

**MINISTRY OF COMMUNICATIONS  
—DEPARTMENT OF  
TELECOMMUNICATIONS  
—TELECOMMUNICATIONS**

190

**ESTIMATES COMMITTEE  
1991-92**

**TENTH LOK SABHA**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**FOURTH REPORT  
ESTIMATES COMMITTEE  
(1991-92)**

**(TENTH LOK SABHA)**

**MINISTRY OF COMMUNICATIONS—DEPARTMENT OF  
TELECOMMUNICATIONS—TELECOMMUNICATIONS**



*Presented to Lok Sabha on 11th December, 1991*

**LOK SABHA SECRETARIAT  
NEW DELHI**

*December 11, 1991 / Agrahayana 20, 1913(S)*

**E.C. No. 1257**

---

*Price : Rs. 12.00*

© 1991 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of procedure and conduct of Business in Lok Sabha (Seventh Edition) and printed by the Manager, P.L. Unit, Government of India Press, Minto Road, New Delhi-110002.

CORRIGENDA

TO

FOURTH REPORT OF ESTIMATES COMMITTEE ON  
'Telecommunications'

...

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
(iii)		Sl.No.10	Vishwanathan	Vishwanatham
8	1.31	11	importance	importance
37	3.51	12	M.T.L.	H.T.L.
37	3.52	14	at	it
38	3.53	4	demand	demand and
40	3.60	3	not	note
45	4.17	17-18	expediti-ou	expeditious
62	6.25	2	nature	mature
62	6.26	3	depreciate	deprecate
76.	2.42	3	Estimate	Estimates
81	3.53	13	demand	demand and
87	4.18	2	to	of
89	5.26	11	delete all	

# C O N T E N T S

	PAGE
COMPOSITION .....	(iii)
INTRODUCTION .....	(v)
<b>CHAPTER I—TELECOMMUNICATIONS APPROACH &amp; POLICY</b>	
(a) Telecommunication—A Developmental Input .....	1
(b) Telecom Policy .....	4
(c) Indian Telegraph Act .....	5
(d) Cable TV Network .....	6
(e) Human Resource Development—Manpower Training .....	6
(f) Welfare activity .....	8
<b>CHAPTER II—PERFORMANCE AND PROBLEMS</b>	
(a) Modernisation of Telecom Services .....	11
(b) Seventh Plan Target .....	12
(c) Long Distance Public Telephones .....	14
(d) Demand / Supply Imbalance of Telephones .....	15
(e) Unfulfilled Demand .....	16
(f) Resource Imbalance .....	17
<b>CHAPTER III—ORGANISATIONAL &amp; INFRASTRUCTURAL ASPECTS</b>	
(a) Organisational Structure .....	25
(b) Monopoly in Telecommunication Services .....	28
(c) Private Network for Bulk Users .....	29
(d) Setting up of Private Exchanges in Apartments .....	31
(e) Equipment Availability .....	31
(f) Transmission Equipment .....	34
(g) Development of Indigenous Telecom Technology .....	35
<b>CHAPTER IV—TOWARDS A WHOLE NATION CONNECTIVITY</b>	
(a) Public Call Offices .....	42
(b) Telecom Facilities in Rural Areas .....	43
(c) Rural Telecom Cooperatives .....	44
(d) Telecom Facility in Remote, Hilly and Island Territories ...	45
<b>CHAPTER V—FINANCIAL ASPECTS</b>	
(a) Tariff Policy .....	47
(b) International Subscriber Dialed Calls .....	49
(c) Telegrams .....	50
(d) Rationalisation of Tariff .....	50
(e) Dual Tariff .....	51
(f) Outstanding Bills .....	51
<b>CHAPTER VI—MANAGING SUBSCRIBER SATISFACTION</b>	
(a) Excessive Billing .....	57
(b) Telephone faults and maturing of calls .....	59
(c) Working of P.Cos and LD PTs .....	60
(d) Telephone Advisory Committees .....	64
APPENDIX .....	72

**LIST OF MEMBERS OF THE ESTIMATES  
COMMITTEE  
(1991-92)**

**CHAIRMAN**

**Shri Manoranjan Bhakta**

**MEMBERS**

2. **Shri Rajendra Agnihotri**
3. **Shri Mumtaz Ansari**
4. **Shri A. Charles**
5. **Shri Somjibhai Damor**
6. **Shri Digvijaya Singh**
7. **Shri Pandurang Pundlik Fundkar**
8. **Shrimati Girija Devi**
9. **Shri Nurul Islam**
10. **Dr. Viswanathan Kanithi**
11. **Shri Ayub Khan**
12. **Shri C.K. Kuppuswamy**
13. **Shri Dharampal Singh Malik**
14. **Shri Manjay Lal**
15. **Shri Hannan Mollah**
16. **Shri G. Devaraya Naik**
17. **Shri Rupchand Pal**
18. **Shri Sriballav Panigrahi**
19. **Shri Harin Pathak**
20. **Shri Vijay N. Patil**
21. **Shri Harish Narayan Prabhu Zantye**
22. **Shri Ebrahim Sulaiman Sait**
23. **Shri Moreshwar Save**
24. **Shri Manabendra Shah**
25. **Shri Mahadeepak Singh Shakya**
26. **Shri Ramashray Prasad Singh**
27. **Shri Sartaj Singh**
28. **Shri Syed Shahabuddin**
29. **Shri D. Venkateshwara Rao**
30. **Shri Braja Kishore Tripathy**

**SECRETARIAT**

1. **Shri K.K. Sharma** — *Joint Secretary*
2. **Shri B.B. Pandit** — *Director*

② 16 2 1994

INTRODUCTION 52nd

I, Chairman of Estimates Committee on having been authorised to submit the Report, on their behalf, present this [4th] Report on the Ministry of Communications (Department of Telecommunications)—Telecommunications.

The Committee considered the replies given by the Department of Telecommunication to a detailed questionnaire issued on the subject whereafter the oral evidence of the representatives of the Department of Telecommunication was recorded on [19.9.1990]. The Committee wish to express their thanks to the officers of the Ministry for placing before them the written notes concerning the subject under examination and such other information as was desired by the Committee in connection with the examination of the subject. They are also grateful to them for showing high degree of candour during the evidence before the Committee in sharing with the Members of the Committee their views and perceptions of different matters of relevance.

*Division  
credit  
facile  
to work  
zechi  
or  
South*

The Report was considered and adopted by the Committee on [11.10.1991] 19 4 1995

[In their Report the Committee have looked at organisational, technological, financial, legal and operational aspects of the working of telecommunications in the country. However, the thrust of the Committee's recommendations has been on according high priority to telecommunication sector during the 8th and 9th Five Year Plans so that an all-nation-connectivity right down to village level is achieved. In this context, the Committee have cautioned the Government against unrealistic planning and called for fixation of targets within achievable range. They have also stressed upon the need for enhancing the level of investment in the telephone sector from the level of 2-3 per cent achieved during the 7th Five Year Plan which, obviously, fell way behind the requirement. In making these recommendations the Committee have been acutely aware of the growing imbalance between demand and supply of telephone facilities and the fact that the waiting lists which is in the region of 1.5 million, has been growing at the rate of 33 per cent during the recent years.

In this context the Committee have called for according Telecommunication finances the same degree of autonomy as enjoyed by Railways so as to encourage the Department to achieve a high degree of self-financing and to ensure that this vital sector of the economy grows on a self-sustaining basis.

The Committee have found that the tariff structure of the Telecommunication Department is not based on any rationale principle and have therefore called for identification of the real cost for its necessary rationalisation. They have also favourably viewed the proposal to have a dual tariff structure keeping in view the existing resource crunch being faced in expansion of the telecom facilities in the country.

The Committee have expressed their anxiety at the state of impermanency that has been associated with the organisational structure of the DOT in recent years.

In this context, Committee have placed on record their reservations about setting up of MTNLs on the present pattern. In their opinion the improvement that may have been achieved in providing telecom services through MTNLs have not been significant enough to out weigh the resultant difficulties in cross subsidisation of finances for improvement and expansion of telecom services in low revenue earning areas, particularly the rural areas, and in evolving effective remuneration policy in the Department of Telecommunications. The Committee have, urged the Government to allow bulk users to connect their networks with the public networks as also setting up of PCOs in urban as well as rural areas in order to optimise the existing network and also to achieve the desired level of connectivity in the country.

The Committee have welcomed the present policy of liberalisation being followed in regard to production of switching as well as user equipment. However, they have cautioned against under utilisation of the installed capacity of various units which have been licenced to produce such equipments and have therefore urged the Government to actively monitor the process of liberalisation so that the objective of augmenting supply of telecom equipment is fully achieved.

In regard to technological aspects the Committee have underlined the need for stepped up investment in R&D effort for development of indigeneous technology as also for absorption of latest technology from abroad so as to develop in the country a strong technological base in the field of telecommunications.

The Committee have also expressed its serious concern about the existing state of customer satisfaction owing to excessive and incorrect billing, poor subscriber services and repair and maintenance of subscriber equipment. They have called upon the Department to pay immediate attention towards achieving better subscriber satisfaction. Hence, in this regard, have suggested activation of Telephone Advisory Committees, Telephone Adalats as also greater interaction between senior officers of the Department and the subscribers.

The Committee have desired that the Indian Telegraph Act should be kept under constant review, and modified, as and when changes in the technology, expansion of telecom network and introduction of new services so warrant. The Committee have also desired that the Act be reviewed from a futuristic perspective so that it continues to remain an instrument of growth and is not permitted to become an impediment at any stage.

The Report is largely based on the work put in by the previous Committee, the composition of which is given in the Appendix VI. The Committee wish to place on record their sincere thanks to them.



For facility of reference the recommendations / observations 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 Appendix of the Report.

NEW DELHI;  
*November 20, 1991*  

---

*Agrahayana 29, 1912 (S)*

MANORANJAN BHAKTA,  
*Chairman,*  
*Estimates Committee.*

## CHAPTER I

### TELECOMMUNICATIONS APPROACH AND POLICY

#### *(a) Telecommunication—A Developmental Input*

1.1 The Chairman, Telecommunication Commission in his statement before the Committee submitted “Telecom is indeed no longer a luxury: it is a necessity.”

1.2 He further added “Telecommunication is critical to overall modernisation, it will lead to improved education, industry and transport. It is directly connected to efficiency and productivity. If we are not going to pay attention in the Eighth and Ninth Plan to Telecommunication and information, I think that we will fall back. This is connected with social transformation. If we are not willing to invest the kind of money and manpower resources, we will be sorry about it in 2000 A.D. and beyond.”

