for 'enexample' read 'an example'

Page 20, Footnote, line 1, add '\*' over 'The' and delete '\*' over 'expenditure'

Page 20, Footnote, line 2, for 'Kaitmandu' read 'Kathmandu'

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1960-61

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**Shri K. Ranganadham—*Under Secretary.***

## INTRODUCTION

I, the Chairman, Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present this Hundred and Fourteenth Report on the Ministry of Transport and Communications (Departments of Communications and Civil Aviation)—Overseas Communications Service.

2. The Committee wish to express their thanks to the Secretary and other officers of the Ministry for placing before them the material and information that they wanted in connection with the examination of the estimates.

3. A statement showing an analysis of the recommendations contained in this Report is also appended to the Report. (Appendix VI).

NEW DELHI-1;  
*The 15th March, 1961.*

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*The 24th Phalgun, 1882 (Saka).*

H. C. DASAPPA,  
*Chairman,*  
*Estimates Committee.*

# OVERSEAS COMMUNICATIONS SERVICE

## I

### ORGANISATION

#### A. Introductory

India was first linked with the outside world telegraphically in 1870 when the London-Bombay Cable Telegraph Service was inaugurated on June 23rd of that year. Till then overseas contact was only through Post Office. The sub-marine cables continued to be the only medium for telecommunication until 1927 when the Radio Telegraph Service was opened for the first time between India and the U.K. by a private company called the Indian Radio Telegraph Company Ltd. which worked in competition with cable companies. On 1st July, 1932, the cable and wireless interests were merged and the external communications were operated by the Indian Radio and Cable Communications Company Ltd. This Company was working under a licence from the Government of India, which gave Government an option to acquire the service by notice on the expiry of the licence. The Government of India acquired the service with effect from the 1st January, 1947 when the licence expired.

Earlier Organisation.

#### B. Set Up

2. The Departments of Communications and Civil Aviation in the Ministry of Transport and Communications are responsible for the administration of the Overseas Communications Service. A chart showing the organisational set up of the Overseas Communications Service is given at Appendix I.

Organisational set up.

#### (a) Branches

3. The chief administrative head of the Service is the Director-General with headquarters at Bombay. The Service has two main Branches viz., traffic and engineering. The former is under the control of the Deputy Director General (Traffic) while the latter is under the Chief Engineer.

#### (b) Operational Centres

4. The operational centres of the Overseas Communications Service are located at the following places:—

#### BOMBAY CENTRE

Central Telegraph Office—Operational.

Dighi (Poona)—Transmitting Station.

Dhond—Receiving Station.



**MADRAS CENTRE**

Central Telegraph Office—Operational.  
 Karattur—Transmitting Station.  
 Padianallore—Receiving Station.

**NEW DELHI CENTRE**

Central Telegraph Office—Operational.  
 Kalkaji—Transmitting Station.  
 Chattarpur—Receiving Station.

**CALCUTTA CENTRE**

Central Telegraph Office—Operational.  
 Halisahar—Transmitting Station.  
 Hatikanda—Receiving Station.

*(c) Board of Management*

Absence of  
 tenure for  
 membership.

5. The Overseas Communications Service Board of Management consists of three official members with the Director-General, Overseas Communications Service, Bombay, as its Chairman and two non-official members appointed by the Government of India.

6. The function of the Board is to assist the Director-General in the administration of the Overseas Communications Service.

7. The representative of the Ministry stated in his evidence that the tenure of the members of the Board was not fixed. In fact one of the two non-official members of the Board had been holding office since 1947. He added that he was in favour of fixing a tenure for membership. *The Committee suggest that it may be done early.*

**C. Delegation of Powers**

8. The Committee understand that the Overseas Communications Board of Management is mainly an advisory body with some administrative powers delegated to it by the Government of India to facilitate the smooth functioning of the organisation. The Board has also powers to make recommendations to the Government of India on all matters on which it is not competent to pass final orders. A statement showing the administrative powers of the Board *vis-a-vis* those of the Director-General is given in Appendix II.

9. The Committee were informed that in accordance with the standing instructions of the Ministry, the Board of Management met once every month to give sanctions which it was alone empowered to give and that these meetings lasted on an average 20 to 30 minutes. *The Committee feel that since the Board was intended mainly to be an advisory body, it does not appear to be necessary to entrust it with detailed administrative powers, nor may it be necessary for it to meet so frequently when the work transacted does not take more than 30 minutes. The Committee recommend that the functions and powers of the Board may be re-defined in such a way that it is enabled to fulfil effectively the role envisaged for it as an advisory body. They also recommend that the question of delegating further powers to the Director-General stated to be under consideration for as long as a year may be decided without further delay.*

Need to  
redefine  
functions of  
the Board.

10. So far as the frequency of the meetings was concerned, the representative of the Department had stated during evidence that it was not necessary for the Board to meet once every month. *The Committee would urge the Department to go into the matter and see if the standing instructions issued in this behalf needed to be modified in the light of experience and the proposed delegation of enhanced powers to the Director-General.*

#### D. Staff Requirements

11. The Committee were given to understand that difficulties were experienced by the Overseas Communications Service in recruiting and retaining the services of Technical Assistants and Mechanics (Class II) because the grades offered were not as attractive as in private firms and therefore the required number of qualified hands were not forthcoming. There were at present 53 vacancies as against the total sanction strength of 167 technical assistants and 12 as against 48 of Mechanics (Class II). In 1957, the vacancies remaining unfilled in the grade of Technical Assistants were as many as 56 and Mechanics (Class II)—10. As the position regarding making up of deficiencies in these categories has not appreciably improved during the last four years, *the Committee recommend that the Department should examine the matter in detail quickly and take necessary action to ensure that the shortages in these technical categories are met.*

Vacant  
Technical  
Posts.

