

SIXTY-FOURTH REPORT

STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY  
(2003)

(THIRTEENTH LOK SABHA)

MINISTRY OF COMMUNICATIONS &  
INFORMATION TECHNOLOGY  
(DEPARTMENT OF TELECOMMUNICATIONS)

*[Action taken by Government on the Recommendations/Observations of the  
Committee contained in its Forty-Sixth Report (Thirteenth Lok Sabha)  
on Demands for Grants (2003-2004)]*

*Presented to Lok Sabha on 22.12.2003  
Laid in Rajya Sabha on 23.12.2003*



LOK SABHA SECRETARIAT  
NEW DELHI

*December, 2003/Agrahayana, 1925 (Saka)*

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COMPOSITION OF THE STANDING COMMITTEE  
ON INFORMATION TECHNOLOGY  
(2003)

Shri Somnath Chatterjee — *Chairman*

MEMBERS

*Lok Sabha*

- @2. Vacant
3. Shri Pawan Kumar Bansal
4. Prof. Dukha Bhagat
5. Shri Ajay Singh Chautala
6. Shri P.D. Elangovan
7. Shri Rama Mohan Gadde
8. Shri Jarbom Gamlin
9. Kumari Bhavana Pundlikrao Gawali
10. Shri T. Govindan
11. Shri Jawahar Lal Jaiswal
12. Shri K.K. Kaliappan
13. Shri A. Krishnaswamy
14. Shri K. Balrama Krishna Murthy
15. Shri Bhartruhari Mahtab
16. Shri Amarsinh Vasantao Patil
17. Shri Sheeshram Singh Ravi
18. Shri Saroj Tufani
19. Shri K.A. Sangtam
20. Shri C.N. Singh
21. Rajkumari Ratna Singh
22. Shri Nikhil Kumar Chowdhary
- \*23. Vacant
24. Shri Vanlalzawma
25. Shri Rajesh Varma
26. Smt. Kanti Singh
27. Shri Amir Alam Khan
28. Shri Charanjit Singh
29. Shri Arun Kumar
30. Dr. Bikram Sarkar

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@Shri Yogi Aditya Nath ceased to be Member of the Committee *w.e.f.* 17 July, 2003.

\*Vacancy caused *vice* appointment of Shri P.C. Thomas as Minister *w.e.f.* 24 May, 2003.

(iv)

*Rajya Sabha*

31. Shri Vijay J. Darda
32. Shri Dasari Narayana Rao
33. Dr. Prabha Thakur
34. Shri Suresh Pachouri
35. Shri S.S. Ahluwalia
36. Shri Balbir K. Punj
37. Shri Dina Nath Mishra
38. Smt. Sarla Maheshwari
39. Shri K. Rama Mohana Rao
40. Shri Shahid Siddiqui
41. Ms. Lata Mangeshkar
42. Shri Rajeev Shukla
43. Shri Sanjay Nirupam
- \*\*44. Vacant
45. Shri Mukhtar Abbas Naqvi

SECRETARIAT

1. Shri P.D.T. Achary — *Additional Secretary*
2. Shri S.K. Sharma — *Joint Secretary*
3. Shri S.K. Sharma — *Officer on Special Duty (IT)*
4. Shri B.D. Swan — *Under Secretary*
5. Shri D.R. Mohanty — *Executive Officer*

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\*\*Shri Kartar Singh Duggal ceased to be Member of the Committee as his retirement from Rajya Sabha *w.e.f.* 26 August, 2003.

## INTRODUCTION

I, the Chairman, Standing Committee on Information Technology (2003) having been authorised by the Committee to submit the Report on its behalf, present this Sixty-Fourth Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in its Forty-Sixth Report (Thirteenth Lok Sabha) on Demands for Grants (2003-2004) relating to the Department of Telecommunications (DoT).

2. The Forty-Sixth Report was presented to Lok Sabha on 7 April, 2003 and was laid in Rajya Sabha on 8 April, 2003. The Department furnished Action Taken Notes on the recommendations contained in the Report on 7 July, 2003.

3. The Report was considered and adopted by the Committee at its sitting held on 19 December, 2003.

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/observations contained in the Forty-Sixth Report (Thirteenth Lok Sabha) of the Committee is given at Annexure-II.

NEW DELHI;  
19 December, 2003  
28 Agrahayana, 1925 (Saka)

SOMNATH CHATTERJEE,  
Chairman,  
Standing Committee on  
Information Technology.

**CHAPTER-I**  
**REPORT**

This Report of the Standing Committee on Information Technology deals with action taken by Government on the Recommendations/Observations of the Committee contained in its Forty-Sixth Report (Thirteenth Lok Sabha) on 'Demands for Grants (2003-2004)' pertaining to the Department of Telecommunications (DoT).

2. The Forty-Sixth Report was presented to Lok Sabha on 7 April, 2003 and laid on the Table of Rajya Sabha on 8 April, 2003. It contained 41 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:-

Paragraph Nos:- 14, 15, 19, 37, 38, 50, 51, 72 to 76, 124, 125, 149, 155, 167, 173, 174 and 184

Total : 20

Chapter – II

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

Paragraph No:- 77, 100, 126, 147, 148, 154, 162, 166 and 179

Total : 9

Chapter – III

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

Paragraph Nos:- 32, 33, 49, 87, 88, 127, 128, 159 and 185

Total : 9

Chapter - IV

(iv) Recommendations/Observations in respect of which replies are of interim nature:-

Paragraph Nos:- 93, 97 and 104

Total : 3

Chapter - V

**4. The Committee trusts that utmost importance would be given to the implementation of the Recommendations/Observations accepted by the Government. In cases, where it is not possible for the Department to implement the Recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation. The Committee further desires that Action Taken Notes on the Recommendations/Observations contained in Chapter-I and final Action Taken Notes on the recommendations contained in Chapter-V of this Report should be furnished to it at an early date.**

5. The Committee will now deal with action taken by the Government on some of its Recommendations.

**Budgetary Support to C-DoT**  
**(Paragraph No. 32)**

6. In its Forty-Sixth Report, the Committee was concerned to note that against the demand of Rs. 80 crore, C-DoT was allocated Rs. 38.66 crore only, as budgetary support during the year 2003-2004 and because of inadequate allocations, the on-going as well as the new developmental projects were affected. The Committee, therefore, recommended DoT to take up the matter with the Ministry of Finance/Planning Commission and ensure that the minimum required funds were allocated to the premier research organisation.

7. The Department of Telecommunications (DoT) in its Action Taken Notes has stated that funding for C-DoT for the year 2003-2004 has been considerably reduced. The DoT is stated to be pursuing the matter with the Ministry of Finance and Planning Commission for release of more funds to meet the requirements of C-DoT. Besides,

C-DoT Governing Council has asked BSNL and C-DoT to work closely and identify areas where BSNL would like C-DoT to work on for its network requirements. C-DoT Board has also taken steps to discuss the joint strategies with private operators and financial institutions so that C-DoT technologies could be further proliferated with a potential to generate internal resources for C-DoT. However, the results of these efforts may not come immediately.

8. The Department has further stated that the Executive Director, C-DoT and the Chairman, Steering Committee have written letters to all the C-DoT manufacturers with whom pending royalty amount is due, to clear the arrears immediately. As a result, some companies have started paying the residual amount of Transfer of Technology (TOT) royalty. This may come only progressively, according to the Department. It has further been stated that a minimum grant-in-aid of the order of Rs. 100 crore per year will be required for C-DoT to meet its recurring cost and to carry on its on-going and new technology products.

**9. The Committee notes that in order to overcome the financial crunch that C-DoT has been facing, all the C-DoT manufacturers with whom the royalty amount is pending have been asked to clear the arrears as a result of which some companies have started paying the Transfer of Technology (TOT) royalty. Besides, steps have been taken to identify C-DoT's potential towards BSNL's network requirements as well as to chalk out joint strategies with private operators and financial institutions for generating internal revenue for C-DoT. The Committee feels that although these are steps in the right direction to augment C-DoT's revenue generation, yet these measures may not yield immediate result, as admitted by the Department. In view of the fact that the immediate requirement of C-DoT is a minimum grant-in-aid of Rs. 100 crore per year, the Committee would like to impress upon the Department of Telecommunications to pursue the matter earnestly with the Finance Ministry/Planning Commission so that C-DoT is able to accomplish its on-going projects and take up new ones also.**



**Up-gradation of Technology in C-DoT**  
**(Paragraph No.33)**

10. In its earlier Report, the Committee had observed that C-DoT would not be able to generate the internal revenue of Rs. 200 crore as targetted for the Tenth Plan period because of the shift in BSNL's strategy to deploy more and more WLL and Cellular Mobile equipment in place of fixed line switches. The Committee, therefore, recommended that C-DoT should up-grade its technology expeditiously and adapt to the changing scenario to cater to new demands. The Committee also desired that the Government should extent the required support to C-DoT until it is able to switch over completely.

11. The Department, in its Action Taken Notes, has stated that to meet the changed scenario and future technology demands of the service providers and network operators, C-DoT has proposed a mix of different products and solutions for development during the year 2003-2004.

