

**TENTH REPORT**  
**PUBLIC ACCOUNTS COMMITTEE**  
**(2000-2001)**  
**THIRTEENTH LOK SABHA**  
**UNION GOVERNMENT**  
**APPROPRIATION ACCOUNTS**  
**TELECOMMUNICATION SERVICES**  
**(1996-97)**

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

*[Action Taken on the Second Report of Public Accounts  
Committee (12th Lok Sabha)]*



*Presented to Lok Sabha on 25.08.2000*  
*Laid in Rajya Sabha on 25.08.2000*

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

*August, 2000/Bhadrapada, 1922 (Saka)*

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE  
(2000-2001)

Shri Narayan Datt Tiwari—*Chairman*

MEMBERS

*Lok Sabha*

2. Shri Vijay Goel
3. Dr. Madan Prasad Jaiswal
4. Shri C. Kuppusami
5. Shri M.V.V.S. Murthy
6. Shri S. Murugesan
7. Shri Rupchand Pal
8. Shri Prakash Paranjpe
9. Shri Chandresh Patel
10. Shri Annasaheb M.K. Patil
- \*11. Shri M.O.H. Farook
12. Shri N. Janardhana Reddy
13. Shri Chhatrapal Singh
14. Shri Prabhunath Singh
15. Shri Balram Singh Yadav

*Rajya Sabha*

16. Shri P.N. Siva
17. Dr. Y. Radhakrishna Murty
18. Shri K. Rahman Khan
- \*\*19. Vacant
20. Prof. Ram Gopal Yadav
21. Shri Anantray Devshanker Dave
22. Shri S.R. Bommai

SECRETARIAT

1. Dr. A.K. Pandey — *Additional Secretary*
2. Shri P.D.T. Achary — *Joint Secretary*
3. Shri Devender Singh — *Deputy Secretary*

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\* Elected *w.e.f.* 2 August, 2000 *vice* Shri Rajesh Pilot expired.

\*\* Shri Vayalar Ravi—Ceased to be a Member of Committee consequent upon his retirement from Rajya Sabha on 1 July, 2000.

## INTRODUCTION

I, the Chairman, Public Accounts Committee having been authorised by the Committee, to present the Report on their behalf, do present this Tenth Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their Second Report (12th Lok Sabha) on Union Government Appropriation Accounts—Telecommunication Services (1996-97).

2. The Report was considered, finalised and adopted by the Public Accounts Committee at their sitting held on 22nd August, 2000. Minutes of the sitting form Part-II of the Report.

3. For facility of reference and convenience, the recommendations of the Committee have been printed in thick type in the body of the report and have also been reproduced in a consolidated form in the Appendix to the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

NEW DELHI;  
22 August, 2000  

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31 Shrawana, 1922 (Saka)

NARAYAN DATT TIWARI,  
*Chairman,*  
*Public Accounts Committee.*

## CHAPTER I

### REPORT

This Report of the Committee deals with the action taken by Government on the observations and recommendations of the Public Accounts Committee contained in their Second Report (Twelfth Lok Sabha) on "Union Government Appropriation Accounts—Telecommunication Services (1996-97)". The Report was based on the Union Government Appropriation Accounts — Telecommunication Services (1996-97) and the Audit observations thereon as brought out in Chapter II of the Report of the Comptroller and Auditor General of India for the year ended 31 March, 1997, Union Government (Post and Telecommunications), No. 6 of 1998.

2. The Second Report which was presented to Lok Sabha on 8 December, 1998 contained eight recommendations/observations Action Taken Notes on all these recommendations/observations have been received from the Department of Telecommunications (DoT), Ministry of Communications and these have been broadly categorised as follow:—

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

Sl. No. 1, 2, 3 & 7  
(Paragraph 28, 29, 30 & 34)

- (ii) Recommendations/observations which the Committee do not desire to pursue in view of the replies received from Government:

NIL

- (iii) Recommendations/observations replies to which have not been accepted by the Committee and which require reiteration:

Sl.No. 6  
(Paragraph 33)

- (iv) Recommendations/observations in respect of which Government have furnished interim replies:

Sl. No. 4, 5 & 8  
(Paragraph 31, 32 & 35)

3. The Committee observe that the DoT have accepted and noted for compliance all recommendations of the Committee but the Committee do not find any tangible proof of conclusive action so as to ensure non recurrence of such irregularities. The Committee desire the DoT to expeditiously finalise and ensure conclusive action on all the pending issues focused in the recommendations of the Committee and to submit

the final replies duly vetted by audit within a period of three months from the presentation of the Report.

***Union Government Appropriation Accounts—Telecommunication Services  
(1996-97)***

4. The Department of Telecommunications (DoT) operated Grant No. 14 during the financial year 1996-97. The Committee's examination contained in their 2nd Report (12th Lok Sabha) had revealed that huge unspent balances to the extent of Rs. 849.27 crore had been registered during 1996-97 in the Capital Section of the grant relating to vital infrastructural area of Telecommunication Services because of deficiencies in the contract management on the part of DoT. Large scale savings under the Section of the grant had been a recurring feature atleast from 1994-95 and the Secretary, DoT had conceded that a comprehensive approach would be required to address the issues relating to tender and procurement procedures. The persistent trend of overall savings in the Capital section indicated the undesirable tendency on the part of DoT to overestimate their requirement of funds without giving due consideration to the realities of the situation.

5. The Committee's examination had further revealed that there were large number of cases of substantial variations between the authorised provisions and the actual expenditure incurred under various sub-heads of the Grant No. 14. Instances of huge variations between the sanctioned provision and actual expenditure in large number of sub-heads, complete non-utilisation of funds under certain other sub-heads and expenditure against 'NIL' provision clearly illustrated the casual manner in which the budget estimates were prepared by DoT. The Committee's examination also revealed that the mechanism of obtaining supplementary funds had been used by DoT during 1996-97 in a perfunctory manner without carefully making a proper assessment of the expenditure as was evident from the fact that unnecessary huge supplementary funds of Rs. 474 crore had been obtained under Voted portion of Capital section which finally registered savings of Rs. 849.27 crore and on the other side highly inadequate amount of only Rs. 19 crore had been obtained as supplementary allocations in the Voted portion of the Revenue section where excess expenditure of Rs. 448.07 crore had been incurred.

6. The Committee's examination further disclosed that DoT adopted a casual approach and made erroneous surrender of funds. Although Voted portion of Revenue section had registered an excess expenditure of Rs. 448.07 crore, yet Rs. 11.91 crore was surrendered despite the fact that no savings were available to surrender. On the other hand, less amount was surrendered than the actual savings available in the Capital section. Further, the DoT had resorted to reappropriation of funds in an injudicious manner. Appropriation of funds of Rs. 11.54 crore in 17 cases had remained wholly unutilised and in 10 cases involving reappropriation

of Rs. 116.25 crore, the actual expenditure either exceeded the original provision before such reappropriations or the final expenditure exceeded the reduced provision after reappropriation from them. Thus, it was noticed that the DoT totally failed in keeping vigil over the trend of expenditure *vis-a-vis* sanctioned funds under various heads when reappropriation proposals were considered in the Department.

7. The Committee on examination had found that 12 cases of defalcation or loss of public money involving an amount of Rs. 0.17 crore and 2350 cases of loss of store amounting to Rs. 4.59 crore had occurred in DoT during 1996-97. 2188 cases of loss of store involving Rs. 3.13 crore had occurred due to theft alone. Such cases indicated laxity of control on the part of the departmental authorities in protecting public money. The Committee had also expressed its serious concern over the huge pendency of 8234 audit observations involving Rs. 161.18 crore at the end of June, 1997 for settlement with DoT. The Committee had found that pendency in the outstanding audit observations had increased considerably and some of them could not be cleared even after a lapse of 17 years.

8. On examination of the subject, the Committee had thus found several disquieting aspects as persistent trend of savings in Capital Section, substantial variations between the authorised provision and the actual expenditure, casual approach in budget estimation, obtaining supplementary funds in a perfunctory manner, erroneous surrender of funds, injudicious reappropriation of funds, defalcation or loss of public money and huge pendency of audit observations for a long period. The examination thus revealed not only absence of proper accounting information system in the Department but also the poor budget controlling mechanism in DoT. The Committee therefore, had *inter alia* recommended as under:—

- (i) To look into thoroughly the shortcomings persisting in the contract management and to take appropriate action to ensure timely procurement of items and to deal effectively with the cases of defaults by the suppliers.
- (ii) To undertake comprehensive review of the expenditure estimates prepared under various heads in the capital section of the Grant during preceding three years to rectify and improve the existing system of assessing the requirement of funds on account of capital acquisition.
- (iii) To take sufficient care to make the budgetary projections meaningful and realistic.
- (iv) To impress upon the budget controlling authorities to thoroughly examine their proposal for additional funds in a pragmatic manner and to undertake proper review and scrutiny of their proposals for supplementary funds to ensure that these are restricted only to genuine cases.

- (v) To take appropriate steps to tune the accounting information system on scientific lines to avoid lapses in future.
- (vi) To apprise the Committee of the precise circumstances which led to issuance of injudicious reappropriation orders during the years under review and to evolve an effective mechanism to avoid issuance of injudicious and defective reappropriation orders in future.
- (vii) To take concrete measures to overcome the deficiencies persisting in the system to avoid recurrence of cases of defalcation etc. in future and to make effort to complete the investigations in all cases of defalcation, loss of stores etc. with a limited time frame and to initiate action to make good the loss and to punish the delinquent officials.
- (viii) To issue suitable instructions to the officers for strict compliance in future and report to the Committee within three months the concrete action taken in regard to settlement of audit objections, and to take urgent and effective steps under a specific time-bound programmes to wipe out outstanding audit observations particularly those pending for over one year.

9. The observations/recommendations of the Committee contained in their earlier Report and the Action taken Notes furnished by the Government there have been reproduced appropriately in the subsequent Chapters of this Report.

10. The Committee will now deal with the action taken by the Government on some of the recommendations and observations contained in their Second Report (Twelfth Lok Sabha).

**Delay in undertaking Comprehensive Review  
(Sl. No. 2, Paragraph 29)**

11. The Committee in their Report had noted that the persistent trend of overall savings on the capital section of the grant were indicative of undesirable tendency on the part of DoT to overestimate their requirement of funds without giving due consideration to the realities of the situation. The Committee had therefore suggested the DoT to undertake a comprehensive review of the expenditure estimates prepared under various heads in this section of the grant during preceding three years with a view to rectifying and improving the existing system of assessing the requirement of funds on account of capital acquisition.

12. The Ministry, in their Action Taken Note, have stated that the Committee's suggestion for a comprehensive review has been noted. The Ministry further intimated that a review of the sanctioned grant and actual expenditure under the scheme BB4—Long Distance Transmission against which substantial savings occurred during the last 5 years had



already been undertaken and the original provision under this scheme had been scaled down by Rs. 1002 crore at RE 98-99 stage as Rs. 1600 crore.

13. The Committee note that the reply furnished by the Ministry is discreetly silent as to the steps initiated for undertaking the comprehensive review recommended by the Committee. In the absence of any schedule drawn, mechanism devised or modalities framed for implementing their recommendation to undertake a comprehensive review, the Committee are constrained to observe that the Ministry do not appear to be serious to ensure realistic assessment of the requirement of funds. The Committee therefore, reiterate the need for undertaking the comprehensive review expeditiously with a view to avoiding unwarranted savings.

**Substantial variation between the authorised provisions and the actual expenditure**

(Sl. No. 3, Para 30)

14. In their Report, the Committee had found that there were as many as 41 sub-heads where the variation between the sanctioned provision and the actual expenditure had exceeded over Rs. 10 crore in each case in both the Capital and Revenue sections of the Grant. The Committee had observed that instances of excess expenditure of Rs. 374.54 crores under a single Head, non-utilisation of entire sanctioned provisions under four sub-heads, incurring of expenditure against "NIL" provisions were clearly indicative of the casual manner in which the budget estimates were prepared by DoT. Concluding that the process of preparation of budget estimates in DoT was shorn of critical and careful examination of the ground realities, the Committee expressed their hope that DoT would draw suitable lessons from their past experience and take sufficient care to make the budgetary projections meaningful and realistic.

15. In their Action Taken Note, the Ministry stated that the reasons for the excess expenditure under the scheme BB2—Local Telephone System was due to the provision of more DELs over and above the target. The decision to open a separate minor head of account BB4(10) to accommodate the expenditure on account of VPTs under the sub-major head BB-4 L.D. Transmission system was taken in July 96 after the approval of the DFB for 1996-97. The Ministry further stated that the Committee's instructions for taking sufficient care to make the budgetary projections meaningful and realistic was noted and instructions were already issued to the field units.

16. The Committee observe that the Ministry have not come forward with any well conceived proposal which could deal with the various aspects of the malaise of faulty budgetary estimation and suggest the measures to remedy them. Mere issuance of Instructions in a routine manner is no solution to the vexed problem of faulty budgetary projections. The Committee are of strong opinion that the Ministry have to make sincere efforts to find the exact reasons responsible for the unrealistic budgetary assumptions year after year and before devising definite yardsticks to be adhered to

scrupulously by all the units involved in the budget preparation exercise for making accurate budgetary projections which would substantially reduce, if not eliminate altogether, the variations between the sanctioned and actual provisions.

#### **Erroneous surrender of funds**

(Sl. No. 5, Para 32)

17. The Committee in their Report had discovered an unusual phenomenon of surrendering Rs. 11.91 crore from voted portion of Revenue section of the grant on the last day of the financial year when it had actually registered an excess expenditure of Rs. 448.07 crore and thus no savings were available for surrender. In the Capital section of the grant where final savings of Rs. 849.27 crore were available, only Rs. 600 crore were surrendered. While taking a serious view of absence of proper accounting information system and the casualness displayed by DoT in making erroneous surrender of funds, the Committee had desired that the DoT should take appropriate steps to tone up their accounting information system on scientific lines to avoid such lapses in future.

18. In their Action Taken Notes, the Ministry stated that surrender of funds were made during March based on the actuals upto January and the anticipated expenditure during February and March. Sometimes the actuals varied from the anticipated expenditure under Revenue section, the surrender was under Plan while the excess under Non-plan was mainly due to appropriation of more surplus to reserve funds (due to more revenue receipts and less working expenses) which was an accounting adjustment. Under Capital section, the savings were more than anticipated due to non-utilisation of final allotments by some field Units. The Ministry further stated that observations of the Committee were, however, noted and in future, more realistic assessment would be made while working out the surrenders and also all the Field Units had been instructed to frame the estimates more accurately.

19. The Committee observe that the Ministry have noted the recommendation of the Committee with the assurance that in future, more realistic assessment would be made while framing the estimates and working out of surrender of surplus funds. The Committee hope and trust that now at least the DoT would take immediate steps to tone up their accounting information system on scientific lines to avoid recurrence of lapses like erroneous surrender of funds.

#### **Injudicious Reappropriation**

(Sl. No. 6, Para 33)

20. In their Report, the Committee had observed that reappropriation of funds aggregating Rs. 11.54 crore in 17 cases was uncalled for as the amount so transferred had remained wholly unutilised. In 10 cases, the amount of Rs. 116.25 crore reappropriated from sub-heads was injudicious as the actual expenditure either exceeded the original provision before

such reappropriation or the final expenditure exceeded the reduced provision after reappropriation from them. All these instances indicated abysmal failure of DoT in keeping the vigil over the trend of expenditure *vis-a-vis* sanctioned funds under various heads. While considering the situation highly unsatisfactory, the Committee had desired that DoT should apprise the Committee of the precise circumstances which led to issuance of injudicious reappropriation orders during the years under review. The Committee also recommended to DoT to evolve an effective mechanism to avoid in the future the issuance of injudicious and defective reappropriation orders.

21. In their Action Taken Notes, the Ministry stated that Reappropriation made during March 1997 based on the actuals upto January 1997 and anticipated expenditure during February and March 1997 did not match the actual expenditure during the last two months. They further mentioned that the observations of the Committee had been noted and all the Field Units had suitably been instructed to frame the estimates more realistically to avoid unnecessary reappropriations.

22. The Committee are shocked to note that the Ministry have not furnished the information as to the precise circumstances under which injudicious reappropriation orders were issued. What has caused further concern to the Committee is the fact that the Ministry have not made any attempts to evolve an effective mechanism to avoid injudicious and defective reappropriation in future. While deprecating the undesirable tendency on the part of the concerned officials in DoT, the Committee reiterate their earlier recommendation and desire the DoT to not only evolve effective mechanism to avoid injudicious reappropriation but also to identify the officials responsible for injudicious reappropriation followed by appropriate action against them. The Committee would like to know the concrete action taken in this regard within a period of three months.