II.  
FINANCE

**A. Plan provisions and expenditure**

(a) *Second Plan*

Heavy Short-  
fall under  
Land and  
Buildings.

12. The allocation for the Overseas Communications Service during the Second Plan and the anticipated expenditure during this period is as under:—

(Rs. in lakhs)

Major Heads	Plan Provision	Total Expenditure anticipated	Shortfall
Plant and Machinery	119	71.90	47.10
Land and Buildings	61	37.12	23.88
	180	109.02	70.98

13. The shortfall in expenditure would be as much as 39 per cent of the plan target. The Committee were informed that out of the total foreign exchange component of Rs. 146 lakhs, only an amount of Rs. 52.35 lakhs was released till December, 1960. In view of the restrictions on foreign exchange releases, orders had to be split up in small bits and phased to suit foreign exchange availability. On the land and buildings side, the shortfall was due to the delays in the execution of works entrusted to the C.P.W.D. *The Committee consider that the shortfall under land and buildings was avoidable there being no foreign exchange involved in them. Since a separate wing of the C.P.W.D. has been set up for the P. & T. Department, the Committee suggest that the execution of construction work for the Overseas Communications Service might also be entrusted to it. They hope that this would accelerate the pace of work in the Third Five Year Plan.*

(b) *Third Plan*

14. The total cost of the expansion schemes proposed by the Overseas Communications Service for inclusion in the Third Five Year Plan was estimated to be Rs. 343 lakhs i.e., Rs. 185 lakhs for plant and machinery and Rs. 158

lakhs for land and buildings. On the advice of the Ministry, this amount was pruned down to Rs. 300 lakhs. The Planning Commission have however allocated a sum of Rs. 150 lakhs only to the Overseas Communications Service. The additional requirements have been noted and further allocation would depend on the availability of resources.

(c) *Requirements of Equipment*

15. The Committee were further informed that the foreign exchange component of the Third Plan of the Overseas Communications Service was of the order of Rs. 69.57 lakhs. The principal items of equipment which the Overseas Communications Service has had to import hitherto were:—

- (i) Telegraph Receivers;
- (ii) Radio Telegraph Transmitters;
- (iii) Automatic Error Correcting Multiplex Telegraph (ARQ) terminals;
- (iv) Teleprinter Machines; and
- (v) Spare parts for equipment in use.

16. As a result of coordination of technical specifications between Overseas Communications Service and Bharat Electronics Limited the latter has been able to meet in full the requirements of high power telephone transmitters and telephone receivers in the Second Plan period. Some telegraph equipment has also been obtained from the Indian Telephone Industries and now with the establishment of the Teleprinter Factory, all future orders for teleprinter machines will be placed with them. The Committee were informed that before placing orders for equipment abroad, Overseas Communications Service also ensures that it is not available from the indigenous sources.

17. The Committee also understand that the Overseas Communications Service has set up a Development Section in the Dighi Wireless Station. The functions of this Section are four-fold viz.—

- (i) improvement of the performance of the working equipments to meet current international specifications;
- (ii) designing/construction of prototypes of new equipments:

A Research Unit.

- (iii) preparation of training manuals and syllabus; and
- (iv) investigations into new problems of technical interest to Service.

The problems which the Overseas Communications Service comes across in the course of its day-to-day working but which require a thorough study are also tackled by this Section. It was stated that a proposal of the Overseas Communications Service to develop this Section was under consideration of the Ministry. *This is a desirable line of development and the proposal deserves every sympathetic consideration.*

### B. Working Results

Fall in percentage of profit.

18. The working results of the Overseas Communications Service during the last four years were as shown below:—

(Rs. in lakhs)						
Year	Total Govt. Capital	Total Revenue	Total Expenditure	Net Profit	Profit as % of Govt. Capital	Profit as % to total Revenue
1956-57	162.12	190.62	141.45	49.17	30.33	25.79
1957-58	188.95	182.86	139.12	43.74	23.15	23.92
1958-59	205.10	184.74	141.54	43.20	21.06	23.38
1959-60	225.54	210.62	158.68	51.94	23.03	24.66

19. It will be seen that the profits both as (i) percentage of Government capital and (ii) percentage to total revenue during the years 1957-58 to 1959-60 have declined as compared to 1956-57 (the first year of the Second Plan). The Committee were informed that as an expanding and progressive organisation, the Overseas Communications Service was called upon to make heavy capital investment in order to introduce modern equipments and latest contrivances. Moreover, while the revenues were variable, the interest charges, depreciation on equipment, service-charges etc., were inflexible and in fact service charges kept on rising every year and were not directly related to traffic variations. *The Committee nevertheless consider that with the introduction of latest equipment and modern techniques, the capacity of the Organisation to handle traffic more efficiently is also augmented and should therefore be fully reflected in its financial working. Though the position in 1959-60 has*

*shown some improvement as compared to the preceding year, the Committee would urge the Organisation to keep a close watch on its working expenses so as to make sure that the service charges etc. do not disproportionately increase.*

20. Incidentally, the Committee observe that the expenditure on Overseas Communications Service is classified in the Budget under the major head '43-Industries' which appears to be anomalous. They were informed that it was a historic legacy from the days it was taken over from the Company. *The Committee recommend that the matter of appropriate classification of the revenue and capital expenditure on the organisation may be examined by the Ministry in consultation with the Ministry of Finance and Comptroller and Auditor General and early decision taken.*

Classification  
in accounts  
calls for  
change.