**12. The Committee notes that to meet the changed scenario and future technology demands of the service providers and network operators, C-DoT has proposed a mix of different products and solutions for development during the year 2003-2004 which, *inter-alia*, includes continued support for the systems already deployed in telecom field, cost effective projects in a short time frame, initiatives on a range of projects which will make business sense in the coming years, negotiations of MOU with BSNL for field support and upgradation and focus on wireless/mobile technologies and software solutions for network and internet based products. The Committee appreciates such initiatives as these are required in the changing scenario and should be continued with. However, as development of new projects and upgradation of the existing units will take many years, the Committee reiterates that the Government should continue to extend budgetary support to C-DoT until the gestation period is over.**

**Budgetary support to ITI Ltd.**  
**(Paragraph No.49)**

13. In its earlier report the Committee had pointed out that ITI Ltd. needed assistance to the tune of Rs.772 crore, the break-up being reimbursement of Rs.182 crore incurred by the company on Voluntary Retirement Scheme (VRS), Rs.390 crore to support VRS for around 7000 employees in the year 2003-04 and Rs.200 crore as fresh equity infusion. The Company was expected to generate Rs.78.89 crore by sale of surplus assets and land/buildings, etc. As there was a huge deficit of around Rs.700 crore, the Committee had recommended that the required assistance be provided to the company for its survival. The Committee had also desired the Department of Tele-communication (DoT) to act effectively in getting benchmark price for the products of the company.

14. The DoT in its Action Taken Notes has stated that Department had persuaded BSNL to subscribe Rs.200 crore towards redeemable preference shares of ITI Ltd. This investment of Rs.200 crore is expected to enhance the net worth of the company and is likely to save it from reference to BIFR. It will also improve the debt equity ratio resulting in lower interest rate on the borrowings. DoT has further added that it has been examining the revival plan submitted by ITI Ltd. from various angles for provision of financial assistance sought by ITI Ltd.

**15. The Committee notes that BSNL has decided to subscribe Rs.200 crores towards redeemable preference shares of ITI Ltd.. However, as pointed out earlier, the shortfall of funds as estimated by ITI Ltd. is to the tune of Rs.700 crore. The Committee, therefore, strongly recommends that the revival plan submitted by ITI Ltd. be examined expeditiously and the required financial assistance be provided to the company. Pending examination of the revival plan, atleast the expenditure already incurred by the company on VRS be reimbursed during the current financial year.**

**Rural Teledensity & Waiting List**  
**(Paragraph Nos. 87 & 159)**

16. The Committee had observed, in its Forty-Sixth Report, that in order to achieve the rural teledensity target of 3 by the year 2007, 14.72 million DELs with an investment of Rs. 44,160 crore would be required by the end of the Tenth Plan period. The said amount had to be met from the USO Fund and adequate budgetary support failing which it would be very difficult for BSNL to achieve the target. The Committee had also observed that there were 21,74,502 people waiting for telephone connections all over the country the break up being 16,27,285 in rural areas and 5,47,217 in urban areas. In view of the fact that responsibility lay with DoT to ensure fulfilment of Government assurances, the Committee recommended that urgent measures should be initiated by the Department to garner the required funds for BSNL so that rural teledensity is increased.

17. In its Action Taken Notes the Department has stated that there were 18,06,577 persons on the waiting list for telephone in the country, as on 31 March, 2003, out of which 14,12,471 persons were in rural areas. Therefore, BSNL has planned to provide 8.61 lakh DELs (4.0 lakh wired and 4.61 lakh WLL) during the year 2003-2004. It has further been stated that more emphasis will be given to rural areas in the remaining years of the Tenth Plan period subject to availability of adequate funds to BSNL.

**18. The Committee notes that as on 31 March, 2003, there were 18,06,577 persons waitlisted for telephones, out of which 14,12,471 were in rural areas. BSNL has planned to provide 8.61 lakh DELs in rural areas. Even if BSNL was able to provide the projected DELs, there would still be around 6 lakh people waiting for telephone connections in rural areas; and if the progressive demand is taken into account, the waiting list in rural areas will increase further. Department's assurance that more emphasis will be given to rural areas in the remaining years of the Tenth Plan period appears to be uncertain in view of the condition laid down i.e. 'subject to availability of adequate funds to BSNL'. Here, it may again be pointed out that to achieve rural teledensity target of 3 by the year 2007, a sum of Rs. 44, 160 crore**

would be required by the end of the Tenth Plan period for provision of 14.72 million DELs. In view of the reluctance of the Private Operators to go in for rural telephony and the precarious financial condition of BSNL, the Committee is apprehensive whether the rural teledensity target would be achieved by the end of the Tenth Plan period. The Committee, therefore, reiterates that responsibility lies with DoT to enable BSNL to mobilise the required funds during the remaining 3 years of the Plan so that Government announcements are honoured.

**Upgradation of Technology**  
**(Paragraph No. 88)**

19. In its Forty-Sixth Report, the Committee had observed that WLL technology had not been a viable proposition in rural areas as it would take about 25 years to recover the capital cost and the technology would become obsolete within a period of five to seven years, as per calculation made by the Department. The Committee, therefore, recommended that intensive research should be carried out to upgrade the technology and make it cost effective so that WLL services are facilitated in rural areas.

20. The Department, in its Action Taken Notes, has stated that as per the revised guidelines, BSNL is giving first preference to provide connections on WLL system in rural areas.

21. **The Committee is not satisfied with the reply because giving first preference to provide telephone connections on WLL system in rural areas is no solution to its viability or cost effectiveness. The Committee in its earlier Report had emphasised that in view of the possible obsolescence of the WLL technology in the coming five to seven years as well as the longer time taken to recover the capital cost, research should be undertaken to upgrade the technology. The Committee reiterates its earlier recommendation and hopes that the Department will take adequate measures to make the WLL system cost effective. The Committee also desires that while giving preference to WLL system in rural areas, the traditional land line infrastructure created at huge investment, should not remain unutilised as the latter system is cost effective.**

**Non-performance of Private Operators**  
**(Paragraph Nos. 127 & 128)**

22. The Committee had noted in its earlier Report that against a commitment of 97,806 VPTs by 30 September, 2000 in the states of Madhya Pradesh, Andhra Pradesh, Maharashtra, Gujarat and Punjab and by 4 March, 2001 in Rajasthan, the Private Operators had provided 8,545 VPTs only, till 28 February, 2003. As rural telephony is not a lucrative business, Private Operators preferred to pay liquidated damages instead of honouring their contractual obligations. The Department, on its part, went on extending the time limit repeatedly and persuading the Private Operators to fulfil their license agreement. The Committee was of the view that mere persuasion would not yield the desired result unless and until some drastic measures, like cancellation of licence were taken against them.

23. The Department, in its Action Taken Notes, has stated that Private Operators have been persuaded to provide VPTs as a result of which they have provided 10,648 VPTs including replacement of 831 VPTs as on 31 May, 2003. The Department has further stated that termination of the licence agreement would not have resulted in provision of VPTs and moreover it would have resulted in passing on the burden to BSNL. Therefore, stern measures of cancellation of licence has so far not been resorted to.

**24. The Committee is not satisfied with the reply of the Department. It is true that extreme measures like cancellation of licences would not automatically result in provision of VPTs, but it is also a fact that Department's constant persuasion over so many years has yielded negligible result as is evident from the fact that against an initial commitment of 97, 806 VPTs, the Private Operators, provided only 10,648 VPTs till 31 May, 2003 which included replacement of 831 VPTs. In fact, the Committee is of the firm view that deterrent action against defaulting operators appropriately taken will force them to shed complacency in this regard. The plea of passing on the burden to BSNL is not at all convincing since the presence of private operators in rural telephony in spite of persuasion by the DoT, has remained negligible and BSNL had to expand its non-remunerative rural network. In any**

event, if recourse is not taken, even in cases of gross and persisting breaches of the obligations, to cancel licenses, it is not understood why such a provision was incorporated in the license agreements.

**Delay in completion of C-DoT's Campus Project**  
**(Paragraph No. 185)**

25. The Committee had in its earlier Report pointed out that there was avoidable delay in the construction of C-DoT's Campus Project at Chhattarpur which was scheduled to be completed initially by December, 2001. This Committee's recommendation to initiate a vigilance enquiry into the whole process of Campus project has not been carried out and rather a Departmental Committee was constituted to look into the matter. That Committee found glaring lapses like improper and ineffective coordination among various agencies, overlapping command structure, lack of delegation of power to C-DoT engineers and failure of the system. In view of such findings, the Committee again recommended that the matter should be referred to a vigilance agency, independent of DoT, to enquire and fix accountability.

26. The Department, in its Action Taken Notes, has simply stated that 'noted'.

**27. The Committee is unable to accept the vague and totally inadequate reply given by the Department. The Committee would like to know the specific action taken by the Department to refer the matter to an independent vigilance agency so that accountability is fixed for such costly lapses. Any further delay or failure to do so will amount to condonation of wrongdoings, which will themselves all for an investigation.**

## CHAPTER II

### RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### Recommendation/Observation

##### (Paragraph No. 14)

The Committee observes that for Wireless and Planning Coordination (WPC) the actual expenditure during the year 2001-2002 was Rs. 32.66 lakh. The BE 2002-2003 was enhanced to Rs. 101.05 crore but again reduced to Rs. 38.62 crore in the RE 2002-03. Surprisingly, the BE 2003-04 has again been increased sharply almost four times to Rs. 131.17 crore. Due to procedural problems, the award of contract and supply of equipments could not take place and therefore, there was less expenditure in the year 2001-2002 as stated to the Committee last year also. An assurance was given at that time that all out efforts would be made to fully utilize the amount earmarked for 2002-2003. Strangely, the same procedural problems resurfaced which included non-conformity of the lowest bidder's bid with the requirements of the bidding documents, adverse newspaper reports against one of the sister concerns of the successful bidder and finally the Department took one and half a months to give its final approval. Consequently, the final contract was signed only on the last day of October, 2002. Because of the procedural delays, supply of equipment and services by the contractor could not take place in the stipulated time frame ultimately resulting in non-utilization of funds during 2002-2003 also. The Committee is highly perturbed that for two consecutive fiscals, WPC could not utilize the allocated funds on such an important project sponsored by the World Bank, which will result in sub-optimal use of scarce spectrum capacity. The delay was purely due to procedural problems and that too despite assuring the Committee of taking steps to overcome the same. The Committee, therefore, impresses upon the Department the need to constantly monitor the progress periodically so that the funds allocated in the BE 2003-2004 are optimally utilized and the Project is completed well within the revised time frame of December, 2004, as assured to the Committee.