## **CHAPTER II**

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

#### **Recommendations**

The Committee are distressed to note that savings of a whopping amount of Rs. 849.27 crore had occurred during 1996-97 in the Capital section of the grant relating to vital infrastructural area of Telecommunication Services. Astonishingly, the reasons for these large scale savings were attributed mainly to less receipt of apparatus and plant and cables. During evidence, the representative of DoT informed that a large part of these savings was due to either cancellation of tenders because the suppliers did not offer equipment matching to the departmental specifications or the failure of the suppliers in effecting supplies of requisite equipments. In the opinion of the Committee, these factors contributing towards such large scale savings in 1996-97 were not such as could have cropped up suddenly. They are rather of the strong view that huge unspent balances on this count in a large number of sub-heads are clearly indicative of the deficiencies in the contract management on the part of DoT in ensuring that the various suppliers not only met the departmental specifications already known to them but also affected timely delivery of stores. This view of the Committee is further reinforced by the deposition of the Secretary, DoT who conceded that a comprehensive approach would be required to address the issues relating to tender and procurement procedures. The Committee consider this situation as unfortunate particularly because large scale savings under this section of the grant had been a recurring feature atleast from 1994-95. The Committee therefore, recommend that the shortcomings persisting in the contract management be looked into thoroughly and appropriate action taken not only to ensure timely procurement of items but also to deal effectively with cases of defaults by the suppliers. The Committee would like to be apprised of the precise steps taken in right direction.

[Sl. No. 28 of IInd Report of P.A.C. (12th Lok Sabha)]

### **Action Taken**

The ATN in respect of the Committee's recommendations is as follows:

1. As part of our rationalisation process related to procurement, the process of decentralisation was initiated in 1998-99 on a small scale with 20 items decentralised which were earlier centrally procured. The scope of this exercise has been expanded and 56 items now stand decentralised for the year 1999-2000 (copy enclosed in Annexure I). This policy will enable the Circles who are also the users, to match their requirement and the procurement both in terms of quantities and time.

There was no decentralised procurement order during 1996-97. However, the list of items decentralised during 1997-98 & 1998-99 is enclosed herewith. The guidelines for procurement have already been indicated in the order itself. The financial powers delegated to Heads of Circles are also enclosed (Annex. 2 to 18).

2. A Vendor Rating system has been introduced to give due weightage to the delivery performance as well as quality alongwith the price. In this system, 60% weightage is given to price, 30% to the delivery performance and 10% to the quality of the product. This system was introduced in 1996-97 and has been gradually expanded to cover more products. This system discourages non-performance by the suppliers, by objectively assigning due weightages in the evaluation process. The details of the systems are furnished in Annexure-19.

3. Guidelines have been issued to ensure that supply by the vendors does not remain an open-ended exercise and there is proper monitoring of cases of default. In addition, performance Bank Guarantees have been encashed in a number of cases of default. In this regard guidelines for the procurement have been given to the Telecom Circles by this office's order dated 04.01.99. DP extension has also been streamlined by DoT, and the same is enclosed herewith (Annex. 18 to 20).

4. Advance planning for procurement is now being done rigorously and a procurement calendar is prepared to ensure that timely action are taken for procurement.

5. Keeping in view that procurement is a multidisciplinary activity, time schedules for all the activities involved have been formalised and issued in November, 1997 (Copy enclosed)

6. A Focus Action Group in TCHQ has been formed under the Chairmanship of Advisor (P) to continuously interact with the officers concerned and improve the system procedures as and when required.

7. It is mentioned in the order of 04.01.99 that 30% of the tendered quantity shall be reserved for M/s ITI. If there are both M/s ITI and M/s HTL, 35% of the tendered quantity shall be reserved and the quantity will be distributed in the ratio 20:15 respectively [refer para (k) of guideline Mark "A"]. In the case of 40M Narrow Base Tower, decision was taken to reserve 30% of the requirement to Telecom. Factories. On the same lines reservation is being provided in other cases. (Annex. 18 & 21)

8. The details of financial powers and norms in respect of decentralized procurement are enclosed. (Annex. 10 to 16 & 18)

9. Effect of Decentralisation of Store Items of CGMTS, Calcutta:

Since decentralization orders are upto 1999-2000 only and these are to be reviewed by October, 99 for next and subsequent years as per the orders issued *vide* No. 115—143/98—MMD dated 04.01.99, the overall implications of the effect of decentralization shall be known only after review of the above decentralised orders. (Annex. 18 & 22)

However, it is stated that till the issue of decentralization is finalised o/o CGMTS, Calcutta shall continue to process various works which are already being done hitherto and not covered by decentralization orders. In addition to above, centralized procurement of materials for remote circles viz. Assam, A&N NE & J&K is to be done by CGMTS, Calcutta in pursuance of recent decision of Telecom. Commission issued *vide* letter No. 115—162/99-MMD dated 10.6.99 (copy enclosed Annex-23)

This has the approval of Advisor (P).

This has been vetted by the Additional Deputy Comptroller & Auditor General (P&T), Delhi-54 *vide* their U.O. No. RR.III/A.PP.A/Cs/1(b)/100/96-97/401 dated 12.8.99.

F.No.:— 40—1/99—MMC

## ANNEXURE

### LIST OF DECENTRALISED ITEMS FOR

1998-99		1999-2000	
S. No.	Item	S. No.	Item
	Dropwire	1.	Sole plates B & C
	LJU	2.	Anchor
	Power Plant, 25 A	3.	SSNP
	Batteries, 200 AH	4.	Caps with Spike
	15 m Mast	5.	4 Wire brackets
6.	Poles	6.	Stay Shackle and Rod
7.	Sockets	7.	Stay attachment
8.	Saddles	8.	Tie
9.	Stalk	9.	Strut
10.	Insulator	10.	Jointing Kits
11.	U Back	11.	Connectors
12.	SFMSS	12.	Lowers of all types
13.	Formatted trml., con.	13.	Support Bracket
14.	EKBC & EKBs	14.	DP Box of all types
15.	Fax Machine	15.	CT Box of all types
16.	Electronic TPs	16.	Jumper wire
17.	EMT terminals	17.	PVC twin wire
18.	Upgradation kits	18.	GI wire bare
19.	ADPCM	19.	GI wire Insulated
20.	O 4 DPG systems	20.	1 KVA inverter
		21.	PDH Mux equipment
		22.	Internet equipment
		23.	DDFs
		24.	Netw. Synch. Equipment
		25.	C-DOT CCS 7 cards
		26.	Line cards all types
		27.	ISDN testers
		28.	EPBTs
		29.	Boss-Sec. Instt.
		30.	CBT 95
		31.	256 P exchanges
		32.	8 Mbps optimux
		33.	OD Cabinets
		34.	Rigid PVC pipe
		35.	5 Pair Cable
		36.	6 Fibre optical fibre cable

Government of India  
Ministry of Communications  
Department of Telecommunications  
Sanchar Bhawan, 20 Ashoka Road  
New Delhi 110001

No. 51-5/96-MMC

Dated: 6.11.97

**DECENTRALISATION OF PURCHASE**

Case for decentralisation of procurement has been under consideration for quite some time by Telecom Commission. It has now been decided to authorise CGMs to procure the following items on centralised basis:

- (i) Drop Wire alongwith its accessories etc.
- (ii) Line Jack Units
- (iii) Power Plant of small size upto 25A
- (iv) Batteries of small size upto 200 AH
- (v) 15 M masts

A. The following guidelines shall be followed by the Circles and CGM(TS) for the procurement of these items:

- (a) These items may be removed from the list of stocked items by cancellation of rate list numbers. This may done by CGM(TS).
- (b) CGMs shall procure these items by inviting Tenders and observing prescribed procedure.
- (c) While deciding Tendered quantity, the actual production of these items by Telecom Factories and DoT's own PSUs shall have to be taken into account. The detailed instructions in this regard shall be issued by MM Branch/CGMTS separately. However, in case of Line jack unit there is sufficient production capacity available with the Telecom Factories and the DoT's PSUs. Telecom Circles shall procure this item from these units only. Rates for procurement from the PSUs shall be fixed by DoT Headquarters.
- (d) All purchases are to be made from sources having valid type approval and after having been Inspected/tested by 'QA' Wing.
- (e) For the decentralised items rates as obtained/finalised during last 3—5 years shall be conveyed to Telecom Circles by the concerned



units of DoT HQ in order to enable the Telecom Circles to assess the reasonableness of the rates emerging in their tender.

- (f) Telecom Circles shall resort to decentralised procurement of these items only for the quantities required during 1998-99.
- (g) For 1997-98, the decentralised procurement of these items shall be authorised by DoT on case to case basis where ever called for. This is because procurement action for the requirements of this year has already been completed in respect of most of the items.

**B. Financial Instructions with respect to decentralised items are reiterated again for convenience:**

- (a) Tendering and procurement has to be carried out by the CGMs of the respective Telecom Circles. Before floating of tender the requirement of the equipment with regard to project estimates and availability of funds shall be ensured with the concurrence of IFAs.
- (b) Tender document/conditions shall be vetted by IFAs.
- (c) Procurement proposal shall be decided in concurrence IFAs and it is specifically pointed out that mere consultation with IFA shall not be sufficient.
- (d) CGMs shall ensure to strengthen their inventory management system before resorting to decentralised purchase of their items.
- (e) Decentralised procurements are not to be delegated to the lower formations.
- (f) The procurement/ordering for listed decentralised items shall be done only for the yearly requirement within their financial powers and budget allocation.
- (g) No ordering shall be done merely on the basis of prices appearing in other Purchase Orders either issued by DoT or any other Units.

Case for delegation of enhanced financial powers to CGMs for procurement of these decentralised items is also being examined in DoT HQ and intimation to this effect shall following shortly from DDG (NW & WS).

The above decentralised purchase decision has been taken by the Telecom Commission on an experimental basis. Telecom Circles shall have to exercise almost discipline in their procurement to ensure that there is no unnecessary piling up of inventory.

Sd/-  
(O.P. JAIN)  
Asstt. Director General (CE)

Copy to:

1. All Heads of Telecom Circles.
2. CGM (TS), 3 A, Chowrangi Place, Calcutta.
3. All IFAs O/o all Heads of Telecom Circles.
4. All CGMs of Telecom Districts.
5. All IFAs, O/o All CGMs of Telecom. Districts.
6. CGM. T&D Circle, Jabalpur.
7. CGMs ALTTC Ghaziabad/TTC Jabalpur/Task Force Guwahati
8. All CGMs Telecom Projects.
9. All CGMs Maintenance Regions.
10. All IFAs O/o CGMs Telecom. Projects.
11. All IFAs O/o CGMs Maintenance Regions
12. Sr. DDG (PF)/DD G (P)/(MM-I)/(MM-II)/(SW)/(TX)/(RN)  
(MS)-DOT HQ, New Delhi.
13. Directors—(FA-III)/(FA-V)/(MMC)/(MMD)/(MMS)/(L)/  
(SW)/(MSS)/(RDTF)/(PD)/(TF)-DOT HQ, New Delhi
14. CMD, MTNL, New Delhi
15. CGMs, MTNL, New Delhi/Mumbai
16. IFAs O/o CGMs. MTNL, New Delhi/Mumbai
17. All CAOs O/o All CGMs.
18. AD G-(IT)/(CE)/(CT)/(MT)/(SL)/(XT)/(L)/  
(MMX)/(MMY)/MST-DOT HQ, New Delhi
19. Spare(10)

Government of India  
Ministry of Communications  
Department of Telecommunications  
Sanchar Bhawan, 20 Ashoka Road  
New Delhi-110001

No. 51-5/96-MMC

Dated 13.11.97

DECENTRALISATION OF PURCHASE

In continuation to this office detailed guidelines issued *vide* even No. dated 6.11.97, following Six items at present being procured by the Telecom Circles through CGM(TS) are further decided to be procured on decentralised basis:

1. Poles
2. Sockets
3. Saddle
4. Stalk
5. Insulator
6. U-Back

Procurement on decentralised basis for the above items shall also be made by the Telecom Circles strictly under the same terms and conditions as envisaged in the guidelines of 6th Nov., 1997.

Sd/-  
(O.P. Jain)  
Asstt. Director General (CE)

Copy to:

1. All Heads of Telecom Circles.
2. CGM (TS), 3 A, Chowrangi Place, Calcutta.
3. All IFAs, O/o all Heads of Telecom Circles.
4. All CGMs of Telecom Districts.
5. All IFAs, O/o All CGMs of Telecom. Districts.
6. CGM. T&D Circle, Jabalpur.
7. CGMs ALTTC Ghaziabad/TTC Jabalpur/Task Force Guwahati
8. All CGMs, Telecom Projects—New Delhi/Bombay/Calcutta/Chennai
9. All CGMs, Maintenance Regions—New Delhi/Bombay/Calcutta/Chennai
10. All IFAs, O/o CGMs Telecom. Projects.ND./BY/CAL./CH.
11. All IFAs, O/o CGMs Maintenance Regions ND./BY/CAL./CH.
12. Sr. DDG (PF)/DDG (P)/(MM-I)/(MM-II)/(SW)/(TX)/(RN)/(MS)-DoT HQ, New Delhi.

13. Directors—(FA-III)/(FA-V)/(MMC)/(MMD)/(MMS)/(L)/(SW)/(MSS)/(RDTF)/(PD)/(TF)-DoT IIQ, New Delhi
14. CMD, MTNL, New Delhi
15. CGMs, MTNL—New Delhi/Mumbai
16. IFAs O/o CGMs. MTNL-New Delhi/Mumbai
17. All CAOs, O/o All CGMs.
18. AD G-(IT)/(CE)/(CT)/(MT)/(SL)/(XT)/(L)/(MMX)/(MMY)/(MST-I)-DoT HQ, New Delhi
19. Spare(10)

**ANNEXURE IV**

Government of India  
Ministry of Communications  
Department of Telecommunications  
Sanchar Bhawan, 20 Ashoka Road  
New Delhi-110 001

No. 115-143/97-MMD

Dated 5.12.97

**DECENTRALISATION OF PURCHASE**

In continuation of this office letter No. 51-5/96 MMC dated 6.11.97 followed by even No. dated 13.11.97, following item is further decided to be procured on decentralised basis for 1997-98 requirements only.

Item: (0+4) Digital Pair Gain System

A. Guidelines/terms and condition as stated below shall however be followed for procurement of this item on decentralised basis:—

- a1. CGMs will assess the requirement of their Circles with the concurrence of their IFAs, keeping in view the stock in hand of such devices, availability of these devices due to their being rendered spare on account of area subsequently being technical feasible.
- a2. Impact of this and other such type of devices on requirement of cable will also be assessed for projecting the requirement of cable in subsequent years.
- a3. The item will be procured by the CGMs by inviting Tenders and observing prescribed procedure.
- a4. All purchases will be made from the sources having valid type approval.
- a5. Inspection/Testing by 'QA' wing is a must before the item is accepted by the CGMs against the Purchase Orders.
- a6. Procurement rates of last 2 years are indicated below:

1996-97	1997-98
Rs. 23,599.20	Rs. 21,446.95

These Unit rates are firm and inclusive of all taxes/duties and etc. and f.o.r. destination.

- a7. Procurement will be made as per latest specification only.
- a8. Quantity for procurement will be restricted to maximum 2% of the net DELs to be added in the net work during the year. The quantity

2% of DELs reflects the No. of connections to be served by such systems e.g. If one lakh DELs are to be provided then the maximum connections which can be given on all types of Pair Gain Systems shall be restricted to 2000 lines.

- a9. A statement about the total No. of the systems procured, put to use and closing balance may please be sent in April 98.

B. Financial instructions with respect to decentralised items are reiterated again for convenience:—

- b1. Tendering and procurement has to be carried out by the CGMs of the respective Telecom Circles. Before floating of tender the requirement of the equipment with regard to project estimates and availability of funds shall be ensured with the concurrence of IFAs.
- b2. Tender document/conditions shall be vetted by IFAs.
- b3. Procurement proposal shall be decided with the concurrence of IFAs and it is specifically pointed out that mere consultation with IFA shall not be sufficient.
- b4. CGMs shall ensure to strengthen their inventory management system before resorting to decentralised purchase of these items.
- b5. Decentralised procurements are not to be delegated to the lower formations.
- b6. The procurement/ordering for listed decentralised items shall be done only for the yearly requirement within their financial powers and budget allocations.

The above decentralised purchase decision has been taken by the Telecom Commission on an experimental basis. Telecom Circles shall have to exercise utmost discipline in their procurement to ensure that there is no unnecessary piling up of inventory.

