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**STANDING COMMITTEE
ON COMMUNICATIONS
(1997-98)**

ELEVENTH LOK SABHA

**MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF TELECOMMUNICATIONS)**

*[Action Taken by Government on the Recommendations contained in the
Eleventh Report (Eleventh Lok Sabha) of Standing Committee on
Communications on Demands for Grants (1997-98)]*

FIFTEENTH REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

November, 1997/Agrahayana, 1919 (Saka)

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(1997-98)

(ELEVENTH LOK SABHA)

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Presented to Lok Sabha on 2 December 1997.

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November, 1997/Agrahayana, 1919 (Saka)

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COMMITTEE ON COMMUNICATIONS
(1997-98)

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2. Shri P.D.T. Achary — *Joint Secretary*
3. Shri S.K. Sharma — *Deputy Secretary*

INTRODUCTION

I, the Chairman of the Standing Committee on Communications (1997-98) having been authorised by the Committee to submit the Report on its behalf, present this Fifteenth Report on Action Taken by Government on the recommendations of the Committee contained in the Eleventh Report (Eleventh Lok Sabha) - Demands for Grants (1997-98) relating to Ministry of Communications (Department of Telecommunications).

2. The Eleventh Report was presented to Lok Sabha on 22 April, 1997 and also laid in Rajya Sabha the same day. The Government furnished their replies indicating Action Taken on the Recommendations contained in the Report on 1.8.1997.

3. The Report was considered and adopted by the Committee at its sitting held on 27 November, 1997.

4. 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.

5. An analysis of Action Taken by Government on the Recommendations contained in the Eleventh Report of Standing Committee on Communications (Eleventh Lok Sabha) is given in Appendix-II.

NEW DELHI;
27 November, 1997
6 Agrahayana, 1919 (Saka)

SOMNATH CHATTERJEE,
Chairman,
Standing Committee on Communications.

CHAPTER I

REPORT

This report of the Standing Committee on Communications deals with the action taken by Government on the Recommendations contained in its Eleventh Report (Eleventh Lok Sabha) on Demands for Grants (1997-98) relating to the Ministry of Communications (Department of Telecommunications).

2. The Eleventh Report was presented to Lok Sabha on 22.4.1997 and was also laid on the Table of Rajya Sabha on the same day. It contained 34 recommendations/observations.

3. Action taken notes in respect of all the recommendations/observations contained in the Report have been received and categorised as under :

- (i) Recommendations/observations which have been accepted by the Government.

Para Nos. 19, 20, 21, 23, 24, 25, 45, 46, 48, 49, 50, 51, 53, 54, 55, 63, 77, 86, 87, 91 and 108;

Total 21

Chapter II

- (ii) Recommendations/observations which the Committee does not desire to pursue in view of the reply of the Government.

Para Nos. 22, 52, 58, 70, 71, 76, 85, 102 & 107

Total 9

Chapter III

- (iii) Recommendations/observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.

Para Nos. 47, 61 and 62

Total 3

Chapter IV

- (iv) Recommendations/observations in respect of which replies are of interim nature.

Para No. 78

Total 1

Chapter V

3. The Committee desires that action taken note on the recommendation at Para No. 78 as well as the final action taken notes on the recommendations contained in the report may be furnished to it urgently and in no case later than six months of the presentation of this Report.

4. The Committee will now deal with action taken by Government on some of its recommendations.

Village Public Telephones (VPTs) (Para No. 47)

5. The Committee in its earlier report had expressed concern at the staggering shortfall of more than 50 percent in the targets of Village Public Telephones. The Committee had pointed out that only 1,68,834 VPTs could be provided against the revised 8th plan target of 3.38.000 VPTs. It had also taken a serious note of the fact that varying impressions were given to the Committee about the achievements in regard to installation of Village Public Telephones. The Committee had strongly disapproved the practice of giving different figures such as 75,000 VPTs, 45,000 VPTs and ultimately 60,000 VPTs of achievements during 1996-97.

6. The Department of Telecommunications in its Action Taken Note has stated that the likely achievement figures were based on the status of equipment and materials supplied and availability in the circles on day to day basis. Hence, the figure was changing on day to day basis. The actual achievement for 1996-97 is stated to be 56.719 VPTs. The Department has further added that it had tried its best to arrange timely supply of material and equipment in circles. But despite the best efforts by the Department as well as by the Circles, the target of 75,000 VPTs could not be achieved during 1996-97.

7. The Committee is not convinced by the statement that the Department had tried its best to arrange timely supply of the material and equipment in the circles. In fact, it would like to be apprised

of the constraints/difficulties experienced in achieving the target of 75,000 VPTs during 1996-97. It is pertinent to note that achievements have fallen short of the targets by 25 percent in providing Village Public Telephones. The Committee would like the Department of Telecommunications to examine whether the target of 75,000 VPTs was fixed realistically keeping in view the infrastructure available with the Department and also whether any remedial step is being taken to avoid such slippages in future.

Village Public Telephones - Non-payment of bills (Para No. 54)

8. The Committee in its earlier Report had observed that as many as 15,000 VPTs were disconnected due to non-payment of dues. It urged upon the Department to evolve a suitable mechanism and intensify the monitoring system to see that payment of dues of VPTs installed all over the country was received in time. The Committee had further desired that the States of Maharashtra, Gujarat, Punjab, Rajasthan and Madhya Pradesh be specially looked into and the Department should take up the matter with the respective State Governments with a view to arriving at an early settlement.

9. The Department in its action taken note has stated that the policy on the reactivation of VPTs disconnected due to non-payment at alternate locations in the same village is under formulation.

10. The Committee would like the Department to expedite formulation of the policy on the reactivation of VPTs disconnected due to non-payment at alternate locations. The Committee may be apprised of the details of the Policy so formulated in this regard.

Allotment of STD/PCOs (Para No. 61)

11. The Committee in its Eleventh Report had observed that the number of applications received for allotment of PCOs during the last three years was not available with the Department. The Committee had viewed it as sheer carelessness and negligence on the part of the Department and wondered how such a reckless reply was furnished. The Committee also desired to be apprised of the procedure prescribed in dealing with applications received for allotment of PCOs.

12. The Department in its action taken notes has replied that earlier wherever the Exchange capacity permitted, applications were called at the SSA level from the educated unemployed persons for allotment of STD-PCOs. In order to facilitate speedy sanction of STD-PCOs in the

circles, it has been decided that with effect from 20.5.1997 the registration of the demand for STD-PCOs shall be a continuous process. The registration shall be done for each SSA and seniority list of the applicants shall be maintained. The applications from the eligible applicants would be considered by the STD-PCO allotment Committee functioning at the SSA level which consists of official members and non-official members nominated by the Hon'ble MPs of the respective areas. The Committee would decide the allotment of the available number of PCOs giving preference to the Handicapped including blind persons, SC/ST, Ex-servicemen/War Widows, Retired DoT employees or their dependents, Dependents of Freedom Fighters and Charitable Institutions/Hospitals.

13. The Committee is not satisfied with the reply of the Department that wherever the Exchange capacity permitted, applications were called at the SSA level from the educated unemployed persons for allotment of STD-PCOs. In any case, proper record has to be maintained of the applications and their disposal. In fact an impression has been given that the Department has chosen to evade the adverse observation of the Committee regarding non-availability of the number of applications received for allotment of PCOs during the last three years. It has been amply substantiated by the fact the Department has not concerned itself to reply or clarify the matter in its action taken notes. The Committee takes a serious view of the fact that the number of applications received for allotment of PCOs during the last three years is not available with the Department. The Department owes an explanation in this regard. The Committee desires the Department to guard against such carelessness in future. It recommends that data regarding the number of applications received for allotment of PCOs, and their disposal should be maintained meticulously.