**Action Taken by Government**

All efforts would be made to utilize the allocated funds during 2003-04 and to complete the project by December, 2004.

**Recommendation/Observation****(Paragraph No. 15)**

The Committee notes that keeping in view the increased demand for spectrum from both Government and Private Agencies, the National Frequency Allocation Plan 2002 (NFAP-2002) has been evolved with effect from 1 January, 2002 in order to cater to competing demands. The Committee shares the views of the Department that Radio Frequency Spectrum, being a very scarce and limited natural resource, needs to be utilized efficiently, rationally and effectively. The Committee feels that it should be used optimally also. Therefore, prudence demands careful planning of spectrum allocation in a coordinated manner without compromising national interests and efficiently assigning frequencies to the users at large so that new technologies are encouraged and the old ones are not discriminated against.

**Action Taken by Government**

The National Frequency Allocation Plan-2002 (NFAP-2002) has been evolved within the overall framework of the Radio Regulations of the International Telecommunications Union (ITU), taking into account spectrum requirements of the Government as well as private sector in a transparent manner to cater to the needs of new emerging technologies in the field of Radio Communication Services as well as to ensure equitable and optimum utilization of the scarce limited natural resource of radio spectrum. The NFAP-2002 has been made effective since 1 January, 2002. It is mentioned that all assignments are made in coordinated manner as per the provisions of NFAP-2002 in order to meet the requirement of new technologies without unduly constraining the existing usages, discriminating against them.

**Recommendation/Observation****(Paragraph No. 19)**

The Committee observes that an outlay of Rs. 19.35 crore was proposed for Wireless Monitoring Organisation (WMO) in the BE



2003-2004 for three continuing schemes *i.e.*, Science and Technology Activities, Augmentation of Mobile Microwave Terminal and Augmentation of DF Systems as well as for two new schemes *i.e.* Strengthening of UHF/VHF Spectrum Analysis Capabilities and Regional Maintenance Centre, the break-up being Rs. 10.20 crore for the above mentioned schemes and Rs. 9.15 crore for civil works of the ongoing World Bank Project. But the total outlay has been considerably reduced by the Planning Commission to the tune of Rs. 9.36 crore. Therefore, the priority has been shifted to the civil works worth Rs. 8.86 crore and only a token amount of Rs. 50 lakh has been kept for the continuing and new schemes of the WMO in place of the proposed amount of Rs. 10.20 crore. The Committee urges upon the Department to vigorously endeavour to get the money at the RE stage so that important schemes undertaken by WMO are implemented in time.

#### **Action Taken by Government**

The additional requirement would be projected for RE 2003-04 and will be rigorously pursued.

#### **Recommendation/Observation**

##### **(Paragraph No. 37)**

The Committee notes that 2002-03 BE for MTNL has been reduced from Rs. 3,994 crore to Rs. 2,180 crore at the RE stage due to general slow down in economy, saturation of demand for fixed line telephones in Delhi and Mumbai and falling trend in the prices of equipment. Although such reduction is not likely to hamper the achievement of targets by MTNL, yet the plans for MTNL for national acquisition and to operate National and International Long Distance Services will not be realized as MTNL could not get licences from the Government for such services. The Committee, therefore, recommends DOT to look into the matter so that the long term revenues of MTNL is not affected, more so in view of the entry of a number of players in both basic and cellular services which has created tremendous uncertainty about the share of business of MTNL.

#### **Action Taken by Government**

The declining demand of landline telephone is getting compensated by demand of Cellular Mobile Services namely, Dolphin Service and WLL (Garuda) Service. During the year 2002-03, *i.e.*, from 1.4.02 to

31.3.03, there was a net addition of 2,38,422 lines in MTNL's network in Delhi and Mumbai.

A number of customer friendly measures such as simplification of application forms, Bill payment and refund of Security, opening of customer service centres, Sanchar Haats and multifunctional kiosks have been taken. New Services like SMS on land line telephones, internet telephony (Bol-Anmol), Express Internet Broad Band Access etc. have also been provided to make these services popular and to ensure revenue growth of MTNL's total network.

DOT is periodically reviewing performance of MTNL and facilitating MTNL in forming Joint Ventures to create additional business opportunities.

#### **Recommendation/Observation**

##### **(Paragraph No. 38)**

The Committee is glad to note that MTNL has been taking a number of measures like engaging business consultants, restructuring and creating new business oriented organization structure, strengthening the marketing and sales divisions and catering to new user friendly and innovative services like internet Express, Asynchronous Digital Subscriber Line (ADSL), Direct Internet Access Service (DIAS) etc. The Committee feels that these are steps in right direction and should further be intensified as such a professional approach would help gear up the Company to face and sustain competition from all quarters.

#### **Action Taken by Government**

As directed by the Hon'ble Committee, the steps taken by MTNL for restructuring and creating new business oriented organization structure, strengthening the marketing and sales divisions and catering to new user friendly and innovative services are being constantly intensified. Another step being taken in this direction is a constant review of tariffs for various services to keep the same competitive.

#### **Recommendation/Observation**

##### **(Paragraph No. 50)**

The Committee finds that ITI had incurred an expenditure of Rs. 131.06 crore which has now become Rs. 182 crore towards VRS since 1991-92, but has been reimbursed only Rs. 54.11 crore. For the reimbursement of balance of Rs. 76.95 crore, after the approval of the

Minister for Communications, the matter was taken up by DOT with the Ministry of Heavy Industries and Public Enterprises and Ministry of Finance. However, the Ministry of Finance did not favour the proposal on the ground that flood gates would be opened up for other PSUs which have been denied similar requests in the past. The Committee does not find any justification for the views of the Ministry of Finance. On the other hand, it is of the opinion that ITI should not be treated unfairly simply for the reason that conceding its justified demand will prompt other central PSUs to make similar demands. In fact, presence of ITI Ltd., in the past, had helped DOT in procurement of telecom equipments at competitive rates and deterred MNCs from quoting astronomical rates even though ITI Ltd., itself suffered financial losses.

#### **Action Taken by Government**

As per the observations of the Committee justifying the claim of the Company, DoT has again taken up this matter with Ministry of Finance for their reconsideration.

#### **Recommendation/Observation**

##### **(Paragraph No. 51)**

The Committee is happy to note that Presidential Directives have been issued to BSNL to firm up the prices of reservation quota of 900 K line of new technology switches ordered on ITI during 2000-2001. The Committee trusts that the Department of telecom will expedite the payment of difference amount of Rs. 63 crore to ITI Ltd.

#### **Action Taken by Government**

Based on Presidential Directives, BSNL has given the approval to revise the price for 900 K line of new technology switches ordered to ITI during 2000-2001. ITI has raised the bills on BSNL and it has received a payment of about Rs. 26 crores. For balance amount, BSNL is processing the case for early payment.

#### **Recommendation/Observation**

##### **(Paragraph No. 72)**

The Committee notes that the total plan outlay for BSNL for the year 2003-2004 is Rs. 12,285 crore which contains funding to the tune of

Rs. 4428 crore from reimbursement of license fee [1,489 crore], spectrum charges [Rs. 100 crore] as well as from the USO fund [Rs. 2839 crore]. It is really amazing to learn that while the government has passed on the entire burden of providing telephone services in rural areas to BSNL, what the company has got in terms of budgetary support is merely a token sum of Rs. 1 crore. For DOT's requirement of Rs. 500 crore budget support for the year 2003-04, it has been given only Rs. 185 crore. To say that such budgetary allocation to a Department like Telecommunications is woefully inadequate will be an understatement. The Committee, therefore, strongly urges the Government to allocate sufficient budgetary grants to the Department for development of telecommunications. Putting the burden of corporatisation on BSNL contrary to the earlier assurances will have crippling effect on the capabilities of BSNL. Depositing the revenue stream in the Consolidated Fund of India, which was earlier coming to DOT, amending the pension rule to put the liability upon BSNL, imposition of Corporate Tax, Excise duty, Sales Tax, Entry Tax and not compensating for the socially desirable but economically unviable activities that have been undertaken by the Company at the behest of the Government coupled with competitive environment are already having a telling effect on the BSNL and its future role appears to be uncertain. The Committee, therefore, strongly urges upon the Government to honour their commitments in letter and spirit in the larger interest of development of telecom sector in the country. Appropriating the revenue stream of BSNL to the Consolidated fund of India without adequate compensation for expansion and development of telecom facilities appears to the Committee irrational and unjustified.