Sd/-

(O.P. JAIN)

Asstt. Director General (CE)

Copy to:

- 1. All heads of Telecom Circles
- 2. All IFAs, O/o all Heads of Telecom Circles
- 3. All CGMs of Telecom Districts.
- 4. All IFAs, O/o All CGMs of Telecom Districts
- 5. CGM T&D Circle, Jabalpur

6. CGMs ALTTC Ghaziabad/ TTC Jabalpur/Task Force, Guwahati.
7. Sr. DDG(PF) /DDG(P) /(MM-I) (MM-II) / (MS)-DoT HQ, New Delhi
8. Directors- (FA-III)/(FA-V) /(MMC) /(MMD) /(MSS)/ (PD)-DoT HQ, New Delhi
9. CMD, MTNL, New Delhi
10. CGMs MTNL : New Delhi/Mumbai
11. IAFs/o CGMs, MTNL New Delhi/Mumbai
12. All CAOs, O/o all CGMs
13. ADG(IT)/(CE)/(CT)/ (MT) / (MMX) / (MMY) / (MST-I) DoT HQ, New Delhi
14. Spare (10)

**ANNEXURE V**

Government of India  
Department of Telecommunications  
Sanchar Bhawan, New Delhi-110 001

No. 60-17/97-MMS/HO

Dated: 3.3.98

To

- (1) All Heads of Telecom Circles
- (2) All Heads of Telecom Projects & Maintenance

**SUBJECT: *Decentralisation of Purchase***

Kindly refer to this office letter No. 51-5/96-MMC dated 6.11.97 & 13.11.97 wherein it was decided to authorise CGMs to procure the following items on decentralised basis from 1998-99:—

- (i) Drop Wire alongwith its accessories etc.
- (ii) Line Jack Units
- (iii) Power plant of small size upto 25A
- (iv) Batteries of small size upto 200 AH
- (v) 15M Masts
- (vi) Poles
- (vii) Sockets
- (viii) Saddle
- (ix) Stalk
- (x) Insulator
- (xi) U-Back

It was also emphasized that the procurement of above items shall be made by Telecom Circles strictly under the terms and conditions as envisaged in the guidelines issued *vide* letter No. 51-5/96-MMC dated 6.11.97.



Before finalising the tender for procurement of above items, the reasonability of the rates may be ensured in conformity with the instruction contained in Para A(e) of the letter No. 51-5/96-MMC dated 6.11.97.

Sd/-  
(V.P. SAIGAL)  
Asstt. Dir. General (SL)

Copy to:

Chief GM Telecom. Stores, Calcutta for information. He is requested to convey the finalised rates during last 3 to 5 years for each of the above mentioned items proposed for decentralisation to all the Telecom. Circles/ concerned units to enable them in assessing the reasonableness of the rates emerging in their tender. The copy may also be sent to this office for record.

Sd/-  
Asstt. Dir. General (SL)

**ANNEXURE VI**

**Government of India  
Ministry of Communications  
Department of Telecommunications  
Sanchar Bhawan, 20 Ashoka Road  
New Delhi-110 001**

**No. 115-143/97-MMD**

**Dated: 19.3.98**

**SUBJECT : *Decentralisation of Equipments used in the Telegraph Network.***

It has been decided by Telecom Commission to authorise CGMs to procure the following Equipments on decentralised basis:

- (i) Store and forward Message Switching Systems—128 lines, 64 lines,  
32 lines, 16 lines;
- (ii) Formatted Terminal Concentrators & Formatted Terminals;
- (iii) Electronic Key Board Concentrators and Electronic Key Board;
- (iv) Fax Machines;
- (v) Electronic Teleprinters;
- (vi) Express Money Transfer Terminals & Accounting Systems.

2. The following guidelines shall be followed by the Circles for procurement of these items:

- (a) 30% of total requirement may be reserved for ordering on M/s HTL at the rates to be finalised on the basis of Tender. This is in respect of items which are being manufactured by M/s HTL.
- (b) The Electronic Teleprinters, are not to be inducted further as per the decision of Telecom Commission and hence are not to be procured. If at all required, these shall be procured from M/s HTL only.
- (c) CGMs shall procure these items by inviting tenders and observing prescribed procedure.
- (d) All purchases are to be made from sources having valid type approval conforming to latest specification prescribed by TEC/DoT and after having inspected/tested by QA Wing.
- (e) Procurement will be as per the latest specification only.

3. Financial instructions with respect to decentralised items are reiterated again for compliance.

- (a) Tendering and procurement has to be carried out by the CGMs of the respective Telecom Circles. Before floating of tender the requirement of the equipment with regard to project estimates and availability of funds shall be ensured with the concurrence of IFAs of the Circle.
- (b) Tender document/conditions shall be vetted by IFAs.
- (c) Procurement proposal shall be decided in concurrence of IFAs and it is specifically pointed out that mere consultation with IFA shall not be sufficient.
- (d) CGMs shall ensure to strengthen their inventory management system before resorting to decentralised purchase of these items.
- (e) Decentralised procurements are not to be delegated to the lower formations.
- (f) The procurement/ordering for the listed decentralised items shall be done only for the yearly requirement within their financial powers and budget allocation.
- (g) No ordering shall be done merely on the basis of prices appearing in other Purchase Orders either issued by DoT HQ or any other Unit.

4. Case for delegation of enhanced financial powers to CGMs for procurement of these decentralised items is also being examined in DoT HQ and intimation to this effect shall follow shortly from DDG (NW & WS).

5. The above decentralised purchase decision has been taken by the Telecom Commission. Telecom Circles shall have to exercise utmost discipline in their procurement to ensure that there is no unnecessary piling up of inventory.

6. Any technical clarification/specification may be had from TS branch of DoT HQ.

Sd/-  
(O.P. JAIN)  
Asstt. Director General (CE)

**ANNEXURE VII**

Government of India  
Department of Telecommunications  
Sanchar Bhawan, 20 Ashoka Road,  
New Delhi-110 001.

File No.: 51-5/96 413 MMC/413

Dated: 10.5.99

To

CGM Telecom (Projects) New Delhi/Calcutta/Bombay/Chennai/Task Force, Guwahati.

CGMT A.P. Telecom Circle, Hyderabad/A&N Telecom Circle, Port Blair/Assam Telecom Circle, Guwahati/Bihar Telecom Circle, Patna/Gujarat Telecom Circle, Ahmedabad/Haryana Telecom Circle, Ambala/H.P. Telecom Circle, Shimla/J&K Telecom Circle, Jammu/Kerala Telecom Circle, Trivandrum/Karnataka Telecom Circle, Bangalore/Madhya Pradesh Telecom Circle, Bhopal/Maharashtra Telecom Circle, Mumbai/N.E. Telecom Circle, Shillong/Orissa Telecom Circle, Bhubaneswar/Punjab Telecom Circle, Ambala/Rajasthan Telecom Circle, Jaipur/Tamil Nadu Telecom Circle, Chennai/Uttar Pradesh (E) Telecom Circle, Lucknow/Uttar Pradesh (W) Telecom Circle, Dehradun/West Bengal Telecom Circle, Calcutta/Calcutta Telephones, Calcutta/Chennai Telephones, Chennai.

**SUBJECT: *Decentralisation of Procurement of 6F Optical Fibre Cable (Unarmoured)***

In continuation to this office letter No. 51-5/96 MMC/178 dated 18.2.99, it has been decided to decentralise the procurement of additional 5000 Kms 6F of Cable (unarmoured) over the quantity intimated *vide* this office letter No. 18.2.99. The existing/additional circle allotment is indicated in annexure "A" (enclosed) for the year 1999-2000.

(ii) The procurement shall be done as per the guidelines communicated by this office letter No. 115-143.97 MMD dated 4.1.99.

(iii) The circles which have already opened tender for 6F OFC on the basis of this office letter No. 51-5/96 MMC/178 dated 18.2.99 and are in the process of finalisation of the tender, should float fresh tender for additional quantity indicated in the Annexure "A" (enclosed).

Encl:—a.a

Sd/-  
(P.K. GOSWAMI)  
Asstt. Director General (CT)

Copy for information to:

- (i) Chairman (TC)
- (ii) All Members, Telecom Commission
- (iii) All Advisors, Telecom Commission

Copy for information and n/a to:

- (i) Sr. DDG(TX)/TEC
- (ii) DDG (MM-I) DDG (MM-II)
- (iii) In file No. 115-143/MMD
- (iv) In file No. 80-7/98.

Sd/-  
(VINOD KUMAR)  
Asstt. Director (CT-I)

**ANNEXURE "A" TO ANNEXURE VII**

**ALLOTMENT OF UNARMoured CABLE  
FOR THE YEAR 1999-2000**

Sl. No.	Project Circle	Existing Allotment (Km.)	Additional allotment of unarmoured of Cable in lieu of Armoured of Cable (Km.)	Total Allotment of Cable (Km.)
1.	ETP	0	0	0
2.	NTP	200	0	200
3.	STP	0	0	0
4.	WTP	48	0	48
5.	NETF	350	150	500
6.	AP	1810	1400	3210
7.	A&N	10	0	10
8.	AS	0	0	0
9.	BR	0	0	0
10.	CTD	0	0	0
11.	CHNI-TD	100	0	100
12.	GUJ	0	0	0
13.	HR	450	450	900
14.	HP	270	200	470
15.	J&K	150	100	250
16.	KTK	550	450	1000
17.	KRL	91	0	91
18.	MP	50	50	100
19.	MH	0	0	0
20.	NE	0	0	0
21.	OR	271	200	471
22.	PB	350	250	600
23.	RAJ	1200	900	2100
24.	TN	550	450	1000
25.	UP(E)	250	150	400
26.	UP(W)	150	150	300
27.	WB	150	100	250
<b>Total</b>		<b>7000</b>	<b>5000</b>	<b>12000</b>

3086LS F-3-R

## Copy to:

1. All Heads of Telecom Circles.
2. All IFAs O/o all Heads of Telecom Circles.
3. All CGMs of Telecom Districts.
4. All IFAs, O/o All CGMs of Telecom Districts.
5. CGM T&D Circle, Jabalpur.
6. CGMs ALTTC Ghaziabad/TTC Jabalpur/Task Force Guwahati.
7. All CGMS Telecom Projects.
8. All CGMs Maintenance Projects.
9. All IFAs, O/o CGMs Telecom Projects.
10. All IFAs. O/o. CGMs Maintenance Regions.
11. Sr. DDG(PF)/DDG(P)/(MM-I)/SW/(TS)/(NW & WS) DoT HQ., New Delhi.
12. Directors-(FA-III)/(FA-V)/(MMC)/(MMD)/(TSP)/(SW)/(PD)-DoT HQ, New Delhi.
13. CMD, MTNL, New Delhi.
14. CGMs MTNL, New Delhi/Mumbai.
15. IFAs O/o CGMs, MTNL, New Delhi/Mumbai.
16. All CAOs O/o. all CGMs
17. ADG-(SL)/(CE)/(CT)/(MT)/(MMX)/(MMY)/(TSP) DoT HQ. New Delhi.
18. Spare (10).

**ANNEXURE VIII**

Government of India  
Department of Telecommunications  
Sanchar Bhavan, 20, Ashoka Road,  
New Delhi-110001.

No. 33-17/95-MMC/Vol.-II

Dated: 28.05.98

To,  
All CGMs of Telecom Circles  
Concerned.

**SUBJECT:—*Decentralised procurement of ADPCM Transcoders & Associated Accessories on one time basis.***

1. In order to meet the urgent requirement of ADPCM Transcoders & Associated Accessories, it has been decided by Telecom Commission to authorize certain Telecom Circles to procure their allotted quantity as shown in Annexure "A" on decentralised basis as per instruction given below:—

- (i) The procurement shall be done by the respective circles by floating tender from the type approved vendors of DoT Spec.
- (ii) The quantity will be limited to the number of ADPCM Transcoders & Associated Accessories indicated in Annexure "A". The procurement shall be made for the barest minimum quantity to meet the current requirement.
- (iii) The procurement shall be done with the appropriate Financial Concurrence of the IFA of the Circles and by observing the financial formalities. However, this will be one time delegation of financial power for the specific purpose of procurement of ADPCM Transcoders & Associated Accessories.
- (iv) The procurement shall be made under the powers delegated to the Heads of the circles concerned. These powers shall not be further delegated down to subordinate officers.
- (v) The supplies shall be accepted only after the product under consideration has been got approved by the supplier and the same has been got accepted and tested by QA.
- (vi) If requirement comes down by the time of ordering, circles will order less quantities and will incorporate such clause in their tender to avoid excess procurement subject to all other conditions specified time to time on decentralisation by DoT.



2. In order to facilitate the decentralised procurement and to assess the reasonability of the prices the followings are enclosed:—

- (i) Copy of Tender No. 11—37/95-MMT(L) Opened on 3.8.95 (Annexure B)
- (ii) Details of Rates approved by Telecom Commission against the above tender (Annexure C)
- (iii) Specimen copy of PO issued against above tender. (Annexure D)
- (iv) List of suppliers who have already been placed orders against above tender. (Annexure E)

Sd/-  
(S. NAYAK)  
Asstt. Director General (MT)

Copy forwarded for information and necessary action to:

- 1. DDG (PF)/DDG (MM-I)/DDG (TX) DoT, New Delhi.
- 2. DDG (T), TEC Khurshid Lal Bhawan, New Delhi.
- 3. CGMT (QA) Bangalore.
- 4. CGM T&D Circle, Jabalpur.
- 5. CGM Telecom Project New Delhi/Bombay/Madras/Calcutta/TF Guwahati.
- 6. CGM Telecom Circle—of Haryana, Ambala/Gujarat, Ahmedabad/Kerala, Trivandrum/Karnataka, Bangalore/Maharashtra, Mumbai/MP Bhopal/Rajasthan, Jaipur/TN, Chennai/Pune, Distt. Pune/Calcutta Tele. Distt./Coimbatore Telecom Distt./ETR, Calcutta/WTR, Mumbai.
- 7. Dir (MMC)/Dir, (L)/Dir (FA-III), DoT, New Delhi.
- 8. ADG (MT)/ADG (L)/AD (CT-II) DoT, New Delhi.
- 9. Audit Officer, (P&T), 1210, Sanchar Bhawan, New Delhi.
- 10. A.O. (MMD), DoT, New Delhi.

Sd/-  
(B. SHANKAR)  
Assistant Director (CT-II)  
Ph.: 3032756

**ANNEXURE A****REQUIREMENT OF TRANSCODERS (AD-PCH)**

Circle	Requirement		
	Balance	Additional	Total
HR	0		0
GUJ	20		20
KRL	0		0
KTK	0		0
MH	41		41
MP	16	14	30
RJ	32	24	56
TN	20		20
PUNE DISTT.	4		4
CTD	0		0
COIM. DISTT.	0		0
ETR	0		0
WTR	50		50
	183	38	220
			even Nos.

**ANNEXURE IX**

Government of India  
Ministry of Communications  
Department of Telecommunications  
Sanchar Bhawan, 20 Ashoka Road,  
New Delhi-110001.

No. 115-143./97-MMD(Pt)

Dt. 28.5.98

Telecom Commission has taken decision for allowing circles for procurement of Kits (128P RAX to 256P RAX) on decentralised purchase basis for 1998-99 and 1999-2000.

A. The following guidelines shall be followed by the circle for procurement of this item:

- (a) CGMs shall procure the item by inviting Tenders and observing prescribed procedure. Separate tenders shall be invited for each financial year strictly for the quantity shown in Annexure-A for any particular circle. Telecom Circles shall also take care that tender for financial year 1999-2000 shall be floated by each circle only after the complete utilisation of the upgradation kits procured against the requirement of 98-99 tender.
- (b) Out of the total tender quantity allotted to each circle *vide* Annexure-A, 35% (25% for M/s. ITI and 10% for M/s. HTL) quantity shall be kept reserved.
- (c) All purchases are to be made from sources having valid type approval and after having been inspected/tested by 'QA' Wing.
- (d) For the decentralised item, tentative cost per kit for the year 96-97 was considered @ Rs. 2.00 lakh while for the year 97-98 @ Rs. 1.75 lakh by DoT HQ. However, itemised rates for each item for these years have already been communicated by this office. Telecom Circles shall take cognizance of these rates while assessing the reasonableness of their tender rates for 1998-99 and 1999-2000.
- (e) Telecom Circles shall resort to decentralised procurement of this item *only for the quantities required during 1998-99 and 1999-2000 as indicated vide Annexure-'A'*.
- (f) Telecom Circles shall ensure the supply/installation of the equipment in time.

B. Financial instructions with respect to decentralised items are reiterated again for convenience:

- (a) Tendering and procurement has to be carried out by the CGMs of the respective Telecom Circles. Before floating of tender the requirement of the equipment with regard to project estimates and availability of funds shall be ensured with the concurrence of IFAs.
- (b) Tender document/conditions shall be vetted by IFAs.
- (c) Procurement proposal shall be decided in concurrence of IFAs and it is specifically pointed out that mere consultation with IFA shall not be sufficient.
- (d) CGMs shall ensure to strengthen their inventory management system before resorting to decentralised purchase of these items.
- (e) Decentralised procurements are not to be delegated to the lower formations.
- (f) The procurement/ordering for listed decentralised items shall be done only for the yearly requirement within their financial powers and budget allocation.
- (g) No ordering shall be done merely on the basis of prices appearing in other Purchase Orders either issued by DoT HQ or any other Unit.