Pending applications for allotment of PCOs (Para No. 62)

14. The Committee in its earlier Report had expressed its unhappiness over the fact that as much as 89,648 applications for allotment of PCOs were pending in different Telecom circles/metro districts. The Committee recommended an early action to dispose off these pending applications so that the needy applicants could get employment and public, in general, was benefited.

15. The Department in its action taken notes has stated that earlier the non-official members to the STD-PCO allotment Committee were

nominated by the Ministry for a tenure period of 2 years. With effect from 31.10.1996, a decision was taken to reconstitute those Committees. According to the revised instructions, the non-official members shall be nominated by the sitting members of Lok Sabha and Rajya Sabha representing the SSA. The constitution of the Committees, in accordance with the latest instructions took some time. Now, such Committee in almost all the SSAs have been constituted and started functioning. The pending applications are, therefore, expected to be disposed off without further delay.

16. The Committee fails to understand the constraints which the Department faced in disposing of the pending applications when the non-official members to the STD-PCO allotment Committee were nominated by the Ministry for a tenure period of two years. However, since the Committees have been reconstituted with the nomination of non-official members by sitting MPs, the Committee desires that pending applications be disposed off without further delay. The Committee will like to be apprised of the latest position in this regard.

Manpower needs (Para No. 70)

17. The Committee in its Eleventh Report had observed that in none of the 24 circles of Department of Telecommunications, the working manpower strength was commensurate with the sanctioned strength. The plea of reduction of staff due to modernisation of technology was self-defeating and unacceptable to the Committee in view of the admittance of the Secretary, DoT that in many areas there was shortage of staff, moreover, the fault rate still continued to be very high. The Committee had, therefore, desired the DoT to make a realistic approach in ascertaining the total manpower needs.

18. The Department in its action taken notes has replied that it has undertaken a detailed study of its future manpower requirements and the areas as well as cadres in which additional manpower will be needed. The Department has further stated that the case for starting the recruitment for Department of Telecommunications in the cadres which are banned for recruitment at present and where recruitment is considered necessary will be processed after the detailed study is completed.

19. The Committee would like to be apprised of the action taken by the Department as soon as the detailed study in this regard is

completed. The Committee trusts that the Department will realise the fact that although new and modern technology requires less manpower, yet additional manpower will be needed for expansion work as well as for operation and maintenance of expanded network particularly in rural areas.

Unauthorised diversion of telephones (Para No. 76)

20. The Committee in its earlier Report had observed that in order to check and minimise the malpractices of unauthorised diversion of telephones resulting in leakage of revenue, the Department was taking a number of steps including the setting up of dedicated cells of CBI in the metro cities of Delhi, Mumbai, Chennai and Calcutta. While commending these steps, the Committee had desired that such measures should be introduced in other big cities also.

21. The Department in its action taken notes has replied that it is proposed to strengthen the Departmental vigilance machinery in other big cities also.

22. The Committee desires that the Department should finalise its proposal expeditiously for strengthening the Departmental vigilance machinery in other big cities also as has been done in Delhi, Mumbai, Chennai and Calcutta so that the malpractice of unauthorised diversion of telephones resulting in leakage of revenue can be curbed and minimised there also.

23. The Committee in its Eleventh Report had further noted that another Departmental Committee had been set up and its deliberations were in progress to further examine the question of leakage of revenue as well as to suggest effective steps to check the malpractices. The Committee had recommended the Department to expedite the matter and apprise the Committee of the detailed suggestions made by the Departmental Committee in plugging leakage of revenue and the action taken by Department of Telecommunication thereon.

24. The Department in its action taken notes has replied that the Departmental Committee has completed its deliberations and its report has been finalised and being submitted. It has also been stated that the detailed suggestions of the Committee in plugging leakage of revenue and action taken thereon will be intimated in due course.

25. Since the Departmental Committee has submitted its report, the Committee expects the DoT to devise concrete steps expeditiously to plug leakage of revenue.

26. The Committee would also like to be apprised of the detailed suggestions of the Departmental Committee which was set up to examine the question of leakage of revenue and the action taken by Department of Telecommunications thereon at an early date.

Revitalisation of ITI Ltd. (Para No. 102)

27. The Committee in its Eleventh Report had impressed upon the Department to go in depth of the problems faced by ITI Ltd. and take all measures expeditiously to revitalise the company keeping in mind the fact that the Government has invested heavily in ITI and its loss would not only bring miseries to thousands of workers employed directly and indirectly but the Government itself would lose the services of one of the important central PSUs.

28. In its action taken note the Department of Telecom has mentioned about a number of steps that have been taken to turn around ITI as a result of which the company has been able to perform better during 1996-97. In order to extend further help to ITI, the Department is considering the request of the company for enhancement of the equity holding and a long term soft loan of Rs. 150 crores. The request of the company for floating bonds worth Rs. 100 crores during 1997-98 is also being considered favourably. The policy of reservation of orders and grant of advances against purchase orders is being continued during 1997-98 also.

29. The Committee hopes that the request of ITI for enhancement of the equity holding of the Government in the company by Rs. 200 crores and grant of a long term soft loan of Rs. 100 crores will be considered favourably by DoT. The Committee further desires that the policy of reservation of orders and grant of advances against purchase orders is also continued for some more years.

Diversification of HTL (Para No. 107)

30. The Committee in its earlier report had expressed concern over under-utilisation of capacities of various products at HTL Ltd. and had desired that the reasons for lower utilisation of capacities during 1995-96 and 1996-97 be looked into.

31. The Department of Telecommunications in its Action Taken note has stated that against production of 2,85,492 lines of Main Distribution Frames (MDF) equipment upto December 1997, the company produced 7.11 lack lines during the whole year. Similarly, even though the production of C-DoT equipment upto December, 1996 was 1,13,168 lines, the total production achieved by the Company was of the order of 2,71,000 lines. However, there was a big shortfall in the production of EWSD Switching equipment during 1996-97 as compared to 1995-96 due to non-acceptance of the orders of these equipments by the company as they felt that the price offered was not remunerative.

32. The Committee is concerned to note that HTL Ltd. could not accept orders for EWSD switches during 1996-97, as the price offered was not remunerative and for that reason there was a big shortfall in the production of this equipment. The Committee in this context, would like to know the price offered and the price demanded by the company and whether it was not sufficient to cover the fixed cost and a part of the variable cost and whether the Department of Telecom could not offer more incentives to the company in procurement of this equipment.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation/Observation

Para No. 19 : The Committee notes that due to the declining trend in the Telegraph Service and on restricting expansion of Telex System there has been reduction in overall plan allocation for Telegraphs and Telex Systems from Rs. 150 crores to Rs. 26 crores and correspondingly, the BE 1997-98 under General Area, Tribal Area and Rural Area is also reduced. Since expansion of telex systems has been stopped and the BE 1997-98 has been reduced in Tribal and Rural areas also alongwith General Areas, the Committee feels that drastic reduction in the BE 1997-98 towards this service especially in Rural and Tribal Areas will have a negative impact. The Committee, therefore, desires the Department to take stock of the situation and propose an adequate amount towards this important service in Rural and Tribal Areas.

Action Taken by the Department

As desired by the Hon'ble Committee the provision in respect of Rural and Tribal Areas in Telegraph Service and Telex Systems will be stepped up at the time of Revised Estimates for 1997-98 after taking into consideration the trend of expenditure and requirement from circles. This has been approved by the Advisor (Finance) in File 5/N of 8-3/97-CB.