#### **Action Taken by Government**

Full Telecom Commission has already approved proposal regarding reimbursement of license fee and spectrum charges to BSNL to meet operational losses from unviable services like rural telephony during entire 10th Plan period. DOT is pursuing at highest level to provide financial support to BSNL to enable it to meet NTP-99 targets for teledensity and telephone on demand in rural areas.

#### **Recommendation/Observation**

##### **(Paragraph No. 73)**

The Committee notes that at the time of corporatisation of BSNL, a package of measures which include Terms of Government Loan of

Rs. 7500 crore, Terms of Equity [Rs. 5000 crore], Preference Share Capital [Rs. 7500 crore], Re-imbursement of License Fee and Spectrum charges, Concessional Sales Tax etc. were assured to the Company by the Government. But some of these assurances like reimbursement of license fee and spectrum charges are due to end on 31 March, 2003 and some other will expire on 31 March, 2004. As per an internal exercise carried out by the Department, all these concessions have to be extended atleast throughout the Tenth Plan Period and the Department is confident of getting them. In view of uncertainty still looming large over getting the concessions continued, the Committee strongly urges the Department of Telecommunications to take upon the matter with the Planning Commission and the Ministry of Finance at the highest level to ensure continuance of the above mentioned concessions for BSNL throughout the Plan Period lest the viability of the Company is jeopardized.

#### **Action Taken by Government**

As suggested by Hon'ble Committee, consultations have been initiated with Planning Commission and Ministry of Finance regarding package of measures to be provided to BSNL. This will be pursued with the highest levels for necessary approvals.

#### **Recommendation/Observation**

##### **(Paragraph No. 74)**

The Committee is unhappy to note that the Universal Service Obligation (USO) Fund which was to be created with effect from 1 April, 2002 could not be made operational due to DOT's own wrong perception and consequential delays in setting up of the fund. The Committee is inclined to believe that even if all the approvals come in time and the amendment of the Indian Telegraph Act comes through and the fund is set up by March/April, 2003, the benefit of it will not be realized this year, as candidly admitted by the Secretary, DOT and the Administrator, USO Fund. In view of the fact that BSNL has contributed substantially to the USO Fund (Rs. 1,100 crore during 2002-03 and expects to contribute that much amount in the year 2003-04 also) and needs Rs. 2,839 crore from the Fund to carry out its rural telephony programme, the Committee desires that the Fund is constituted soon.

**Action Taken by Government**

Necessary steps are being taken expeditiously in setting up of USO Fund.

**Recommendation/Observation**

(Paragraph No. 75)

According to the Administrator, USO Fund, if five per cent is taken on the basis of revenue earned in the year 2002-03, roughly Rs. 1,700 crore should have come to the USF as it was to be made operational since 1 April, 2002. If 10 per cent growth in revenue is expected over the next eight years, then roughly Rs. 20,000 crore should be available to the Fund by that time. After deducting operational as well as capital expenditure, roughly, Rs. 15,000 crore would remain in the Fund for rural DELs. Moreover by that time 40 lakh DELs can be created in 20 per cent of the SDCAs with that amount. Else where, it has been mentioned that in order to achieve a rural tele-density target of 3 by March, 2007, about 14.72 million DELs are to be added with an investment of Rs. 44,160 crore. If the projected USO Fund is taken into consideration, there would still be a gap of Rs. 30,000 crore by the end of the Tenth Plan Period. Therefore, the Committee would like the Department to explore the possibility of enhancing the 5 per cent contribution limit to the USO Fund so that the wide gulf is bridged to the maximum extent possible. It is also pertinent to mention that the capital and operational costs of BSNL are not going to be reimbursed in one year. Therefore, there is added significance and urgency to make the fund operational expeditiously.

**Action Taken by Government**

Necessary steps are being taken expeditiously for setting up of USO Fund and to make it operational.

**Recommendation/Observation**

(Paragraph No. 76)

The Committee notes that BSNL has already paid Rs. 165.31 crore in the assessment year 2001-02 and Rs. 547 crore in 2002-03 as Corporate Tax. To add to that, another Rs. 450 crore Corporate Tax has to be paid in the assessment year 2003-04. The Committee finds

that as per the legal opinion obtained, BSNL is eligible to avail benefits under section 80-1A of the Income Tax Act, 1961. The Committee would like DOT to take up the matter at appropriate levels so that BSNL gets necessary fiscal relief.

#### **Action Taken by Government**

Noted.

BSNL has filed Income Tax Return U/S 115 JB (Minimum Alternate Tax) for Assessment years 2001-02 and 2002-03. At the same time, BSNL has obtained legal opinion and BSNL is eligible for benefits U/S 80-1 A [as a Telecom Infrastructure Company]. This is being followed up with concerned Tax authorities.

#### **Recommendation/Observation**

##### **(Paragraph No. 124)**

The Committee finds that the RE 2002-2003 target of VPTs was 39,439 and as on 29h February, 2003, 36,297 VPTs have been provided thus leaving a short fall of 3,142 VPTs. Out of that, 2300 Villages fall under naxallite/disputed/thick forest area and therefore, VPTs cannot be provided there. Therefore, there would be a shortfall of 842 VPTs in the year 2002-03 due to non-commissioning of WLL system in time in the North Eastern States as initially the government did not give permission for commissioning WLL system there due to security reasons. Now that the SACFA (Standing Advisory Committee on Frequency Allocation) clearance has been obtained since August, 2002, the Committee hopes that the remaining 842 VPTs are provided without further loss of time.

#### **Action Taken by Government**

BSNL has covered 36,929 VPTs (2,210 villages under naxallite infested, custodian not available, villages lying in thick forests etc. could not be covered) as against a target of 39,439 for the year 2002-03. The remaining 300 villages could not be covered due to non-commissioning of WLL systems in time in J&K and North East as initially the Government did not give permission for commissioning of WLL system due to security reasons. These 300 VPTs will also be covered by August, 2003.

### **Recommendation/Observation**

#### **(Paragraph No. 125)**

The VPT target for the year 2003-2004 has been stated to be 29,300 (including 18,200 VPTs to be provided on satellite). Going by the past and continuous reasoning *i.e.*, non-availability of equipment for non-achievement of target in VPTs, the Committee impresses upon DOT/BSNL to take advance and sincere measures to overcome procedural hazards like availability of equipment/infrastructure, finalisation of tendering process etc. so that the targeted VPTs for the year 2003-2004 are provided as planned. Moreover, fund requirements for BSNL, as has already been elaborated in this Report, have to be taken up at the appropriate levels so that rural telephony programme does not get further set back.

#### **Action Taken by Government**

BSNL has already initiated steps/appropriate measures to make available equipment/infrastructures in time to achieve the desired VPT targets during 2003-04. Preparation of tender documents is in progress. BSNL is pursuing with USO to get the funds.

### **Recommendation/Observation**

#### **(Paragraph No. 149)**

The Committee also notes that against the cellular capacity of 15,36,850 connections, BSNL has provided only 8,12,146 such connections all over the country as on 31st December, 2002. In view of the falling demand for fixed line telephone and growing demand for cellular connections, the Committee desires BSNL to venture more aggressively in the cellular market so that its DEL targets are achieved and tele-density is enhanced.

#### **Action Taken by Government**

The aggressive approach undertaken by Bharat Sanchar Nigam Limited in the Cellular Market has enabled to grow its subscriber base to 22,59,886 cellular connections as on 31st March, 2003.

A target of 30 lakh Cellular connections is fixed in the current financial year *i.e.* 2003-04.



**Recommendation/Observation****(Paragraph No. 155)**

The Committee is equally glad to note that BSNL will be able to achieve the targets fixed for various schemes for the North-East Region during the year 2002-2003. However, a shortfall of around 800 VPTs is anticipated in North East-I [Meghalaya, Tripura and Mizoram] Telecom Circle due to non-commissioning of WLL systems in time on security consideration. With the security clearance having been already obtained since August, 2002, the Committee hopes sincere efforts will be made by DOT/BSNL to provide remaining VPTs soon in North East I Circle. Further, as assured by the Secretary, DOT and CMD, BSNL, Cellular and WLL Services should be commenced in the North East Region as projected.

**Action Taken by Government**

The total shortfall in achievement of target during the year 2002-03 was 300 only. All out efforts will be made to achieve the VPTs shortfall by August 2003 and remaining uncovered villages in N E-I by 2003-04. Priority for supply of WLL equipment for NE region has already been fixed.

BSNL has planned introduction of cellular service in North East and Assam. The process of procurement of equipment for cellular service is on and all efforts are being made to roll out the cellular service.

**Recommendation/Observation****(Paragraph No. 167)**

The Committee observes that functioning of certain Telecom circles has been adversely affected due to non-availability of cables and other equipment. The problem has been compounded by acute shortage of staff. The Committee trusts that utmost care will be taken to see that the Circles get the cables and equipment well in time in order to enable them to function upto their optimum level.

**Action Taken by Government**

(a) There has been no shortfall in the Net switching capacity from fixed lines.

(b) However, shortage of cable (PIJF) is due to partial acceptance of quantities by bidders in the tender issued during 2002-03. However, against the DELs target of 23.50 lakh lines from fixed lines, 22.12 lakh lines had been achieved which is about 94.1% of the target.

(c) The delay in commissioning of WLL equipment has been mainly due to delay in the technical upgradation and validation of some of the WLL equipment related to R2MF signalling. However, now steps have been taken to place orders for the equipment well in time.