1.3 In a written note furnished to the Committee the Department has stated that quite a few studies have been done to assess the importance of Telecommunication in the context of economic development and that these studies had revealed as follows:—

- there exists a strong correlation between density of telephone network and economic development;
- countries in the take-off phase of their development invariably invest heavily in telecommunications;
- investments in telecommunications have a very strong macro-economic multiplier effect which lead to major GNP benefits especially in countries with a low telephone density;
- the majority of countries have tended to under-invest in telecommunications, thereby incurring a major economic opportunity loss. In one country this lost opportunity was estimated at about 2% of GNP.
- the internal rates of return for PTT's in 12 World Bank telecommunications projects were between 11% and 35%, averaging 18%. Taking into account economic benefits other than direct telephone revenues, the rates of return for these projects ranged from 17% to 50% averaging 27%.

1.4 About the relative importance of telecommunication viz-a-viz other sectors of development the Ministry quoted from the Report of the Independent Commission for World-Wide Telecommunication Development on the role of telecommunication:—

“Telecommunications have often been neglected in favour of other sectors such as agriculture, water and roads. Telecommunica-

tions should be regarded as a complement to other investments and an essential component in the development process which can raise productivity and efficiency in other sectors and enhance the quality of life in the developing world.”

1.5 Telecommunications play an essential role in emergency and health services, commerce and other economic activity in public administration and in reducing the need to travel. There is a clear link between investment in telecommunications and economic growth.

1.6 & 1.7 The economic and social benefits of an efficient telecommunications system confers on a community or a nation can be clearly preceived. The system can also be used as a channel for education, for disseminating information, encouraging self-reliance, strengthening the social fabric and sense of national identity and contributing to political stability.

1.8 The attention of the Committee was also drawn by the department to a World Bank Publication entitled “Telecommunication and Economic Development” by Robert J. Satinders, Jerany J. Warford and B. Foru Wellenias published by John Hopkins University Press, 1983. This publication also indicates that there are strong linkages between the transport, energy and telecommunications sectors. The extent of these linkages and the relative importance of the three sectors in any one country depend upon geographical and economic factors.

1.9 In the context of developing countries, the following conclusions have been drawn in the Publication:

“The changes in the relative costs of transport and telecommunications, the relative under-development of both sector, the widespread inefficiencies in the transport sector resulting from information deficiencies (unnecessary trips, empty return trips, badly timed trips); and the limited spatial dispersion of trade, commerce and industry (also partly related to information deficiencies) all indicate that potential gains from increased penetration of the telephones network into both urban and rural areas may be relatively large.”

1.10 There is at least one study for a developing country showing that poor communication causes much unnecessary movement of empty vehicles. S.N. Kaul reports from a sample survey of fertilizer distribution in India that out of all vehicle trips made by farmers to fertilizer distribution points, the proportion of trips that failed (because the intermittent pattern of supply and demand had unknown to the farmer, resulted in the required fertilizer being undistributed from 10 to 25 per cent and for some locations it was more than 50 per cent of all trips. The vehicle trips

were typically more than six kilometers long Kaul's results are summarized in Table given below:—

Successful and Unsuccessful Trips by Farmers to Major Fertilizer Distribution Centres in India 1975 to 1976				
Region and State	Distance from farm fertilizer distribution station (Kilometers)	Number of trips	Number of Unsuccessful trips	Unsuccessful trips as percentage total
<b>NORTH</b>				
Haryana	11.4	2.3	0.5	22
Himachal	13.1	1.4	0.1	7
Punjab	14.7	3.1	1.7	55
<b>EAST</b>				
Assam	8.4	2.4	0.4	17
Bihar	9.9	2.1	0.6	29
Orissa	6.6	3.0	0.4	13
West Bengal	15.5	3.3	0.6	24
<b>WEST AND CENTRAL</b>				
Gujarat	5.9	2.7	1.3	48
Maharashtra	8.7	1.8	0.5	28
Rajasthan	13.6	1.9	0.4	21
Uttar Pradesh	7.7	2.2	1.0	45
Madhya Pradesh	7.9	1.5	0.9	68
<b>SOUTH</b>				
Andhra	16.0	2.5	1.1	44
Karnataka	5.6	1.5	0.2	13
Kerala	2.7	3.4	0.3	9
Tamil Nadu	6.3	3.3	2.1	64

1.11 It would seem that the impressive returns on investment in fleet-control telecommunications in industrial countries could at a minimum be paralleled by gains obtainable from use of more efficient telephone service—including public telephones accessible by the roadside and mobile radio applications—in developing countries. The above study data suggest that a transition from the non-use or very limited use of telecommunications facilities in developing countries, to a use of basic facilities such as telephones in public call offices in both urban and rural areas, could yield substantial benefits in reduced transport costs, even before considering other benefits that might accrue from selected applications of mobile radio facilities.

1.12 During evidence Secretary Department of Telecommunications stated in this context:

“If the 8th Plan would have been designed to focus for information

we would also modernize our work method, factory and industry, unfortunately, we are being treated as 'Telephone Operators'."

**(b) Telecom Policy**

1.13 Department of Telecommunications has stated that the policy of the Government is to provide telecommunication services i.e. telephone, telegraph, telex and non-voice service so that within their resources available demand for telecommunication services are met as early as possible. The services are provided through public telecommunication network. Licences are also granted against specific requests for establishing telecommunication services on dedicated networks depending upon specific needs. These facilities are provided in pursuance of the provision of the Indian Telegraph Act and rules framed thereunder. International Telecommunication services are provided as per international regulation framed by I.T.U. The Department has been discharging its responsibilities for telecommunication services as per policy indicated above. Within the available resources, the overall objectives of developing the telecommunication network and providing telecommunication services as per demand has been followed.

1.14 Regarding the historical background leading to evolution of the present policy and changes and corrections made from time to time, it has been stated that in the earlier days, in addition to providing services to public, the Department was responsible for providing telephone services to other Government Departments and agencies. However, this was modified to permit initially, the Defence Services to have their own dedicated network in view of the operational requirement. Subsequently, the Department and agencies like Railways, ONGC, NTPC, State Electricity Board, Police Organisations have been permitted to have their own dedicated networks for services for their own Departments.

1.15 The Department of Telecommunications has also established a Telecommunication Bureau by private individuals in certain selected locations on payment of suitable charges to the Department. The formation of Public Sector Undertakings like MTNL and VSNL for providing and operating telecommunication services in specific areas is yet another change which has been introduced in recent years.

1.16 Asked as to whether these changes were based on any evaluation study made by the Government or an outside agency independently or on behalf of the Government, the Department stated that no specific evaluation study had been made. However, deliberations of the Parliamentary Consultative Committee, Telephone Advisory Committees, debates in the Houses of Parliament and technological and operational review within the department were the main inputs for considering changes. The Government had set up in 1981 the Committee on Telecommunications which has also given recommendations on provision of Telecommunication services.

1.17 Regarding the changes envisaged by the Government in the existing policy, it has been stated that with changes in technology and increasing participation of various sections of the society (private sector, joint sector) in technology development production and services, a comprehensive policy document was considered desirable so that the Government policies are well understood by all segments of society. As there is no formal policy statement at present—there is a proposal to formulate such a policy statement. The Telecom policy draft has been prepared and is presently under the consideration of the Government.

1.18 Asked about the time likely to be taken in the finalisation of the new Telecom Policy; the representative of the Department during evidence before the Committee stated:

“I think we are putting it in the winter session of Parliament.... There is one more question on the policy. A lot of MPs have suggested that we have a Communications Policy and not a Telecom Policy alone. In other words, we should have Postal Policy and Telecom Policy combined and have Communications Policy. But this will further delay our Telecom Policy probably.”

1.19 From the 6th report of Committee on Govt: Assurances of Lok Sabha the Committee find that in February, 1984 Minister for Communications had informed Lok Sabha that Government proposed to adopt a national policy on communications and a policy paper in this regard was under preparation. Subsequently, during the evidence before the Committee on Government Assurances on 5th March, 1990 the Secretary promised to lay the policy on the Table of the House during the Budget Session.

*(c) Indian Telegraph Act*

1.20 During evidence the Committee desired to know whether the Department of Telecommunications had considered a review of Indian Telegraph Act so as to bring it in line with the existing scenario of telecommunication technology as also the need to treat telecommunication as developmental input. In reply, the Secretary of the Department Stated:

“The first thing we decided to do was to look at the Telecom Policy before we take Telegraph Act because firstly we have to study the policy and then we can modify the Act.”

1.21 The Department of Telecommunications in a note furnished

---

\* At the time of factual Verification Department of Telecommunications stated that a draft policy has been prepared and is under examination for the editorial details

to the Committee has stated that the telecommunication technologies and the role of telecommunications have undergone considerable changes since the time of the Indian Telegraph Act was first enacted in 1885. However, the Act has undergone the process of 'amendment', 'repeal' or 'adoption' of certain provisions 15 times afterwards. The basic philosophy and objects of the Act fit in with the present telecom scenario. The provisions of the Act do not come in the way of technological advancement in Telecommunication. Sector as propellant of growth, role of telecom in export promotion or telecom facilities as a public utility rather a luxury to be enjoyed by a few. The act permits and aids the above roles of the telecommunications.

*(d) Cable TV Network*

1.22 The establishment of a cable TV network in the country is covered by the Indian Telegraph Act, 1885 administered by the Ministry of Communications. No licence is required for laying a cable within a private premises. However, dish antennae systems can be established only after obtaining a licence from the Ministry of Communications.

As per a commercial survey in May, 1990 about 3,500 Cable TV networks were estimated to be operating in the country.

1.23 During evidence Secretary, Department of Telecommunications stated:—

“...there is only one major thing in the Telegraph Act which may need revision and this has to do with the crossing of street wiring. Cable TV industry also comes into the picture. People are installing their TV antenna and we are closing our eyes to it. This has an impact on the Telegraph Act. So we will look at it in totality and come with some suggestions and modifications.”

*(e) Human Resource Development & Man Power Training*

1.24 The Secretary, Department of Telecommunications was asked during evidence to indicate the steps being taken by the Department to create requisite manpower to handle the changing technologies. In this connection a representative of the Department stated as under:—

“.....the other area is HRD which is a larger issue. I think, in this we have a bigger challenge than in the technology because our linemen, our operators, our people at the lower level are not in tune with the technology we are trying to build in and our management is also not in tune with it.”

1.25 He elaborated further:

“...We have today 500000 people working in telecom, but all these 500000 need to be retained. Our organisation has to be restructured. We are in the process of doing all this but we are finding it very difficult to do so in the system that we have created over the last 40 years, which is something we don't take very lightly. People within the Department resist a change and so our task is becoming more difficult. We are bringing in more technology, but the labour is reacting. We are talking to labour, but then the Government says, 'we cannot give the labour special pay and special benefits.' On the one hand we are trying to bring in new technology and convincing the labour that they need to participate in automation.”

1.26 Asked to explain the steps if any being taken by the Department for attitudinal changes of its staff and officers so that they may impart telecom services in an efficient manner the representative of the Department stated:—

“...we have the capacity to absorb the new technology and not about running of service. I am quite aware of the deficiency.”