21. The Committee further observe from the Profit and Loss account of the Overseas Communications Service for the years 1955-56 to 1959-60 that an amount of Rs. 1,81,000 has been shown each year as charges for the work done by the Ministries of Communications, Finance etc. in connection with the administration of the service. They were informed that the average expenditure incurred was only about Rs. 76,000 per annum, and that the figure of Rs. 1,81,000 which represented the expenditure that was being borne by the old Indian Radio and Cable Communications Company on behalf of the management had somehow continued to be shown in the Profit and Loss account since then.

*22. The Committee are surprised that such old practices have been continued without any rational basis for more than fourteen years since the service became part of Government. They trust that it would be set right speedily.*

### C. Wayleave Scheme

23. The Government of India is a member of the telecommunications organisation of the Commonwealth, known as "Commonwealth Telecommunication Board". This Board was formed in 1948 with the object of fostering mutual interests of all Partner Governments in the field of telecommunications. The telecommunication services owned and operated by the various Partner Governments are technically treated as an integrated system and the expenses on its working are shared by the Partner Governments. A scheme for sharing the expenditure on maintenance of the

external telecommunications system owned and operated by each Partner Government has been evolved by the Commonwealth Telecommunication Board and is known as "Wayleave Scheme".

24. The salient features of the scheme are: (a) Revenues realised by each Partner Government from handling the traffic on the Commonuser System are retained except actual payouts by the connecting Partner Government and (b) the expenditure incurred on the maintenance of the commonuser system which includes both wireless and cables, is shared by all the Partner Governments in the same proportion which their respective revenues bear to the total revenue of all the Partner Governments. The Commonwealth Telecommunication Board is responsible for the allocation of the share of expenditure payable to or by each Partner Government. Mutual indebtedness amongst Partner Governments is settled in pounds sterling by transfer of funds to M/S Cable and Wireless Limited, London.

25. The facilities available as a result of this Scheme are similar to those on other large telecommunication networks. However, instead of paying, as per usual international practice, charges "per word" or "per call" for actual traffic sent upon their system, the partners share the overall cost of the Commonuser System as a whole in proportion to their "net revenue".\*

26. A statement showing the amounts payable by India for Wayleave during the years 1955-56 to 1959-60 *vis-a-vis* the total revenue earned by the Overseas Communications Service during these years and the net revenue assessable for commonuser purpose is given in Appendix III. The Committee understand that the amounts payable for Wayleave from 1956-57 onwards are provisional and that an "on account" payment of Rs. 32 lakhs per year had been made pending a final settlement of the accounts by the Commonwealth Telecommunication Board.

Payments too high as compared to facilities received.

27. The Committee were informed by the representative of the Ministry that it was felt that the amount payable by India under the Wayleave Scheme was considerably higher than the services received in return. In a paper presented to the Commonwealth Telecommunications Conference in 1958, Government had stated that the payments to be made by India on the basis of the commonly accepted "parcour" system, which is applicable for the settlement of accounts

\*See para 3 of the Definitions, Principles and Procedure under clause 7 of the Third Schedule to the Commonwealth Telegraphs Agreement, 1948.

with foreign telegraph administrations, her payments would be only of the order of £30,000 as against about £3,00,000 payable at present. It was also suggested that a more direct approach towards financial adjustments should be aimed at between the Commonwealth countries and a system of direct payments to each other on the basis of the extent of use of each other's facility should be evolved.

28. The U.K. Administration submitted a revised set of figures purporting to show a much lower figure of savings to India under the proposed arrangements which could be wiped out if a small proportion of her traffic were to be routed by her on the submarine cables. The Committee were informed that these figures were under examination and the question would be taken up again with the Commonwealth Telecommunication Board.

*29. The Committee are concerned to note that under the Wayleave Scheme our country is called upon to pay money ten times the estimate of what, according to Department's own calculation, is rightly payable. They hope that the negotiations will be speeded up to reach a satisfactory arrangement.*

30. The Committee understand that because of her membership of the Commonuser System, India cannot openly enter the common market for securing transit traffic in competition with the Commonwealth system. There is also a certain amount of opposition to the opening of new circuits which may immediately or in future compete with the Commonwealth system. The Committee were informed that out of the Commonwealth countries, Pakistan, Ghana, Federation of Malaya, Singapore and Nigeria were not members of the Commonwealth Telecommunication Board.

*31. The Committee note further that among the Commonwealth flat rates India's rates are the lowest. They were informed that while other Commonwealth countries had increased their rates, India had not done so partly because of fair sized profits being made on the existing rates and partly because any rise in revenue would further inflate the amounts payable by her in sterling under the Wayleave Scheme. Thus it appears to the Committee that the country is placed in a rather disadvantageous position not only from the financial point of view but also from the standpoint of her ability to attract more transit traffic.*

32. The Committee were informed that no practical difficulties are envisaged in the operation of overseas services with the existing load to member Commonwealth



countries or others if India was to cease to be a participant in the Wayleave Scheme and new arrangements will have to be entered into with them for the settlement of accounts. Even at present, under the existing set-up of the Commonwealth Telecommunication Board, there is only one cable from Bombay to Aden and one from Madras to Singapore.