Recommendation/Observation

Para No. 20 : The Committee is constrained to note that under the Head Telephone Exchange (Automatic) the BE 1997-98 has been reduced to Rs. 450 crores as against the RE 1996-97 amount of Rs. 339.8 crores in Tribal areas whereas in General Area and Rural Area the BE 1997-98 has been substantially increased for the purpose. The reasoning of the Department that provision of Rs. 450 crores in BE 1997-98 is based on more realistic assessment of requirements of Tribal Areas is not convincing. Submission of the DoT that the 1996-97 RE provision of Rs. 539.8 crores based on demand from circles was curtailed to Rs. 450 crores in 1997-98 BE and this amount (Rs. 450 crores) would

be stepped up at 1997-98 RE stage in case of increased demand from field units are two diametrically opposite statements. The Committee, therefore, desires the Department to reconsider increasing the provision of Rs. 450 crore towards Telephone Exchange (Automatic) in Tribal Area keeping in view the demands from circles, realistic assessment of the actual requirements as well as the Department's endeavour to convert the Manual Exchanges into Automatic ones.

Action Taken by the Department

As advised by the Hon'ble Committee the overall provision in respect of Tribal Area under Telephone Exchange (Automatic) will be increased from the present Rs. 450 crores on the basis of realistic assessment of the actual requirements and the trend of expenditure. This has been approved by the Adviser (F) in file 5/N of 8-3/97-CB.

Recommendation/Observation

Para No. 21: The Committee is also unhappy to note that due to less allocation in the overall Tribal Plan as well as due to more "realistic assessment", the BE 1997-98 for Microwave Radio Relay Systems, Open wire and Carrier Systems, Satellite Schemes and Optical Fibre Cable has been reduced. The Committee would like DoT to pay proper attention towards the above mentioned important aspects and ensure that expansion of Telecom Network does not suffer in Tribal area on account of reduction in the BE provisions for important sectors like Microwaves Radio Relay Systems, Open Wire Carrier Systems, Satellite Schemes and Optical Fibre Cable.

Action Taken by the Department

As desired by the Hon'ble Committee, realistic assessment will be made in respect of the provision under Tribal Area in Microwave Radio Relay Systems, Open Wire and Carrier Systems, Satellite Schemes and Optical Fibre Cables at the time of finalisation of the RE 97-98 in order to ensure that the expansion of Telecom Network does not suffer in Tribal Area. This has been approved by the Adviser (F) in file 5/N of 8-3/97-CB.

Recommendation/Observation

Para No. 23 : The Committee observes that the Budget Estimate 1997-98 under the head Telephone Exchange (Manual) has been increased to Rs. 24.81 crores from Rs. 17.03 crores of the 1996-97 RE

provision. The reasoning that it was done to meet the increased demand from circles is hardly satisfactory keeping in view the statement of the Department that in some cases, as mentioned earlier, the actual expenditure was less than the demand. the Committee, therefore, recommends the DoT to make a realistic assessment as has been done in other cases, towards this aspect more so in view of the fact that DoT plans to convert the Manual Exchanges into Automatic Exchanges. The Committee would like the Department to divert the surplus amount, after a proper assessment, towards the Automatic Exchanges, especially in Tribal Areas where the BE 1997-98 has been reduced.

Action taken by the Department

As advised by the Hon'ble Committee the provision in Tribal Area under Telephone Exchange Manual will be realistically assessed at the time of finalising RE 1997-98, after taking into consideration, the trend of expenditure and the requirements from circles. It will also be ensured that after a proper assessment, the surplus amount, if any, will be transferred to Tribal Area under automatic Exchange. This has been approved by the Adviser (F) in file 5/N of 8-3/97-CB.

Recommendation/Observation

Para No. 24 : The Committee is distressed to note that for providing 83,000 Village Public Telephones (VPTs) during 1997-98 a BE provision of Rs. 498 crores has been proposed whereas during 1996-97 an amount of Rs. 650 crores was provided for installation of 75,000 VPTs. although during evidence it was clarified that an additional amount of Rs. 200 crores is contemplated to be spent through alternate source of financing of equipments (Lease finance) thus making the amount available to Rs. 698 crores for installing 83,000 VPTs during 1997-98, the Committee is constrained to observed that in none of the materials furnished to the Committee there was any mention that Rs. 200 crores would be arranged through lease financing. The Committee would like the Department to be more specific in future so that the facts and figures submitted by the Department are not incomplete, if not misleading. Again, even if the Department succeeds in getting lease finance to the extent of Rs. 200 crores during 1997-98, the proposed amount of Rs. 698 crores for installing 83,000 VPTs during the year appears to be inadequate. Under the circumstances, the Committee can not help urging the DoT to make a realistic BE provision for 83,000 VPTs so that this important sector of Telecom Network which had tardy progress in the past does not receive further setback.

Action Taken by the Department

As desired by the Hon'ble Committee realistic assessment will be made in respect of the Budget provision for Village Public Telephones (VPTs) while finalising the RE 1997-98 in order to ensure that the lack of money does not act as a handicap for providing the VPT's numbering 83,000 during the year. This has been approved by the Adviser (F) in life 5/N of 8-3/97-CB.

Recommendation/Observation (Para No. 25)

The Committee is disturbed to note that in four important sectors *i.e.* Telex Capacity, Microwave systems, UHF systems and Village Public Telephones (VPTs) funds were surrendered due to slow progress in the first four years (1992-96) of the 8th Five Year Plan. The Committee deprecates that for Microwave systems an amount of Rs. 608 crores out of the budget provision of Rs. 1764 crores, for UHF systems Rs. 871 crores out of Rs. 1638 crores has to be surrendered during the year 1992-96 due to tardy progress. The Committee would like to be apprised of the amount surrendered in Telex capacity during 1992-96 as the physical achievements have been below the target. The Committee fails to understand the perceptions of the Department in earmarking funds towards the aforesaid schemes in first four years of the 8th Plan when almost fifty per cent of the budget provisions for Microwave and UHF systems were to be surrendered. Obviously Budgetary principles were not followed strictly. The Committee is also surprised to observe that for VPTs where the achievement of target is far from satisfactory, the Department has surrendered Rs. 100 crores during 1992-96. The Committee feels disturbed that plan provisions are negated by failure to achieve targets. The Department owes a detailed explanation on this account.

Reply

Telex : The provision and the actual expenditure made during 1992-96 for telex installations is Rs. 288.14 crs. and Rs. 145.57 crs. respectively. The 8th plan proposals were prepared on the basis of 8% per annum growth in telex demand. However, due to introduction of other technologies like FAX and Data Services, a steep declining trend in telex had set in and the Deptt. could not realise the anticipated growth rate. Thus the funds were not fully utilised. As telex has become an obsolete technology, no such problem is anticipated in future.

Village Public Telephones, Microwave & UHF Systems

The surrender of funds for Village Public Telephones (VPTs) Programme during 1992-96 is mainly due to non supply of equipments by the manufacturers in time. Package type tendering was introduced from unit-wise tendering of items for supply of VPT materials so that the materials would reach the field units in time. However, still some of the manufacturers did not supply materials in time and that is why some of the Circles were unable to meet their target.

During the years 1992-96, the achievement against the physical targets pertaining to M/W systems was satisfactory during the first three years. However, there was a shortfall during the 1995-96 because of non-availability of equipment. This factor alongwith the progressive reduction in the cost of M/W equipment due to competition has let to su render of funds.

In case of UHF systems, the shortfall in achievement of physical targets during 1992-96 was large. This was mainly due to delay in completion of infrastructure work resulting in non-completion of the UHF schemes coupled with the reduction in prices due to decrease in custom duty and competition which led to large scale surrender of funds. However, a turn around has been achieved during 1996-97 and against the physical target of 8000 R KMs, more than 13000 R KMs have been commissioned.

Action has now been taken to fix realistic targets and make corresponding budget provisions. The status of supply of equipment is also being monitored closely at the highest level so as to ensure that the funds allotted are utilised.