Case for delegation of enhanced financial powers to CGMs for procurement of these decentralised items is also being examined in DoT HQ and intimation to this effect shall follow shortly from DDG (NW & WS).

The above decentralised purchase decision has been taken by the Telecom Commission on an experimental basis. Telecom Circles shall have to exercise utmost discipline in their procurement to ensure that there is no unnecessary piling of inventory.

Sd/-  
(O.P. JAIN)  
Asstt. Director General (CE)

Encl. Annexure—'A'

Copy to:

1. All Heads of Telecom Circles.
2. All IFAs O/o all heads of Telecom Circles.
3. DDGs—PF)/(P)/(MM-1)/(MM-II)/(RN), DoT HQ, New Delhi.
4. Directors—(FA-III)/(FA-V)/(MMD)/(RDTF), DoT HQ, ND.
5. All CAOs O/o All CGMs Telecom Circles.
6. ADGs—(CE)/(MMX)/(MMY)/(RDTF), DoT HQ, New Delhi.

7. AO(MMD)/AD(CE-I)/SO(MMD), DoT HQ, New Delhi.
8. DDG(NS & WS)—He is requested to enhance financial powers w.r.t. these decentralised item for the quantities enclosed *vide* Annexure—A for each circle. Tentative price for the financial year 97-98 (Rs. 1.75 lakh per kit) as indicated in these instructions may be taken into consideration for finding out enhanced financial powers of respective Telecom Circles.
9. M/s. ITI/ M/s. HTL.

Sl. No.	Name of Circle	1998-99	1999-2000
1.	Andhra Pradesh	0	0
2.	Andaman & Nicobar	0	0
3.	Assam	0	0
4.	Bihar	123	0
5.	Gujarat	162	1
6.	Haryana	0	31
7.	Himachal Pradesh	48	2
8.	J & K	18	7
9.	Karnataka	316	0
10.	Kerala	0	0
11.	Madhya Pradesh	150	553
12.	Maharashtra	0	1358
13.	North East	0	0
14.	Orissa	0	2
15.	Punjab	81	
16.	Rajasthan	0	3
17.	Tamilnadu	51	100
18.	Uttar Pradesh (E)	0	0
19.	Uttar Pradesh (W)	141	0
20.	West Bengal	0	0
		<b>1090</b>	<b>2066</b>

**ANNEXURE X**

**Ministry of Communications  
Department of Telecom  
(EB Cell)**

No. 6-13/97EB (Pt. I)

Dt. at N. Delhi-110001 the 12-9.98

To,

**All Heads of circles (Telecom)**

**SUBJECT:** *Enhancement of Financial powers to Heads of circles for procurement of stocked items of stores converted into Non-stocked items.*

Kind attention is invited to this office circular letter No. 6-13/97-EB, dated 2.6.98, wherein financial powers to Heads of circles for procurement of stocked items which were converted into non-stocked items, were issued.

Many circles have expressed difficulty in procurement of other items of stores in view of the target assigned to them, for provision of DELs during 1998-99.

2. Telecom commission has therefore decided as a temporary measure to further enhance the financial powers of Heads of Telecom circles for procurement of tubes and sockets as detailed below only for the financial year 1998-99:—

Amount in crores of rupees				
Items	Grade I	Grade II	Grade III	Grade IV
<b>Tubes</b>				
Existing powers	2 (Two)	3 (Three)	5 (Five)	10 (Ten)
Revised powers	6 (Six)	8 (Eight)	14 (Fourteen)	30 (Thirty)
<b>Sockets</b>				
Existing powers	1 (One)	1 (One)	2 (Two)	5 (Five)
Revised powers	2 (Two)	2 (Two)	4 (Four)	10 (Ten)

Further, it has also been decided to delegate full financial powers to Heads of Telecom circle *for procurement of Power Plants (upto 25A) and Batteries (200 AH)* for the financial year 1998-99 as a temporary measure. All guidelines and conditions attached for procurement of stores already circulated in letter No. 6-13/97-EB, dated 2.6.98 are to be followed, strictly.

3. Necessary guidelines issued *vide* No. 51-5/96-MMC, dated 6.11.97 and 13.11.97 for procurement of these items are to be scrupulously followed.

4. This delegation, which is envisaged for 1998-99 will cease to be operative from 31st March, 1999 unless decided otherwise.

5. These powers shall not be redelegated by Heads of circles to their subordinate units/EBAs and shall be exercised after appropriate financial/advice/concurrence.

6. This issues with concurrence of Finance Advise *vide* their U.O. No. 2408/FC/98, dated 16.09.98.

7. Hindi version will follow soon.

(Sd/—)  
(J.C. SUR)  
Director (WBE)

Copy to:—

- (1) Chairman, Telecom Commission, N. Delhi.
- (2) All Members, Telecom Commission, N. Delhi.
- (3) All Advisors, Telecom Commission, N. Delhi.
- (4) All Sr. DDsG/DDsG, Telecom Commission, N. Delhi.
- (5) All IFAs, O/o the Heads of Telecom circles.
- (6) Directors FA.I/FA.II/FA.III/V/MMD/MMB/IC DoT, N. Delhi.
- (7) Director of Audit, P&T Delhi-110054.
- (8) ADG (FC), DoT, New Delhi.
- (9) S.O. (OL), DoT, New Delhi.

Sd/—  
(B.C. Rastogi)

**ANNEXURE XI**

**F.No. 6-13/97-EB  
Government of India  
Ministry of Communications  
Department of Telecommunications  
802-A, Devika Towers: 6, Nehru Place, New Delhi-19  
(EB-CELL)**

**Dated at New Delhi, the 10th Nov., 1998**

**SUBJECT : *Delegation of financial powers to Heads of Telecom Circles for  
Procurement of Upgradation Kits during 1998-99 &  
1999-2000.***

Attention of all concerned is invited to letter No. 115-143/97-MMD(Pt.) dtd. 28-5-98 & 6-11-98 wherein Heads of Circles have been authorised to Procure *Upgradation Kits (128-RAX to 256-RAX)*

Accordingly the proposal for enhancement/delegation of Financial powers in Heads of Circles also has been under consideration of this office for sometime past. Telecom Commission has decided to authorise the Heads of Telecom Circles for Procurement of Upgradation Kits (*128-RAX to 256-RAX*) to the extent of quantity mentioned in D.o.T. letters No. 115-143/97-MMD(Pt.) dtd. 28.5.98 and 6.11.98 (Specific quantity against each Telecom Circle is enclosed in Annexure-I).

The above delegation shall be subject to the following conditions:—

- (1) All the conditions/guidelines attached to letter No. 115-143/97-MMD(Pt.) dtd. 28.5.98 are to be observed strictly scrupulously.
- (2) Annual Plan & Funds availability shall be kept in mind while exercising powers.
- (3) The powers will not be re-delegated further by C.G.Ms to their Sub-ordinate Officers.
- (4) The powers shall be exercised after appropriate Finance Advice/Concurrence is obtained.



This issues with Financial Concurrence *vide* their U.O. No. 2889/IC-98 dtd. 10-11-1998.

Sd/-  
(J.C. SUR)  
Director

Copy to:—

- (1) Chairman, Telecom Commission, New Delhi.
- (2) All Members of Telecom Commission, New Delhi.
- (3) All Advisors of Telecom Commission, New Delhi.
- (4) All Sr. DDGs/DDGs of Telecom Commission, New Delhi.
- (5) Director (MMC/MMD/MMS/(FA-I/II/III/IV/V) of D.o.T./HQ., New Delhi.
- (6) All Heads of Telecom Circles/Units.
- (7) All IFAs of Telecom Circles/Units.
- (8) Director of Audit P&T, Delhi-54.
- (9) OL Section for issue in Hindi.
- (10) ADG(FC), D.o.T. Sanchar Bhavan, New Delhi.

Sd/-  
(S.C. RASTOGI)  
Asstt. Director General (WSF)

**ANNEXURE A**

**Delegation of Financial Powers to Heads of Telecom Circles for  
procurement of Upgradation of Kits During 1998-99 and 1999-2000  
(Annexure to letter No. 6-13/97-EB dt. 10.11.98)**

Sl. No.	Name of the Telecom Circle	1998-99	1999-2000
1.	AP Circle	135	Nil
2.	Andaman & Nicobar Circle	Nil	Nil
3.	Assam Circle	Nil	Nil
4.	Bihar Circle	123	Nil
5.	Gujarat Circle	162	1
6.	Haryana Circle	63	31
7.	Himachal Pradesh Circle	129	2
8.	Jammu & Kashmir Circle	89	7
9.	Karnataka Circle	316	Nil
10.	Kerala Circle	Nil	Nil
11.	Madhya Pradesh Circle	150	553
12.	Maharashtra Circle	516	1358
13.	North East Circle	Nil	Nil
14.	Orissa Circle	Nil	2
15.	Punjab Circle	81	Nil
16.	Rajasthan Circle	380	3
17.	Tamil Nadu Circle	68	109
18.	Uttar Pradesh (East) Circle	Nil	Nil
19.	Uttar Pradesh (West) Circle	141	Nil
20.	West Bengal Circle	Nil	Nil
Total			2066

**CONSOLIDATION**

Year	Qty. (in Nos.)
1998-99	2353
1999-2000	2066
Total	4419

Sd/-  
(S.C. RASTOGI)  
Asstt. Director General (WSF)

**ANNEXURE XII**

**No. 6-6/94-EB  
Government of India  
Ministry of Communications  
Department of Telecommunications**

**Dated at New Delhi the 17-11-1998**

**To,**

**All Chief Engineers (Civil)  
All Suptdg. Engineers (Civil)**

**SUBJECT: *Delegation of financial powers for making 100% advance payment to TISCO for purchase of steel.***

A reference is invited to this office letter of even No. dated 2.11.95 and 13.12.96 wherein 100% advance payment to SAIL & RIN for purchase of steel had been authorised.

2. It has further been decided that the steel procurement against 100% advance payment can be made by the S.E. (Civil) from M/s TISCO subject to competitive rates and following conditions:—

- (i) Before drawal of 100% advance by the unit officer based on the sanction/approval given by the appropriate authority a bank guarantee covering the total amount of advance is to be insisted from the supplier, M/s. TISCO.
- (ii) In case of failure of supply within the committed date of delivery interest at the prevailing borrowing rate on the date of drawal of advance of the State Bank of India, shall be collected besides cancellation of the order.
- (iii) Should the supplier fail to deliver the goods or any consignment within the period prescribed for delivery the Department shall be entitled to recover LD charges @ 0.5% of the value of the delayed supply for each week of delay or part thereof, subject to a maximum of 5% of the value of delayed supply. LD charges levied shall be deducted from the invoice value. Quantum of LD charges levied by the purchaser shall be final and not challengeable.

**ANNEXURE XIII**

No. 6-14/97-EB  
Government of India  
Ministry of Communications  
Department of Telecommunications  
802-A, Devika Tower: Nehru Place: New Delhi-110 019.  
(EB Section)

Dated the 12th January, 1999

The Chief General Managers,  
Telecom Factories,  
Calcutta/Mumbai/Jabalpur

**SUBJECT:** *Enhancement of Financial Powers of CGMS Telecom Factories.*

In modification of the delegation of financial powers contained in this office letter of even number dtd. 12-8-94, the Telecom Commission is pleased to enhance the financial powers of C.G.M. (Telecom Factories) as given below:—

Item No.	Item	Existing Financial Powers	Enhanced Powers
3.	Purchase of all Ferrous and Non-ferrous items of raw-material, stores, chemical components and other consumable articles required for approved and on-going production programme. (b) <i>Director purchase</i> (i) On the basis of open Tenders processed by TEC.	Rs. 1 (One) Crore in each case ( <i>Vide</i> No. 5-8/90-EB dtd. 12-8-94)	Rs. 2 (Two) Crores beyond Rs. 2 (Two) Crores, approval of DOT (HQ) must be obtained.
14.	Forming out of orders <i>i.e.</i> , entrusting to a contractor one or more for the manufacture of an article for which facilities do not exist in factories or are inadequate.	Rs. 5 (Five) Lakhs in each case.	Rs. 10 (Ten) Lakhs in each case.

2. The exercise of these Financial Powers will be subject to all the guidelines, conditions and orders issued from time to time on the subject and concurrence of Internal Finance is obtained.

Government of India  
Ministry of Communications  
(Department of Telecommunications)  
Sanchar Bhavan, 20-Ashoka Road, New Delhi-110001.  
No. 115-25/95-MMD Dated: 22-7-98

OFFICE ORDER

SUBJECT: *Delegation of powers for procurement of material in Telecom Head Quarters.*

In continuation of this office Memo of even No. dated 07.11.97 delegation of financial powers at different levels is modified as follows by the Telecom. Commission.

1. Procurement proposals upto Rs. 50 crores would be within the powers of DDG(MM).
2. Procurement proposals more than Rs. 50 crores and upto Rs. 100 crores would be within the powers of Advisor(P).
3. Procurement proposals beyond Rs. 100 crores would be within the powers of Member(P).

All these powers to be exercised only with the concurrence of DDG(PF), Adv(F) and M(F) respectively.

The procurement proposal listed at 1, 2 & 3 above, would also include following cases:

(i) *Cases involving approval of negotiated price/counter offer:* In such situations, while the decision to go for negotiated price by constituting a PNC may be taken at the level of M(P) and M(F), approval for the procurement on the basis of PNC report may be accorded at respective levels as per delegation of powers. In cases where deviations are observed from PNC recommendation, matter to be put up one level higher for disposal.

(ii) *Cases where lowest quoted price is overlooked:* In such cases, clear reasons for not accepting the lowest price must be recorded and disposed of at a level higher than the one competent to approve under delegated powers.

(iii) *Cases involving acceptance of important commercial conditions not previously accepted or provided in tender document:* These cases should also be disposed of at one level higher than the one competent to approve under delegated power after recording clear reasons.

**ANNEXURE XIV**

No. 6-13/97-EB  
Government of India  
Ministry of Communications  
(Department of Telecommunications).

Devika Tower,  
Nehru Place,  
New Delhi-110019.  
Dated: 2-6-1998

To

All Heads of Telecom Circles,  
All CGMs, Metro Districts,  
Mtce. Regions/Project Circle,  
T & D Circle/QA Circle, Telecom Stores, Calcutta,  
CGM, ALTTC Ghaziabad/BRBAITT Jabalpur/Task Force Guwahati.  
CGM Telecom Factories/CGMs all other Administrative offices.

**SUBJECT:** *Delegation of enhanced financial powers for procurement of stocked items converted into non-stocked items.*

Consequent upon the Telecom Commission, New Delhi authorising Heads of Circles for procurement of the following items on decentralised basis as issued by MM Cell of Directorate vide Nos. 51-5/96-MMC dated 6.11.97 and 13.11.97, it has now been decided to delegate item-wise financial powers to the Heads of Circles to the extent as indicated in the Annexure-A enclosed (On group-wise basis) for purchasing these items for the year 1998-99:—

- |                |              |
|----------------|--------------|
| 1. Dropwire    | 6. Saddle    |
| 2. Power Plant | 7. Insulator |
| 3. Batteries   | 8. U. Backs  |
| 4. Tubes       | 9. Stalks    |
| 5. Sockets     |              |

The delegation of these financial powers now issued are subject to the following conditions:—

1. The Financial Powers as agreed are the maximum and should be utilised after proper assessment of the requirement. Considering the various new technological devices being introduced for management of subscribers loop, it is advisable to procure these line and wire items on the basis of consumption pattern rather than the direct

application of the norms which often give an incorrect and exorbitant picture of the requirements.

2. The necessary instructions about reserving the quantities of these items to be procured from Telecom Factory may be issued on priority by MM Branch/CGMTS' Calcutta separately.
3. Necessary guidelines issued *vide* letter No. 51-5/96-MMC dated 6.11.97 and 13.11.97 for procurement of these items are to be scrupulously followed.
4. This delegation, which is envisaged for 1998-99 will cesser to be operative from 31st March, 1999 unless decided otherwise.
5. Inventory management system in general and about these items in particular shall be strengthened. While reviewing the continuation of these financial powers, a specific report about inventory management by each Territorial Circle should be submitted.
6. The Powers will not be redelegated further by CGMs to his subordinate officers and will be exercised after appropriate finance advice/concurrence.
7. MM Wing will obtain the progress reports for each circle relating to performance, purchases made, rates finalised alongwith the particulars of the supplier as further recommendations will depend on the performance for the year 1998-99.

This issues with the concurrence of Finance Advice *vide* their U.O. No. 1429/98/FC dated 2.6.98.

Hindi version will follow.

Sd/-  
(J. C. SUR),  
Director (MM/WS)

Encl.: As Above.