1.27 Subsequently another representative of the Department stated:—

“Nobody can deny the fact that work culture, work methods, work norms, work environment etc. needs to be modernised.... The answer to a lot of this is to automate our telephone services. You need manpower for production, designing etc. But keep the human being away from the equipment. This is a fact and I hate to say this. The best way to ensure trouble-free service is to keep a 'dog' near the equipment. But this is going to take time. Besides, a lot of our equipment is old and obsolete. That gives us added service problems. Our reliability is bad because the equipment is old and we don't have enough funds to replace the equipment. Wherever we have new digital equipment, the services are reasonably good. But I am not undermining the problem of attitude and motivation. Motivation will come only if we give them a dream. We should give the telecom people and dream and a challenge.”

1.28 In a note furnished to the Committee Department has stated that the training activities of the department consists of imparting induction training as well as in service refresher training. Induction training of Group A officers and training of new technology instructional training and seminars are conducted at ALTTC, Ghaziabad. Supervisory cadres like junior Engineers are trained at Regional Telecom Training Centres. Operative staff like line men; cable jointers, telephone operators, telegraphists phone inspectors Technicians are trained at District Telecom Training Centres.



1.29 Regarding the budget sanctioned/spent for training of officers and staff of DOT, MTNL during the 7th Five Year Plan, Department has stated as under:

(Rs. in thousand)

Sl. No.	Item	DOT	MTNL
1.	Amount Sanctioned	1,46,18,66	1,86,57
2.	Amount spent	96,44,23	79,69

*(f) Welfare Activity*

1.30 Budget earmarked and utilised for various Welfare activities is given below:

Financial Year	Budget earmarked	Utilised for welfare	Sports
1985-86	One Crore	Break up readily not available	
1986-87	One Crore	57,30,500/-	24,48,000/-
1987-88	One Crore	64,82,000/-	24,48,000/-
1988-89	One Crore	65,00,000/-	25,00,000/-
1989-90	One Crore ten lacs	87,85,000/-	27,80,000/-

1.31 In their submissions before the Committee during the evidence the Department of Telecommunication have emphasised that the growth in telecommunication services bears a direct co-relation with development in other sphere of economic and social activity and thereby contributes immensely in optimisation of resources through enhanced levels of productivity and efficiency. Better telecommunications ensure speedy transmission and dissemination of information and obviate the need to travel. These also help in rapid economic growth, expansion of public welfare and ultimately social transformation. It is, thus abundantly clear that optimal investment in this sector which, in the opinion of the Committee, has the same importance in the developmental process of other sectors such as agriculture, transport and energy, is absolutely necessary if country has to keep pace with a rapidly changing global economy. The Committee, therefore, deprecate the fact that due weightage is not being assigned to the growth of telecom infrastructure in the country. *The Committee, urge the Government to give high priority to this sector in the 8th and 9th Five Year Plan. They also recommend that these two plans should be formulated in such a manner so as to focus adequately on achieving an 'all-nation-connectivity' right down to the village level.*

1.32 In the above background, while the Committee appreciate the all round growth achieved in the telecommunication sector in the past four

decades and the fact that in doing so the Government has been appropriately guided by the deliberations of the Parliamentary Consultative Committee, Telephone Advisory Committees, debates in the Parliament and technological and operational views within the Department they nevertheless regret the absence of an intelligible, articulated and comprehensive policy statement on telecommunications even after four decades of planned development. The Committee, however, have taken note of the fact that Government has been considering the question of adopting formal and comprehensive policy in this regard. In this context, the Committee are unable to share the view that such a policy ought to be part of an overall communications policy. *They are inclined to think that telecommunication by itself is an extensive and self-contained field which require a treatment independent of other modes of communication. However, necessary linkages between Department of Telecommunication and other communication agencies should appropriately be reflected in the Telecommunication Policy which may be placed before the House.*

*The Committee, therefore, recommend that a formal policy document on telecommunications will be adopted without any further delay.*

1.33 The Committee have been informed that the Indian Telegraph Act which governs the provision of telecom services has undergone a process of amendment repeal and adoption in order to make its basic philosophy and objects compatible with the present telecom scenario and that the provisions of the Act do not come in the way of technological development in this sector. They have also been apprised that the Act permits and aids the role of telecommunications as a propellent of growth and promoter of exports, etc. They have also been further informed that the advent of Cable TV technology does, not call for any major changes in the Act. At the same time, the Secretary, Department of Telecommunications did not rule out modifications in the Act in the light of a formal telecommunications policy to be adopted by the Government in future.

*The Committee recommend that the Indian Telegraph Act should be kept under constant review, and modified, as and when changes in the technology, expansion of telecom network and introduction of new services so warrant. The Committee would also like to advise the Department to review the Act from a futuristic perspective so that it continues to remain an instrument of growth and is not permitted to become an impediment at any stage.*

1.34 To enable the officers and staff of the Department of Telecommunications to perform their duties efficiently and effectively and to keep them abreast of the latest modern technology it is imperative that they are provided training at periodic intervals. The Committee note that officers and staff of the department are not geared to meet the challenges of changing scenario in the field of telecommunication. The Committee are constrained to note that allocation of funds for the purposes of training has not been commensurate with the rapid expansion in the area of telecom-

munication and introduction of modern technology in this field. Keeping in view the widely perceived state of continuing telephone faults the Committee are inclined to take the view that the technicians employed to man the equipment in the exchanges as also the telephone instruments are not attitudinally trained to perform at an optimum level of efficiency and courtsey. *The Committee would therefore like the department to strengthen its training programme. They feel that such training programmes ought to emphasise the attitudinal changes of the officers and staff of the department to help them to be not only in tune with modern technology but to be sufficiently motivated to attend to the subscriber's problems which include acute difficulties faced by them regarding fault repairs, trunk bookings, directory enquiries etc. with promptness and courtsey.*

**1.35** *The Committee recommend the Department to earmark sufficient funds for purpose of training and for other Human Resource Development objectives/requirements.*

## CHAPTER II

### PERFORMANCE AND PROBLEMS

#### *(a) Modernisation of Telecom Services*

2.1 In a written note the Ministry stated that the following types of equipments have been inducted to modernise and up-date Tele-Communication facilities in the country.

##### *Switching:*

64 Port MILT  
128 Port C-DOT RAX  
512 Port ILT switch (III)  
512 Port C-DOT switch  
2048 Port MILT switch (III)  
E-10B switch

##### *Transmission*

Digital Radio Systems  
Multi Access Radio Relay Systems  
Fibre Optic Systems  
Digital Coaxial Cable System  
POM Cable systems  
TDM VFT Systems

2.2 In a subsequent note, the Department furnished the following details of progress achieved in this regard.

- (i) By the end of 7th Five Year Plan 9.72 lakh lines out of 52.74 lakh lines switching equipment (38.4% of local lines) have been converted to digital electronic exchanges. 24 Digital Trunk Automatic Exchanges have installed by 31.3.1990.

About 4.32 lakh lines have been utilised for automatisation of manual exchanges and replacement of unserviceable, life expired and wornout electromechanical equipments.

Presently cable ducts are being constructed in all metro/major districts and multi exchange systems. So far about 900 route Kms ducts have been constructed.

A satellite network comprising of 65 numbers of fixed satellite earth stations is working for providing telecommunication services to the different parts of the country including hilly, backward, remote, inaccessible, islands etc.

During the 7th Five Year Plan 2300 route Kms of optical fibre

systems were installed for long distance routes. About 40 kms of optical fibre systems were installed for Intra Exchange local junction network in Delhi, Bombay and Pune.

To begin with computerisation of Fault Repair Service (FRS)/Subscribers Line Management System (SLMS), Telephone Revenue Account (TRA), billing Directory Enquiry, Inventory Control, Commercial, meter reading analysis, customer service centre, Pay Billing, GPF, Project Monitoring system MIS have been attempted.

**(b) Seventh Plan Target**

2.3 In a nutshell, the 7th Five Year Plan (1985-90) envisaged:

- (i) expansion of the telecommunication network by 16 lakh Direct Exchange Lines;
- (ii) Automatising all exchanges of more than 400 lines capacity and in any case all District Headquarters. A total of 1.98 lakh lines manual capacity was planned to be automatised and replacement of equipment whose life had expired as on 1.4.85.
- (iii) provision of Long Distance Public Telephone in nearly 15,000 additional inhibited hexagons.
- (iv) provision of subscriber dialling facility at all revenue district headquarters.
- (v) modernisation of the existing telex network and extending the telex facility to remote areas by opening national telex exchanges and to continue to provide telex connection practically on demand.

2.4 The actual target and achievements figures are indicated below:

Sl. No.	Component		Target	Achievement
1.	Direct Exchange Line	lakhs	16.0	16.93
2.	Coaxial	R. Kms.	8620	5935
3.	Microwave	"	11184	10478
4.	Ultra High Frequency Systems	"	12947	9893
5.	Optical Fibres	"	5144	2294
6.	Telex Capacity	No's	32200	10760
7.	LDPT's (net)	"	15000	6808(net) 9354(Gross)

2.5 The Deptt. has stated that by and large the 7th Plan targets both in physical and financial terms have been achieved except for provisions of subscriber dialling facility in revenue district headquarters and providing telephone in all hexa-gons. The schemes are under execution and are likely to be completed during 1990-95.

2.6 The Deptt. has further stated that the targets in the area of

providing new telephone connection have rather been exceeded and in the area of telex services, LDPTs and transmission media, the components of which are only percentage of the 7th Plan achievement has lagged behind the targets.

2.7 Asked to explain the reasons for shortfall in the achievement of targets in the areas of coaxial, Ultra High Frequency Systems, Optical fibres, Telex capacity, Deptt. stated as follows:—

The Department adopted a policy of switching over from analog to digital systems in consonance with the digitalisation policy of the Department. The digital systems are highly complex and the requirements were to be met partially by import of finished equipments and balance by local manufacturers through technical collaboration. Both the processes took time and consequently there was slippage in achieving the targets. In the case of coaxial systems, it was also decided to change over to microwave/optical fibre in order to conserve copper and reduce cost of investments and consequently there was reduction in R Kms. of coaxial systems.

**ULTRA HIGH FREQUENCY:** The shortfall is due to non-availability of equipment in time from indigenous sources.

**OPTICAL FIBRE:** This technology was planned for introduction in the telecommunications network on a large scale for the first time during the 7th Plan period. The requirements of the Optical Fibre cable and the equipments were to be met initially through imports and later on by indigenous manufacture through collaborative arrangements. On account of delays in obtaining various approvals, both for import and indigenous manufacture, inherent with the introduction of new technology in the network, there were slippages during initial years of the 7th Plan resulting in non-commissioning of Optical Fibre Systems during 1985-89. The entire achievement was made during the last year when the equipments and the cables were made available. The shortfall is likely to be covered up during the first two years of the 8th Plan.