This has the approval of member (s).

Recommendation/Observation (Para No. 45)

The Committee is distressed to note that for three important schemes *i.e.* TAX capacity, Microwave systems and UHF systems the 8th Plan revised target was fixed at 700K lines, 20,000R kms and 90,000 R Kms. respectively whereas the achievements in these categories upto 28.2.1997 are 638K lines, 14,797R kms and 35,673 R kms respectively. It is more disheartening to note that the target fixed for TAX capacity during the year 1996-97 is 3,50,000K lines. The anticipated achievement is stated to be hundred per cent whereas the actual

achievement during the year (upto 28.2.1997) is only 2,250,00K lines. Similarly, in Microwave systems the actual achievement during 1996-97 (upto 28.2.1997) is 819R kms against a target of 4,000R kms. whereas the Department has claimed in its Performance Budget that the anticipated achievement would be cent percent during the year. The Committee is of the opinion that since upto 28.2.1997 the achievement of the Department in the above mentioned schemes is far below the targets, the Department by the end of the 8th Five Year Plan *i.e.* 31.3.1997 would not be able to reach the target. The Committee, therefore, likes the DOT to make proper projections and provisions keeping in view the actual performance of DOT by the end of the year as well as for the 8th plan period so that there may not be any confusion and misleading figures in the budgetary papers.

Action Taken by the Department

The targets and achievements in respect of TAX capacity, Microwave systems and UHF systems for the year 1996-97 and for the 8th Plan period are furnished below :

	1996-97		8th Plan Period	
	Targets	Achievements	Target	Achievement
TAX Capacity	350 K	350.25 K	700 K	762.3 K
Microwave (RKM)	4000	2844	20000	16822
UHF (RKM)	8000	13367	90000	39662

It may please be seen from the above statement that the target for TAX capacity for the year 96-97 and for the 8th Plan as a whole has been exceeded.

In case of M/W systems, the achievement against the target during 96-97 has been approx. 70%, while that during the 8th Plan as a whole has been approx. 84%. This was mainly due to non-receipt of equipment during 1995-96 and non-availability of some M/W equipment during 1996-97.

In case of UHF systems while the annual target for the year 1996-97 has been exceeded by a large amount, the 8th Plan target as a whole could not be achieved. This was because of very high targets having been set for the plan period. However, the expansion of the

long distance network has not suffered as the higher revised targets of 40000R KM of optical fibre system has also been exceeded. Care has now been taken to make proper projections in the coming years.

It has got the approval of Member (s).

Recommendations and Observations of the Committee

(Para No. 46)

Delay in issuance of Purchase Orders due to price negotiation with the suppliers and non-receipt of equipments due to cancellation of tender — the reasons advanced by the Department in not achieving the target in the aforesaid schemes is clearly caused by malfunctioning as in the opinion of the Committee these constraints can easily be overcome with foresight and timely action. The Committee, therefore, recommends DOT to discard any casual attitude and to make all out efforts to see that the target fixed during the Ninth Plan in the aforesaid schemes is achieved without shortfall.

Action Taken by the Department

Noted.

This has the approval of Advisor (Production).

Recommendation/Observation (Para No. 48)

The Committee also recommends the Department to always furnish the latest information regarding the actual achievements made in different spheres and not what the Department anticipated to achieve.

Reply

The Department has taken a note of the Standing Committee's recommendation for future to furnish the latest information regarding the actual achievements made in different spheres rather than furnishing the anticipated achievements.

This issues with the approval of Member (s).

Committee's Recommendations and Observations (Para No. 49)

Non-receipt of equipments, defects in MARR systems short-supply of overhead line materials, change of frequency plan from VHF to UHF and the inability of the suppliers to arrange for lease financing are the reasons advanced by the Department for the huge slippage in the achievement of VPTs which seems to have become eternal with

DoT and therefore, totally unacceptable to the Committee. Instead of making efforts to do away with the aforesaid constraints through foresight and timely remedial steps the Department is repeating the same mistakes as is evident from the projections made for providing 83,000 VPTs during 1997-98. The Committee, therefore, urges the Department to come out with a pragmatic approach with regard to the 9th Plan targets of VPTs.

Action Taken & Reply of RN Cell

The constraints mentioned about slippage of the targets in the achievement of VPTs are based upon the facts. To overcome these constraints, the Department has initiated timely action of floating the tenders for MARR and accessories in first quarter of 1997. Intensive efforts are being done to arrange the equipments and materials in time in the circles. The targets have been spreadover the year.

This has the approval of Member (s).

Committee's Recommendations/Observations (Para No. 50)

The Committee draws some satisfaction to note that a number of new initiatives like introduction of package Tendering and Solar Battery systems, instruction to all the circles to have Annual Maintenance Service Contracts with the suppliers setting up of MARR repair centres etc. have been taken by the Department to provide VPTs to all the villages during the Ninth Plan. The Committee feels that these measures should have been initiated much before with a view to removing the continuous constraints faced by the Department in achieving the target in VPTs. However, it would like the Department to adhere to the above initiatives and also strengthen monitoring mechanism. The Committee desires the DoT to advise the other circles, which have not yet entered into Annual Maintenance contract to do the same on the lines of Andhra Pradesh, Gujarat, UP (East) with the suppliers. The Committee also recommends that MARR repair centres as set up in Tamil Nadu and Madhya Pradesh, be set up in other circles also where MARR technology is being used for providing VPTs.

Action Taken Note

Regarding Annual Maintenance Contract, ML Cell has issued instructions to the field units. A condition has also been incorporated in the recent tender for MARR equipments that the manufacturers

will ensure availability of components and repair facilities for a period of minimum of 10 years. For Setting up of repair centres in circles, action has been initiated in all the circles.

This issue with approval of M(s) on file.

Committee's Recommendations/Observations (Para No. 51)

The Committee notes that as per the tender conditions the private companies would devote 10% of their capacity for rural areas and they would cover eight States *i.e.* Gujarat, Madhya Pradesh, Andhra Pradesh, Maharashtra, Karnataka, Punjab, Bihar and Tamil Nadu. But from a post evidence note the Committee observes that for the year 1997-98 private operators will be providing services in respect of two States only *i.e.* for Gujarat and Madhya Pradesh as the licence agreement have been signed by them. The total picture is, therefore, gloomy, uncertain and contradictory. Under the circumstances, the Committee would like to impress upon the Department to draw up a definite plan of action immediately to provide VPTs in all the States during the Ninth Plan, keeping in view that Privatisation process is wholly uncertain and in any event will cover, if at all, only a few States.

Action Taken Note

The Department is taking all the efforts to provide Village Public Telephones (VPTs) in all the villages of all the States of the country during the Ninth Plan, keeping in view the participation of the Private Operators in Basic Services. The Department will cover all the remaining villages including those where the Private Operators may not come as projected.

This issue with approval of M(s) on file.

Recommendations & Observations of the Committee (Para No. 53)

The Committee is distressed to note the statement of the Secretary, DoT that 12,000 Village Public Telephones (VPTs) are faulty. Out of them, as many as 9,685 VPTs are not functioning in the States of Bihar (3432), Madhya Pradesh (2857), Orissa (1413), UP(E) (780), UP(W) (604) and West Bengal (599). The Committee, therefore, strongly recommends DoT to take immediate measures to put in order the faulty VPTs so that the very purpose of installation of VPTs is not defeated. The Committee would like DoT to pay greater attention that proper monitoring be done and timely action be taken for carrying out repairs of defective or non-functioning VPTs.

Action Taken by the Department

Senior Officers of the rank of DDG and above from the Telecom Commission, have paid visits to various Telecom Circles and have inspected the working of VPTs. Based upon their inspection reports, the important maintenance instructions have been highlighted and conveyed to the field units from top management levels. The field units have also been directed to accord top priority to the maintenance of VPTs.