Copy to:

1. Chairman, Telecom Commission.
2. All Members of the Telecom Commission.
3. All Advisors in the Telecom Commission.
4. All DDSG in the Telecom Directorate.
5. All IFAs of Heads of Telecom Circles.
6. All IFAs o/o CGM Telecom Projects.
7. All IFAs o/o CGM Maintenance Regions.
8. All IFAs o/o CGM Metro Telecom Districts.
9. All IFAs of other Administrative Units.
10. Director of Audit, P&T, Delhi-54.
11. FA-I, DOT Hqrs., New Delhi.
12. ADG(FC), DOT, New Delhi.

Sd/-  
(S. C. RASTOGI),  
ADG(WSF)

**ANNEXURE A**

**Delegation of Financial Powers in respect of non stocked items**

Sl. No.	Item	Group-I (Upto 2 lac eqpd. cap.)	Group-II (2-5 lac eqpd. cap.)	Group-III (5-10 lac eqpd. cap.)	Group-IV (above 10 lac eqpd. cap.)
1.	Drop Wire	Rs. 1 crore	Rs. 2 crore	Rs. 4 crore	Rs. 10 crore
2.	Power Plant	Rs. 50 lac	Rs. 2 crore	Rs. 2 crore	Rs. 2 crore
3.	Batteries	Rs. 1 crore	Rs. 2 crore	Rs. 4 crore	Rs. 4 crore
4.	Tubes	Rs. 2 crore	Rs. 3 crore	Rs. 5 crore	Rs. 10 crore
5.	Sockets	Rs. 1 crore	Rs. 1 crore	Rs. 2 crore	Rs. 5 crore
6.	Saddle	Rs. 10 lac	Rs. 20 lac	Rs. 50 lac	Rs. 50 lac
7.	Insulator	Rs. 30 lac	Rs. 75 lac	Rs. 1 crore	Rs. 2 crore
8.	U. backs	Rs. 10 lac	Rs. 20 lac	Rs. 20 lac	Rs. 40 lac
9.	Stalk	Rs. 10 lac	Rs. 20 lac	Rs. 20 lac	Rs. 40 lac

Note:—(For the purpose of delegation of financial powers, the Telecom, Circles were divided into four groups based on the equipped capacity).



**ANNEXURE XV**

Government of India  
Ministry of Communications  
(Department of Telecommunications)  
Sanchar Bhavan, 20-Ashoka Road, New Delhi-110001.

No. 115-25/95-MMD

Dated: 22-7-98

**OFFICE ORDER**

**SUBJECT:** *Delegation of powers for procurement of material in Telecom Head Quarters.*

In continuation of this office Memo of even No. dated 07.11.97 delegation of financial powers at different levels is modified as follows by the Telecom. Commission.

1. Procurement proposals upto Rs. 50 crores would be within the powers of DDG(MM).
2. Procurement proposals more than Rs. 50 crores and upto Rs. 100 crores would be within the powers of Advisor(P).
3. Procurement proposals beyond Rs. 100 crores would be within the powers of Member(P).

All these powers to be exercised only with the concurrence of DDG(PF), Adv(F) and M(F) respectively.

The procurement proposal listed at 1, 2 & 3 above, would also include following cases:

(i) *Cases involving approval of negotiated price/counter offer:* In such situations, while the decision to go for negotiated price by constituting a PNC may be taken at the level of M(P) and M(F), approval for the procurement on the basis of PNC report may be accorded at respective levels as per delegation of powers. In cases where deviations are observed from PNC recommendation, matter to be put up one level higher for disposal.

(ii) *Cases where lowest quoted price is overlooked:* In such cases, clear reasons for not accepting the lowest price must be recorded and disposed of at a level higher than the one competent to approve under delegated powers.

(iii) *Cases involving acceptance of important commercial conditions not previously accepted or provided in tender document:* These cases should also be disposed of at one level higher than the one competent to approve under delegated power after recording clear reasons.

However, the cases with unusual features as detailed below shall continue to be submitted to Telecom. Commission for approval.

- (a) Single Tender case.
- (b) Cases involving technical deviations.
- (c) Cases involving imports.
- (d) Cases involving ADB/International Loans.
- (e) All cases involving decentralised ordering.
- (f) Cases having any other unusual technical/commercial features.

Sd/-  
(O.P. JAIN)  
Asstt. Director General (CE)

Copy to:

- 1. P. S. To M(P), M(T), M(S), M(F).
- 2. P. S. To ADV(P), ADV(T), ADV(O), ADV(HRD).
- 3. All the DDGs & all Directors of DoT HQ.

**ANNEXURE XVI**

Government of India  
Department of Telecommunications  
Sanchar Bhavan, 20 Ashoka Road,  
New Delhi-110001.

File No: 80-2/97 MMC Vol-II/956

Date: 2.12.98

To,  
All CGM of Telecom Circles/Districts  
All CGM of Project/Mtce.  
CGM Task Force Guwahati.

**SUBJECT: *Procurement of HDPE Pipes.***

*Heads of circles may procure HDPE pipe on DGS&D rate contract dated 16.10.98 (Copy Enclosed) for laying of Optical Fibre Cables as per following instructions:—*

1. Procurement of HDPE pipe should be limited to the quantity of underground unarmoured OF Cables allotted by TCHQ.
2. The procurement of HDPE Pipe (item No. 3 as indicated in annexure "A" alongwith rate) for directly buried underground Optical Fibre cable conduits conforming to DoT specification no. G/CDS-05/01 Dec. 94 with amendment no 1 of July 97 of Nominal Dia 50mm, Pressure rating PN 10, of PE-63 material grade.
3. The procurement may be made in consultation with circle IFA. Procurement may be resorted to against sanctioned and budgeted estimates having sufficient provision of the funds.
4. The power delegated to Heads of circle for the above procurement should not further be delegated to subordinate officers.
5. The authorisation is valid upto 16.10.99 *i.e.* the validity date of the rate contract of DGS&D.

Sd/-  
(P.K. GOSWAMI)  
Assistant Director General(CT)

Copy to:— DDG(TX)/DDG(MM-1)/DDG(PF) DoT Sanchar Bhavan,  
New Delhi.

**ANNEXURE A**

**PER METER  
(ITEM N.C.-2)**

**(ITEM NO. 3) PE-63  
MATERIAL GRADE**

Size O.D. In MM	PN 2.5 Rs. P.	PN 4.0 Rs. P.	PN 6.0 Rs. P.	PN 10.0 Rs. P.	PN 10.0 Rs. P.
20					
25					
32					
40					
50					38.93
63	25.42	37.59	51.81	73.43	
75	35.45	53.61	69.92	102.17	
90	51.36	77.66	103.31	169.30	
110	75.86	108.31	153.41	225.75	
125	102.84	153.02	207.08	311.42	
140	124.10	109.07	263.00	374.36	
160	159.01	246.37	344.56	506.72	
180	213.52	318.67	448.26	639.10	
200	259.71	391.58	550.23	806.86	

**NOTES:—**

1. Above Rates are inclusive of Excise Duty.
2. Above rates are inclusive of CST/ST against required form.
3. Above rates are F.O.K. destination at consignees premises/rail head.
4. Above prices are firm and fixed during the currency of the contract.
5. No Extra Charges will be paid for supplies in 'COILS' or in straight length and the DDO's will have option to ask for either of the two depending upon his requirement.
6. No extra charges will be paid for split pipes and DDO's will have option to ask the same depending upon his requirement.

## ANNEXURE XVII

Government of India  
Department of Telecommunications  
Sanchar Bhavan, 20 Ashoka Road  
New Delhi-110001.

No. 115-143/97-MMD

Dated 4-1-99

To,

1. All Heads of Telecom Circles
2. CGM Telecom Districts Calcutta/Chennai
3. All CGMs Telecom Projects/Maintenance Regions
4. CGM Telecom Stores, Calcutta
5. CGM Task Force, Guwahati
6. CGM QA, Bangalore

**SUBJECT:- Decentralisation of Procurement**

Case for decentralisation of additional items for procurement has been under consideration by the Telecom Commission. It has now been decided to authorise CGMs to procure the following items on decentralised basis for the year 1999-2000

<i>Sl. No.</i>	<i>Item</i>	<i>Quantity</i>	<i>Fin. Power</i>	<i>Reservation</i>	<i>Remarks</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
1.	Sole plates B&C	As per norms	Full	For TF	
2.	Anchor	As per norms	Full	For TF	
3.	SSNP	As per norms	Full	For TF	
4.	Caps with spike	As per norms	Full	For TF	
5.	4 wire brackets	As per norms	Full	For TF	
6.	Stay shackle and rod	As per norms	Full	For TF	
7.	Stay attachment	As per norms	Full	For TF	
8.	Tie	As per norms	Full	For TF	
9.	Strut	As per norms	Full	For TF	—
10.	Jointing kits	As per norms	Full	—	All types
11.	Connectors	As per norms	Full	—	All types
12.	Towers of all types	As per requirement	Full	For TF	—
13.	Support Bracket	As per norms	Full	For TF	

1	2	3	4	5	6
	DP Box of all types	As per norms	Full		
15.	CT Box all types	As per norms	Full	For TF	
16.	Jumper wire	As per requirement	Full		
17.	PVC twin wire	As per norms	Full	—	—
18.	GI wire bare	As per norm	Full	—	All gauges
19.	GI wire insulated	As per norm	Full	—	All gauges
20.	1 KVA inverter	As per requirement	Full		
21.	PDH Mux equipment	As per requirement	Full	For ITI	
22.	Internet equipment	As per policy	Full	—	Including expansion
23.	DDFs	As per requirement	Full	For ITI	—
24.	Netw Synch Eqpt.	As per policy	Full	ITI	New item in network
25.	CDOT CCS7 cards	As per policy	Full	ITI/HTL	New item in network
26.	Line cards all types	As per requirement	Full	ITI/HTL	Rates to be conveyed
27.	ISDN testers	As per requirement	Full	—	—
28.	EPBTs	As per norm	Full	For ITI	—
29.	Boss-Sec. Instt.	As per norm	Full	For ITI	—
30.	CBT 95	As per norm	Full	For TF, ITI	—
31.	256P exchanges	As per requirement	Full	For ITI, HTL	—
32.	8 mbps otimux	As per requirement	Full	For ITI	—
33.	CD Cabinets	As per norms	Full	For TF	
34.	Rigid PVC Pipe	As per requirement	Full	—	
35.	5 Pair Cable	As per policy	Full		subject to instruction vide 7-13/97-PHM dt. 1-6.98

A. The following guidelines shall be followed by the Circles for the procurement of these items:

- (a) Mode of procurement will be through inviting open tenders in all cases except in the case of line cards, rates for which may be conveyed by TCHQ.
- (b) While procuring, the existing inventory and inventory in the pipeline should also be accounted for. Circles should take into account their consumption pattern while assessing their requirement of lines and wires and A&P sub's equipment. Care is also to be exercised in assessing the requirement of items where no norms are prescribed. Rate list number in respect of stocked items will continue to be retained till further instructions.
- (c) Procurement will be as per the latest specification only.
- (d) All purchases are to be made from sources having valid type approval and deliveries accepted after appropriate inspection and testing by QA wing.
- (e) CGMs shall assess the reasonableness of the rates emerging in their tender by comparing them with the rates of the product/item obtaining in the last 3 to 5 years, information on which will be supplied by DoT HQ.
- (f) Telecom Circles shall procure these items only in the quantities required for 1999-2000.
- (g) IFA is to be an integral part of the whole process right from the stage of scrutiny of indent to placement of orders. His concurrence while finalising the requirement, while floating the tender and while approving the procurement would be necessary. Mere consultation would not be sufficient. PO must be vetted by Finance before issue.
- (h) The orders would be placed against sanctioned and budgeted estimate.
- (i) Powers for decentralized procurements are not to be further delegated to the lower formations. The powers should be exercised by Heads of the Circles only.
- (j) No ordering shall be done merely on the basis of prices appearing in other Purchase Orders either issued by DoT HQ or any other Unit.
- (k) The reservation for Telecom Factory, ITI and HTL for certain items has been indicated in the Table above. For the Telecom Factories, the specific quantities will be indicated by MM. II Cell. for ITI the reservation quantity will be 30% and if the item is reserved for both ITI and HTL, the reserved quantity will be 35% to be distributed in the ratio of 20:15 respectively as per existing policy.
- (l) The Telecom Circles will be asked to convey details of their procurement in respect of these items to Planning Cell for monitoring and planning purposes.

- (m) The Telecom Circles will ensure the proper and expeditious utilization of the material ordered by them. They will also exercise utmost discipline in their procurement to ensure that there is no unnecessary piling up of inventory.
- (n) Procurement shall be done following transparent tendering procedure in consistency with the overall procurement policy of TCHQ.
- (o) The Circles will submit a report about procurement under the decentralization scheme every six months. They will also send a copy of the orders placed to the MM and Planning Cell of TCHQ.
- (p) Any other rules/instructions on the procurement issued by the Government shall be observed.

B. While the above decentralisation is for the year 1999-2000, in respect of the following items it may be implemented with immediate effect subject to conditions stipulated in para A above.

Sl. No.	Item	Quantity	Fin. Power	Reser- vation	Remarks
	Internet equipment	As per policy			Including expansion
(b)	Towers of all types	As per requirement	Full	For TF	—
(c)	Line cards all types	As per requirements	—		Rates to be conveyed
(d)	Skipmux equipment	As per requirement	Full	For ITI	—
(e)	0+4 Digital Pair Gain system	As per letter No. 115-143/97-MMD dt. 12.12.97	Full	For ITI	subject to instructions vide 115-143/97-MMD dt. 12.12.97

C. It has also been decided that the items already decentralised for 1998-99 will continue to be procured on decentralised basis for 1999-2000 as well. The prescribed financial powers and instructions already issued on the subject will continue to be applicable in respect of these items.

D. The above proposal is valid upto 1999-2000 only and further extension will be appropriately reviewed by October'99. The Circles should give their critical appraisal of this new initiative so that a long term policy on the subject may be evolved.

Sd/-

(A. K. BHARGAVA)  
Deputy Dir. General (MM-I)

Copy for information to:

1. Chairman (TC)
2. All Members, Telecom Commission
3. All Advisors, Telecom Commission



Copy for information and n/a to:

1. SR. DDGs (SW/TX/NW&WS/MSML/TEC)
2. DDGs (PF/RN/MM-I/MM-II/LTP/VLF/SAT/TS/P&PIP/Accts)

Copy to be kept in file No. 6-13/97-EB (Pt Vol. III) relating to decentralisation of 0+4 DPG. MS branch may take further action to convey the norms about the maximum no. of such access systems which Circles may have at any given point.

## **ANNEXURE XVIII**

### **VENDOR RATING SYSTEM**

#### **1. Introduction**

The Department of Telecom is procuring equipment and materials worth thousands of crores every year through its PSUs, Telecom Factories and opening tenders. It is therefore necessary that the Department procures only quality products on competitive prices with deliveries at stipulated pace for achieving planned and operational targets. Keeping this in view Telecom Commission has decided to introduce Vendor Rating System for procurement of materials with effect from January '97.

#### **2. Vendor Rating**

The philosophy of Vendor Rating aims to help the Department to procure equipment/stores from a vendor who is able to deliver the products in good quality and at competitive prices with deliveries at a stipulated pace for achieving planned and operational targets. Assessment of these qualifications of a vendor on a single point scale, to help grading the performance of a vendor is called Vendor Rating. The vendor getting the highest rating will be regarded as L-I and the others in the descending order of their rating for the purpose of distribution of quantities of equipment/materials to be ordered. However, the ordering rate for procurement will be the lowest one out of the rates quoted by the vendors selected for ordering on Vendor Rating basis.

The Vendor Rating is worked out as per the formulae given below:

$$2.1 \text{ Vendor Rating (VR)} = 0.6 \text{ PR} + 0.3 \text{ DR} + 0.1 \text{ QR}$$

Where PR = Price Rating

DR = Delivery Rating

QR = Quality Rating

#### **2.2 PRICE RATING (PR):**

Price Rating is worked out as per the formulae given below:

$$\text{PR} = \frac{\text{Lowest Price quoted by the Vendor for the item}}{\text{Price quoted by the Vendor being rated}}$$

2.3 QUALITY RATING (QR): The Vendors having ISO Certificates, either 9001 or 9002 for the products being tendered will be awarded rating of " 1 ". Certificate will be awarded " 0 ".

**2.4 DELIVERY RATING (DR):** The Delivery Rating will be calculated as per the formula given below:

$$DR = 0.7 \frac{QI}{Q} + \frac{T}{TR+1.5} \frac{Tx}{Tx} + \frac{0.3}{Qx} \frac{Qi}{Qx}$$

Where  $Qi < QP$

If  $Qi > Qp$  then  $Qi = Qp$

$QI$  = Quantity supplied within initial delivery period

$Q$  = Total ordered quantity

$T$  = Initial delivery period in months

$Tx$  = Time taken beyond initial D.P. in the months for each extension including initial D.P.

$$R = \frac{QI}{Q}$$

$Qx$  = Quantity supplied during each extended period

$P$  = No. of periods (within initial D.P.)