*33. The Committee therefore consider that in case the present negotiations do not expeditiously lead to an entirely satisfactory arrangement, the question of India's continued membership of the Commonwealth Telecommunication Board needs a careful examination in all its aspects.*

### III. TRAFFIC

#### A. Services provided

34. The Overseas Communications Service provides the following three types of services:—

- (i) Foreign telegraph Service both by wireless and submarine cable;
- (ii) Foreign Radio Telephone Service;
- (iii) Radio Photo Service.

35. In addition, the Overseas Communications Service also provides inland photo-telegram service between Bombay and Delhi and Delhi and Calcutta on behalf of the P. & T. Department. A detailed statement showing the direct overseas circuits worked by the different centres of the Service is given in Appendix IV.

36. The following table shows the total number of direct links operated by Overseas Communications Service as on the 1st April of each of the preceding 4 years, and the number anticipated by 1st April, 1961:—

No. of direct O. C. S. Links as  
on 1st April of

	1957	1958	1959	1960	1961 (anticipated)
Telegraph Circuits	21	22	24	26	28
Telephone „	22	24	24	24	27
Radiophoto „	8	8	10	12	12
Leased Channels	—	3	4	7	10
Telex „	—	—	—	—	2
Multi-address Press	2	2	2	2	2

37. The International Telex Service between Bombay and U.K. was opened in the middle of 1960. There is at present only one channel and the facility is available to 68 subscribers on the Bombay-Ahmedabad telex network. There are plans to open International Telex from Calcutta and New Delhi with the U. K. and from Calcutta to U.S.A. via Manila and from Bombay to the Continent of Europe and to Japan. The introduction of similar service from Madras might be taken up later if and when the demand from that area justifies it.

Expansion of  
International  
Telex  
Service.

38. The telex service has become very popular with business firms in foreign countries where it has expanded at a rapid rate. In India, its expansion depends upon the P. & T. Department's ability to provide the necessary internal arrangements *i.e.* teleprinters and necessary links for this purpose.

39. The Committee have recommended in para 155 of their report on the P. & T. Department (Part III) the need for providing internal telex services in important commercial and business centres in the Third Plan period. They hope that with the provision of these services by the P. & T. Department as also indigenous manufacturing of teleprinter machines, the Overseas Communications Service would be in a position to expand its international telex services on the lines proposed.

### B. Traffic handled

40. The traffic handled by the Overseas Communications Service during each of the last four years was as under:—

	1956-57	1957-58	1958-59	1959-60
<i>Telegraph Traffic</i>				
Messages . . . . .	3,081,054	2,722,334	2,578,798	2,816,411
Words . . . . .	82,054,450	70,207,748	67,762,951	80,075,451
<i>Radio Telephone Traffic</i>				
Calls . . . . .	28,957	33,290	34,991	42,068
Minutes . . . . .	170,528	193,688	196,193	241,435
<i>Photo Telegraph Traffic</i>				
Messages . . . . .	366	279	253	930
Sq. cms. . . . .	128,600	84,825	86,300	302,300
<i>Foreign to Foreign Transit Traffic</i>				
Telegraph Messages . . . . .	851,744	1,076,217	1,404,752	1,079,307
<i>Radio Telephone</i>				
Calls . . . . .	Nil	Nil	4	19
Minutes . . . . .	Nil	Nil	12	309

### C. Foreign to foreign transit traffic

41. The Committee observe from the above that there was a decline in the foreign to foreign transit telegraph traffic in 1959-60 as compared to the previous year. They were informed that the decline was mainly due to China, Egypt and Yugoslavia forwarding lesser traffic beyond India presumably to their being able to earn better revenue by circulation *via* other routes. In this highly competitive business foreign carriers were always on the look-out to attract profitable streams of traffic and the Japanese, in particular, were active in this field of late, offering lower rates.

Attracting  
Transit  
Traffic.

42. As stated earlier, the question of securing a larger share of the foreign to foreign transit traffic is to a great extent, interwoven with the country's membership of the Commonwealth Wayleave Scheme. The Overseas Communications Service has perforce to make sure that it does not undercut its partners in the Scheme. *Even though the country is advantageously situated in South-East Asia from the communications point of view and can normally expect a substantial amount of transit traffic if it were free to negotiate for this paying traffic, this has not been possible in the present set up of things. The Committee suggest that this aspect of the question may be emphasised by the Overseas Communications Service in its discussions with the Commonwealth Telecommunication Board with a view to arrive at a more satisfactory arrangement.*

### D Number of frequencies allotted to Overseas Communications Service

43. The Overseas Communications Service has been allotted a total of 202 frequencies by the Wireless Planning and Coordination Branch of the Ministry. In the eleven year "Sunspot Cycle" about 150 of the allotted frequencies get used. Of the remaining, some are only 1 or 1.5 kilocycles away from the main frequencies and can be used only when the working frequency is jammed. It was stated that in general, a shortage of clear frequencies was acutely felt.

Insufficient  
frequencies.