Simultaneously action is being taken to replace unserviceable MARR equipment. Action is also being taken to equip all MARR equipment working without solar panels with the same.

Field units are entering into Annual Maintenance Contract for the repair of faulty modules of Multiple Access Rural Radio Systems with the equipment suppliers and other agencies as an immediate measure. As a long term maintenance strategy, the Telecom Circles are setting up in-house repair facilities for the repair of MARR equipment.

Approved by Member(s) in file.

Recommendations & Observations of the Committee (Para No. 54)

The Committee is also distressed to note that as many as 15,000 VPTs have been disconnected due to non-payment of dues. The Committee urges upon the Department to evolve a suitable mechanism and intensify the monitoring system to see that payment of dues of VPTs installed all over the country is received in time. The States of Maharashtra, Gujarat, Punjab, Rajasthan and Madhya Pradesh are to be specially looked into where large number of VPTs are disconnected due to non-payment of dues. The Committee desires that the matter may be taken up with the respective State Governments with a view to arrive at an early settlement.

Action Taken by the Department

The policy on the reactivation of VPTs disconnected due to non-payment at alternate location in the same village is under formulation.

Approved by Member(s) in file.

Comments of the Committee

Please see Para No. 10 of Chapter I.

**Committee's Recommendations and Observations
(Para No. 55)**

Thus the Committee's examination has clearly brought out the fact that of the 1.75 lakh VPTs provided during Eighth Plan against the target of 3.38 lakhs, hardly 1.50 lakh VPTs are in working condition. This is a matter of grave concern. Urgent steps should be initiated not only to rectify non-working VPTs but the programme should also be accelerated to cover all the villages as early as possible so as to achieve the target of covering all the villages with VPTs by 2000 A.D. as envisaged now.

Action Taken & Reply of RN & ML Cell

The senior officers of the rank of DDsG and above from the Telecom Commission have paid visits to various Telecom Circles and have inspected the working of VPTs. Based upon their inspection reports, the important maintenance instructions have been highlighted and conveyed to the field units from the top management levels. The field units have also been directed to accord top priority to the maintenance of VPTs.

Simultaneously, action is being taken to replace unserviceable MARR Equipment. Action is also being taken to equip all MARR equipment working without Solar Panels with the same.

Field Units are entering into Annual Maintenance Contract for the repair of faulty modules of Multiple Access Radio Systems with the equipment suppliers and other agencies as an immediate measure. As a long term maintenance strategy, the Telecom Circles are setting up in-house repair facilities for the repair of MARR equipment.

As regards coverage of all the villages with VPTs, efforts will be made to cover the villages by 2000 A.D.

This has the approval of Member(s).

Para No.	Text of the Para	Action Taken
63	The Committee notes that STD/PCO Allotment Committees have been constituted for each Secondary Switching Area to decide allotment of PCOs. The Committee also notes that the periodicity of meetings of	Instructions have been issued to all the CGMs for holding of the meetings of the STD/PCO allotment Committees regularly.

Para No.	Text of the Para	Action Taken
	<p>these allotment Committees is one month or when spare capacity is available for PCOs. The Committee would like the Department to ensure that meetings of the Allotment Committees do take place invariably keeping in view the large number of applications pending with the Department.</p>	

This has the approval of Member (Services).

(Para No. 77)

The Committee is unhappy to note that during 1995-96 as much as 79 cases of unauthorised diversion of telephones were detected by the Department. During 1996-97 (upto 31.12.1996) 40 such cases were also detected. The Committee is of the opinion that most stringent steps should be taken to stop all malpractices, particularly, by taking prompt action if any employee of the Department is involved.

Action Taken

It is stated here that the Cabinet had also directed the Deptt. for taking more stringent measures to detect and eliminate the malpractice of unauthorised diversion of telephones. Accordingly, suitable instructions have since been reiterated directing the field units to tighten the supervision with a view to minimise the malpractice of unauthorised diversion. However, a bill to amend the Indian Telegraph Act, 1885 incorporating severe penalties for offenders of line diversion, which is in the offing, if introduced and passed by the Parliament and Act made, will go a long way in preventing the revenue leakage by effectively dealing with the persons who indulge in unauthorised diversion or take advantage of the diversion or abet in such diversion.

This has the approval of Member (Services).

Recommendations (Para No. 86)

The Committee, however, is constrained to note that there are 333 and 209 idle workers in Bombay and Calcutta Telecom Factories

respectively. It also notes that with a view to redeploying these idle work forces, the Department has been conducting training courses as and when required to make them suitable for diversified jobs and certain surplus workers of Calcutta Telecom Factory have been deputed to Calcutta Telephone for miscellaneous jobs in some of the Exchanges. The Committee recommends that the training courses conducted by the Department to redeploy the idle work forces in Telecom Factories be conducted more frequently and systematically. The Committee would also like the Department to avoid deputing the idle work force of Telecom Factories to far flung areas and totally unrelated fields as it might create unrest among the employees. The Committee desires the Department to create sufficient work in the Factories itself so that available infrastructure and valuable assets are optimally utilised.

Action Taken

As desired by the Committee, the training activity will be further streamlined and the courses would be conducted more frequently.

The cases of deputationists would be reviewed in the light of the observations of the Committee and further efforts would be made to create additional work in the factories so as to optimally utilise available infrastructure and assets.

This has the approval of Advisor (Production).

Recommendations (Para No. 87)

The Committee is glad to note that in order to promote/encourage the export of products manufactured by Telecom Factories the DOT is taking a series of measures like authorising the Telecom Factories to offer quotations at reduced rates, participation of the factories in major Telecom exhibitions in the country and abroad, gearing up of Research and Development activities and constitution of Marketing cells in Calcutta, Bombay and Jabalpur Factories. The Committee is also happy to be apprised of the fact that Telecom Factories have been able to export alloy steel castings to USA in 1995-96 besides being successful in exporting certain items to Gulf countries through TCIL a few years ago. The Committee would like to insist the Department to keep on encouraging the Telecom Factories to expand their export activities through its support and patronage. The Committee also recommends the Department to explore further ways and means, in addition to the existing ones, in this regard.

Action Taken

The Department reiterates its commitment to provide full support and patronage to Telecom Factories.

The Department would take further action to boost the exports by Telecom Factories and expand their role in the operations of the Department.

This has the approval of Advisor (Production).

Para No.	Text of the Para	Action Taken
91	The Committee is extremely concerned to note that Telephone Directory of Calcutta is not being printed on the plea of lack of advertisements which appears to be a strange phenomenon and in any event can not be a valid ground. The Committee, however, hopes that the Department should make all out efforts to see that Telephone Directory of Calcutta is printed immediately.	Permission has been given to Calcutta Telephones for printing of the Calcutta Telephone Directory departmentally.

This has the approval of Member (Service).

The Committee further notes that of late HTL Ltd. had some problems in getting orders from DOT. The Committee would like the DOT to look into the grievances of HTL Ltd. so that it is not denied due support from the Department.

Action Taken by the Department

The DOT has already kept reserved 10% to 30% of its orders outside the tender for procurement from HTL Ltd. The Company can secure more orders by participating in the tenders floated by DOT. Besides this, the Company is also being paid advance upto 75% of the value of Purchase Orders placed on it outside the tenders. An *ad-hoc* amount of Rs. 4 Crores has been released to them during 1996-97 on account of Liquidated Damages and other issues.

DOT is continuing the policy of reservation of 10 to 30% of its orders for HTL and payment of advance of 75% of the value of POs placed on Company during 1997-98 also.