$Qi$  = Quantity delivered in a particular period (within initial D.P.)

$Qp$  = Quantity to be delivered in every period (within initial D.P.)

For calculation of Delivery Ratings the following will be taken into consideration:

**2.4.1** The period of calculation of delivery rating will be two years prior to the date of opening of the tender or as stipulated in the tender document (referred as "Window")

**2.4.2** All Purchase Orders issued during the "Window" will be considered for calculation of Delivery Rating. However, if in respect of any such P.O. the scheduled delivery date extends beyond the "Window" then in respect of such P.O. (s) the Delivery Rating shall be calculated taking into account the supplies required to be made within the period common to both the "Window" and the scheduled supply period that shall be taken on prorata basis.

**2.4.3** The formula for computing overall DR taking into account the Dr for every P.O. is given below:

$$\text{Overall Delivery Rating (ODR)} = \frac{\sum Q_{oi} \cdot D_{ri}}{\sum Q_{oi}}$$

Where:

$Q_{oi}$  = Quantity ordered for the  $i$ th P.O.

$D_{ri}$  = Delivery Rating for the  $i$ th P.O.

$N$  = No. of P.Os.

2.4.4 All supplies made within any period of the "Window" in respect of P.Os issued prior to the commencement of the "Window" shall be considered for the calculation of DR. provided such period of the "Window" falls within initial scheduled delivery date stipulated in the P.O. and not any further extensions accorded and this shall be further subject to the following proviso:

From out of supplies actually made during the "Window" shortfall if any in the supplies to be made prior to the commencement of the "Window" shall be offset and the balance quantity alone shall be taken as effective supply during the "Window".

2.4.5 *The Delivery Rating of vendors who have not executed any commercial order during "Window"* will be rated based upon their past performance. In case their past performance is equal to or above the average DR of the firms under consideration they will be given average delivery rating. However, if their past performance is below average delivery rating, the actual performance will be taken for calculation of Delivery Rating. The "Window" for this purpose shall be of same duration. Alternatively, the previously calculated DR could be taken into account if available.

2.4.6 In respect of Educational Orders, the Delivery Rating assigned to any vendor could be the average Delivery Rating of the Industry. Though this appears to be logical without any loss of generality there could be situations, wherein many vendors supplying large quantities against earlier tenders would have obtained lesser rating than the average, thereby creating an anomalous situation. To overcome this anomaly, it would be necessary that the new vendor gets a rating slightly below the Industry Average and as a first step goes up in the ladder with subsequent performance through bulk supplies to the Department. Accordingly, the following empirical formula is suggested to calculate the DR for Educational Orders which is based on the harmonic mean of the Average Industry Rating and DR for Educational Orders obtained by the vendor.

$$\frac{1}{R_c} = \frac{1}{R_a} + \frac{1}{R_b}$$

Where  $R_a$  = Average DR of the firms

$R_b$  = Actual DR for the concerned E.O. and

$R_c$  = Corrected DR

2.4.7 For the purpose of *calculation of Delivery Rating only*: the date of delivery will be taken as the date of issue of Inspection Certificate by QA Wing. However, for the purpose of payments and liquidated damage, the delivery will continue to be as stipulated in the Purchase Order.

Regarding Reservation of quota for PSUs.

The transmission planning cell has proposed, in their noting at A in 10n, that out of the total requirement of 800 numbers of 40 M Towers 30% shall be reserved for PSUs. Accordingly, the tender was floated for procurement of 560 numbers only ( $800 \times 0.3 = 560$ ).

It is requested that MM- I cell may take action accordingly. TEC report will be submitted as soon as received. The file may be returned please.

Sd/-

11.11.98

**ANNEXURE XIX**

**Government of India  
Department of Telecommunications  
Telecom Commission, Sanchar Bhavan, New Delhi**

**No. 51-12/98-MMC**

**Dated 10.12.98**

**SUBJECT: *Issue of policy guidelines for delivery period extension.***

The following guidelines are hereby issued for information and guidance from the MM Cell of TCHQ. The guidelines provide broad procedure to consider the DP extension whenever department receive such requests from the vendors.

1. The following considerations should be borne in mind while examining the DP extension requests:—

- (a) The delivery period extension should be given as a matter of exception based on reasonable justifications and not as a routine.
- (b) The department's requirement, over all supply status, alternative sources of supply, development target should be kept in mind.
- (c) The future procurement action, time taken for future supply to flow in, time taken for suppliers from other sources flow in and time taken for alternative course of action to materialise should also be kept in mind.
- (d) suppliers' track record of supply and other eligible suppliers' track record should also be kept in mind.
- (e) announcement of Budget and opening of new tender should be kept in mind.
- (f) As far as possible, a uniform policy should be adopted in giving extension for Purchase Orders issued under the same tender.
- (g) Delivery period extension if agreed, should be given for reasonable duration so that repeated requests are not entertained.

2.1. A notice can be issued to non performing vendors irrespective of waiting for their request of DP extension and even prior to the expiry of delivery period.

2.2. If no communication is received in response to this notice, performance bank guarantee of the vendor should be encashed forthwith and the Purchase Order is to be shortclosed.

2.3. If the requirement was for the product that should have been type approved and no plausible explanation is received as to why type approval could not be obtained, then the PO should be closed forthwith.

3. Any request for delivery period extension should preferably be received before the expiry of delivery period or at the most within 30 days of expiry of delivery period. If no request is received within this period, it is reasonable to presume that the supplier is not serious regarding deliveries and Purchase Order should be shortclosed as a matter of rule even if the request is received subsequently.

4. The delivery period extension should always be counted from the date of expiry of original delivery period.

5. In order to settle the matter of extension at the initial stage expeditiously the DP extension should be considered at different stages as given below:—

5.1 DP extension requests up to 8 weeks from the date of expiry of DP should be dealt with at the level of Director concerned in the MM Cell.

5.2. Such cases where DP extension is required to be granted beyond 8 weeks of expiry of DP, are to be decided by DDG (MM-I) DDG (MM-II) based on the merit of the case and they may grant further extension up to 8 weeks.

5.3 Even after this, if the vendors fail to complete the supply and as exceptional case, DP extension is to be considered in the interest of department, it should be done only with the approval of Advisor (P). The case may be put up to Advisor (P) for consideration only if the vendor has supplied minimum 33% of the ordered quantity. This extension should also be limited to a maximum of further 8 weeks.

5.4 Thus no DP extension beyond 24 weeks will be granted under any circumstances.

5.5 No repeat request should be considered at the same level and under no circumstances the DP extension may be given more than 3 times.

5.6. Cases which go beyond 12 to 16 weeks of DP extension are certainly the cases which should cause concern and these cases should invariably to be referred to Planning Section, so that alternative course of action may be planned.

6. Extension should be given for a sufficient period allowing for QA and delivery etc. within the limits as prescribed in paras above.

7. Under no circumstances, a case will be allowed where more than two tenders are concurrent, *i.e.* if a new tender is opened and the orders from the previous tenders are still in the pipeline for execution, then there is no consideration of DF extension for the orders issued under earlier tender. For example:

If a tender for 1998-99 has been opened and orders from the tender opened in 1997 are in the pipeline, then the extension for orders issued in 1996-97 tender or earlier should not be granted at all.

8. These guidelines will become applicable from the date of issue of this letter.

9. These guidelines will be applicable on ITI, HTL and TFs also for orders placed through open tenders.

Sd/-  
(N. MEIKANTA MANICKAM)  
Director (MMC)  
Phone: 3032217  
3711660

Copy to:

Sr. DDG (TX)/(SW)  
DDG (RN)/LTP/MM-I/MM-II/PF/LF/VAS  
Director (MMD)/(MMS)/(MMT)/(FA-III)/(FA-V)  
All ADGs in MMC/MMD/MMT



## NOTE ON DECENTRALIZATION OF PROCUREMENT

## 1. Background

For the year 1998-99 many items have been decentralized as detailed below:-

S. No.	Item	Quantity	Fin. Power	Reservation	Remarks
1.	Dropwire	As per norms	Prescribed	For TF advised	
2.	LJU	As per norms	Prescribed	For TF, HTL, ITI	
3.	Power plant, 25A	As per requirement	Full Powers	For ITI	Fin. Powers revised
4.	Batteries, 200 AH	As per requirement	Full Powers	For ITI	Fin. Powers revised
5.	15m Mast	As per target	Prescribed	—	
6.	Poles	As per norms	Prescribed	For TF advised	Fin. Powers revised
7.	Sockets	As per norms	Prescribed	For TF advised	Fin. Powers revised
8.	Saddles	As per norms	Prescribed	For TF advised	
9.	Stalk	As per norms	Prescribed	For TF advised	
10.	Insulator	As per norms	Prescribed	For TF advised	
11.	U Back	As per norms	Prescribed	For TF advised	
12.	SFMSS	As per requirement	To be issued		
13.	Formatted trml., con.	As per requirement	To be issued		
14.	EKBC & EKBs	As per requirement	To be issued		
15.	Fax machines	As per requirement	To be issued		
16.	Electronic TPs	As per requirement	To be issued		
17.	EMT terminals	As per requirement	To be issued		
18.	Upgradation kits	Prescribed	To be issued		Full power proposed
19.	ADPCM	Prescribed	To be issued		Full power proposed
	0+4 DPG systems	As per requirement	To be issued		Full power proposed

During the recent Heads of Circle Conference held on 17.9.1998, most of the CGMs gave positive feed-back regarding decentralization and wanted more items to be decentralized. They also wanted certain pending action to be completed for this year as well. Hon'ble MOC also desired that as much of decentralisation may be done as possible.

1.1 The need and justification for decentralization arises from the following factors:—

- (a) As per ABC analysis, we should concentrate on A&B category of items and C category items should be decentralized.
- (b) Decentralisation helps in better local planning.
- (c) It may help in some cases where quick response is necessary.
- (d) It may help in increased accountability at certain levels.
- (e) It provides greater adaptability to the Circles.
- (f) It will help in minimising opportunity cost on account of delay or mismatch in material procurement.
- (g) It will help in ensuring multi-point action so that Court cases/failure of one tender does not affect the whole country's development.

1.2 However, these advantages have to be balanced against the following points as well:—

- (a) Higher volume means less cost.
- (b) There is a lack of experience in the field units for large-scale procurement.
- (c) Differential in price may create problems in some cases.
- (d) Budget planning is affected to some extent.
- (e) Control and monitoring is easier in centralized purchase.
- (f) The global planning is more amenable to centralise purchase.
- (g) Technology/New Product induction is desirable to be done centrally.

## 2. Proposal for 1999-2000

Based on the criteria discussed above and the feedback received from meetings and various interactions following list of items has been drawn up for decentralisation for 1999-2000.

S. No.	Item	Quantity	Fin. Power	Reservation	Cat.	Remarks
1	2	3	4	5	6	7
(a)	Sole plates B&C	As per norms	Full	For TF	C cat.	L&W small value
(b)	Anchor	As per norms	Full	For TF	C cat.	
(c)	SSNP	As per norms	Full	For TF	C cat.	
(d)	Caps with spike	As per norms	Full	For TF	C cat.	
(e)	4 wire brackets	As per norms	Full	For TF	C cat.	
(f)	Stay shackle and rod	As per norms	Full	For TF	C cat.	
(g)	Stay attachment	As per norms	Full	For TF	C cat.	
(h)	Tie	As per norms	Full	For TF	C cat.	
(i)	Strut	As per norms	Full	For TF	C cat.	
(j)	Jointing kits	As per norms	Full	For TF	C cat.	All types
(k)	Connectors	As per norms	Full	For TF	C cat.	All types
(l)	Towers of all types	As per requirement	Full	For TF	C cat.	
(m)	Support Bracket	As per requirement	Full	For TF	C cat.	
(n)	DP Box of all types	As per requirement	Full	For TF	C cat.	
(o)	CT Box all types	As per requirement	Full	For TF	C cat.	
(p)	Jumper wire	As per requirement	Full		C cat.	
(q)	PVC twin wire	As per requirement	Full		C cat.	

1	2	3	4	5	6	7
(r)	GI wire bare	As per norms	Full	—	B cat.	All gauges
(s)	GI wire insulated	As per norms	Full	—	B cat.	All gauges
(t)	1 KVA inverter	As per requirement	Full	—	C cat.	
(u)	4th ord & Skipmux	As per requirement	Full	—	C cat.	
(v)	Internet equipment	As per policy	Full	—	C cat.	
(w)	DDFs	As per requirement	Full	For ITI	C cat.	
(x)	Netw. Synch. Eqpt.	As per policy	Full	ITI	C cat.	New item in net-work
(y)	CDOT CCS7 cards	As per policy	Full		C cat.	New item in net-work
(z)	Line cards all types	As per requirement			C cat.	Rates to be conveyed
(aa)	ISDN testers	As per requirement	Full	—	C cat.	
(b-EPBTs)		As per norms	Full	For ITI	B cat.	
(cc)	Boss-Sec. Instt.	As per norms	Full	For ITI	C cat.	
(d-CBT95)		As per norms	Full	For TF. ITI	C cat.	
(ee)	E10B equipment	As per requirement		Only ITI	B cat.	Rates to be conveyed
(ff)	256P exchanges	As per requirement	Full	For ITI	B cat.	
				HTL		
(gg)	8 mbps optimux	As per requirement	Full	For ITI	B cat.	

## 2. Brief Justification

This list has been prepared considering feedback from various sources in respect of items for which sufficient justification was found as detailed below:—

- (a) L&W Items: In addition to L&W items decentralised earlier, some more are proposed for decentralisation now. The consideration was to arrive at total package needed in completion of the L&W work. With this package, most of the needs of Circles of L&W items will be taken care of. These are mostly bulky items having low to medium value and medium to large quantities. Therefore, these are fit cases for decentralization.
- (b) Towers of all Types: 15 M Mast is already decentralised 40.60.80 and 100 m towers are also proposed to be decentralized. These are all bulky items and are difficult to store. They must be procured only when equipment is about to be received so that the storing is minimised. The transport is also an important element in the cost. Therefore, towers of all types should be decentralized.
- (c) Miscellaneous items like 1 KAV Inverters, DDF, Skipmux etc. are of very small value in total but up the commissioning of large value equipment. Therefore there is no reason why they should be purchased centrally.
- (d) Internet equipment is to be deployed as per policy. Action for major centres has been taken centrally in the current tender. For the remaining requirements the equipment may be procured by Circle as per their need to meet the policy objective of providing internet facility.
- (e) EPBT is low value but high volume item, but very critical in achieving the target. Therefore, Circles should be entrusted with procurement of this item to help them achieve the target in the least possible time. Same is the case for CBT 95 and Boss-Sec. Instruments.
- (f) E10B is a technology, which is in the phasing out stage, and no new E10B exchanges are being inducted in the network. However, expansion of the E10B exchanges is still cost effective. Circles should, therefore, be encouraged to plan expansions quickly before the technology is phased out and production stopped.
- (g) For better connectivity in rural areas, the lower end of transmission and switching equipments i.e. mbps Optinix and 256P exchange can be decentralized although these are considered as B category items. This will enable Circles in quick planning and deployment of facility in rural areas.

The case of Transmission spares and 5 pair cable was discussed in focus action group meeting and it was informed that this is being processed in another file. Therefore these two items are not included in this list, though they are going to be decentralised.

## 2.2 Financial Powers

The above-proposed items fall in 2 categories:—

- (a) Where the requirement can be quantified in advance, based on norms/targets/policy. In this situation there is no need to put any limit in terms of financial power since the quantities are specific/verifiable/quantifiable.
- (b) Where quantity may vary depending on the needs of Circles requirement; it may be very difficult to anticipate the actual requirements in advance and decide financial powers accordingly for each Circle at this stage. Since the idea is to make the Circles more responsive and accountable, it is felt that full financial powers can be granted in these cases. Alternately category-wise limits may be *suggested by Planning* for these items.

## 2.3 Budget

For items where quantities will be procured by Circles as per norms/targets/policy, the budget estimation can be prepared by respective planning branches and included in their projections. They may further give Circle-wise break-up to Budget Section for proper budget management. In cases where the quantities are determined as per requirement, Planning may have to make approximate budget projections based on previous experience and convey these Circle-wise projections to Budget Section. Budget Section may then allot Circle-wise funds for items to be procured under decentralisation. Appropriation of funds beyond 10% of projected allotment may not be permitted without authority from the TCHQ.

## 2.4 Conditions

Some other conditions to be made applicable are reiterated below:—

- (a) Mode of procurment will be through inviting open tenders in all cases except E10B equipment and line cards. Rates for these may be conveyed by TCHQ.
- (b) While procuring the existing inventory and inventory in the pipeline should also be accounted for Rate list number in respect of stocked items will continue to be retained till further instructions.
- (c) Procurement will be as per the latest specification only.
- (d) All purchase are to be made from sources having valid type approval and after having been inspected/tested by QA Wing.
- (e) For decentralized items, rates as obtained/finalised during the last 3 to 5 years shall be conveyed to Telecom Circles by the concerned unit of DoTHQ in order to enable the Telecom Circles to assess the reasonableness of the rates emerging in their tender.
- (f) Telecom Circles shall procure these items only for the quantities required during 1999-2000.