### **Recommendation/Observation**

#### **(Paragraph No. 173)**

The Committee is concerned to note that the physical achievements of ITI for the year 2002-2003 have fallen short of targets in many items like OCB 283 local, C-DOT MAX-L, WLL CDMA INFRA, Telephone instruments etc. due to the reason that major orders were received from BSNL during the later half of the year. Further, due to change in product requirement, orders for New Technology Switches, C-DOT transmission equipment etc. were in meager quantity. However, to achieve the targets sets for the year 2003-2004, ITI has reportedly initiated a number of measures like New Technology tie ups, obtaining orders for billing system, Internet backbone, call centres etc. The Committee feels that these are steps in right direction and should be continued besides exploring other measures so that ITI is able to achieve the targets optimally for its own sustenance. The Committee also desires BSNL/MTNL to place orders upon ITI in time so that the latter is able to execute the same appropriately.

### **Action Taken by Government**

ITI is reorienting itself to new product mix required by BSNL/MTNL. For this, ITI has entered into technical tie up with leading vendors.

As soon as the assessment of required quantity of equipment is made by BSNL/MTNL, the Advance Purchase Orders are being placed on ITI for PSU quota sometimes even before the finalization of the tender. In case of tender quantity also, the placement of orders on M/s ITI is being done in time.

**Recommendation/Observation**

**(Paragraph No. 174)**

The Committee notes that ITI has restructured its R&D activities with an investment to the tune of Rs. 11.5 crore in the past two/three years as a result of which development of Indo-Kiosk, IP phone etc. have been achieved. It is equally heartening to note that a number of steps like aggressive marketing in non-DOT areas etc. have been taken up by the Company to optimally utilize its idle assets. The Committee desires the Company to further intensify its R&D activities as well as to judiciously use its idle assets in order to make its products more efficient and competitive in view of the challenge all around.

**Action Taken by Government**

Company has taken following steps to further intensify its R&D activities as well as to judiciously use its idle assets in order to make its products more efficient as well as competitive in view of the challenge all around.

(a) R&D has undertaken the following products for development during 2002-03/2003-04:—Voice Switch, NMS, Data Switch, Order Wire, Satcom Encryption for ASCON Phase-III, Blue Tooth, Ku Band IDR Equipment, Encryption for Carnation, CIVICON etc. HDSL Army Phone 5C, Executive Telephone System, IP Phone, ADSL, ISDN interface for Video Conference, Smart Connect Call Centre, Public Key Infrastructure (PKI), Semi-Ruggedised Automatic Exchange, PCM MUX with Cross-connect etc.

(b) To make aggressive marketing in non-DOT areas, ITI has 10 Regional Offices and 38 Zonal Offices. Also non-DOT Marketing Group in Corporate Offices/Plants participate in the tenders of Railways, Defence, ONGC, etc. and bagged the orders—from MHA for CIVICON & INMARSAT Monitoring System, from ONGC for TDMA WLL and from Defence for ASCON Phase-III.

**Recommendation/Observation**

**(Paragraph No. 184)**

The Committee observes that C-DOT's attrition of manpower has come down to 105 in the year 2001-2002 from 285 in 2000-2001 due to

a number of measures initiated by the organisation which include enhancement in compensation packages and introduction of subsidy and reimbursement in certain cases. The Committee trusts that besides the monetary benefits, other aspects to make the environment/working conditions more congenial should be looked into so that trained professionals are attracted to it.

#### **Action Taken by Government**

Some of the steps taken to check attrition have already been brought to the kind notice of the Committee.

Amongst the steps being taken to make a better working environment, some of the major ones are listed below:

- C-DOT is constructing a state-of-the-art R&D labs Campus at New Delhi.
- Internal re-allocation and optimisation of the manpower is being done to make the groups more effective for the timely delivery. The officials are being made more accountable.
- Various training programmes for different level of engineers & scientists have been introduced and some more are planned.
- Decision making is being made more transparent and fast so as to keep the people motivated.

### **CHAPTER III**

#### **RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DOES NOT DESIRE TO PURSUE IN VIEW OF REPLIES OF THE GOVERNMENT**

##### **Recommendation/Observation**

**(Paragraph No. 77)**

The Committee also notes that BSNL has been paying an amount of Rs. 50 crore annually as Excise duty and some States like Madhya Pradesh are charging Entry tax on telecom equipment received from the outside States which may run into hundreds of crores of rupees ultimately resulting in tardy growth of telecom sector. The Committee would like the Department to take up the matter with appropriate authorities and concerned State Governments at the highest level so that BSNL's financial condition is not impaired further and expansion of telephone network in the States does not suffer.

##### **Action Taken by Government**

Noted.

##### **Recommendation/Observation**

**(Paragraph No. 100)**

The Committee finds that although the recent announcement to decrease the pulse rate and increase the rentals of basic telephones, which has to be made effective from 1 April, 2003 (now deferred by one month), will enable BSNL to get additional revenue to the extent of Rs. 1,600 crore to Rs. 1,700 crore, yet it will make fixed services of BSNL more expensive and less affordable as compared to cellular and WLL mobile services. Therefore, the above mentioned projected revenue may be upset as there will certainly be erosion of the customer base of BSNL. As far as MTNL is concerned, customers at Delhi and Mumbai are likely to face an increase of 11 per cent to 29 per cent in tariff in case TRAI's orders are implemented without any modification. There is no certainty that BSNL will garner an additional revenue of

Rs. 1,600 crore to Rs. 1,700 crore due to a tariff increase in basic telephones, if implemented. Subscribers in Delhi and Mumbai will have to bear a steep increase in telephone tariff. There will be definite erosion in customer base of BSNL and MTNL due to alternative options available to the customers to switch over to mobile service. As the real burden will ultimately be upon customers, the affordability of fixed line telephone will be eroded which will be contrary to the objectives of NTP, 99. The Committee therefore urges the Government to examine the matter in depth and issue appropriate policy directive to Telecom Regulatory Authority of India to reconsider the tariff hike.

#### **Action Taken by Government**

During the tariff review exercise repeatedly it was brought out by the Basic Service Providers that these services were below cost and needed to be aligned with costs better. One of the more often received suggestion was that to meet the situation at least partially the call duration may be reduced without affecting the actual amount of money outgo on account of the call made.

The decision to reduce the pulse rate and free calls will have marginal affect only for high usage subscribers. Most of the local calls are of less than 2 minutes duration and hence the reduction in pulse rate will not have any significant impact. Moreover, the new tariff announced has not made any change in the monthly rental for rural connections.

Moreover, the tariff announced by TRAI is Standard Tariff Package (STP) and service providers can offer Alternative Tariff Packages to subscribers depending upon the economic viability of their respective operations by combination of various pulse rates with different rentals. It is also to mention here that in the Alternative Tariff Packages submitted by BSNL/MTNL and approved by TRAI, the pulse rate of 180 seconds has been maintained.

#### **Recommendation/Observation**

##### **(Paragraph No. 126)**

The Committee is glad to note that against a target of replacement of 40,000 MARR based VPTs during the year 2002-03, BSNL has already exceeded the target by replacing 49,941 such VPTs as on 28 February, 2003, despite fund constraints. 80,000 MARR based VPTs are being

targeted to be replaced during the year 2003-04 provided funds are made available to BSNL. Further, BSNL has to provide 69,440 more new VPTs in the uncovered villages on similar conditions of availability of funds. In view of the fact that replacement of MARR based VPTs which are fault prone is as important as that of installing new VPTs, the Committee urges upon DOT to take up the matter at the highest level to get the required funds for BSNL as the ultimate responsibility lies with the Department to come upto peoples' expectations.

#### **Action Taken by Government**

A total of 54971 MARR based VPTs has been replaced by BSNL up to 31.3.2003. Total uncovered villages (BSNL's share) are 31810. Out of this 2210 villages fall under naxallite infested areas, custodian not available, villages lying in thick forests etc. Balance 29600 uncovered villages are to be provided with telecom facility by BSNL during 2003-04 on WLL and satellite. Funds requirements have been included in package of measures proposed.

#### **Recommendation/Observation**

##### **(Paragraph No. 147)**

The Committee observes that the 2002-2003 RE target for DELs was 55.90 lakh lines the break-up being 23.50 lakh wired lines, 8.40 lakh WLL lines and 24 lakh Cellular lines whereas the achievement upto 28th February, 2003 has been 34.38 lakh lines *i.e.* 16.15 lakh wired lines, 2.73 lakh WLL lines and 15.50 lakh Cellular Lines. Surrender/disconnection of 15.39 lakh fixed line telephones, delay in receipt of WLL equipment and late commissioning of Cellular Mobile Telephone Services (CMTS) have been stated to be the reasons for the anticipated shortfalls in the respective categories. The Committee also finds that the target for switching capacity in 2002-2003 was 80.14 lakh lines whereas the achievement has been 48.49 lakh lines as on 28th February, 2003. Oft-repeated reason for delay in receipt of equipment has been advanced again to explain non-achievement of target. The Committee will like the DOT to identify the grey areas and streamline the procedure so that the tendering process is completed in a given time frame.

#### **Action Taken by Government**

DOT has initiated proposal for streamling procurement procedures of BSNL and MTNL Views of Telecom Manufacturers Association have

been taken to bring about transparency in procurement processes. The new procedures are expected to bring down delays and timely supply of equipments.