As desired by the Committee, other grievances of the Company would be looked into and full support would be extended to the Company.

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLY OF THE GOVERNMENT

Recommendations and Observations of the Committee (Para No. 22)

The Committee is not at all impressed by the statement that telephone demand in tribal areas has increased because of concessional tariff and increased availability resulting in a wait list of 1.9 lakh as on 31.12.1996. In fact, it is of the view that suppressed demand has been unleashed and telephone has become a necessity everywhere because of economic development. The Committee desires the Department to step up its activities with a view to accelerate the growth of telephone so that the objectives of the Eight Plan to provide telephone on demand, NSD facility in all exchanges and public telephones in all tribal areas are achieved at least in the 1st year of the Ninth Plan *i.e.* 1997-98.

Reply

Department of Telecommunication provided 25.64 lakh telephone connections during 96-97 against the target of 24.5 lakh lines. The targets for tribal area for 96-97 was 85000 lines. The achievement during the period 1.4.96 to 31.3.97 was about 95000 lines. A target of providing 100000 lines is kept for tribal areas during 97-98. This is out of a total target of providing 29 lakh lines by Deptt. of Telecommunication proposed for 97-98. Target of 97-98 is about 18% more than the target for 96-97.

Deptt. of Telecommunication has been providing the telephone connections at a faster pace. However, provision of telephones on demand is envisaged only with the private sector participation in basic telephone services. It will be possible to provide telephone on demand by the end of 9th Plan with the private sector participation in the tribal area also.

NSD facility to all exchanges and public telephones in all villages in tribal areas will be feasible by the end of 9th Plan.

Attempts will be made to provide telephones on demand and NSD to all telephone exchanges in all tribal areas by year 2000.

This issues with the approval of Member (Services).

(Para No. 52)

However, considering the gestation period ranging from 12 to 18 months and the fact that only 2 private operators who will be operating in Gujarat and Madhya Pradesh have entered into Agreement and another one is expected to be signed shortly, the emerging picture is that unless DoT takes time-bound action, the target for VPTs will never be reached.

Action Taken Note

The department has a time-bound Action Plan to cover the remaining villages with the following tentative targets :

Year	Targets
BY DoT	
1997-98	83,000
1998-99	80,500
1999-2000	55,000
2000-2001	88,000 (Approx.) remaining villages

BY PRIVATE OPERATORS

1997-98 (licence signed)	9,702
1998-99 (Projected)	19,438

Note : The projected figures of remaining villages (88000) approximately and targets for 1999-2000 and 2000-2001 are subject to change depending upon signing of the licence agreements by private operators and subsequently their contribution made towards providing of public telephones in villages as per agreements.

This issues with approval of M(s) on file.

(Para No. 58)

The Committee takes a serious note of the fact that the number of faults per month per 100 phones is still as high as 15.8 though it has come down from 28.5 over the last decade. Earlier fault rate was very high because of electro-mechanical exchanges which have not been converted into electronic exchanges.

As on date there are more than 90% electronic exchanges. As the electronic exchanges are almost trouble free, the fault rate should have been much lower. The Committee therefore urges the Department to reduce the fault rate in the outdoor network at a faster rate. Special attention is required to be paid towards the specifications and quality of underground cables, overhead lines and other materials used for outdoor network with a view to prevent them from being easily damaged.

Action Taken by Department

To bring improvement in the 'External Plant', some of the important steps taken by the Department are summarised below:

- (1) Regular inspection by the Senior Officers.
- (2) Replacement of worn-out external plant material instruments.
- (3) Regular analysis of faults at higher level and taking corrective measures.
- (4) Immediate attention on repeat faults.
- (5) Training and guidance to the working staff for improving the quality of work with improved skill of the workers.
- (6) Close co-ordination with local Municipality for avoiding damages to underground cables.
- (7) Computerisation of fault repair service.
- (8) Laying of underground cables in ducts.
- (9) Use of jelly filled cables.
- (10) Improvement in quality of electronic push button telephone instruments.

- (11) Improving the quality of drop wire.
- (12) Replacement of long spans of drop wires with underground cables.
- (13) Introduction of internal D.Ps in buildings, particularly multi-storied buildings.
- (14) Introduction of modern tools and testing aids for more effective network operations.
- (15) Introduction of wireless in local loop.
- (16) Introduction of optical fibre cable in local loop.

Concerted efforts are on to bring down the fault rate at a much faster rate during the 9th Five Year Plan.

This issues with the approval of Member (Services).

(Para No. 70)

The Committee observes from a statement furnished to it that the sanctioned strength of manpower on All India basis is 4,79,324 for 1,19,78,395 Direct Exchange Lines. However, the actual working strength is 4,12,640, the shortfall in manpower thus being 67,000 approximately. The most distressing fact is that in none of the 24 circles of DoT the working strength is commensurate with the sanctioned strength. The reasoning of the Secretary DoT that the reduction of staff strength is due to the fact that the new and modern technology does not require much manpower is far from convincing in the light of the fact that the Secretary DoT himself admitted before the Committee that in many areas there is shortage of staff. Moreover, the fault rate still continues to be very high. Thus, the plea of reduction of staff due to modernization of technology is self-defeating and unacceptable to the Committee. The other reasoning advanced by the Secretary DoT that the ratio in other countries is 10 staff per 1000 telephone and hence DoT's plan to bring down the staff-telephone ratio to 25 per 1000 by the end of 2000 A.D. is equally unacceptable to the Committee taking into consideration the performance of its telecom network *vis-a-vis* the foreign countries. Keeping in view all the above factors the Committee would like DoT to make a realistic approach in ascertaining the total manpower needs.

Action Taken Reply

The shortfall between sanctioned strength and working strength is expected to be partly met by new recruitment in some specific cadres like JTO, TTA, ADE etc. New and modern technology equipment does require less manpower for their maintenance. However, additional manpower will be needed for expansion work and operation and maintenance of expanded network. The staff-telephone ratio is commonly used as internationally accepted parameter to indicate staff productivity in Telecom Sector. This ratio is still high in DoT compared to the figure in other developed countries and has to be brought down. This is to be done by :

- (i) Introduction of new technology equipment;
- (ii) Computerization of various services;
- (iii) Contracting out construction work such as digging of trenches, laying of cables, ducting of cables, erection of towers, maintenance of MARR equipment etc.; and
- (iv) Redeployment of the staff which has become surplus due to phasing out of old technology in the new technology areas by suitable training and upgrading of skills.

The Department has undertaken a detailed study of its future manpower requirements and the areas as well as cadres in which additional manpower will be needed. The case for starting the recruitment for the DoT in the cadres which are banned for recruitment at present and where recruitment is considered necessary will be processed after the detailed study is completed.

This has the approval of Member (S) in file.

Comments of the Committee

(Please see para no. 19 of Chapter I)

(Para No. 71)

The Committee notes that although there has been no recruitment since the last 12 years against vacancies of certain categories and casual labourers, DoT is still recruiting people every year in two critical areas,

i.e. around 100, Gr. 'A' level officers through UPSC and 2000 Junior Telecom Officers. The Committee feels that the number of people recruited as Gr. 'A' officers and JTOs every year is inadequate and will not help much in accelerating the stalled projects in view of the fact that since the last 12 years there has been no recruitment by DoT. The onus, therefore, lies with the Department to ensure that commencement of projects do not suffer due to want of manpower. The Committee would like to be apprised of the detailed plan and projections of DoT in this regard.

Action taken by the Department

Although there has been a ban on recruitment but the ban has not come in the way of the development of the Department since the Department has been growing annually at the rate of 22% approximately. Further, the ban has not come in the way of cadres where it has been felt necessary that recruitment was required to bring about all round development of the Department.