**TELEX CAPACITY:** The reason for short-fall was that the supply of electronic telex equipment from ECIL, Hyderabad, which entered into collaboration with M/s Siemens West Germany, remained poor and discouraging. As a result, a number of exchanges could not be opened/expanded resulting in reduction in achievement.

2.8 Regarding provision of subscriber dialling facility in revenue districts the Department has stated that 382 District Headquarters have been brought on National Subscriber Dialling during the 7th Five Year Plan. The remaining 71 district headquarters will be provided National Subscriber Dialling during 1990-91. The delay in commissioning STD at these 71 district headquarters is due to the following reasons:

—Delay in the launch of INSAT-1D Satellite.

—Delay in the acquisition of Forest land for UHF Microwave repeater stations.

—Delay in the completion of equipment supplies.

—Faults in the system noticed during testing.

#### (LONG DISTANCE PUBLIC TELEPHONES) LDPTs.

2.9 In their 69th Report (8th Lok Sabha) on Telecommunication Services in Rural Areas, Estimates Committee had noted that a target of 20,000 LDPTs with investments of Rs.2,950 crores at 1979-80 prices was proposed for the Sixth Plan. However, the Financial outlay was fixed at Rs. 2,336 crores at 1979-80 prices. But surprisingly the physical target of providing 20,000 LDPTs was retained on the specific request of the Planning Commission. Eventually the final allocation was increased to Rs. 2,722 crores i.e. by 17% over the amount of Rs. 2,336 crores, the physical targets remaining the same. Notwithstanding this increase of 17% in provision of funds, the achievement under LDPTs, was only to the extent of 11,774 against a target of 20,000 LDPTs, resulting in a shortfall of 41% the Committee were surprised to observe conscious non-correlation of physical targets with the Plan allocation as well as fixation of unrealistic targets which were known to be not achievable within the scope of funds provided. The Committee had therefore recommended that a proper coordination between the physical and financial targets worked out in the planning process to ensure accountability of the executive for achieving the prescribed level of development with the funds provided.

2.10 In its Action Taken reply, Deptt. of Telecommunications stated that the target of 20,000 LDPTs was fixed anticipating a plan outlay of 2950 crores at 1979-80 price level and when the allocation was reduced to 2336 crores Department revised this target to 12,100 LDPTs, the Planning Commission requested the Department of Telecommunications to maintain the same targets and promised efforts for providing more funds.

2.11 During the Annual Plan discussion enhanced outlay to the Department could not be provided. Department of Telecommunication had thus to be confined to its reduced targets. With a view to correlating physical with financial targets the figures for LDPTs were therefore, revised and fixed each year in the light of actual allocation of funds.

2.12 The Deptt. has thus contended that achievement of LDPTs during 6th Plan should therefore, have been viewed in relation to actual target of 12,100.

2.13 The Deptt. in a subsequent note stated that initially, target for VIIth Five Year Plan was set at 15,000 LDPT. After the review of equipment supply position for implementation, the target for the VIIth Plan was set at 9,720. Against this target, 9354 LDPT's could be provided during the VIIth Plan. An Amount of Rs. 110 crores was earmarked for providing the LDPTs and estimated expenditure was 97 crores.

2.14 Asked to explain the reasons for inadequate supply of equipments resulting in the reduction of targets. Deptt. has stated that initially during the 7th Plan target were fixed after ensuring the production capacity of the suppliers namely I.T.I. The equipment is based on imported technology and there were difficulties in productionising it indigenously. Consequently there were delays in the supplies.

2.15 In order to increase the equipment supply during the 8th Plan, various indigenous technologies are being adopted. Also, several indigenous manufacturers have been licenced based on the indigenous technology. The supply of equipment during the 8th Plan will be increased by indigenous production. Department has stated that the major reason for non-achievement of the target of LDPT was non-availability of equipment from indigenous resoures.

2.16 Subsequently Department of Telecommunications stated that name of industries licenced for the manufacture of single channel VHF equipment and 2/15 shared radio system equipment required for providing LDPTs using indigenous technology is given below:

1. Rajasthan communication Ltd.
2. M/s. Hartron Ltd.
3. M/s. Elco Communications
4. M/s. Keonics
5. M/s. MACE Limited
6. M/s. Keltron
7. M/s. Modi Telecom Ltd.
8. M/s. Advanced Radio Masts
9. M/s. Meltrom
10. M/s. ITI Bangalore
11. M/s. APEL
12. M/s. Uptron
13. M/s. ELCOT
14. M/s. Goa Telematics.

2.17 In a subsequent note the Department stated that only M/s. MACE Limited Vishakhapatnam is in production.

*(d) Demand/Supply Imbalance of Telephones*

2.18 At the time of independence India had 50,000 telephone connections which has now risen to 5 million connections. During evidence before the Committee Secretary, Department of Telecommunications stated:

“Today in this country for 800 million people we have roughly 5 million



telephones which is not enough in terms of the kind of connectivity required to move our social systems forward. We need roughly 20 million telephones for 800 million people. Our waiting list is always larger.....our customer is not happy with us. The traffic generated is so large that we are not able to satisfy them."

(e) *Unfulfilled Demand*

The Committee was informed by the Deptt. that net addition of Direct Exchange lines (DELs) (in lakh lines) during the last 3 years has been as follows:-

87-88	88-89	89-90
3.12	3.76	4.16

Number of applications pending for telephones as on march 31st during the last 3 years is as under:-

1988	1989	1990
Waiting list (in lakhs)		
12.87	14.19	17.14

It is apparent that the demand is at least 400% more than 'net addition' per annum.

2.19 The Committee was also informed that the gap between demand and supply has been increasing over successive plans. This is clear from the position of waiting list as indicated below:—

Plan 3rd	4th	5th	6th	7th	Period:
Year 1961-66	1969-74	1974-78	1980-85	1988-1989	1990
3.49	5.32	1.90*	8.38	12.87-14.19	11.14
No. of wait listed applications (in lakh lines)					

(\* On introduction of Advance Deposit Scheme in 1976 demand decreased)

2.20 In a separate note submitted to the Committee, Department stated that while the demand for services in telecom sector had been growing @10% supply had lagged behind with an average growth rate of 8%

2.21 Dwelling upon the likely position in the future 5 year Plans the Department informed the committee that in the 8th Plan it is proposed to instal 52 lakh lines during Plan period in order to bridge the gap between demand and supply. The total net switching capacity at the end of the 8th Plan period will thus be of the order of 111 lakh lines as against the estimated demand of about 110 lakh lines at the end of 8th Plan. This would however still not enable the Department to provide telephones on demand. In the 9th Plan it is envisaged to provide 102 lakh lines, taking the total to 2 crores lines against an estimated demand of 189 lakh lines.

2.22 The 8th Plan also contemplates 1,88,000 PCOs (Public Call Offices)

in the rural sector in consonance with the national plan objective of providing a telephone in every of the 2,20,000 gram panchayats.

*(f) Resource Imbalance*

2.23 During evidence before the Committee Secretary, Department of Telecommunications (DOT) stated:-

“For every telephone to be installed we need roughly Rs. 30,000 and our entire programme is connected with the amount of investment the Planning Commission gives us. If they allow us to get Rs. 20,000 crores, we will be able to double the connectivity.”

2.24 He further stated that demand for new services was expected to grow even after doubling the connectivity and therefore the investment of Rs.20,000 crores could still fall short of requirement.

2.25 The Department of Telecommunications in a separate note informed the Committee that so far investment in Telecom sector has been to the order of 2 to 3% of total outlay of successive five year plans in the past. In the 7th Plan against a projection of Rs. 10,600 crores the Plan allocation was only Rs. 4010 crores. Later with the help of extra budgetary resources the outlay was raised to Rs. 8138 crores.

2.26 Asked about the availability of funds during the 8th Five Year Plan, the representative stated:-

“We have asked for Rs. 19,700 crores, but we have been told that probably we will get all about Rs. 14,000 crores.”

2.27 Asked how the impasse created by demand supply imbalance of about 400 per cent on the one hand and a resource shortage of about 25 per cent on the other, could be broken, the Secretary, Department of Telecommunications stated:-

There are three ways to tackle it. We will have to tighten our belt and improve our productivity. Some of my colleagues will not agree with me, but there is a certain amount of inefficiency in the work methods we have adopted and this cannot be cleared up overnight. Secondly we can go out and raise bonds and thirdly we can lease equipments. The Planning Commission, however, has to agree with us for this.”

2.28 Explaining the impact of leasing equipment on resource availability, the Secretary stated:-

“If they allow us to lease equipment from the manufacturers, worth Rs. 5000 crores we can at least reach the target of Rs. 20,000 crores.....This proposal has been un-officially met and agreed to but nobody is willing to put it in writing”.

2.29 Clarifying the position about the degree of financial self-sufficiency that can be achieved by the Department of Telecommunications the Secretary stated:-

“Now, we do not need any budgetary support from the Government. If they allow us to use the money we generate, that is good enough. For the first time in the history, we are at a point, where we are not asking for any budgetary support. The Planning Commission says that we are a money-making machine. So they want to take money from us and put it in education etc. If we are left alone, we can generate Rs. 20,000 crores and in the next Plan, probably we can generate Rs.40,000 crores.”

2.30 The Ministry was asked to apprise the Committee about the impediments in allowing Department of Telecommunications to finance its activities out of its own resources. The Ministry in a written note to the Committee stated:-

“There appears to be some reservation in certain quarters on the size of the Telecom Plan to be approved as a part of the 8th Plan. An opinion being advocated is that for the Telecom Sector investments in the 8th Plan should have the same relation to the 7th Plan as between the overall plan outlays; that Telecom Plan has to get the same level of increase as other sectors; and that surplus resources from Telecom Sector may be utilised for other sectors and so on. The Department of Telecom is strongly of the view that this approach is not correct for a variety of reasons.....

2.31 When asked whether Department of Telecommunications had any definite thinking on raising the funds upto the required level, the Department of Telecommunications informed the Committee that the proposed investment of Rs.19,700 crores in the 8th Plan is sought to be met out of a mix of internal resources, extra budgetary resources and market borrowings as indicated by the following table:-

	90-91	91-92	92-93	93-94	94-95	Total
Internal Resources	2410	2930	3820	4572	5644	19376
Bonds	440	670	280	—	—	1390
Budgetary Support	25	—	—	—	—	25
(corresponding to foreign loan)	2875	3600	4100	4572	5644	20791
Total						
Plan outlay	2875	3600	4100	4300	4825	19700
Surplus	—	—	—	272	819	1091

2.32 It is significant to note that net budgetary support is altogether eliminated as a source of financing during the 8th Plan. The investments in 8th Plan will also pave the way for large surpluses in the 9th Plan estimated to be of the order of over Rs. 17,000 crores over and above a projected plan outlay of Rs. 30,000 crores for the 9th Plan.