44. *The Committee feel that the shortage of clear frequencies requires speedy action. In case the decision is for the country to go out of the Commonuser, a much greater need will be felt for frequencies since the traffic may have to be put through in an increasing measure through radio. They therefore suggest that the question of shortage of clear frequencies allotted to India may be taken up by the Ministry with the International Telecommunication Union with a view to securing, through mutual agreement, a*

*larger number of frequencies for her use. The Overseas Communications Service on its part should also ensure that full use is made of the frequencies available to it now and in future.*

#### E. Coordination with P. & T.

**Time taken in the transmission and delivery of messages.**

45. The Committee are informed that the average time taken by the Overseas Communications Service in the transmission of a telegram overseas is about 30 minutes. This time is taken from the time of receipt of the message from the Telegraph Department or directly through phonogram or printogram to the time of transmission. Telegrams received from foreign countries for delivery at Bombay, Calcutta, New Delhi and Madras are transferred to the Telegraph Department on an average within 20 minutes. The delivery to addressees, however, is made by the P. & T. Department. In respect of telegrams to be delivered by phonogram or printogram directly by the Overseas Communications Service, the delivery is accomplished normally within 20 minutes average from the receipt of the telegrams by the Overseas Communications Service.

**Long delays in P. & T. Department.**

46. The Committee however learn that there are long delays in the booking and delivery of overseas telegraph messages in the P. & T. Department as compared to the handling time within the Overseas Communications Service. By and large about two-thirds of the overseas telegraph traffic pertains to the four cities of Bombay, Calcutta, Madras and Delhi. If the Overseas Communications Service could make direct booking and delivery arrangements in these cities, substantial reduction in the overall time taken for the disposal of a majority of messages could be possible. In most of the advanced countries, the agency which deals with the transmission of foreign telegraph messages, also provides its own direct booking and delivery arrangements in the principal cities.

47. The Committee are further informed that direct booking and delivery of a substantial portion of the traffic by Overseas Communications Service would also reduce the number of complaints received presently from Foreign Telegraph Administrations regarding erroneous booking as well as delays in replies to service telegrams which have to be referred in all cases to the P. & T. Department where they are frequently very much delayed. Further, settlement of refund cases would also be substantially speeded up.

48. The Committee understand that the proposal to allow the Overseas Communications Service to make its own direct booking and delivery arrangements in these cities

was also endorsed by the Telegraph Enquiry Committee provided it did not affect the revenues of the P. & T. Department. *In the interest of speedy disposal of overseas telegraph traffic, the Committee would urge that the matter should be taken up with the P. & T. Department at an early date so that a satisfactory arrangement is evolved.*

49. *In their report on Telecommunications, the Committee have stressed the need for regular meetings between the officers of the Overseas Communications Service and the P. & T. Department in the principal cities viz., Calcutta, Bombay, Delhi and Madras so that there could be a mutual appreciation of each other's difficulties. The Committee hope that this step would lead to a smoother flow of traffic from either end.*

50. The Committee further understand that there is a certain amount of duplication in the accounting work of foreign telegrams between the Overseas Communications Service and the P. & T. Department. In a note submitted to them, the P. & T. Department have stated:—

Duplication  
of account-  
ing work.

“It will be seen that statements are prepared in the OCS and then checks are exercised in the Frontier Telegraph Offices and in the Telegraph Check Office, Calcutta. Since all these organisations function under the Ministry of Communications, there is apparently some duplication and there is scope for streamlining the accounting and checking procedures.”

*Since, both the P. & T. Department and the Overseas Communications Service are under the charge of the same Department of the Ministry, the Committee feel that the statements prepared by one of its limbs could be accepted by the other without such an elaborate examination. The Committee suggest that the matter may be examined in consultation with the Accountant General, Posts and Telegraphs, and a simpler procedure evolved.*

51. The Committee were informed that the question of integrating the technical, traffic and engineering staff of the Overseas Communications Service with that of the telephone and telegraph branches of the P. & T. Department was considered at the time of nationalisation of Overseas Communications Service in 1947. Subsequently, a Departmental Committee appointed in 1955 went into this question. On both the occasions it was considered that the requirements of the two services were so different that integration would not be in the interests of efficiency. The

special system of financial arrangements under the Wayleave Scheme applicable to the Overseas Communications Service was also urged as an important factor necessitating the separate existence of the internal and external services.

52. The Committee have examined this matter in some detail. In his evidence, the representative of the Ministry cited the following considerations in support of the two services being kept apart:—

- (i) The O.C.S. has inherited a better tradition of efficiency and sound management from the Indian Radio and Cable Communications Co. Amalgamation of the O.C.S. with the P. & T. would lead to deterioration in the efficiency of the former;
- (ii) The O.C.S. is running on profitable lines. By its amalgamation with the P. & T., it would lose its identity as a sound business organisation;
- (iii) It would be conducive neither to economy nor efficiency since the channels of communication, equipment and personnel required are entirely different from those of P. & T.; and
- (iv) Some of the staff in the O.C.S. are getting better pay than their counterparts with the same designation in the P. & T. Amalgamation of the two would result in a clamour for higher pay by P. & T. staff.