- (g) Before floating of tender, the requirement of the equipment with regard to projected estimates and availability of funds shall be ensured with the concurrence of IFAs.
- (h) Procurement proposal shall be decided in concurrence with IFAs.
- (i) Decentralized procurements are not to be delegated to the lower formations.
- (j) The procurement/ordering for listed decentralized item shall be done only for the yearly requirement within their financial powers and budget allocation.
- (k) No ordering shall be done merely on the basis of prices appearing in other Purchase Orders either issued by DoTHQ or any other Unit.
- (l) The reservation for Telecom Factory, ITI and HTL for certain items has been indicated in the Table above. For the Telecom Factories, the specific quantities will be indicated by MM. II Cell. For ITI the reservation quantity will be 30% and if the item is reserved for both ITI and HTL the reserved quantity will be 35% to be distributed in the ratio of 20:15 as per existing policy.
- (m) The Telecom Circles will be asked to convey details of their procurement in respect of these items to Planning Cell for monitoring and planning purposes.
- (n) The Telecom Circles will ensure the proper and expeditious utilization of the material ordered by them. They will also exercise utmost discipline in their procurement to ensure that there is no unnecessary piling up inventory.

### **3. Additional Proposal for 1998-99**

It was pointed out by some CGMs during Heads of Circle Conference that sufficient financial powers have not been delegated in many cases. Action has been taken with regard to power plants, batteries, poles and sockets. Following additional action is required to be taken:—

- (a) Full powers needs to be prescribed for upgradation kits. Case is being processed in a separate file as well.
- (b) Full powers needs to be prescribed in case of 0+4 Digital Pair Gain Systems. This was recommended in a separate file but has not yet been conveyed.
- (c) Full powers in case of ADPCM needs to be prescribed. Only a few Circles were authorised for purchase of these equipments and that too for limited quantities. The value of this item is very small. Therefore, full power in this case may be approved.
- (d) Some CGMs have suggested that most of these items may be decentralised with immediate effect instead of waiting for the next year. While this may not be feasible in case of some items for which

procurement action has already been taken, we may do so in respect of the following items with immediate effect instead of prescribing it from 1999-2000.

Internet Equipment  
Towers of All Types  
Line Cards  
Skipmux  
E10B equipment

#### 4. Conclusion

The proposal for decentralization needs the approval of Telecom Commission in view of the discussions and feedback obtained, approval may be granted for the following:

(a) to continue in 1999-2000 also the decentralised procurement in respect of items already intimated.

(b) to further decentralise the items listed in para 2 subject to the conditions listed therein.

(c) to augment the measures in respect of 1998-99 by taking action as suggested in para 3 above.

Submitted for consideration and approval please.

M(P)

M(F)

Sd/-  
DDG (MMI)  
22.10.98

Based on various feedbacks from circle and regional level meetings held during the last 4 to 6 months and the Heads of Circle Conference held in Sept. 1998, comprehensive decentralisation proposals are submitted for favour of approval. M(P)'s remarks on note at flag 'A' may also please be seen.

Sd/-  
26.10.98

Adv(F)

In view of above notings of M(P) and detailed justification given by MM-I cell at Pages 36/n-40/n, proposals may kindly be routed through all the Planning Sections of DoT, namely, Sr. Deputy Directors General (SW/TX), Deputy Directors General (LTP/VLF), before forwarding to FC-cell for approval please.

Sr. DDG(NW/WS)

Sd/-  
28.10.98



**ANNEXURE-XXI**

Government of India  
Ministry of Communications  
Department of Telecommunications  
Sanchar Bhawan, 20 Ashoka Road,  
New Delhi-110001

No. 115-162/99-MMD

Dated: 10-6-99

**SUBJECT:** *Procurement of decentralized Purchase items by CGM(TS) Calcutta on behalf of A&N, As J&K, NE Telecom Circle.*

It has decided by Telecom Commission that out of 56 items so far authorised by DoT HQs for procurement by Telecom Circles on decentralised Purchase basis CGM(TS) Calcutta shall procure 33 items listed in Annexure-A on behalf of A&N, J&K, NE and Assam Telecom Circles only and in accordance with the procedure which was hitherto being followed by him prior to decentralisation.

Rest of the 23 items out of 56 decentralised items will, however, be procured by these four Telecom Circles themselves in accordance with the guidelines for decentralised purchase issued by this office from time to time.

Sd/-  
(O.P. JAIN)  
Asstt. Director General (CE)

Copy for necessary action to:

1. CGM(TS), Calcutta
2. CGMT — A&NNE/ASJ&K
3. IFA, O/o CGMT—A&NNE/ASJ&K
4. IFA, O/o CGM(TS), Calcutta
5. CAO, O/o CGMT—A&NNE/ASJ&K
6. CAO, O/o CGMT(TS), Calcutta

Copy also to:

1. DDG(P&PIP)/DDG(MM-I)/DDG(MM-II)/DDG(PF)-DoT New Delhi.
2. Dir(PD)/Dir(MMD)/Dir(MMS)/Dir(MMT)/Dir(MMC)/Dir(FA-III)  
New Delhi.

**ANNEXURE A**

**Decentralised Items being procured previously by CGMTS, Calcutta prior to issue of decentralisation orders.**

<b>S.No.</b>	<b>Item</b>
1.	DROP WIRE with ACC.
2.	LINE JACK UNITS
3.	POWER PLANT 25A
4.	BATTERIES (Upto 200 AH)
5.	MASTS 15 m
6.	POLES
7.	SOCKETS
8.	SADDLES
9.	STALK
10.	INSULATOR
11.	U BACK
12.	SOLE PLATES B & C
13.	ANCHOR
14.	SSNP
15.	CAPS with SPIKE
16.	4 WIRE BRACKETS
17.	STAY SHACKLE & ROD
18.	STAY ATTACHMENT
19.	TIE
20.	STRUT
21.	JOINTING KITS
22.	CONNECTORS
23.	TOWERS (All Types)
24.	SUPPORT BRACKET
25.	DP BOX (All Sorts)
26.	CT BOX (All Sorts)
27.	JUMPER WIRE (All Types)
28.	PVC TWIN WIRE
29.	GI WIRE BARE
30.	Ins GI WIRE
31.	INVERTER 1 KVA
32.	CD CABINETS (All Types)
33.	RIGID PVC PIPES

**Government of India  
Department of Telecommunications  
(MM-I CELL)  
Sanchar Bhavan, New Delhi**

**OFFICE MEMORANDUM**

**No. DDG(MM-I)/FAG/98/Pt.**

**Dated: November, 1998.**

**SUBJECT: *Norms for various activities in the procurement process.***

The norms for completion of various activities in the procurement process have been fixed in consultation with all concerned. These are indicated in the enclosed PERT Chart. It is requested that all sections of the Directorate may adhere to the norms. The norms indicated in the PERT Chart are average duration for completion of any activity. Any major deviation from the norms may be indicated at the proposal stage itself, so that the programme of procurement may be reviewed and appropriate corrective action taken at the earliest.

**Sd/-  
(A.K. BHARGAVA)  
DDG(MM-I)**

**Copy for information and necessary action to—**

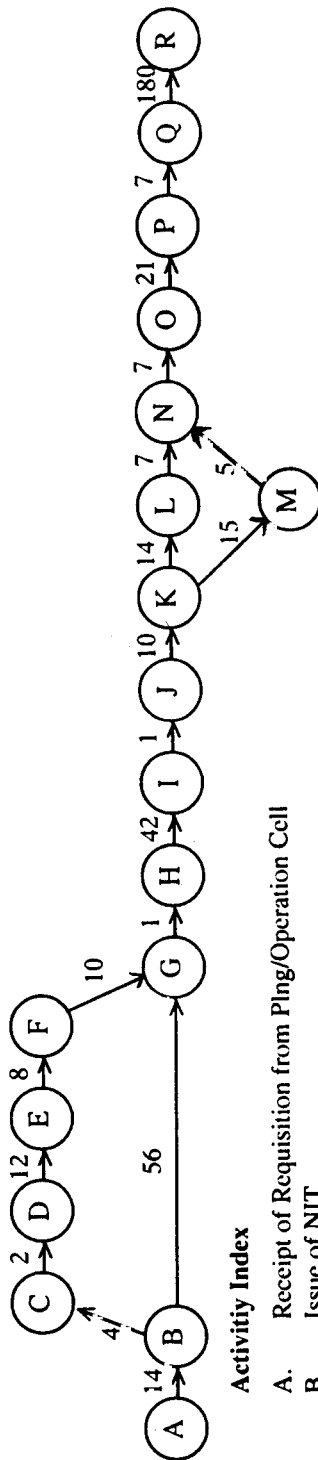
**DDG (TX)/Sr. DDG (SW)/DDG (LTP)/DDG (RN)/DDG (SAT)/DG  
(MM-I)/DDG (MM-II)/DDG (PF)**

**Copy for information to—**

**Chairman (TC)/Member (S)/Member (P)/Member (F)/Adviser (F)/  
Adviser (F)**

**F-5-B**

## PERT CHART FOR PROCUREMENT PROCESS



## Activity Index

- A. Receipt of Requisition from Plng/Operation Cell
- B. Issue of NIT
- C. Sale of Tender Document
- D. Constitution of Tender Evaluation Committee
- E. Receipt of Queries from Bidders
- F. Preparation of Replies and their Issue
- G. Opening of Tenders & Preparation of Bid Opening Minutes
- H. Distribution of Documents to TEC members for preparation of TEC Report
- I. Receipt of TEC Report
- J. TEC Report sent to MM-I/II Cell
- K. Preparation of Purchase Proposal
- L. Vetting of purchase proposal by Finance
- M. Receipt of list of materials from Plg. as reqd.
- N. Approval of Purchase proposal by Competent Authority
- O. Issue of APO
- P. Submission of Performance Bank Guarantee by Vendors
- Q. Placement of Purchase Order
- R. Completion of Supply. Inspection of Material by QA and Release of Payment.

### Recommendation

The Committee also feel that the persisting trend of overall savings in the Capital section of the grant and the explanations offered therefor under certain heads are indicative of undesirable tendency on the part of DoT to overestimate their requirement of funds without giving due consideration to the realities of the situation. The Committee therefore suggest that a comprehensive review of the expenditure estimates prepared under various heads in this section of the grant during preceding three years should be undertaken by DoT with a view to rectifying and improving the existing system of assessing the requirement of funds on account of capital acquisitions.

[Para 29 of Second Report of PAC (12th Lok Sabha)]

### Action Taken

Reply to Para 29 of the PAC's Report on the scrutiny of the Appropriation accounts of the DoT for 1996-97.

The Committee's suggestion that a comprehensive review of the expenditure estimates prepared under various heads in this section of the grant during the preceding three years should be undertaken by the DoT with a view to rectifying and improving the existing system of assessing the requirement of funds on account of Capital acquisition is noted.

A review of the sanctioned grant and actual expenditure under the scheme BB 4—Long Distance Transmission against which substantial savings occurred during the last 5 years was already undertaken and the original provision under this scheme was scaled down by Rs. 1002 crores at RE-98-99 stage as Rs. 1600 crores.

This has been approved by Member (F).

This has been vetted by the D.G. of Audit (P&T) *vide* U.O. No. RR III/2 (b) 400 App. A/CS/1996-97/723 dated 26.3.99.

F.No. 6-1/97-CB (Pt).

### Recommendation

What has caused further concern to the Committee is the fact that there were large number of cases of substantial variations between the authorised provisions and the actual expenditure incurred under various sub-heads of Grant No. 14 Telecommunication Services during the year 1996-97. The Committee's detailed scrutiny of the relevant Appropriation Accounts has brought out that there were as many as 41 sub-heads where the variation between the sanctioned provision and the actual expenditure had exceeded even Rs. 10 crores in each case in both the Capital and Revenue sections of the grant. Surprisingly, in one such case, DoT had incurred an excess expenditure of Rs. 374.54 crores over and above the sanctioned provision under the head of account "5225—local telephone system—telephone exchange automatic". There were also four sub-heads where the provision of Rs. 7.58 crores had remained wholly unutilised. On

the other hand, there were also three cases where expenditure of Rs. 56.09 crores was incurred against "NIL" provision. Obviously, these instances of Variations under various heads of accounts leading to both excess and saving in different sections of the grant as a whole clearly illustrates the casual manner in which the budget estimates were prepared by DoT as well as the laxity of control over expenditure prevalent in the Department. The very fact that such variations continue to recur year after year leads the Committee to inescapable conclusion that the process of preparation of budget estimates in DoT is shorn of critical and care examination of the ground realities. The Committee hope that DoT would atleast now draw suitable lessons from their past experience and take sufficient care hereinafter to make the budgetary projections meaningful and realistic.

[Para 30 of Second Report of PAC (12th Lok Sabha)]

#### **Action Taken**

Reply to Para 30 of the PAC's Report on the scrutiny of the Appropriation accounts of the DoT for 1996-97.

The supplementary grant of Rs. 474 crores was obtained for accommodating increased demand from field units under the scheme BB 2—Local Telephone system. The actual expenditure under this scheme during 1996-97 is Rs. 5801.10 crores against the sanctioned grant of Rs. 5439 crores which includes the supplementary grant of Rs. 474 crores. The reasons for the excess expenditure under this scheme are due to the provision of more DELs over and above the target (Target 29.55 lakh DELs Achieverient 31.22 lakh DELs).

The decision to open a separate minor head of account BB 4(10) to accomodate the expenditure on account of VPTs under the sub-major head BB—4 L.D. Transmission system was taken in July'96 after the approval of the DFG of 1996-97. Provision was made under BB 4(10) by reappropriations from the sanctioned grant under the scheme BB 4—L.D. Transmission.

The committee's instructions that the DoT should draw suitable lessons from their past experience and take sufficient care hereinafter to make the budgetary projections meaningful and realistic is noted and suitable instructions are already issued to the field units.

This has been approved by Member (F).

This has been vetted by the D.G. of Audit (P&T) vide U.O. No. RR III/2 (b) 400 App. A/Cs/1996-97/723 dated 26.3.99.

F. No. 6-1/97-CB (Pt).

#### **Recommendation**

The Committee find that 12 cases of defalcation or loss of public money involving an amount of Rs.0.17 crore and 2350 cases of loss of stores amounting to Rs. 4.59 crore had occurred in DoT during 1996-97. A detailed scrutiny of the Appropriation Accounts revealed that 2188 cases of

loss of stores due to theft alone had accounted for an amount of Rs.3.13 crore. In the opinion of the committee, these large number of cases of defalcation and loss of stores are clearly indicative of laxity of control being displayed by the departmental authorities in protecting the public money. Keeping in view the fact that such instances have become an endemic feature and reported in the Appropriation Accounts year after year, the Committee desire that DoT should address this issue seriously and take concrete measures to overcome the deficiencies persisting in their system with a view to avoiding recurrence of such cases in future. Efforts should also be made to complete the investigations in all such cases within a limited time-frame in strict accordance with prescribed rules and expeditious action initiated not only to make good the losses but also to punish the delinquent officials whose laxity of supervision had resulted in such losses.

[Para 34 of Second Report of Public Accounts Committee (12th Lok Sabha)]

#### Action Taken

1. Reports received from the concerned Heads of Telecom circles show that in almost all cases involving loss of money or stores pointed-out in the paragraph, investigations have been made and FIRs/Reports lodged with police.

2. The paragraph mentioned 12 cases of loss of public money. These included 4 cases of loss of stores which had been erroneously shown under this category by Karnataka Circle. Of the balance, 8 cases amounting to Rs. 14,01,303/- in 3 cases the amount has been recovered (Rs. 10,60,387/-), in one case it has been written off (Rs. 8000/-) and in one case Rs. 2 lakh has been recovered but is presently under custody of Court/Police.

3. The paragraph showed a total of 2350 cases of loss of stores amounting to Rs. 45932920/-. Based on the report received from Heads of circles, these figures stand revised to 2349 cases amounting to Rs. 41640906/-. Of these in two cases (Rs. 66044/-) the amount has been recovered, in 3 cases the loss (Rs. 14168/-) has been written off and in 2 cases (Rs. 25150/-) the recovered stores are in police custody.

4. To minimise instances of loss of public money or stores, existing instructions on the subject have been again brought to the notice of Heads of circles *vide* DoT letter No. 46-47/98-TA-II dated 21.5.99 (copy attached) and they have been directed to make all efforts to speedily recover losses of stores and money within limited time-frame and strictly in accordance with prescribed Rules. They have also been advised to take action to punish the delinquent officers if there was evidence of laxity on their part which might have facilitated such losses.

This issues with the approval of Member (Finance).