#### **Recommendation/Observation**

##### **(Paragraph No. 148)**

The Committee is concerned to note that upto 31 January, 2003, 15.39 lakh fixed line telephones have been surrendered due to various reasons like abundant availability to telephones, economic reasons etc. Based on the first hand knowledge that the Committee gathers through interaction with public representatives drawn from a cross-section of the society, the Committee, on its part, however, feels that more than anything else, what is compelling the subscribers to surrender their BSNL/MTNL telephones is sub-optimal customer care on the part of these PSUs. Therefore, the Committee impresses upon both BSNL and MTNL to make an in-depth study and take measures accordingly to prevent their customer base from migrating to the private competitors. Further, 29 per cent of the telephone being surrendered in a year requires urgent steps for rectification on the part of Government as affordability is one of the three basic objectives of NTP, 99. It should be immediately brought to the notice of TRAI and if need be, a policy directive should be issued by the Government in this regard.

#### **Action Taken by Government**

The observation of the Committee has been brought to the notice of TRAI. With the opening of the sector, the various operators will be offering various services and it is not possible to protect the turf of any particular operator. BSNL and MTNL have to compete in a competitive environment and retain their customers. Further, the cellular services are becoming popular and all over the world, wireless subscriber are growing more than that of wireline subscribers.

#### **Recommendation/Observation**

##### **(Paragraph No. 154)**

The Committee is happy to find that in Tribal Sub-Plan (TSP) areas, the targets fixed for various schemes like Switching Capacity, VPTs, Microwave and OFC for the year 2002-2003 have been achieved optimally. However, in Direct Exchange Line (DELS) achievement has



been 1.99 lakh lines out of the target of 2.50 lakh lines. The Committee desires that concerted efforts should be made to provide adequate DELs in TSP areas for the benefit of the tribal people.

#### **Action Taken by Government**

The achievement of direct Exchange lines has been 2.68 lakh during 2002-03 against the target of 2.50 lakh lines. Thus all the targets set under Tribal Sub Plan for the year 2002-03 have been achieved. During 2003-04 BSNL plans to provide 2.7 lakh Direct Exchange Lines under Tribal sub Plan.

#### **Recommendation/Observation**

##### **(Paragraph No. 162)**

The Committee is concerned to note that as on 31 December, 2002 a sum of Rs. 2,655 crore is outstanding as telephone bill arrears which has to be recovered from various individual/Corporate/Government subscribers. Although the position of outstanding dues has been stated to be periodically monitored both at the Circle and Head quarter levels, yet it seems inadequate in view of the amount still to be recovered. The Committee, therefore, desires that measures initiated to recover outstanding dues should further be strengthened, more so when BSNL is badly in need of funds to carry out its activities.

#### **Action Taken by Government**

Recoveries of outstanding dues are a continuous process and following efforts are made by BSNL to realise the arrears.

1. The defaulters are disconnected when their dues are unpaid.
2. Targets for liquidation of outstandings is set and performance monitored against them each year.
3. High Power Committees and Liquidation Boards have been set up to facilitate liquidation of dues.
4. The collection efficiency is monitored each month.
5. Outstanding Pursuit Cells are functioning at Headquarters level and also at the Circle level.

6. Where necessary, after disconnection of telephones, legal action is also initiated for recovery of the dues.

In addition, various steps already prescribed in the rules and instructions are undertaken to ensure the maximum realization of telephone arrears. While taking note of the recommendation of Standing Committee the heads of the Circles have been requested to carry out a review of relevant procedures and systems existing in their units so that the process of recovery of outstanding telephone dues is further strengthened.

#### **Recommendation/Observation**

##### **(Paragraph No. 166)**

The Committee notes that in many parts of Kerala, the urban rural divide has been stated to be irrational for which telephone subscribers in rural areas are made to pay higher rentals meant for urban areas and a number of other constraints. No doubt, this urban rural classification is based on the Census Report and all the rural exchanges in Kerala are equipped with the state of art technology, yet the Committee feels that there is no valid reason to charge rural subscribers the rentals meant for urban areas. The Committee will like the DOT to take up the matter with the Planning Commission for reclassification in such cases so that genuine grievances of the people in this regard are redressed.

#### **Action Taken by Government**

Noted.

#### **Recommendation/Observation**

##### **(Paragraph No. 179)**

The Committee notes that fault rate in Delhi has come down from 28.44 per 100 telephones in the year 2000 to 19.69 this year *i.e.* 2002-03 due to a slew of measures which included replacement of telephones instruments, rehabilitation of external plants, replacement of paper core underground cables etc. that have been taken by the Company over a number of years. In view of the fact that fault rate of 19.69 is still on a higher side, the Committee impresses upon MTNL to intensify the measures already initiated to bring down the fault rate to the

lowest extent possible for MTNL can hardly afford to rest upon its laurels in view of the developing competitive environment.

**Action Taken by Government**

MTNL Delhi has intensified measures already initiated to bring the fault rate down to the lowest extent possible. It is expected that fault rate would come down to single digit progressively.

## CHAPTER IV

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

#### Recommendation/Observation

##### (Paragraph No. 32)

The Committee is anguished to note that against a demand of Rs. 80 Crore, only 38.66 crore has been allotted to C-DOT in the BE 2003-04 for which it will not be possible for C-DOT to take up new developmental projects. Even the existing projects/activities like voice and Data Convergence, Second and Third Generation Mobile Communications, Highbit Rate Backbone Network on Fibre and Satellite, Innovative Service for Business and Industry etc. will be under tremendous strain. Although C-DOT would meet its need somehow with gross receipts of Rs. 124 crore (aprox.) as it expects to generate internal resources to the extent of Rs. 14 crore from royalties, Rs. 25 to Rs. 30 crore BSNL for the services rendered and the additional grants of Rs. 42 crore that would be coming to it at the RE stage, as assured by the Secretary, DOT, besides the already allotted Rs. 38.66 crore, yet the Executive Director, C-DOT apprehends that they will not even be able to pay salaries to their employees next year if the same type of negligible budgetary support is given to C-DOT. The matter is really discouraging because of the fact that despite the Department's constant persuasion at the BE stage, the Planning Commission/Finance Ministry are reluctant to allocate the minimum required amount. If this is the treatment meted out to one of the previous Research and Development Organisations in our country which has rendered yeoman's service in Telecommunication Sector for years together, then the Committee apprehends that sooner or later the Country is going to lose the services of an extremely talented and highly efficient scientific organisation. The onus, therefore, lies with all concerned and more so with DOT, to ensure that this premier research organisation does not languish for want of funds and the minimum required funds are allocated to it lest due to non-availability of funds, the Research and Development Organisation like C-DOT will be weakened which will open the door for MNCs and Private Companies.

### **Action Taken by Government**

C-DOT has not experienced any crunch till 2002-2003 in the yearly funding by the Government. However, this year (*i.e.* 2003-04) the funding has been considerably reduced. DOT is making efforts with Ministry of Finance & Planning Commission for release of more money to meet the requirements of C-DOT. Besides this, C-DOT Governing Council has asked BSNL and C-DOT to work closely and identify some areas where BSNL would like C-DOT to work on for its network requirements.

C-DOT Board has also taken steps to discuss the joint strategies with private operators and financial institutions, so that C-DOT technologies could be further proliferated with a potential to generate internal resources for C-DOT. The results of these efforts may not come immediately.

The Executive Director, C-DOT and the Chairman Steering Committee (also Chairman Telecom Commission) have written letters to all the C-DOT manufacturers with whom pending royalty amount is due, to clear the arrears immediately. As a result, some companies have started paying the residual amount of Transfer of Technology (TOT) royalty. This may come only progressively. However, for C-DOT to meet its recurring cost and to pursue with its on-going and new technology products a minimum level of grant-in-aid of the order of Rs. 100 crores per year will be required.

### **Comments of the Committee**

(Please see Paragraph No. 9 of Chapter I)

### **Recommendation/Observation**

(Paragraph No. 33)

It would be pertinent to mention that during the Ninth Plan period C-DOT generated internal resources worth Rs. 134.90 crore against a target of Rs. 88.55 crore but it seems impossible to generate the Tenth Plan targeted internal revenue of Rs. 200 crore as would be seen from the fact that against the target of Rs. 35 crore in 2002-03, C-DOT could generate only Rs. 25.83 crore as on 28 February, 2003. That is because of the shift in the strategy of the BSNL to deploy more and more Wireless in Local Loop (WLL) and Cellular Mobile Equipment in place

of fixed line switches which has been C-DOT's domain for long. As C-DOT does not have another ready-made product which can substitute the fixed line, at the moment it is not at the same level as that of the MNCs. Upgradation of Technology will take at least two/three years, as has been stated to the Committee. Needless to mention, till the time C-DOT is completely able to cater to the new demands, it needs the required support from the Government which the Committee expects, will not be denied to it. Simultaneously, it is for C-DOT to see how fast it can adapt to the changing situation, as it is a matter of its own survival, so that the Telecommunication Sector continues to avail of its very useful service.

#### **Action Taken by Government**

To meet the changed scenario and future technology demands of the service providers & network operators. C-DOT has proposed a mix of different products and solutions for development during the year 2003-2004 meeting the following objectives at the same time:

- Continue to provide field support for the systems deployed in the Telecom field.
- Cost effective projects in the short time frames.
- Initiatives on a range of projects which will make business sense in the coming years.
- Negotiations & MOU with BSNL for field support upgradations.
- Sponsored and funded projects from public sector units as well as from private operators.
- The focus of new developments will be on wireless/mobile technologies, software business & operation support solutions for the network and Internet based products.