There is no ban on recruitment of Gr. 'A' level officers through UPSC and Junior Telecom Officers. The department has been recruiting approximately 100 Gr. 'A' level officers directly through UPSC although the cadre review proposal of Deptt. of Personnel & Training desires that the direct recruitment should be restricted to around 50 to avoid future promotional blockades. In addition to this about 100 Gr. 'B' officers are promoted to Gr. 'A' posts annually and further about 400 Gr. 'B' officers on an average are promoted to Gr. 'A' posts on adhoc basis every year. Thus the Department feels, that approximately 600 officers being placed in Gr. 'A' posts annually are sufficient for handling projects and maintaining the development of the Deptt. This requirement is based on the norms for creation of posts. Because of the induction of the high technology in the Deptt. it has been necessary only to induct the officers at the level of Gr. 'A', and Junior Telecom Officers and not in other cadres. The same intake is proposed in future years also. However, should there be any specific requirement due to any large scale development being undertaken by the Department the matter can always be reviewed.

A group has been constituted to look into the long term manpower requirement of the department.

This has the approval of Member (S).

(Para No. 76)

The Committee observes that DOT has been concerned about the malpractices of unauthorised diversion of telephones resulting in leakage of revenue. In order to check and minimise such malpractices, the Department is taking a number of measures like conducting regular and surprise inspections at sensitive points in the network, setting up of dedicated cells of CBI in the Metro cities of Delhi, Mumbai, Chennai and Calcutta implementing the recommendations of a Departmental Committee set up in 1995 for the purpose etc. The Committee commends these steps which are in right direction but would like to know of the results achieved and desires that such steps should also be taken in other big cities.

Action Taken

The special squads formed in the year 1995 in all the Telecom Circles for conducting regular and surprise inspections at sensitive points in the network make regular surprise visits to the subscribers' premises, telephone exchanges for random checking of equipments, telephone lines etc. to find out the possible tampering of the equipment/meters and diversion of lines. Follow up action, as and when required, is taken on various irregularities/omissions found by the special squads. This has resulted in considerable improvement in the services and preventing misuse of telephone lines.

The special cells of CBI set up on experimental basis w.e.f. 1.10.1994 in four Metropolitan cities for preventing leakage of telecom. revenue have given satisfactory performance. Though, it is not possible to quantify their gains in concrete financial terms, these cells have registered 85 cases involving 91 officials and other private persons till 31.12.1996. It is proposed to strengthen the Departmental vigilance machinery to tackle such case in other big cities.

The Committee set up in May, 1995 to study the technical and administrative aspects of telecom, revenue leakage had submitted its report in July, 1995. Several recommendations of the Committee on use of sensitive commands, carrying out of software modifications to stop misuse of certain commands, unauthorised transmitting of STD/ISD calls, withdrawal of conference facility on service telephones, shifting of STD/ISD subscribers to electronic

exchanges etc. have been implemented and this has resulted in considerable improvement in the services and preventing misuse of telephone lines.

This has the approval of Member (Services).

Comments of the Committee

(Please see para Nos. 22, 25 & 26 of Chapter I)

Recommendations (Para No. 85)

The Committee notes with some satisfaction that in order to modernise/revitalise the Telecom Factories in view of what is perceived to be surplus labour and inadequate orders the DOT is taking a number of steps like introduction of a number of new items in place of conventional and obsolete products, setting up of a Trade Review Committee, recruitment of Assistant Manager (Group A) in Electrical, Electronics and Telecom disciplines besides in Mechanical Engineering discipline as a result of which the Telecom Factories have been enabled to have a sustained growth of about 15% per annum. The Committee also notes that in recent years more stress has been laid on utilisation of available infrastructure and human resources with marginal investment in order to diversify into new areas/products. The Committee feels that these are steps in right direction.

Action Taken

The Committee has expressed satisfaction in respect of the steps taken by the Department.

No further comments are required.

This has the approval of Advisor (Production).

The Committee is concerned to note that Indian Telephone Industries (ITI) Ltd. which manufactures various equipments relating to Telecommunications has been incurring heavy losses in the absence of level playing field as much as due to the inaction of the Department in lending it due support and patronage. The high social cost and setting up of various units in backward and difficult areas coupled with heavy surplus labour force have made the company a sick unit for which the company is being referred to BIFR. The Committee also

notes that although the Department is taking a number of steps like reservations and advances of orders, *ad-hoc* payment, reimbursement and waiver of liquidated damage charges etc. there are still a lot of constraints to be removed and new initiatives are required to be taken to revive the company as has been represented to the Committee by different staff unions of ITI Ltd. There are lot of irregularities in placement of orders with ITI, unrealistic quotation of prices, unfair competition etc. The Committee also notes that the price preference which was earlier given to ITI has been withdrawn since 1992 as a part of liberalisation process which had a crippling effect on the functioning of this company. Another deplorable aspect is that during 1997-98 there is a token Budget provision of just Rs. 1 crore for ITI for the year 1997-98. Moreover, ill time issuance of bonds worth Rs. 100 crores failed to generate adequate public response and as such the opportunity has also been lost to the company by bureaucratic bungling which delayed the sanction to issue bonds. Taking all the above factors into account, the Committee impresses on the Department to go into depth of the problems faced by ITI and take all out measures expeditiously to revitalise ITI Ltd. The Committee will like the Department to keep in mind that this company has been for years an instrument of social transformation and Government has invested heavily in it. Its loss will not only bring miseries to thousand of workers employed directly and indirectly but the Government itself would lose the services of one of the most important Central PSUs.

Action Taken by the Department

During the year 1996-97 DOT had taken several steps to help ITI. Certain major steps taken are as follows:

- (a) Reservation of 20 to 30% of DOT orders outside the tender.
- (b) Payment of advance to the extent of 75% of the value of purchase orders placed outside the tender on ITI.
- (c) Release of an amount of Rs. 47 crores against certain financial and other pricing issues pending for finalisation.
- (d) Reimbursement of an amount of Rs. 115.28 crores on account of waiver of LD charges.

- (e) Release of an amount of Rs. 2.05 crores to the Company for the losses suffered during 1995-96 by the Company in running their Srinagar Plant.
- (f) An amount of Rs. 5.5 crores was released to the Company for National Renewal Fund as compensation for their Voluntary Retirement Scheme.

As a result of the efforts by the DOT and the steps taken by the Company by restructuring their business activities, ITI Ltd. has been able to perform better during 1996-97. The Company has achieved a turnover of Rs. 1004 crores during 1996-97 as compared to the turnover of Rs. 783 crores during 1995-96. The estimated loss of the Company during 1996-97 is of the order of Rs. 96 crores as against a loss of Rs. 283.96 crores suffered during 1995-96.

In order to extend further help to ITI, DOT is considering the request of the Company for enhancement of the equity holding of the Govt. in the Company by Rs. 200 crores and grant of a long term soft loan of Rs. 150 crores. The request of the Company for floating bonds worth Rs. 100 crores during 1997-98 is also being considered favourably. The policy of reservation of orders and grant of advances against purchase orders is being continue during 1997-98 also.

Comments of the Committee

(Please *see* Para No. 29 of Chapter I)

The Committee appreciates that HTL Ltd. has taken steps to diversify at the appropriate time and as such is able to earn profits. However, the Committee notes with concern that the capacity utilisation of its main products has been far from satisfactory ranging from 47.5 per cent for Main Distribution Frames to 56.6. per cent for switching (C-DOT). For other switching equipments the company could produce only 10,000 lines against the intalled capacity of 5 lakh lines. The reasons for lower utilisation of capacities in 1996-97 as compared to 1995-96 requires to be looked into.