2.33 When asked to indicate the implications of the present resource imbalance and the resultant demand and supply imbalance the Department informed the Committee as follows:-

This has got serious implications from the view point of internal resources for the reasons given below:

(a) Firstly, to the extent the demand is unmet, apart from not meeting the needs of the users, prospects of earning more revenue are lost. An unsavoury consequence is increasing dependence on support from Central Government or bonds.

(b) Secondly, the unmet demand suppresses further demand from surfacing, there-by limiting the scope of the market.

(c) Thirdly, to the extent the demand is unmet, it delimits the density to telephones with the result the existing system is put to more strain to heavy traffic congestion which in turn leads to congestion and less than optimum call completion rate.

2. It is, therefore, imperative at this stage, that on no account, the proposed plan outlay for the 8th Plan should be curtailed. Any move to curtail the plan outlay will have the disastrous effect on our future ability to meet the demand for telephones and also delimiting the resource position of the Department which in turn will further impede the developmental activities in the telecom sector. It will also, have an adverse effect on production facility both in the public and private sector and a cost push owing to under-utilisation of production capacity.

2.34 During evidence the Finance, Member of Telecom Commission also raised the question regarding income being paid by the DOT to the general revenues as resource to DOT. In this context the Committee were informed that Government had made commitment for making such refunds. The Member (Finance) Telecom Commission during evidence stated:-

“What is happening today is that this department is treated as a resource generating department for the benefit of other departments. There is an attempt to siphon off resource which are projected to in our plans. There is an inherent problem in this. If we are not allowed to invest we will not generate resource on the other hand, if we are allowed to invest, resources will be generated and the telecom network will expand. It is a question of not allowing to expand and then no resources are available for transfer. At present it is a question of allowing us to keep the money with us and to plough it back, for expansion. In the beginning of 9th Plan, we will start paying surplus to the Central Government over and above the dividend. It is only a question of time frame of five to six years. When we turn around the corner and generate resources and contribute to Central exchequer more than the dividend.”

### **Parity with the Railways**

2.35 During evidence before the Committee the representatives of the Department of Telecommunications raised the question of giving telecommunications some financial status as given to the Railways. In this context the Finance Member, DOT stated:

“Then there is the question of giving us dispensation on dividend. It should be on par with the Railways.”

2.36 Asked by the Committee to indicate the steps being taken by the Railway Board to mobilise funds for financing its projects a representative of the Deptt. of Telecommunications during evidence stated:—

“The Railways contribute a dividend to the Central Government on the funds which have been invested by the Central Government in the Railways. We are also paying dividend for the funds already invested by the Central Government at rates which are far higher than the Railways. It is a contribution to the Central Government on funds invested from the exchequer. The point which the Secretary of the Department made is that we should be allowed to plough back the money which we generate for the expansion of the Telecommunications. Without investment, the resources will not be generated. This is a point which we have to take up with the Planning Commission. If the amount of Rs.19,700 crores is not allowed, then the resources generation will be coming down. It is like killing the golden goose.

XX

XX

XX

XX

After the dividend, we will pay tax. After that whatever is left-over, should be invested in Telecommunications.

2.37 Another representative of the Department further clarified as under:—

“We are paying about 9.85 per cent on the cumulative investment made by the Central Government in the Telecommunications. The Railways pay at a much lower rate and that too not on cumulative basis. Also investment in non-remunerative sectors do not account for dividend on the Railway side.....They pay dividend at a much lower rate than us. In the matter of dividend, our submission is that we should be treated on par with the Railways.”

2.38 In a subsequent note Department of Telecommunications has further stated as under:—

.... It is highlighted that there is a significant difference in the matter of payment of dividend on funds employed by the Central Govt. on the Telecom side *vis-a-vis* the Railways. On the Telecom side, the amounts invested upto 31.3.64 carry a dividend of 4.5% and thereafter at rates prescribed by Government from year to year on the basis of cumulative

investments from 1.4.64. The rate for 1990-91 is 10%. On the other hand, on the Railways, the position seems to be significantly different and more beneficial to the Railways. It is understood that, on the Railway side, investments upto 1979-80 carry a dividend of 6% and for investments thereafter the rate is 6.5%. It is also understood that investment in losing lines are excluded from the purview of dividend and also that there is a moratorium for 5 years on expenditure on lines under construction.

On the Telecom side, considerable investments are made in rural telecommunications, there being about 30,800 LDPTs and other rural telephones as on 1.4.90. These involve an investment of the order of Rs.300 crores on a very conservative basis. For the 8th Plan, the number of LDPTs/rural telephones to be added would be 1.88 lakhs involving an investment of over Rs.1880 crores. As against this, the interest bearing capital put in by the Central Government for Telecom upto 31.3.90 is of the order of Rs.2,096 crores. Thus *prima facie*, if the formulations for computation of dividend as applicable on the Railway side are extended to the Telecom side, Telecom would not have to pay any dividends on the funds invested by the Central Government. This could give a relief of the order of Rs.1,000 crores assuming that the budgetary support during the 8th Plan period will be nil. This will also reduce the need to depend on external borrowings correspondingly. The Department strongly advocate that this should be done.

2.39 Asked if the Department of Telecommunications was brought at par with Railways in respect of financial obligation then how much time would the Department take to meet the demand and resource gap. The representative of the Ministry stated:—

“The international telegraph telecommunication unit which is part of the United Nations have done a lot of work on the impact of telecommunication on economy and they have come out with studies. They say you invest one dollar in rural communication, it gives you 5 dollars back. But it comes in indirect manner which is not visible to you on the telecom balance sheet. Our people today are only in tune with the telecom balance sheet. They are not looking at the benefits of telecom with respect to transport, petrol savings, time saving, health service etc. Until that mind set changes, it is very difficult for us to convince our planners in numbers. They have to change their orientation, and like in the 7th Plan we pushed energy, in the 8th Plan we must push information. I personally spent hours and hours with the then Members of the Planning Commission. I felt they were almost convinced that the 8th Plan in this country should be an information plan. But today that is not the fact. If the 8th Plan, would have been designed to focus on information we would also modernise our work method, factory and industry. We are being treated as telephone operator. When we ask for Rs.20,000 crores,

they say, you do not need more than Rs.15,000 crores. If they tell us, you are free to generate money and you are free to invest money, we can probably meet this demand in a decade and the pressure will be eased."

2.40 Explaining another cause for the erosion of the resources Department in its subsequent note has stated as under:—

"Owing to the formation of VSNL and MTNL as Corporations, there has been an erosion into the resources available to DOT by way of income tax paid by these corporations. Annually, a sum of Rs.100 crores is being lost in this manner. During the 8th Plan, the income tax estimated to be paid by MTNL and VSNL will be Rs.413 crores and Rs.540 crores respectively. At the time of formation of these corporations, it was approved by the Cabinet that the tax paid by the corporations will be given as resource to the Department through grants-in-aid. This still needs to be implemented by the Government. The implementation of this decision will enable DOT to have an additional internal resource of the order of Rs.953 crores during the 8th Plan.

2.41 The Committee find that the targets of 7th plan pertaining to providing of subscriber dialing facilities, Long Distance Public Telephones and in the field of Coaxial, Microwave, Ultra High Frequency Systems, Optical fibre etc. could not be achieved due to various reasons viz. non-availability of equipments from indigenous sources, delay in obtaining approvals for import and indigenous manufacture, poor and inadequate supply of equipments from the manufacturers etc.

2.42 In their Sixty-ninth Report (8th Lok Sabha) on Telecommunication Services in the Rural Areas, the Estimates Committee had deprecated the conscious non-correlation of physical targets with plan allocations and consequential fixation of unrealistic targets. The Committee are constrained to note that notwithstanding the recommendations of its predecessor committee the department of Telecommunications have failed to bring in the required degree of realistic planning and expansion of telecom services. Even during the 7th Plan the target for LDPTs had to be brought down from original level of 15,000 to 9,720 due to difficulties in the supply of equipment. Obviously, such drastic scaling down of targets could have been avoided had equipment supply position been assessed realistically.

2.43 The Committee find that the equipment supply during 8th Plan was being augmented by adopting various indigenous technologies and production of these in private as well as public sector. However, the Committee are concerned to note that even though 14 firms in private and public sector have been given licence for production of various types of equipment required for providing LDPTs, actually, only one company has succeeded in production. The Committee, therefore, cannot but infer that this state of affairs is indicative of lackadaisical attitude of the Department in imple-

menting its plans. The Committee, strongly emphasise once again the utmost need for formulating the realistic plans, fixing targets within an achievable range and vigorous action for successful implementation of such plans. The Committee also urge that shortfall in meeting the requirements under various components of the plan i.e. Coaxial Cables, Microwave and UHF Systems and Optical Fibre etc. should be fully met during the 8th Plan. They also desire the Government to ensure that production of equipment for which licences have already been granted to public and private sector firms should be taken up expeditiously.

2.44 The Committee note that even against modest expectation of providing a net work of 20 million telephones for a population of 800 millions in the country there are at present only 5 million telephones in India. This indicates an imbalance of 400% between demand and supply. Even though in recent years the Department of Telecommunications has achieved a net addition of 0.3 to 0.4 million Direct Exchange Lines (DEL)., the waiting list for telephones has actually grown by 33% over the same period; in fact it has continued to grow over the successive Five Year Plans in spite of regular expansion in the telephone services. The Department of Telecommunications hopes to achieve a switching capacity of 111 lakh lines as against the estimated demand of Rs.110 lakh lines at the end of Eighth Plan. This, coupled with installation of 1.88 lakh Public Call Offices in the rural areas, is expected to give India an all-nation connectivity. The Committee are dismayed to find that the planning apparatus in the country has failed to take note of almost persistent and growing gap between the demand and supply of telephone services in the country. They are also dismayed by the fact that the developmental spin-off of Telecom Services has not been fully appreciated so far. The Committee strongly recommend that the planning process in future should set right this kind of distortion.

2.45 The Committee note that providing Telecommunication services is an expensive proposition in as much as every additional telephone requires an investment of Rs.30,000/-. On the other hand, it has the potential of generating the revenue far exceeding the required investment. In this context the Committee were informed that it is an established fact that an investment of one dollar in rural communication, ultimately generated a return of five dollars. The Committee are surprised to find that these facts appeared to have been over-looked by the Planning Commission while allocating resources for expansion of Telecommunication services. The Committee deprecate the fact that level of investment in this vital sector has ranged from 2 to 3% and that even during the 7th Five Year Plan, Plan allocations fell way behind the required investment. Even though the ultimate investment during the 7th Plan (Rs. 81.38 crores) was twice what had been initially allocated, the additional resources were raised through non-budgetary support. The Committee are constrained to note that even during the 8th Five Year Plan when the Telecommunication sector is at a take-off stage and fully capable of meeting all its financial requirements



through internal generation of revenues, the Planning Commission appears to be unappreciative of the need to give Telecommunication services its deserved importance and priority.