53. *The Committee appreciate that these are arguments which merit consideration. Nevertheless, on the other side there are factors equally deserving of consideration:—*

- (i) *It would be possible to effect a closer liaison between the Telegraph Branch and the O.C.S. in the interest of speedy disposal of traffic;*
- (ii) *It would not be necessary to have a separate section in the Ministry for dealing with matters relating to the O.C.S.*
- (iii) *With the enhanced powers of the P. & T. Board, the O.C.S. would not have to approach the Ministry for sanctions for works involving expenditure upto Rs. 10 lakhs;*
- (iv) *The efficiency of the O.C.S. as an arm of P. & T. would be an example to the other branches, particularly the Telegraph Branch, to improve their performance.*

*The Overseas Communications Service could continue to retain its identity in the same way as postal, telephone, telegraph and wireless branches and its financial results exhibited separately in the accounts. The Committee note that in the U.K. also where the external tele-communication department has been established as a separate department, its working results form part of the British Post Office accounts.*

*54. While the Committee do not suggest that such a change is necessary or desirable immediately when the P. & T. Board is still in its incipient stage, they are of the view that it would be desirable to consider this when the P. & T. Board is sufficiently stabilised and will be in a position to take up additional responsibilities.*

H. C. DASAPPA,  
Chairman,  
Estimates Committee.

NEW DELHI;  
The 15th March, 1961  

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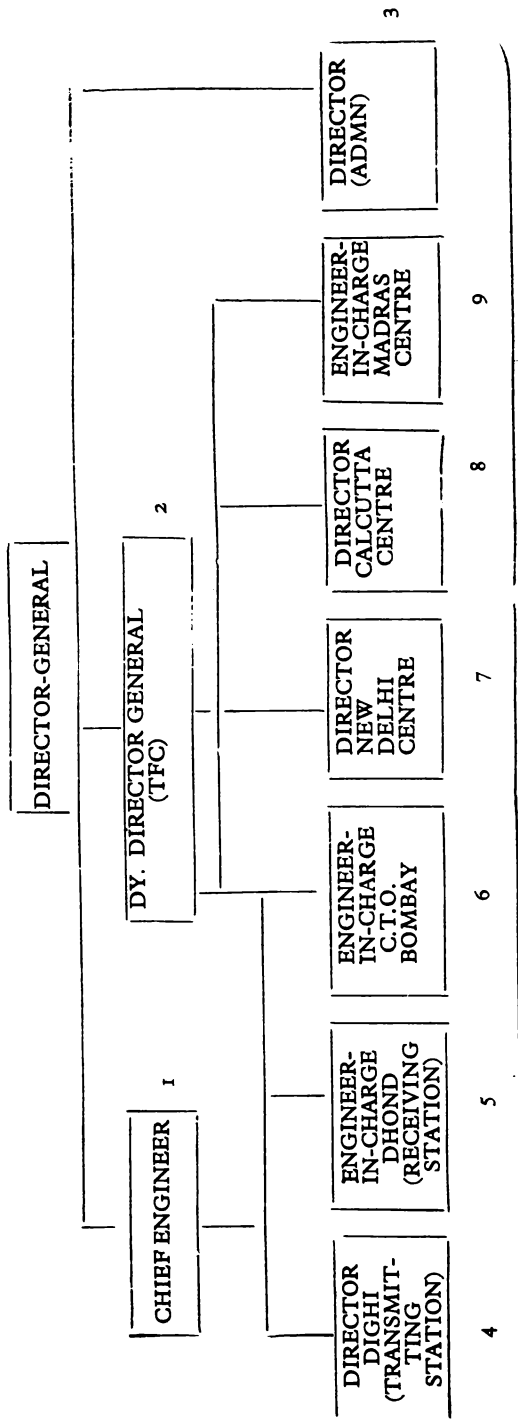
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**APPENDIX I**

(Vide para 2)

*Organisational Set-up of the Overseas Communications Service*



## APPENDIX II

(Vide para 8 )

*Statement showing the administrative powers of the OCS Board of Management vis-a-vis those of the Director General.*

*Powers of the Board of Management                      Powers of the Director General*

### *Grant of Leave*

Power to grant all leave other than special disability leave to all Class I officers above the rank of Engineer-in-Charge, excluding the Director General.

Power to grant all leave other than special disability leave to all Class I officers of the rank of Engineer-in-Charge and below and all Class II officers gazetted and non-gazetted.

### *Appointments*

(i) Power to make appointments to Class II Posts, gazetted and non-gazetted.

(i) Power to make appointments to Class III posts.

(ii) Controlling authority for all Class III staff in the OCS and Class IV staff at Head Office, Bombay for the purpose of Central Civil Services (Temp. Service) Rules, 1949.

(ii) Controlling authority for all Class IV posts at the out-station offices of the OCS for the purpose of Central Civil Services (Temporary Service) Rules, 1949.

### *Transfers*

Power to transfer Class I officers of and above the rank of Engineer-in-Charge

Power to transfer Class I officers below the rank of Engineer-in-Charge and also all Class II officers, Class III officers and Class IV officers.

### *Disciplinary Powers*

(a) Competent to impose all the penalties specified in Rule 13 of the C.C.S. (C.C.A.) Rules, 1957, in respect of all class II posts of O.C.S.

(a) Competent to impose all the penalties specified in Rule 13 of the C.C.S. (C.C.A.) Rules, 1957, in respect of all Class III posts of OCS.

(b) Declared as the appellate authority under the above rules in respect of all Class III posts of OCS.

(b) Declared as the appellate authority under the above rules in respect of all Class IV posts of O.C.S.

### APPENDIX III

(Vide para 26)

Statement showing the amounts payable for Wayleave by the Indian National Body during the years 1955-56 to 1959-60 vis-a-vis the total revenue earned by OCS during these years and the net revenue assessable for Commonuser purposes.