#### **Comments of the Committee**

(Please see Paragraph No. 12 of Chapter I)

#### **Recommendation/Observation**

**(Paragraph No. 49)**

The Committee is extremely concerned to note that ITI Ltd., which has been making profits since 1997-98 is expected to incur a loss of

around Rs. 196 crore in the year 2002-03. The causes are stated to be fast changes in telecom technology, surplus manpower of around 11,000 even after giving VRS to 6,365 employees since 1991, small equity base of Rs. 88 crore making the Company heavily dependent on market borrowing at higher interest and very little value addition. As it will necessitate its reference to BIFR in the year 2003-04, the Company has submitted a Revival Plan which proposes Organisational Re-structuring, products rationalization leading to reallocation of manpower, reduction of manpower and other associated costs, closure of unviable units, identification of surplus assets and sale thereof and fresh equity infusion etc. In terms of money ITI needs assistance to the tune of Rs. 772 crore, the break-up being reimbursement of Rs. 182 crore already incurred by the company on VRS, Rs. 390 crore to support VRS for around 7,000 employees in the year 2003-2004 and Rs. 200 crore as fresh equity infusion. Even after the sale of ITI's surplus assets, land/buildings etc, the Company hopes to generate Rs. 78.89 crore in the next two years. As there is practically no budgetary support to the Company and in the event of the above mentioned financial support not forthcoming, there will be a huge gap of around Rs. 700 crore. The Committee, therefore, strongly recommends the required assistance to the Company for its very survival. The Department of Telecommunications being the administrative Department has to act effectively as ITI's presence is vitally necessary to get benchmark price for the telecom products in the country. Besides, need of ITI Ltd., as a captive unit is reinforced because of its handling sensitive projects of Ministry of Defence and delivering telecom equipment in case of natural calamities/war and other exigencies/foreign sanctions. The company, on its part, has to make concerted efforts for its organizational restructuring, products rationalization and upgradation of technology so that it remains vibrant.

#### **Action Taken by Government**

On persuasion by DOT, BSNL has subscribed Rs. 200 crores towards redeemable preference shares of ITI. This investment of Rs. 200 crores in ITI will enhance the net worth of the Company and is likely to save it from reference to BIFR. It will also improve the debt equity ratio resulting in lower interest rate on the borrowings. DOT is examining the revival plan submitted by ITI from various angles for provision of financial assistance sought by ITI.

On the part of the Company, steps have been taken to reorganize business operations to equipment and solution business. Steps have

also been taken for Board restructuring, products/technology upgradation, critical evaluation of plants' performance etc., which are likely to improve the performance of the Company.

**Comments of the Committee**

(Please see Paragraph No. 15 of Chapter I)

**Recommendation/Observation**

**(Paragraph No. 87)**

The Committee is concerned to note that the current level of rural tele-density is 1.42 only per 100 people. In order to achieve the rural tele-density target of 3 by the year 2007, 14.72 million DELs with an investment of Rs. 44,160 crore will be required by the end of the Tenth Plan period for which adequate funds are to be provided. The projected amount has to be met from USO Fund as well as adequate budgetary support failing which it would be very difficult for BSNL to achieve the rural tele-density target as enunciated in NTP'99. Needless to mention, serious and urgent measures have to be initiated by the Department to garner the required funds for BSNL which has been financially squeezed to the hilt on many accounts. Moreover, it is a policy announced by the Government and responsibility lies with the Department to see that Government assurances are fulfilled commensurate with the aspirations of the rural people.

**Action Taken by Government**

Noted.

BSNL has planned to provide 8.61 lakh (4.0 lakh wired and 4.61 lakh lines on WLL) during 2003-2004. More emphasis will be given to rural areas in the remaining years of the 10th Plan subject to availability of adequate funds to BSNL.

**Comments of the Committee**

(Please see Paragraph No. 18 of Chapter I)

**Recommendation/Observation**

**(Paragraph No. 88)**

The Committee learns that the present technology available for the rural area *i.e.* WLL technology is the cheapest one which cost Rs. 10,000 to Rs. 15,000 per line whereas the copper cable costs around



Rs. 25,000 per line. Even then, this technology has not been a viable proposition in rural areas as it will take about 25 years to recover the capital cost whereas the technology itself will be obsolete within a period of five to seven years, as per calculation made by the Department. Therefore, what is required is intensive research and development to innovate and upgrade the technology so that it becomes viable and cost effective, more so in view of the Secretary, DOT's statement that no investor would like to invest in rural telephony if it continues to remain a loss making proposition. Moreover, in view of the fact that 56 lakh lines are to be provided through WLL and Cellular phones next year out of the target of 60.61 lakh lines, the Committee desires that such services are expeditiously facilitated in rural areas so that cost effectiveness is taken care of and rural tele-density is increased.

#### **Action Taken by Government**

Noted.

As per the revised guidelines, BSNL is giving first preference to provide connections on WLL systems in rural areas.

#### **Comments of the Committee**

(Please see Paragraph No. 21 of Chapter I)

#### **Recommendation/Observation**

**(Paragraph No. 127)**

The Committee finds that out of the 6,07,491 villages in the country, as on 1 April, 2002, 4,68,016 villages have been provided with VPTs. Out of the villages already covered, the Private operators have been able to provide 8,545 VPTs as on 28 February, 2003 against a commitment of 97,806 VPTs. It is pertinent to mention here that the above number of VPTs were to be provided by 30 September, 2000 in case of Madhya Pradesh, Andhra Pradesh, Maharashtra, Gujarat and Punjab and by 4 March, 2001 in case of Rajasthan. Instead of building their infrastructure in rural areas in terms of licence agreement, private operators preferred what they considered to be the profitable route of paying the prescribed penalty and concentrated in urban areas where there are attractive profits. The DOT soft pedaled the issue and remained contended by extending time-limit periodically knowing well

that private operators will not penetrate rural areas as they considered it to be a losing proposition. Department's contention that certain improvement has been noticed in their performances is far from convincing in view of the fact that the Private operators have still to provide at least 52,890 VPTs (the rest falling under naxalites/thick forest areas etc.) as per the licence agreement. Evidently, private operators lack commitment to serve the rural people as there is no apparent return to their investment.

#### **Action Taken by Government**

Private Operators have been persuaded to provide VPTs as per their licence conditions. So far efforts have resulted in some results. As per available information from the licensees 10648 VPTs have been provided by the operators, including replacement of VPTs in respect of 831 VPTs in respect of Punjab service area where all VPTs have been provided by the Department as on 31.5.2003.

#### **Comments of the Committee**

(Please see Paragraph No. 24 of Chapter I)

#### **Recommendation/Observation**

(Paragraph No. 128)

The Committee is constrained to note that even after paying liquidated damages, the Private operators are still not performing and the Department, on its part, is still trying to persuade them, apparently without any noticeable achievement. Moreover, only one licence has been cancelled so far for non-performance on the part of the Private operators on the plea that lakhs of subscribers will be affected. In view of the fact that crores of rural people have already been suffering due to apathy of the Private operators, the Committee is of the considered view that mere persuasion will not yield the desired result unless and until some drastic and extreme measures like cancellation of the licence are taken against them. Mere persuasion by the Department will be treated by the Private operators as a sign of the Department's helplessness and weakness.

#### **Action Taken by Government**

The termination of the licence agreement would not have resulted in provisioning of VPTs on the one hand on the other hand it would

have resulted in passing on the said burden to the BSNL. Therefore, stern measure of cancellation of licence has so far not been resorted to.

**Comments of the Committee**

(Please *see* Paragraph No. 24 of Chapter I)

**Recommendation/Observation**

**(Paragraph No. 159)**

The Committee notes that there are 21,74,502 people waiting for telephone connections all over the country as on 31 December, 2002, break up being 16,27,285 in rural areas and 5,47,217 to urban areas. Kerala heads the list with 5,73,861 people waiting for telephone connections followed by Maharashtra (2,17,038), West Bengal (1,73,044), Rajasthan (1,42,122), Haryana (1,20,624), Bihar (1,19,645) and some other states having wait listed applicants to the order of more than a lakh each. Inadequate funds and unviable nature of rural telephony have been stated to be the reason for the growing waiting list. It is really a matter of serious concern that private operators are not going in for rural telephony programme and BSNL will do it provided it gets adequate funds. The responsibility, therefore, lies with the Department of Telecommunications to find out a solution so that the aspirations of the people in those areas are met expeditiously.

**Action Taken by Government**

Noted.

As on 31.3.2002, the waiting list is 18,06,577 in the country. Out of this 14,12,471 wait list is in rural area. It is planned to provide 8.61 lakh DELs in rural areas during 2003-04.

**Comments of the Committee**

(Please *see* Paragraph No. 18 of Chapter I)

**Recommendation/Observation**

**(Paragraph No. 185)**

The Committee is deeply concerned to observe that there has been avoidable delays in construction of Chhattarpur Campus project which

was initially scheduled to be completed by December, 2001. The building is still not complete and the extended target date is December, 2003. The Committee's recommendation in this regard to initiate a vigilance enquiry into the whole process of Campus project has not been carried out and rather a Departmental Committee was constituted to look into the matter. Unjustified promises have been made to the Committee during the last 2 years in this regard. Glaring lapses have been found in construction of this building by the Committee of senior departmental officers which was set up to look into the delay. The Committee has observed improper and ineffective coordination among various agencies, overlapping command structure, lack of delegation of powers to C-DOT engineers and failure of the system. Curiously no step has been taken to fix responsibility for these costly lapses. The Committee, therefore, desires that follow up action should be initiated at the earliest to book the delinquent officials. In view of the fact that it was a complete system failure and considerable time and money has been lost in the process, the Committee reiterates its recommendation to refer the matter to a vigilant agency, preferably independent of DOT, to enquire into the serious delay in the construction of the campus building so that accountability is fixed.