The Committee were informed that if investment in the Telecom Sector during the 8th Plan is not allowed upto the minimum required level of Rs. 20,000 crores, it would have serious implications not only on the future growth potential of the telecom sector, but will also inhibit growth in other sectors of economy. The Committee were also informed that in case investments upto the required level were permitted at this stage, the Department of Telecommunication would be in a position to not only meet an investment level of Rs. 30,000 crores but would also be able to generate a surplus of Rs. 17,000 crores. The Committee desire that the Government should take due note of these projections and raise plan allocation for Telecommunications from proposed Rs.14,000 crores to the required level of Rs. 20,000 crores.

2.46 The Committee find that Telecommunication Sector has considerable potential for generating sufficient resources for meeting its expansion programmes. They have also been informed that at present the Government is transferring revenue earning services from this sector to other sectors of economy. The Committee are unable to appreciate why a sector which is capable of standing on its own is not permitted to become self-supportive so as to be able to generate greater resources at a subsequent stage. While they appreciate the resource crunch that underpins the entire planning process, the Committee strongly feel that an important service like Telecommunication ought to be given all encouragement to achieve a high degree of self-financing and, for this purpose, the resources generated by it need to be ploughed back if the yawning gap between demand and supply for Telecom Services is to be bridged.

2.47 The Committee would like the Department to make a concerted attempt in bridging the resource gap through increased productivity and greater reliance on market borrowing. They desire the Department to adopt an innovative growth strategy, so that telecom users are directly involved in the development of Telecom Services.

2.48 The Committee also recommend that the Government should immediately review the financial relationship between the General Revenues and the Telecom Department. In this context the Committee are inclined to support the plea of the Department of Telecommunication that they ought to be treated at par with Railways in the matter of payment of dividend and retention of revenues for internal use.

## CHAPTER III

### ORGANIZATIONAL AND INFRASTRUCTURAL ASPECTS

#### (a) *Organisational Structure*

3.1 Department of Telecommunication is the Government department responsible for overall implementation of Policy on Telecommunications. Mahanagar Telephone Nigam Limited and Videsh Sanchar Nigam Limited are the other two associated bodies which play important role in the implementation of Telecommunication Policy in their respective areas of operation. While the former is responsible for telecommunication services in the metropolitan cities of Delhi and Bombay the later takes care of international telecommunication services. The overall implementation of the policies is guaranteed by Telecommunication Commission.

3.2 The Ministry were asked to indicate the rationale behind the organisational pattern being followed. In a written reply the Ministry have stated that the structure has been evolved keeping in view the requirements of development, operation and maintenance of countrywide telecommunication infrastructure. The organisational chart is given at Annexure I. Telecommunication Commission has a full time Chairman and the following four Members:

1. Member (Finance)
2. Member (Services)
3. Member (Production)
4. Member (Technology)

3.3 Secretary, Department of Telecom is the Chairman of the Commission and the members are of the Rank of Secretary to Government of India. The following are the ex-officio Members:

1. Secretary, Ministry of Finance
2. Secretary, Department of Industrial Development
3. Secretary, Planning Commission
4. Secretary, Department of Electronics

3.4 The powers of Telecom Commission are:

- (i) The legal and statutory authority earlier vested in Telecom Board.
- (ii) The Telecom Commission is the nodal agency/administrative Ministry responsible for developing the telecommunication system related industry. Applications for industrial licences, foreign collaborations, import of capital goods etc. related to telecommunication equipment is recommended by the Telecom Commission.
- (iii) Administrative and financial powers of the Government of India as

admissible to the Atomic Energy Commission, are given to the Telecom Commission.

- (iv) Exemption from the purview of the ACC relating to promotions upto Joint Secretary level as in the case of Railway Board.
- (v) Exemption from UPSC to have recruitment rules of and recruitment to Group 'B'— non-gazetted posts.
- (vi) Powers for release of foreign exchange upto a limit of Rs. 2 crores in each case out of bulk allotment of foreign exchange to the Telecom Commission.
- (vii) Administrative control of C-DOT (Centre for Development of Telematics).
- (viii) Power to approve import of equipment for telecom networks.
- (ix) Wireless Planning and Co-ordination.
- (x) The Commission has authority in relation to Communication networks.
- (xi) Power to appoint consultants.

3.5 During evidence before the Committee, Secretary, Department of Telecommunications stated:—

“Our organization has to be restructured. We are in the process of doing all this but we are finding it very difficult to do so in the system that we have created over the last 40 years, which is something we do not take lightly. People within the Department resist change and so our task is becoming more difficult.”

3.6 In the context of organizational restructuring in DOT, Committee specifically examined the aspect of creating independent corporations like MTNL for running Telecom operations.

3.7 DOT in a note to the Committee stated that MTNL was formed on 1.4.1986 by converting operations named as Delhi Telephones and Bombay Telephones so as to take over the management, control and operation of Delhi and Bombay Telephone Network (excluding public telegram service). The following were the reasons for making it a Public Sector Undertaking:—

- (i) To upgrade the quality of Telecom services.
- (ii) Expanding telecom network so as to clear the huge waiting list.
- (iii) Raising financial resources for the developmental needs of the telecom services in the areas managed by MTNL.
- (iv) To provide new telecom service particularly needed by the business community and public administration.
- (v) Invest in Human Resource Development to fulfil the needs of

increasingly technological oriented services and by organising training programmes to bring new work culture and attitudinal change among the employees.

3.8 The Department stated that the formation of MTNL has resulted in improving the functioning of telecom system in Delhi and Bombay and that it has maintained upswing in expansion and improvement in productivity in terms of net growth in telephone connections, lesser fault-rate, better call completion and higher avenues.

3.9 In reply to an unstarred question (No. 44) answered on 27.12.90, regarding merger of MTNL into Telecommunication Commission with a view to ensure uniform growth in rural and urban areas of telecommunications, Deputy Minister for Communications stated that no decision to this effect had been taken so far. The Government had set up a High Level Committee to go into all aspect of restructuring of Telecom organisation in the country and recommending the most appropriate organisational structure keeping in view the developmental and operational needs as well as financial implications etc. Appropriate decision in the matter would be taken after receipt of the Committee's report.

3.10 When asked during evidence, if MTNL experiment had been successful, why the same can not be repeated in respect of other operations, the representative of the Department stated:—

“.....In service, we have several operations like Gujarat Telecom, Maharashtra Telecom, Kerala Telecom. Unfortunately we carved out two major pieces which are money making pieces and set up them as separate corporations. The network is such that you cannot carve out a piece. We have taken most profitable part on which we are paying tax. Our idea is to subsidise rural communication by earning money from urban communication. It has happened all over the world.”

3.11 Subsequently, another representative of the Department stated as under:—

“.....When we convert ourselves into a Corporation there are two basic problems. The first point is that the tax liability will be very high. It will eat our resources. Therefore, again we will have to borrow and invest rather than investing internal resources. The second major problem will be that if the people are absorbed in the Public Sector Corporation, they will all be entitled to the salary on PSU scale benefits on *pro-rata* basis. Our estimated liability is of the order of Rs. 5,000-6,000 crores. Even if we reckon interest on this, it may come to as much as Rs. 600 crores per annum. This is again another factor which will eat our resources. These are the two disadvantages if we were to convert this Department into a Corporation.”

During the tour of Study Group I of Estimates Committee to Madras,

they were informed that as per study conducted by Administrative Staff College, Hyderabad in respect of Telecom Services in the country. Madras had the highest functional efficiency.

In a subsequent note, Department of Telecommunications stated that Hyderabad (with 32.4% electronic switching) stood No.1, while Delhi (with 49.7% electronic) and Bombay (with 31% electronic) stood 4th and 6th respectively as per the report of Administrative Staff College of India for the year 1989-90, which was appointed by the Government to study the peculiarities of Telecom Services and design a package for appraisal.

(b) *Monopoly in Telecommunication Services*

3.12 The aspect of monopoly structure of telecommunications services in the country was deliberated at length by the Committee with the representatives of the Department of Telecommunications during the course of their oral evidence. In doing so the Committee were guided by the widely perceived dissatisfaction among the subscribers as also demand and supply imbalance, in regard to telecommunication services in the country.

3.13 Explaining the position the Secretary, Department of Telecommunications stated during oral evidence before the Committee:—

“In the past may be we have done a very good job of providing a right kind of telephone service. We had only 50,000 connections when we got our independence and today we have risen to the level of 5 million. We have done a great deal for the last 50 years but our customer is not happy with us. The traffic generated is so large that we are not able to satisfy them. We would be lying to you if we say, ‘Don’t worry, all the problems will be solved because we are putting 5 million telephones in the 8th Plan.’”

3.14 He further stated:—

“In a developing country like ours, there is no way of increasing telephone density. We can provide more public phones and access to the villages. We must provide connectivity. All this will have to be done to improve the productivity in our economy. Many people think that monopoly has been the problem and I think we must take this opportunity to clarify this that everywhere else in the world telecom always has been a monopoly. AT&T in America which was regulating telephone industry is a monopoly. Only a monopoly can build up the network on which we can put whatever information we want. It is the method that we can privatise. We need monopoly for a while to build the national network because we are only building national highways. Let us build highways, then we can get the people who can build cars.”

3.15 The Committee asked how monopoly could be defended when it had obviously failed to deliver the goods hitherto forth and whether

an inefficient and ineffective monopoly was the answer to our problems relating to telecom, the Secretary in his reply stated:—

“We are against monopoly as you think. Today telecom equipment production has been liberalised. Five Years ago, all electronic equipment was produced in the Government sector, ITI and others.....within a year or two, equipment production will be in the private hands which is a major step in the last 3 years. We are talking of privatising services. For this you need a lot of network. Our product is not like television and computer. Every thing has to be fit for you to make a call from here to any village in Rajasthan. You may go through hundreds of equipments and we have to guarantee operation. On this stage this network force us to have monopoly in service.”

3.16 About the nature of monopoly the Secretary DOT further stated “We can set up a monopoly company. It will be an ideal set up in this industry.”

He added:—

“I agree with you we are not looking for an inefficient monopoly but if you see European Economy Community, out of 12 countries, not a single country has services in the private hands. People have wrong conception of all this. No country in Europe, may it be Germany or France, has given telecom services to the private parties. It is still Government monopoly.”

3.17 Explaining the possibility of diluting the monolithic profile of telephone services the Secretary DOT at one stage agreed that such monopoly on telecom services could be broken in a certain fashion by encouraging bulk users like on the pattern of railways, defence, Airlines and Banks. Further bulk users could also have access to public network so long as they use a set of standard products and follow DOT methodology.