Action Taken by the Department

As against the production of 285492 lines of MDF equipment upto Dec. 96, the Company produced 7.11 lakh lines for the whole year

1996-97. Similarly even though the production of C-DOT switching equipment upto Dec. '96 was 113168 lines, the total production achieved by the Company in 1996-97 has been of the order of 271000 lines.

There has however, been a big shortfall in the production of EWSD switching equipment during 1996-97 as compared to 1995-96 which has been due to the non-acceptance of the orders of this equipment by the Company as they felt that the price offered was not remunerative.

Comments of the Committee

(Please *see* Para No. 32 of Chapter I)

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Committee's Recommendations and Observations (Para No. 47)

The Committee is at a loss to note that out of the revised 8th Plan target of 3,38,000 Village Public Telephones (VPTs) the achievement upto 28.2.1997 is only 1,68,834, thereby leaving a staggering shortfall of more than fifty percent. The Committee also takes a serious note of the fact that in the Performance Budget, achievements have been reported as 45000 during 1996-97 against the target of 75,000 which was on Committee's interrogation during evidence later on corrected as 60,000 even though the actual achievement has been only 56,719 in the second week of March, 1997 Member Production had deposed before the Committee that target of 75,000 would be achieved. The Committee deprecates such confusing statements. In the opinion of the Committee serious efforts have not been made at all to achieve plan targets even though various reasons have been advanced for shortfalls.

Action Taken Note & Reply of RN CELL

The figures in Performance Budget regarding achievement in 1996-97 given as 45,000 is actually the likely achievement. This was erroneously quoted and later on during interrogation was corrected as 60,000. The likely achievement figures are based upon the status of equipment and materials supplied and availability in the circles on day-to-day basis and hence this figure is dynamically changing on day-to-day basis. The actual achievement for 1996-97 is 56,719. The Department has tried its best to arrange timely supply of the material and equipment in circles. But despite the best efforts by the Department as well as by the circles, the full target of 75,000 VPTs for 1996-97 could not be achieved.

This has the approval of Member(S).

Comments of the Committee

(Please see Para No. 7 of Chapter I)

Para No.	Text of the para	Action Taken
61	<p>The Committee is anguished to note that the number of applications received for allotment of PCOs during the last three years is not available with the Department. Needless to mention, it is sheer carelessness and negligence on the part of the Department. The Committee, is at loss to understand how such areckless reply has been furnished. The Committee will like to be apprised of the procedure prescribed in dealing with applications received for allotment of PCOs.</p>	<p>Earlier, whenever the exchange capacity permitted, applications were called at the SSA level from the educated unemployed persons for allotment of STD PCOs. In order to facilitate speedy sanction of STD PCOs in the Circles, it has been decided that with effect from 20-5-1997 the registration of the demand for STD PCOs shall be a continuous process. The registration shall be done for each SSA and seniority list of the applicants shall be maintained. The applications from the eligible applicants would be considered by the STD PCO allotment committee functioning at the SSA level which consists of official members and non-official members nominated by the Hon'ble MPs of the respective areas. The Committee would decide the allotment of the available number of PCOs giving preference to the following categories of persons:—</p> <ul style="list-style-type: none"> <li data-bbox="626 1381 996 1442">(a) Handicapped including blind persons. <li data-bbox="626 1478 885 1506">(b) SC/ST applicants. <li data-bbox="626 1541 994 1569">(c) Ex-servicemen/War Widows.

Para No.	Text of the para	Action Taken
		(d) Retired DOT employees or their dependents.
		(e) Dependants of Freedom Fighters.
		(f) Charitable Institutions/Hospitals.

This has the approval of Member (Services).

Comments of the Committee

(Please see Para No. 13 of Chapter I)

Para No.	Text of the para	Action Taken
62	The Committee is also unhappy to note that for allotment of PCOs a large number of applications <i>i.e.</i> 89,648 to be precise, are pending in different Telecom Circles/Metro districts. The Committee recommends the Department to take an early action to dispose of these pending applications so that the needy applicants get employment and public at large is benefitted.	Earlier, the non-official members to the STD PCO allotment Committee were nominated by the Ministry for a tenure period of 2 years. With effect from 31.10.1996, a decision was taken to reconstitute those Committees. According to the revised instructions, the non-official members shall be nominated by the sitting members of Lok Sabha and Rajya Sabha representing the SSA. The constitution of the Committees, in accordance with the latest instructions, took some time. Now, such committees in almost all the SSAs have been constituted and those have started functioning. The pending applications are, therefore, expected to be disposed off without further delay.

This has the approval of Member (Services).

Comments of the Committee

(Please see Para No. 16 of Chapter I)

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT ARE OF INTERIM NATURE

(Para No. 78)

In this context, the Committee notes that recently another Departmental Committee has been set up and its deliberations are in progress to further examine the question of leakage of revenue and to suggest effective steps to check the malpractices. The Committee recommends the Department to expedite the matter and apprise it of the detailed suggestions made by the Departmental Committee in plugging leakage of revenue and the action taken by the DOT thereon.

Action Taken

Another Committee set up to make indepth study of the outdoor plant, commercial and telephone revenue procedures for suggesting measures for minimising/preventing leakage of revenue has completed its deliberations and the report has been finalised and being submitted. The detailed suggestions of the Committee in plugging leakage of revenue and action taken thereon will be intimated in due course.

This has the approval of Member (Services).

NEW DELHI;
27 November, 1997

6 Agrahayana, 1919 (Saka)

SOMNATH CHATTERJEE,
Chairman,
Standing Committee on Communications.

APPENDIX I

MINUTES OF THE EIGHTH SITTING OF THE COMMITTEE ON COMMUNICATIONS (1996-97)

The Committee met on Thursday, the 27th November, 1997 from 15.30 to 16.00 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri Krishan Lal Sharma
3. Dr. S.N. Jatiya
4. Prof. Rasa Singh Rawat
5. Smt. Sheela Gautam
6. Shri Tarachand Bhagora
7. Shri Mrutyunjaya Nayak
8. Shri Neil Aloysius O'Brien
9. Shri Dinesh Chandra Yadav
10. Shri R. Devadas
11. Dr. Shafiqur Rehman Barq
12. Shrimati Geeta Mukherjee

Rajya Sabha

13. Shrimati Veena Verma
14. Shri Iqbal Singh
15. Shri Govindram Miri
16. Shri O. Rajagopal
17. Shri Ish Dutt Yadav

SECRETARIAT

Shri P.D.T. Achary — *Joint Secretary*
Shri S.K. Sharma — *Deputy Secretary*
Shri Ashok Balwani — *Assistant Director*

2. The Committee took up for consideration Draft Reports on Postal Network relating to Department of Post and Action Taken by Government on the recommendations contained in the Eleventh Report on Demands for Grants (1997-98) relating to Department of Telecommunications and adopted the same without any modifications/ amendments.

3. Thereafter, the Committee authorised the Chairman to finalise and present the Reports to H.S./both the Houses of Parliament.

The Committee then adjourned.

APPENDIX II

(Vide : Introduction of Report)

Analysis of Action Taken by Government on the Eleventh Report of Standing Committee on Communications (Eleventh Lok Sabha)

I. Recommendations/observations which have been accepted by the Government.

Para Nos. 19, 20, 21, 23, 24, 25, 45, 46, 48, 49, 50, 51, 53, 54, 55, 63, 77, 86, 87, 91 & 108.

Total 21

Percentage 61.7

II. Recommendations/observations which the Committee does not desire to pursue in view of the reply of the Government.

Para Nos. 22, 52, 58, 70, 71, 76, 85, 102 & 107

Total 9

Percentage 26.4

III. Recommendations/observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.

Para Nos. 47, 61 & 62

Total 3

Percentage 8.8

IV. Recommendations/observations in respect of which replies are of interim nature.

Para No. 78

Total 1

Percentage 2.8