Encl: As above

This has been vetted by the Addl. Deputy Comptroller & Auditor General (P & T) Delhi-54 *vide* their U.O. No. RR-I/2(E)OB (Telecom)/216 Dated 30-6-99.

F.No. 46-47/98-TA-II

Government of India  
Ministry of Communications  
Deptt. of Telecommunications Sanchar Bhawan, New Delhi-110 001

To  
All Heads of Telecom Circles  
No. 46-47/98-TA-II

Dated: 21.5.99

SUBJECT :*Recommendations contained in the IInd Report of Public Accounts Committee (12th Lok Sabha) on "Union Govt. Appropriation Accounts" Telecom Services (1996-97).*

I am directed to forward herewith a copy of para No. 34, containing the Recommendations of Public Accounts Committee, as contained in their IInd Report (12th Lok Sabha) on Union Govt. Appropriation Accounts—Telecom Services (1996-97) for necessary action.

2. Previously instructions were issued *vide* this office letter No. 46-48/97-TA-II dated 15-5-1997 on the Recommendations contained in the 4th Report of Public Accounts Committee (11th Lok Sabha) on Union Govt. Appropriation Accounts "1994-95"—Telecom Services. In those instructions, it was emphasised that investigations in all cases of loss of stores should be completed at earliest. In case of loss due to theft, necessary F.I.R. to be lodged. Recourse to the legal proceedings should also to be taken expeditiously and efforts should be made to recover whole amount of loss of store from concerned officials in cases where laxity of supervision has facilitated such losses.

3. From the reports called from the concerned Telecom Circles on the subject, it revealed that there is slackness in persuing the matters with Police authorities in cases loss due to defalcation of Public money or theft of store for which necessary F.I.R. stands lodged with Police authorities. There is also slow progress for taking action on the Police investigation reports in cases where culprits remain untraceable/undetected.

4. *In the subject report the Public Accounts Committee (12th Lok Sabha) has desired that Deptt. of Telecom should address the issue seriously and take concrete measures to overcome the deficiencies persisting in their system with a view to avoid recurrence of such cases in future. The Public Accounts Committee has further desired that efforts should be made to complete the investigations in all cases of defalcation of public money and loss of stores within a limited time frame in strict*



*accordance with prescribed rules and expeditious action initiated not only to make good the losses but also to punish the delinquent officials whose laxity of supervision has resulted such losses.*

5. I am also directed to invite your kind attention to rule 53 of P&T FHB Vol. I wherein it is stated that *Head of the office where the defalcation and loss had occurred shall ensure that the cases are properly pursued and investigated by authorities concerned.* In case of loss of shortage revealing the deficiencies/insufficiencies/defects in prescribed procedure, proper *amendments to the procedure should be suggested* properly for consideration of appropriate Telecom authority. Cases concerning services irregularities/non-observance of prescribed procedure should be brought to the notice of Secretary, Deptt. of Telecommunications through the respective Heads of Circles. Detailed instructions for regulating the enforcement of responsibilities will be found in Appendix 4 of P&T FHB Vol. I.

6. It is, therefore, reiterated that efforts should be made in all cases of defalcation of public money and loss of stores within a limited time frame and strict in accordance with prescribed rules & expeditious action initiated not only to make good of the loss but also to punish the delinquent officials whose laxity of supervision has facilitated such losses and rule 204-A of P&T Manual-III should be revoked for regulating the enforcement of responsibilities for losses of stores.

Encl: Extract of para No. 34.

Sd/-  
(J.K. GUPTA)  
Director(TA-I)

Copy to: IFAs of each Telecom Accounting Circles for information and necessary action.

### **CHAPTER III**

**RECOMMENDATIONS/OBSERVATIONS WHICH THE  
COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE  
REPLIES RECEIVED FROM GOVERNMENT**

**—NIL—**

## **CHAPTER IV**

### **RECOMMENDATIONS/OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION**

#### **Recommendation**

The Committee are also distressed to observe the injudicious manner in which the reappropriation of funds was made by DoT from or to various heads of accounts during 1996-97. In fact, the results of the appropriation audit has brought out instances where reappropriation of funds aggregating Rs. 11.54 crore in 17 cases was uncalled for because the amount so transferred had remained wholly unutilised. There were also 10 cases where the amount of Rs. 116.25 crore reappropriated from sub-heads was injudicious as the actual expenditure either exceeded the original provision before such reappropriation or the final expenditure exceeded the reduced provision after reappropriation from them. Evidently, there was abysmal failure on the part of DoT in keeping the vigil over the trend of expenditure *vis-a-vis* sanctioned funds under various heads when reappropriation proposals were considered in the Department. The Committee consider this situation highly unsatisfactory particularly because reappropriation orders are generally issued in the closing month of the financial year when the Ministries/Departments are expected to possess adequate data on their expenditure incurred and committed liabilities. The Committee, therefore, desire that DoT should apprise the Committee of the precise circumstances which led to issuance of injudicious reappropriation orders during the years under review. They would also like DoT to evolve an effective mechanism so that issuance of injudicious and defective reappropriation orders are avoided in future.

[Para 33 of Second Report of PAC—12th Lok Sabha]

#### **Action Taken**

Reappropriations made during March 1997 based on the actuals upto January 1997 and anticipated expenditure during February and March 1997 did not match the actual expenditure during the last two months.

Observations of the Committee have however, been noted and all the field Units have suitably been instructed to frame the estimates more realistically to avoid unnecessary reappropriations.

This issues with the approval of Member (Finance).

This has been vetted by the Addl. Deputy Comptroller & Auditor General (P&T) Delhi-54 *vide* their U.O. No. RR-III/7(6) 400, App. A/cs/1997-98/724, Dated 26-3-99

F.No. 1-399B

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## **CHAPTER V**

### **RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES**

#### **Recommendation**

According to the instruction issued by the Ministry of Finance to all Ministries/Departments of Government of India on 27 March, 1986, the Supplementary Demands are required to be severely restricted to genuine unforeseen expenditure. The Committee's examination has, however, revealed that the mechanism of obtaining supplementary funds was used by DoT during 1996-97 in a rather perfunctory manner without carefully making a proper assessment of the expenditure incurred or likely to be incurred by them against the funds already obtained. The net result was that the supplementary funds of the order of Rs. 474 crore under voted portion of Capital Section of the grant proved totally unnecessary as the final saving of Rs. 849.27 crore in this case far exceeded the supplementary allocations. On the other hand, DoT also obtained supplementary allocations of Rs. 19 crore in the voted portion of Revenue Section of the grant which proved inadequate resulting in an excess expenditure of Rs. 448.07 crore in that section. In the opinion of the Committee, the facts brought out above amply prove that DoT has been resorting to additional allocations on inaccurate projections without giving due regard to the trend of expenditure. The Committee therefore, desire DoT to impress upon their budget controlling authorities to thoroughly examine their proposals for additional funds in a pragmatic manner. They would also like DoT to undertake proper review and scrutiny of their proposals for supplementary funds to ensure that these are restricted only to genuine cases.

[Para 31 of Second Report of PAC—12th Lok Sabha.]

#### **Action Taken**

The Committee's desire that the DoT impress upon their budget controlling authorities the need to thoroughly examine their proposals for additional funds in a pragmatic manner, and to undertake proper review and scrutiny of the proposals for supplementary funds to ensure that these are restricted only to genuine cases, is noted for compliance.

The issues with the approval of Member (Finance).

This has been vetted by the Additional Dy. Comptroller & Auditor General (P&T) Delhi-54 *vide* No. RR IIL/7(6) 400/App. A/cs/1997-98/724, dated 26.3.99.

F.No. 3/99-B.

### **Recommendation**

The Committee are amazed to observe the unusual phenomenon of surrendering Rs. 11.91 crore from voted portion of Revenue Section of the grant on the last day of the financial year when the grant had actually registered an excess expenditure of Rs. 448.07 crore and thus no savings were available for surrender. Evidently, DoT was not aware of their final requirement of funds even at the close of the financial year. Surprisingly, the amount surrendered by DoT in the Capital Section of the grant was only Rs. 600 crore whereas the final savings available for surrender under the grant were of the order of Rs. 849.27 crore. While taking a serious view of absence of proper accounting information system and the casualness displayed by DoT in making erroneous surrender of funds, the Committee desire that DoT should take appropriate steps to tone up their accounting information system on scientific lines so as to avoid such lapses in future.

[Para 32 of Second Report of PAC—12th Lok Sabha.]

### **Action Taken**

Surrender of funds are made during March based on the actuals upto January and the anticipated expenditure during February and March. Sometimes the actuals vary from the anticipated expenditure.

Under Revenue Section the surrender was under Plan while the excess under Non-Plan was mainly due to appropriation of more surplus to reserve funds (due to more revenue receipts and less working expenses) which is an accounting adjustment. Under Capital Section the savings were more than anticipated due to non-utilisation of final allotments by some field Units.

Observations of the Committee are, however, noted. In future, more realistic assessment will be made while working out the surrenders. All the field Units have also been instructed to frame the estimates more accurately.

This issues with the approval of Member (Finance).

This has been vetted by the Additional Dy. Comptroller & Auditor General (P&T) Delhi-54 *vide* No. RR III/7(6) 400/App. A/cs/1997-98/724, dated 26.3.99.

F.No. 1-3/99-B.

### **Recommendation**

The Committee view with serious concern that 8234 audit observations involving an amount of Rs. 161.18 crore were pending settlement in DoT at the end of June, 1997. It is all the more distressing that the number and amount involved in these outstanding audit observations had increased considerably from the previous year when such cases were reported to be

7243 and the amount involved was Rs. 113.12 crore. What is more disturbing is that fact that some of these outstanding audit observations relate to the period commencing from 1979-80 and could not be cleared even after a lapse of over 17 years. While expressing their displeasure over this poor state of affairs, the Committee are in no doubt that the position will not improve unless a rigid time limit is fixed for settlement of audit objections and appropriate action taken to fix responsibility in cases of defaults. They, therefore, desire DoT to issue suitable instructions in this regard to their officers for strict compliance in future and report to the Committee within three months the concrete action taken in this direction. Considering the pendency of certain audit observations for last so many years, the Committee also desire the DoT to take urgent and effective steps under a special time bound programme with a view to wiping out outstanding audit observations particularly those pending for over one year. The Committee would like to be apprised of the precise progress made in this direction.

[Para 32 of Second Report of PAC—(12th Lok Sabha)]

#### **Action Taken**

Facts and figures are hereby confirmed.

All the Units have been directed to chalk out a time bound schedule to achieve the targets fixed by this office for clearance of outstanding Audit IRs and objections *vide* letter No. 31-1/98-99/B-II dated 27-1-99 (copy enclosed). Progress in clearance of pendency *vis-a-vis* the targets fixed will be reviewed through special report which the Units have been asked to submit by 15-7-1999. However, as desired instructions regarding fixation of responsibility in case of defaults noticed if any in this regard have also been issued *vide* No. 31-1/98-99/B-II dated 4-2-99 (copy enclosed).

This issues with the approval of Advisor (Finance).

F.No. 27-12/98-99/B-II

Dated: 9-2-99.

This has been vetted by the Additional Dy. Comptroller & Auditor General of India (P&T) Delhi-54 *vide* their UPO No. RR I 2(E)57/OB (Telecom)/81

Dt. 20-4-99.

F.No. 27-12/98-99/B-II.

No. 31-1/98-99/B-II  
Government of India  
Ministry of Communications  
Department of Telecommunications  
(Budget-II Branch)  
Room No. 511, Dak Bhavan,  
New Delhi-110 001.

Dated : 27-1-1999

To,

All Chief General Managers Telecom Circles/Telephone Distts.  
All Chief General Managers Telecom Projects/Maintenance Circles,  
All Chief General Managers Telecom Factories  
Chief General Manager Telecom Stores Calcutta/ALTTC Ghaziabad/  
BRBRATTC Jabalpur, T&D Jabalpur, RABMN Noida, Task Force  
Guwahati, CPAO ITI Bills Bangalore.

**SUBJECT.** *Target for settlement of Audit Inspection Reports and  
Objections for the year 1998-99.*

Target for settlement of outstanding IRs and objections for the year 1997-98 was fixed by this office *vide* memo No. 31-1/97-98/Bgt.-II dated 31.10.97. Achievement reports were to be submitted to this office latest by 31.5.98, but the same are yet to be received from many Circles. The defaulting units, which have been reminded separately, may please ensure submission of the reports latest by 31.1.99.

2. A review of the quarterly statements on pending audit IRs and objections has revealed that the overall position of pendency continues to be bad. Some of the items are even over a decade old. Not only objections raised by audit in Parts I & II of their reports are pending but objections raised in Part III of the reports (to be complied with by respective units immediately after completion of an audit inspection) have also been allowed to remain pending for years altogether.

3. The Ministry of Finance as well as the Public Accounts Committee of Lok Sabha take a serious view of this and have demanded expeditious



settlement of all such objections. This directorate has, therefore, set the following targets for clearing the pending objections by 31.5.1999:—

Period	Objections raised in	
	Parts I&II of IRs	Part III of IRs
(i) Upto 1994-95	100%	100%
(ii) 1995-96	80%	100%
(iii) 1.4.96 to 31.5.1998	75%	100%

4. Serious efforts may please be made to achieve these targets. In this regard an earlier suggestion of constituting a team consisting of an A.O./A.A.O. each from your office and from Branch Audit Office (in consultation with the Head of Branch Audit Office) is again reiterated. This team may visit those units where there is a large pendency of audit objections and assist on the spot settlement in a time bound manner.

5. Compliance report indicating your Circle's achievement *vis-a-vis* the targets now fixed may be sent to this office by 15.7.1999 together for parts I and II of the inspection reports and separately for part III thereof in the enclosed format. The outstandings in the compliance report should agree with the yearwise details furnished in the quarterly statement of Audit objections for period ending 31.5.1999 due to reach this office by 10.8.1999.

6. The receipt of this letter may kindly be acknowledged to Sh. N.D. Digani, Asstt. Director General (PF-II), 511, Dak Bhavan, Parliament Street, New Delhi-110 001.

Sd/-  
(H.P. MISHRA)  
Dy. Director General (Accounts)

Copy to:

All I.F.As., Telecom Circles/Districts and other units.

**Statement of Audit Objections Special Report to D.G. Telecom, New Delhi in respect of Part I&II of IRs.**

Period	No. of Objs. pending as on 31.5.98	No. of Objs. pending as on 31.5.99	No. of Items cleared	Target	Actual %age of clearance	Remarks
upto 1994-95				100%		
1995-96				80%		
1.4.96 to 31.5.98				75%		

(Note: Separate statement should be sent in respect of objections Part I & II of the IRs and Part III of IRs).

**Statement of Audit Objections Special Report to D.G. Telecom, New Delhi in respect of Part III or IRs.**

Period	No. of Objs. pending as on 31.5.98	No. of Objs. pending as on 31.5.99	No. of Items cleared	Target	Actual %age of clearance	Remarks
upto 1994-95				100%		
1995-96				100%		
1.4.96 to 31.5.98				100%		

(Note: Separate statement should be sent in respect of objections Part I & II of the IRs and Part III of IRs).

Signature of IFA  
\_\_\_\_\_ Circle.

Department of Telecommunication  
(Budget-II Branch)

No. 31-1/98-99/B-II

Dated: 04.02.1999.

To

All Heads of Telecom. Circles/Units.

All IFA of Telecom. Circles/Units.

SUBJECT: *Settlement of outstanding Audit objections & IRs.*

The Public Accounts Committee in their 2nd Report (12th Lok Sabha) relating to Union Government Appropriation Accounts—Telecom. Services (1996-97) have *vide* para No. 35 (copy enclosed) expressed their displeasure over the performance of the Department with regard to the settlement of Audit objections pending from the period commencing from 1979-80.

While strongly disapproving this poor state of affairs, the Public Accounts Committee have desired to fix a definite time limit for settlement of pending Audit objections and for fixation of responsibility in cases of default noticed thereto.

Keeping the above instructions of the Public Accounts Committee in view, the Heads of Circles/Units are requested to enjoin upon all the Officers and staff under them to attach utmost importance to the settlement of pending Audit objections *vis-a-vis* targets fixed by this office *vide* letter of even No. dt. 27.1.1999 and to ensure submission of the special compliance reports thereto positively by 15.7.1999. It will be the personal responsibility of the Heads of Circles/Units to ensure that the targets fixed are achieved in toto and in case of any default responsibility is fixed and reflected in the special report to be submitted to this office by 15.07.1999 as stated above.

Receipt of this letter may be acknowledged to Sh. N.D. Digani, ADG (PF-II), Room No. 511, Dak Bhavan, New Delhi.

Sd/-

(H.P. MISHRA)

Dy. Director General (Accounts)

NARAYAN DATT TIWARI

*Chairman,*

*Public Accounts Committee.*

NEW DELHI;

22 August, 2000

31 Sravana, 1922 (*Saka*)