#### **Action Taken by Government**

Noted.

#### **Comments of the Committee**

(Please see Paragraph No. 27 of Chapter I)

## CHAPTER V

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

#### Recommendation/Observation

##### (Paragraph No. 93)

The Committee observes that at the time of corporatisation of DOT, the Government had given the commitment that pension would be paid to the employees who were being sent on deemed deputation as well as to those who would get absorbed in BSNL under Rule-37(A) of the pension rules. However, under a subsequent amendment to that rule, the Government has put the liability on BSNL on the ground that earlier the entire pension used to be paid from the revenue stream of DOT and since the lion's share of this revenue stream has now gone to BSNL, the latter should continue to meet this liability of payment of pension amounting to Rs. 800 crore per year. But the Committee is given to understand that while the assets of DOT/DTS have been transferred to BSNL, all the income that was earlier going to DOT's revenue stream, is not coming to BSNL in toto, rather a part of it is being deposited in the Consolidated Fund of India. Here, the Committee would like to point out that when DOT/DTS was itself a service provider, it used to enjoy certain privileges which included exemption from Sales Tax, Corporate Tax, Excise Duty etc. Now, after corporatisation, BSNL is required to pay these taxes/duties which adds to its costs and consequential reduction in surpluses. Needless to mention, BSNL should not be put into a disadvantageous position on Corporatisation. Therefore, the Committee impresses on the Government that the entire liability of paying the pension to both the categories of the employees, as mentioned above, should be met as per the assurance given by the Government.

#### Action Taken by Government

The matter was taken up by the Minister for Communications and Information Technology with the Minister for Finance and Company Affairs demi-officially but the request of the Hon'ble Minister of Communications & Information Technology has not been agreed to by the latter. The matter is being taken up once again.

## **Recommendation/Observation**

### **(Paragraph No. 97)**

The Committee notes that the imposition of access charge, introduced through Interconnection Regime by TRAI, upon BSNL will have the implications of annual reduction of BSNL's revenue from incoming and outgoing International/STD calls to the tune of about Rs. 450 crore in addition to another annual reduction in revenue to the tune of Rs. 1,500 crore on account of incoming and outgoing calls to cellular network as well as to WLL (Mobile) network. On top of it, there will be diversion of traffic from BSNL's network to cellular and WLL networks as long distance calls from fixed telephones to similar telephones will be more expensive as compared to such calls from cellular to cellular or from WLL to WLL phones. Needless to state, there will be further loss of revenue to BSNL which will ultimately and seriously affect the viability of BSNL. The effect of imposition of access charge upon MTNL will, however, be revenue neutral, as has been informed. In view of the financial constraints that the BSNL is already passing through and also keeping in mind the uneconomic activities that the BSNL has been performing at the behest of the Government, the Committee would like DOT to impress upon TRAI to reconsider introduction of imposition of access charge so that the BSNL's viability is not further eroded.

### **Action Taken by Government**

The main reason behind the tariff changes announced by the TRAI is to ensure continued availability and affordability of the services. These tariff need to be rebalance urgently as basic services rentals and some call charges being highly subsidized are much below their costs and the sources from which these subsidies have been traditionally provided have already disappeared and are fast disappearing. Further, the entire Telecom services scenario in the country has undergone a sea change in the recent past and a situation of Government owned operator(s) providing integrated services *i.e.* access, long distance domestic calls and international calls has changed in a situation of a multi operator, a multi service scenario in which each of these services has to stand along and compete with other services on equal terms in the market. While these changes have resulted in immense benefits to most Telecom Users in terms of increasing availability and variety of services, increased choice in respect of service providers and sharply

lowered prices in respect of many services, some changes have also been necessitated in some tariffs which are based on availability of cross subsidies from other services. In a multi operator environment it is important to specify an IUC regime which gives greater certainty to the inter operator settlement and facilitate interconnection agreements. Access Deficit Charge (ADC) payable to the basic service operators is to keep the rental as well as local call affordable. While determining the ADC, various cost items attributable to the different network elements involved in setting up of a call in a multi operator environment has been taken into account with detailed discussions with various stakeholders. However, TRAI has decided to review the IUC regime to address the various issues raised with respect to the IUC and its implementation. TRAI is expected to come out with its decision within a period of 3 months.

#### **Recommendation/Observation**

##### **(Paragraph No. 104)**

The Committee finds that although the effect of reduction of tariff in STD/long distance calls upon MTNL will not have a major impact upon the Company's overall revenues, yet the total revenue loss to BSNL, on this account, will be of the order of about Rs. 500 crore per annum because TRAI has not prescribed any floor price for long distance calls and the private cellular operators, taking advantage of that, have reduced long distance call charges for cellular subscribers from Rs. 9 per minute to Rs. 2.99 per minute. This has forced BSNL to reduce its long distance call charges from Rs. 9 per minute to Rs. 4.80 per minute, for distance beyond 500 Kms., in order to prevent switch over of its long distance traffic to cellular mobile network and hence the loss of revenue to the tune of Rs. 500 crore. Here, the Committee would like to point out that due to the effect of imposition of access charges, the projected annual loss of revenue for BSNL will be around Rs. 1,950 crore and due to reduction in STD/long distance call rates it will lose another Rs. 500 crore per annum. Even if BSNL is able to generate an additional revenue of around Rs. 1,600 crore to Rs. 1,700 crore on account of increase in tariff and rentals of basic telephones (provided its customer base is not eroded), still it will incur an annual revenue loss of around Rs. 250 crore to 350 crore. Needless to mention, it merits urgent attention and reconsideration.

### Action Taken by Government

Even though TRAI has not prescribed any floor price for the Long Distance Call, the tariff prescribed by various service providers including BSNL has been examined before approval to ensure that they are compliant to the 24th Amendment of TTD and also consistent with IUC regulation. In respect of Long Distance Calls for inter-circle the tariff ranges from 0.80 per minute to Rs. 4.80 per minute in the Alternative Tariff Plans. The reduction in tariff is mainly due to competition in the market. TRAI is ensuring that the tariff is cost based and customers have a wide choice to choose a plan, which is most suitable for his requirements.

However, it is noted that the IUC regime has come into effect only on 01.05.2003 and TRAI has decided on its review so as to address the concerns raised by various stakeholders. The review of it will take at least 3 months. On the basis of the above it is too early to comment on the impact of IUC on BSNL/MTNL revenue.

NEW DELHI;  
19 December, 2003  
28 Agrahayana, 1925 (Saka)

SOMNATH CHATTERJEE,  
*Chairman,*  
*Standing Committee on*  
*Information Technology.*



ANNEXURE I

MINUTES OF THE THIRTY-FOURTH SITTING OF THE STANDING  
COMMITTEE ON INFORMATION TECHNOLOGY (2003)

The Committee sat on Friday, 19 December, 2003 from 1500 hours to 1600 hours in Committee Room No. '070', Parliament Library Building, Parliament House, New Delhi

PRESENT

Shri Somnath Chatterjee—*Chairman*

MEMBERS

*Lok Sabha*

2. Shri Pawan Kumar Bansal
3. Prof. Dukha Bhagat
4. Shri Rama Mohan Gadde
5. Shri K.K. Kaliappan
6. Shri A. Krishnaswamy
7. Shri Bhartruhari Mahtab
8. Shri Saroj Tufani
9. Shri K.A. Sangtam
10. Shri Nikhil Kumar Chowdhary
11. Shri Vanlalawma
12. Shri Charanjit Singh
13. Dr. Bikram Sarkar

*Rajya Sabha*

14. Shri Balbir K. Punj
15. Shri Rajeev Shukla

SECRETARIAT

- |                     |   |                                     |
|---------------------|---|-------------------------------------|
| 1. Shri S.K. Sharma | — | <i>Joint Secretary</i>              |
| 2. Shri S.K. Sharma | — | <i>Officer on Special Duty (IT)</i> |
| 3. Shri B.D. Swan   | — | <i>Under Secretary</i>              |



**ANNEXURE II**

(Vide paragraph No. 5 of introduction)

**ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE  
FORTY-SIXTH REPORT (THIRTEENTH LOK SABHA)**

- (i) Recommendations/Observations which have been accepted by the Government:—  
Paragraph Nos:—14, 15, 19, 37, 38, 50, 51, 72, 73, 74, 75, 76, 124, 125, 149, 155, 167, 173, 174 and 184
- Total : 20  
Percentage : 48.7
- (ii) Recommendations/Observations which the Committee does not desire to pursue in view of the reply of the Government:—  
Paragraph Nos:—77, 100, 126, 147, 148, 154, 162, 166 and 179
- Total : 9  
Percentage : 22
- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:  
Paragraph Nos:—32, 33, 49, 87, 88, 127, 128, 159 and 185
- Total : 9  
Percentage : 22
- (iv) Recommendations/Observations in respect of which replies are of interim nature:—  
Paragraph Nos:—93, 97 and 104
- Total : 3  
Percentage : 7.3