(The amounts payable for Wayleave by the Indian National Body from 1956-57 are provisional, as the accounts are not yet finalised by the C.T.B. Figures for 1955-56 are final)

Year	Total Revenue earned by OCS	Net Revenue assessable for commonuser purposes	Total expenditure of OCS	Allocation for Wayleave on the basis of 53% of Revenue	Commonuser expenditure of India itself	Balance provision for Wayleave	Net payment by India after taking credit for the Excess Receipts
I	2	3	4	5	6	7	8
1955-56	Rs. 1,75,58,479	1,72,55,480	1,32,18,882	89,73,480	31,16,347	58,57,133	38,23,867
1956-57	Rs. 1,90,61,864	1,81,71,898	1,41,45,359	96,31,106	36,12,502	60,18,604	38,84,932
1957-58	Rs. 1,82,85,989	1,74,31,694	1,39,11,764	92,38,798	43,10,398	49,28,400	33,67,934
1958-59	Rs. 1,84,73,863	1,74,88,440	1,41,54,288	92,68,873	45,71,314	46,97,559	34,37,343
1959-60	Rs. 2,10,62,353	1,97,29,241	1,58,67,865	1,04,56,498	55,36,479	49,20,019	41,54,395

NOTE :—The revenue earned and \*expenditure on Calcutta/Rangoon direct Wireless Circuit, the Multi-address Broadcasts of the External Affairs Ministry and the P.T.I. Broadcasts to Kahtmandu and Tokyo are excluded from the Wayleave Scheme as they are considered domestic services outside the Wayleave Scheme.

\*The actual adjustment for the exclusion of expenditure from the Common User System was made from the accounting year 1959-60.

## APPENDIX IV

(Vide para 35)

### *Direct Overseas Circuits worked by O.C.S. Centres*

<i>Bombay</i>	<i>As on 1-1-47</i>	<i>As on Date</i>
1. Submarine Cable Telegraph Circuits	Two Cable circuits to Aden.	Two Cable Circuits to Aden.
2. Wireless Telegraph Circuits	London, Melbourne, China, New York, (via Tangiers) (Total—4)	London, New York, <i>via</i> Tangiers (2 circuits), Paris Berne, Rome, Hamburg, Tehran, Baghdad, Cairo, Kabul, Osaka, Bandung, Saigon, Bangkok, Hano (Total—16)
3. Radio Telephone Circuits.	London (Total—one)	London, Berne, Warsaw, Tehran, Baghdad, Bahrain, Jeddah, Nairobi, Cairo, Aden, Addis Ababa, Tokyo, Hongkong, Jakarta, Rangoon (Total—15)
4. Radiophoto Circuits		London, New York, ( <i>via</i> Tangiers), Tokyo (Total—3) ‡ ‡(These are in common with Calcutta and New Delhi).
<i>New Delhi</i>		
1. Wireless Telegraph Circuit.	London (Total—one)	London, Moscow, Warsaw, Belgrade, Bucharest, Shanghai, Peking (Total—7)
2. Radio Telephone Circuits	Nil	London, Paris, Rome, Moscow, Shanghai, (Total—5)
3. Radio Photo Circuits.	Nil	London, Paris, Rome, Moscow Warsaw, Shanghai, Tokyo (Total—7)*  *(These are in common with Bombay and Calcutta).
<i>Calcutta</i>		
1. Wireless Telegraph Circuits.	Nil	London, Melbourne, Rangoon and Manila (Total—4)

2. Radio Telephone Circuits	Nil	London, Humburg, Sydney, Saigon (Total—4)
3. Radio Photo Circuits.	Nil	London, Hamburg (or Frankfurt) (Total—2) §§

§§(These are in common with New Delhi and Bombay).

### Madras

1. Submarine Cable Telegraph Circuit.	Two cable circuits to Singapore	Two cable circuits to Singapore.
2. Wireless Telegraph Circuits	Nil	London (Total—1)
3. Radio Telephone Circuits	Nil	Singapore (Total—1).

### Note:

As regards the Radiophoto Services, the regular links normally operated from each centre are shown. However it has been arranged with the Overseas Centres with whom we have this Service, to exchange the pictures directly with any of the three centres. This gives the advantage of a direct service becoming available to our three principal cities thus obviating the necessity of airmailing the pictures booked or radiophotos received at one city to the appropriate centre actually handling the circuit.

*Summary:* Direct Radio Services operated now total sixty-four, which link India with the foreign countries as detailed below:—

#### (A) Radio Telegraph:—

Afghanistan, Australia, Burma, China (two circuits), Egypt, France, Germany, Indonesia, Iran, Iraq, Italy, Japan, Poland, Roumania, Switzerland, Thailand, U.K. (four circuits), U.S.A. (two circuits), U.S.S.R., North Vietnam, South Vietnam and Yugoslavia.

#### (B) Radio Telephone:—

Aden, Australia, Bahrain, Burma, China, East Africa, Egypt, Ethiopia, France, Germany, Hongkong, Indonesia, Iran, Iraq, Italy, Japan, Malaya, Poland, Saudi Arabia, Switzerland, U.K. (three circuits), U.S.S.R., and South Vietnam.

#### (C) Radio Photo:—

China, France, Germany, Italy, Japan (two circuits), Poland, U.K. (three circuits), U.S.A., and U.S.S.R.