*(c) Private Networks for Bulk Users*

3.18 In a written note Department of Telecommunication has stated that:

“Licence for establishing telecommunication services (speech/data) on dedicated network is issued to those parties/agencies who intend to have their own communication system between their offices/centres located at various places, taking telecommunication circuits on lease from Department of Telecom. The technical parameters of equipment to be used by the party in the proposed dedicated network are examined and after satisfying that the proposed equipment is suitable for interfacing with Department of Telecom leased lines, licence is granted to the Party. So far such licenses have been issued in favour of parties like Air-India, Indian Airlines, State Bank of India, Reserve Bank of India, CITI BANK, Societe Internationale De

Telecommunications Aeronautiques (SITA), Oil and Natural Gas Commission and Indian Oil Corporation.

3.19 In a subsequent note it has also been stated that those who have taken leased speech/data circuits or have provided their own dedicated system for communications between their various offices located between the same or different cities thereby forming the communication network of their own are known as 'bulk users'.

3.20 A dedicated system involves complete installation of a system, besides its operation and maintenance, which would invariably cover UHF system, 7 GHz microwave system, optical fibre systems etc. These systems are being provided out of the resources of user party. The bulk users require this facility essentially to cater to their special requirement and in places where the Department of Telecom has not yet installed the systems. The non-utilisation of excess capacity which is a drain on national resources, is to be avoided by pooling together of common resources/circuits etc.

3.21 The requests of the different users for such systems are being examined on a case-by-case basis in the Telecom Commission. Where the Department has got the medium and where the capacity is available, the user department is requested to utilise this facility on normal rental basis. In case Department of Telecommunications has no plans to instal such a system, permission is granted to the user on the condition that the excess capacity in the medium can be utilised by the Department subject to usual terms and conditions.

3.22 Dedicated private networks by bulk users are either speech networks or data networks. For dedicated private networks the bulk users take local and long distance trunk circuits on lease from Department of Telecommunications. The equipment at Nodal and Terminal stations are provided by the party concerned. Such networks are mostly needed by the parties for the reasons of response time, security, large volume requirements efficiency etc.

3.23 Asked whether any yardstick or norms with regard to use of private networks had been fixed for the bulk users, Secretary of the Department in his evidence before the Committee stated:—

“There are industrial norms for bulk users. Let us take the State Bank of India. They have branches in Delhi and Bangalore. Today if they need a line from telephone company from Bangalore to Delhi, we do not allow them to switch that line to public network. They can build only private network. There are only two telephones. One for your private telephone to go to public network PAB. We are now thinking about allowing you the permission to connect private network to public network. Business people will be able to use private and public network. We have worked out all the details.”

(d) *Setting up of private exchanges in Apartments*

3.24 Explaining the difficulties coming in the way of Department of Telecommunications in setting up exchanges in private apartments, Secretary of Ministry during evidence stated:—

“Then there are apartments in Ghaziabad and Gurgaon and other places. There is no way. We are equipped to provide telephones to them. Can we allow somebody to instal exchanges in those apartments, do the wiring, fund it and then turn it over to us for billing. We cannot have hundreds of companies to bill.”

3.25 Another representative of the Department stated:—

“This looks very attractive but there are some problems. Once we set up a small community exchanges, there would be outsiders who would try to come in and then as per our mandate we have to provide telephones service to them. If it is a cooperative or a private body, you will have problems of friction between them.”..... Today we do allow for these apartments houses to set up private branch exchange..... we have given publicity but it is not found attractive. People look at it from an entirely different view. Who will collect the bills.”

3.26 On a suggestion made by the Committee to make the scheme of setting up of privately funded exchanges in the apartments compulsory, the Secretary of the Department stated:—

“This needs to be looked into carefully.”

(e) *Equipment Availability*

3.27 Shortage of equipments has been cited as serious constraint in expanding Telecom network in the country and achieving desired level of connectivity. During discussions with senior officers of the Telecom Department at Madras, shortage of equipment emerged as a major handicap in expanding Telecom services in Tamil Nadu circle which has otherwise registered good performance during the Seventh Five Year Plan.

3.28 In a written note the Department of Telecommunications (D.O.T.) stated:—

“Initially during the 7th Plan the targets are fixed after ensuring the production capacity of the suppliers namely I.T.I The equipment is based on imported technology and there were difficulties in productionising the equipment and consequently there were delays in the supplies.”

The details of production levels achieved in respect of these types equipments during the 7th Five Year Plan have already been discussed in Chapter II para 2.4. Even while against a cumulative target of 9720 LDPTs 9354 were commissioned during the 7th Plan, the Department has ambitious plans for the 8th Five Year Plan Period. Under this Plan,



telephones are expected to be provided in each Gram Panchayat by 1995 and in each village by 2000 A.D.

3.29 The Department stated that to achieve these targets various indigenous technologies are being adopted to enable prompt in-flow of equipment. The strategy is to develop and adopt indigenous technologies and productionise these technologies by granting licence to indigenous manufacturers.

3.30 The Department also stated that plans and proposals exist for expansion of production facilities in order to narrow the gap between demand and supply by various types of equipments. The position in respect of different types of equipments in as under:—

*Switching*

In the areas of small switching systems, a large number of units have set up production capacity. Production capacity of switching equipment exceeds the demand. A proposal is also under consideration for utilising smaller switching systems for meeting demand of medium capacity switches by suitable planning strategy. Efforts are being made to expedite development in the medium capacity exchanges. As regards the demand for the large capacity exchanges, Government has already permitted ITI to set up production facilities for manufacturing E-10B type of switching systems at Bangalore, Rai Bareilly in addition to the present factory located at Mankapur. Proposals for setting up of new factories are also under consideration of the Government.

3.31 During evidence before the Committee the Secretary of Department stated in regard to production of switching equipment as under:—

“.....We have a gap in larger switching product, we have developed other products which are useful for smaller size whether it is rural exchange 4000 line exchange, 5000 line exchange, rural radio, PABX and so on. The country has the capability for all these products. Unfortunately these things will take sometime. It has not yet come out of the production pipeline. It may take another one year or so. But the system is in tune with the technology that we need including fibre optics. This country is also making fibre in the country. I do not see any problem in that plan. Once again I repeat that excepting the large switch we have got base for everything. And that also we can meet by using French C/T Alcatel product for a while. We can fill in the gap; we can start expansion in this area and pick up larger areas.....”

3.32 He further added:—

“.....Today telecom equipment production has been liberalised. Five years ago, all electronic equipment was produced in the Government sector, ITI and others. Today, the telephone instruments are pro-

duced by ten companies. We have excess capacity in the country. We have capacity to produce 40 lakh telephones a year while we are using only ten lakhs. We can export telephones. We have private companies producing cables. PABX rural exchange and other equipment is also slowly being privatised. Within a year or two, equipment production will be in the private hands which is a major step which we have taken in the last three years. We are talking of privatising services for this. You need lot of network. Our product is not like television and computer. Everything has to be fit and really for you to make a call from here to any village in Rajasthan. You may go through hundreds of equipments and we have to guarantee operation at this stage."

3.33 In a subsequent note, Committee have been informed that there is a total requirement of an average of 10 lakh lines of large size switching equipment upto 1990—95. From the list of manufacturers approved for production for switching systems of all types it is noted that the annual production of all types of switching equipments is 15.50 lakh lines, which indicate that the production capacity is more than the actual requirement.

3.34 Asked about the steps being taken by the Department to effectively dovetail the capacities and production of the Indian Telephone Industries and Hindustan Cables Ltd. for ensuring coordinated supply of equipment Department stated that the production capacity of ITI units at Mankapur and Palghat is being enhanced to meet the requirement of DOT for Electronic Switching Systems. The annual licenced capacity of HCL is 76.7 LCKM (Lakh Conductor KM). The annual requirement of the Department is 140 LC KM. The gap in the demand would be met through a number of private manufacturers.

#### *Subscriber end Equipment*

3.35 Regarding the proposal for expansion of subscriber equipment department has stated that in the area of telephone instruments sufficient capacity has already been set up to meet the total demand of the 8th Plan period. Various proposals are also being examined to set up new production facilities for Pay phones, Cordless phones and FAX machines. Capacities already set up for Teleprinters are sufficient to meet the demand.

3.36 The details of various proposals for manufacture of pay phones, cordless telephones, and FAX machines are given in the Annexure II, III & IV. Asked to explain why most of companies have not started the production so far, Department of Telecommunications stated that as far as Pay Phones are concerned three manufacturers have already set up their production facilities in addition to the Departmental factory at Bombay. In addition, one more unit with indigenous technology is being set up in the private sector for manufacture of Smart Card based Pay Phones.

3.37 In regard to Cordless Phones the Department stated that delay in

starting production was mainly because of the specifications which did not permit use of technologies available elsewhere in the world. A review was carried out in the Department of Telecommunications during September, 1989 and the issue has since been sorted out. Three units have gone ahead with setting up of the manufacturing facilities and they are likely to commence production shortly. As far as FAX machines are concerned, ECIL is already in production. The Department has also recommended grant of Industrial Licences to 6 more units.

*(f) Transmission Equipment*

3.38 Regarding the expansion of Transmission equipment Department has stated that in the area of transmission equipment C-DOT(TRC) has developed a number of Rural Transmission products for providing Telecommunications facilities in rural areas and number of manufacturing units are being promoted to manufacture these items. Proposals for setting up of new units with imported technology for digital UHF equipment are also under consideration. In the area of satellite equipment a comprehensive review is being carried out to identify the gap between demand and supply so that technology for the purpose could either be developed or imported as required.

3.39 In the subsequent written note Deptt. stated as Under:—

“The proposal for manufacture of Digital UHF equipment with imported technology are under consideration of the Government since 1985. Earlier the DOE who was the Administrative Ministry for all items had set up a Committee to identify suitable technology for these products. The Committee had recommended the selection of two technologies in Sept., 1989. Subsequently, this work was transferred to DOT in September, 1989. Presently the manufacturers have been asked to confirm regarding suitability of this equipment with reference to the present specifications of the Department. After considering the status of the indigeneous technology the Government has since decided not to go for any new imported technology.”

3.40 After a review in the area of Satellite equipment following actions have been taken:

- (i) Permission has been granted to M/s Bharati Electronics Ltd. Bangalore for manufacture of Satellite Fly Away Terminale. The Deptt. had recommended the approval of the foreign collaboration with M/S Scientific Atlatla for this project which has since been approved by the Government.
- (ii) M/S ITI Ltd. Bangalore have been permitted imports of designs and drawings for manufacture of Pecialised Modems and Convertors required for international telecommuication.

- (iii) M/S Electronics Corporation of India Ltd. have been permitted import of technology for manufacture of Satellite Ground Antennas meetings revised specifications satellite spacing laid down by the International Telecommunications Union.

3.41 The review was initiated in the 7th meeting of the Empowered Committee on Telecommunication held on 19.6.90 and was carried out in a meeting with all the Satellite Equipment manufacturers on 11.7.90. The decision taken in this meeting were endorsed in the 8th meeting of the Empowered Committee held on 12.7.90.