## APPENDIX V

### *Summary of conclusions/recommendations*

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Serial No.	Reference to Para No. of the Report	Summary of conclusions/recommendations
1	2	3
1	7	The Committee suggest that the tenure of membership of the non-official members of the Overseas Communications Service Board of Management may be fixed at an early date.
2	9	The Committee feel that since the Overseas Communications Service Board of Management was intended mainly to be an advisory body, it does not appear to be necessary to entrust it with detailed administrative powers nor may it be necessary for it to meet as frequently as once a month when the work transacted does not take more than 30 minutes. The Committee recommend that the functions and powers of the Board may be redefined in such a way that it is enabled to fulfil effectively the role envisaged for it, as an advisory body. They also recommend that the question of delegating further powers to the Director General stated to be under consideration for as long as a year may be decided without further delay.
3	10	The Committee would urge the Ministry to examine the question of frequency of the meetings of the Overseas Communications Service Board of Management and see if the standing instructions issued in this behalf need to be modified in the light of experience and the proposed delegation of enhanced powers to the Director General.
4	11	As the position regarding making up of deficiencies in the grades of Technical Assistants and Mechanics (Class II) has not appreciably improved during the last four years, the Committee recommend that the Department should examine the matter in detail quickly and take necessary action to ensure that the shortages in these technical categories are met.

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1	2	3
5	13	Since a separate wing of the C.P.W.D. has been set up for the P&T Department, the Committee suggest that the execution of construction work for the Overseas Communications Service might also be entrusted to it. They hope that this would accelerate the pace of work in the Third Plan.
6	17	The proposal of the Overseas Communications Service to develop the Development Section at Dighi deserves sympathetic consideration.
7	19	The Committee would urge the Organisation to keep a close watch on its working expenses so as to make sure that the service charges etc. do not disproportionately increase.
8	20	The Committee recommend that the question of appropriate classification of the revenue and capital expenditure on the Organisation may be examined by the Ministry in consultation with the Ministry of Finance and the Comptroller and Auditor General and early decision taken.
9	22	The Committee are surprised that an amount of Rs. 1,81,000 which represented the expenditure that was being borne by the old Indian Radio and Cable Communication Co. on behalf of the management continues to be shown in the Profit and Loss Account of the Overseas Communications Service without any rational basis for more than fourteen years since the Service became part of Government. They trust that it would be set right speedily.
10	29	The Committee are concerned to note that under the Wayleave Scheme our country is called upon to pay money ten times the estimate of what, according to the Department's own calculation, is rightly payable. They hope that the negotiations in this regard will be speeded up to reach a satisfactory arrangement.
11	33	The Committee consider that in case the present negotiations do not expeditiously lead to an entirely satisfactory arrangement, the question of India's continued membership of the Commonwealth Telecommunication Board needs a careful examination in all its aspects.
12	39	The Committee hope that with the provision of the internal telex services by the P & T Department as also indigenous manufacturing of teleprinter machines, the Overseas Communications Service

1	2	3
		would be in a position to expand its international telex services on the lines proposed.
13	42	The Committee suggest that India's inability to attract more transit traffic because of her membership of the Wayleave Scheme may be emphasised by the Overseas Communications Service in its discussions with the Commonwealth Telecommunication Board with a view to arrive at a more satisfactory arrangement.
14	44	The Committee suggest that the question of shortage of clear frequencies allotted to India may be taken up by the Ministry with the International Telecommunication Union with a view to securing, through mutual agreement, a larger number of frequencies for her use. The Overseas Communications Service on its part should also ensure that full use is made of the frequencies available to it now and in future.
15	48	In the interest of speedy disposal of telegraph traffic, the Committee would urge that the question of allowing the Overseas Communications Service to make its own booking and delivery arrangements in the bigger cities, should be taken up with the P & T Department at an early date so that a satisfactory arrangement is evolved.
16	49	In their report on Telecommunications, the Committee have stressed the need for regular meetings between the officers of the Overseas Communications Service and the P. & T Department so that there could be a mutual appreciation of each other's difficulties. The Committee hope that this step would lead to a smoother flow of traffic from either end.
17	50	Since both the P. & T. Department and the Overseas Communications Service are under the charge of the same Department of the Ministry, the Committee feel that the statements prepared by one of its limbs could be accepted by the other without elaborate examination. The Committee suggest that the matter may be examined in consultation with the Accountant General, Posts and Telegraphs and a simpler procedure evolved.
18	54	While the Committee do not suggest that integration of O.C.S. with P & T Department is necessary or desirable immediately when the P & T Board is still in its incipient stage, they are of the view that it would be desirable to consider this when the P & T Board is sufficiently stabilised and will be in a position to take up additional responsibilities.



## APPENDIX VI

### *Analysis of the recommendations contained in the Report*

#### I. CLASSIFICATION OF RECOMMENDATIONS

##### A. Recommendations for improving the organisation and working :

S. Nos. 1, 2, 3, 4, 5, 6, 12, 14, 15, 16, 17 and 18

Total : 12

##### B. Recommendations for effecting economy (including those for augmenting income) :

S. Nos. 7 and 10

Total : 2

##### C. Miscellaneous recommendations :

S. Nos. 8, 9, 11 and 13

Total : 4

#### II. ANALYSIS OF MORE IMPORTANT RECOMMENDATIONS DIRECTED TOWARDS ECONOMY (INCLUDING THOSE FOR INCREASING ITS INCOME)

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S. No.	No. as per summary of recommendations	Particulars
1	7	A close watch may be kept on the working expenses of the Overseas Communications Service so as to make sure that the service charges etc. do not disproportionately increase.
2	10	It is a matter of concern that under the Wayleave Scheme the country is called upon to pay money ten times the estimates of what, according to the Department's own calculation, is rightly payable. Negotiations in this regard should be speeded up to reach a satisfactory arrangement.

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