*(g) Development of Indigenous Telecom Technology*

3.42 The Department of Telecommunications has stated that Indigenous development of Telecommunication technology has been given high priority by the department.

3.43 Indigenous development has been entrusted to C-DOT and development of 128 Port Private Automatic exchange (PABX), 128 Port Rural Automatic Exchange (RAX), 256 Port private Automatic Branch Exchange (PABX), 512, Port Main Automatic Exchange (MAX) has been completed. C-DOT has also signed Transfer of Technology (TOT) agreement with number of manufacturers for manufacture of single channel UHF, system, 21.5 shared radio system, 10 channel Digital UHF, 8 Mb/s MUX and 34Mb/s MUX. Developmental efforts are on for large switching system, optical fibre, Digital radio, rural radio and SATCOM products. The development is at different stages.

3.44 Indigenous Operation Maintenance Centre for B-10B systems has been developed to replace the imported one. New services like videotex, Voice mail, Electronic mail and Packet Switched Public Data Network are being developed. New products like Cordless telephones, Code phones, Key telephones, MDF, power plants etc. are also being developed.

3.45 The Department further stated that there were no difficulties faced in the development of indigenous technology. However, indigenous development is a time consuming and building up adequate R&D (Research and Development) infrastructure is taking time.

3.46 In a subsequent written note submitted to the Committee, Department has stated that the technology for manufacture of telecom equipment is changing very fast and on the technologies adopted for the manufacture of indigenous telecom equipment are not latest as available in other parts of the world. Technologies adopted are, however, appropriate for the country.

3.47 Asked to indicate the present R&D facilities in the telecom sector, their adequacy, steps being taken to develop in-house R&D facilities, the department has stated that the present R&D development

facilities in the telecom sector are available in 'Centre for Development of Telematics (C-DOT)' Indian Telephone Industries (ITI), Hindustan Teleprinters Limited and Hindustan Cables Limited.

3.48 All these units are dealing with R&D work for different equipment required for the telecom sector updating of the facilities are being done to match with the development in the technology. These have facilities to evaluate and absorb technology brought in and also keep pace with it while entering into technology absorption wherever necessary. Facilities existing are not fully adequate for the current needs.

3.49 In a note submitted after oral evidence before the Committee, Department has further stated as under:—

“There is an acute shortage in the availability of indigenously produced electronic components of professional grade. As regards LSI and VLSI chips required for modern telecom design they are hardly available in the country. Hence after a circuit is designed, which itself is time consuming, use of proper components with due regard to multi-sourcing, then ordering and obtaining them, integrating on the lab prototype and testing take time. After a lab prototype is fully evaluated in the laboratory, it has to be field tested by actually putting the equipment in the complex telecom network in the country. In most cases, this has to be field tested with different types of technologies in the network in different locations and in different environmental conditions. About 3 to 6 months of feed back data is required before design revision required is taken up and design frozen. After this step a regular production model has to be made using the production processes that would be used in future production to ensure consistency in manufacture and to sort out any problems that may arise in mass production. To ensure reliability of equipment in actual field conditions, the equipment has to be evaluated by the Quality Assurance Wing before mass production is taken up.”

\*\* 3.50 In a separate note, Department of Telecommunications has stated that there has been no shortage of funds for R&D activities.

---

\*\*At the time of factual verifications Ministry has clarified as under:—

“The indigenous development of an Electronic Switch of large capacity is in progress. At this stage, the design made by C-DOT is capable of working upto 10,000 lines. A model Exchange of this type is under installation at Ulsoor, Bangalore for validation. The Exchange will be commissioned and loaded during December, 1991—January, 1992 and based on the results, the bulk production of the equipment is proposed to be taken up in 8 Manufacturing Units other than ITI. In the case of small capacity Exchanges, the 512P C-DOT Exchange has already been validated and bulk manufacture is

expected from 8 Manufacturers from 1992 onwards. It is proposed to extend the range of manufacture to the remaining 14 manufacturers of C-DOT type of Exchange.”

### *Conclusions and Recommendations*

3.51 The present organisational structure of Telecommunication Department has been devised to meet the requirements of development, operation and maintenance of countrywide telecommunication infrastructure. The Telecom Commission is an apex level body for overall formulation and implementation of policy relating to Telecom services. The necessary interface with the Government is achieved through the Department of Telecommunication; the chairman of the Telecom Commission being simultaneously designated as Secretary, Department of Telecommunications. The Commission functions through various telecommunication circles and Government undertakings like Mahanagar Telephone Nigam Ltd., Videsh Sanchar Nigam Limited, I.T.I., M.T.L etc. The Commission has been given wide financial and administrative powers.

3.52 The Committee note that as part of the exercise to restructure the Telecom organisation, while the Telecom Board was replaced by a Telecom Commission, at the same time two major revenue generating Telecom Circles viz. Delhi and Bombay, were converted w.e.f. 1st April, 1986, into a Limited Company called Mahanagar Telephone Nigam Limited. The purpose of creating MTNL was to upgrade the quality of Telecom Service, expand telecom network and raise financial resources for further expansion and improvement. In this context the Committee's attention has also been drawn to a comparative study made by Administrative Staff College of Hyderabad in respect of the telecom services in four metropolitan telecom circles of Delhi, Bombay, Calcutta, Madras. It has surprised the Committee that, according to the above study telecom services in Madras and not in Bombay or Delhi, have been adjudged the best. The Committee therefore find at least surprising that serious doubts about the wisdom of creating MTNL have cropped up in recent years.

3.53 The Committee have been informed that creation of MTNL has not only resulted in difficulties in cross-subsidisation of finances for improving and expanding the service in low revenue earnings areas, particularly in those telecom circles which cater mostly to rural areas but at the same time a substantial part of revenue generated through telecom operations in Delhi and Bombay now invites corporate tax liability. A not unexpected fallout of this arrangement has been a certain wage disparity between staff working in MTNL and those working in other telecom circles. Apprehensions about a steep rise in the wage Bill as well as other factors mentioned above have inhibited the Department from bringing more telecom operation under

the MTNL pattern. In these circumstances the Committee are inclined to believe that experiment of creating MTNL has had an inherent limitations thus limiting its impact. The MTNL pattern therefore appear to promise no solution to the problem of reducing demanded supply imbalances in the telecom sector.

3.54 The Committee have been informed that a high level body has been set up to go into the question of reorganising telecom services *de novo* with specific reference to future status of MTNL. In this context the Committee are constrained to note that within a period of 8 years i.e. from 1983 to 1991 restructuring of the Department is being contemplated for the fourth time. The Committee deprecate the state of impermanency that seems to have seized the organisation which is expected to serve this vital sector. The Committee's disquite is accentuated further because they firmly believe that it is telecom sector which can help the country in leap-frogging into the 21st century. The Committee hope that the latest Expert Committee which is going into the reorganisation of telecom services will not overlook limited advantages of adopting MTNL pattern. They also desire that while considering the question of further restructuring Telecom Department the Government should not overlook the lessons learnt in past. The Committee would also like the Government to ensure that any fresh restructuring is given sufficient period to achieve the expected results before any further review is ordered.

3.55 The Committee are concerned to find that substantial expansion in the Telecom Services notwithstanding, situation on the ground level is not altogether satisfactory in as much as even the Secretary, Department of Telecommunications admitted before the Committee the unhappiness of subscribers with the services provided and also the limited prospect of redeeming the situation during the 8th Five Year Plan. The Committee are inclined to accept the view that it is not possible in the Indian context to increase telephone density and that the thrust of development in the Telecom sector should be to achieve higher levels of connectivity. The Committee are also inclined to accept the view, that, atleast in the immediate future, a monopolistic structure for providing Telecom services may be inavoidable. The Committee have also been told that this was an almost universal pattern dictated by the compulsions of having a compatible network of telecom system. Nevertheless, the Committee are convinced that in certain respects there is scope for moving away from a monopolistic scheme of things. In this regard the Committee have been informed that the production of equipments can be, to a large extent, given into private hands subject to necessary standardisation on quality assurance. The Committee desire to emphasise that while envisioning such a monopoly in regard to Telecom services due allowance should be made for inherent inefficiencies of this arrangement. This the Committee

believe, can be done by encouraging the bulk users of Telecom services to run their dedicated network in tandem with the public Network, by popularising private branch exchanges and finally by promoting rural Telecom Consumer Cooperatives.

3.56 The Committee note that the Department of Telecommunications has been issuing licences for establishing dedicated telecommunication networks to bulk users like Defence, Railways, Banks, Airlines, etc. The Committee expect that in view of expanding information industry and growth in the other sector of economy the demand for such networks is expected to increase in coming years. Expectedly, this calls for greater investments. However, the present resources position in the country underlines the need to optimise utilisation of existing networks. In this context, the Committee have been informed that under the present norms bulk users can operate only within their own network and cannot share their traffic with the public network. The Committee believe this factor can come in the way of optimum utilisation of all available networks which may on the one hand generate demand for expansion of such networks and at the same time inhibit the Department from encouraging establishment of such network owing to resource constraints. The Committee, recommend that in order to reduce load on public network and to optimise utilisation of dedicated network the proposal to allow bulk users to connect their networks with the public network should be readily approved by the Government. The Committee desire the Department to take an early decision in the matter.

3.57 The Committee find that even though performance during the 7th Five Year Plan in respect of commissioning of LDPTs has been below expectations the Department continue to be ambitious about its achievements in this area during the 8th Five Year Plan. The Committee also note that a serious handicap faced by the Department during the 7th Five Year Plan has been the shortage of equipment, mainly of switching systems, which have, hitherto for been manufactured in the public sector and are based on imported technology, a situation which has inherent limitations in yielding desired flow of equipment. The Committee, however, appreciate the fact that Department of Telecommunications is seized of the problem and has devised a twin strategy of developing indigenous technology for manufacture of large, medium and small switching systems and of productionising these technologies in the private sector.

3.58 The Committee also welcome the present trend towards liberalisation of telecom equipment production and hope that this will result in easing the equipment related constraints which are presently hampering the expansion of telecom network in the country. The Committee would like the Government to not merely stop at issuing licences for manufacture of equipments but to maintain constant interface in the industry, both in public and private sector in order to ensure that process of liberalisation works according to plan and yields concrete results.



**3.59** The Committee have been informed about position of various types of equipment for switching and transmission purposes besides the subscribers' end equipment. The Committee are happy to note that the telephone instruments are being produced today by 10 companies and there is a capacity to produce 40 lakh telephone instruments a year as against the current capacity utilisation upto 10 lakh instruments. The Committee cannot but express its concern over the excess capacity which has been created. They nevertheless, hope that such capacity as is excess to the minimum requirements of the country will not be allowed to remain idle. They, therefore, expect the Government to launch the concerted drive for export of telephone instruments. The Committee would also like the Department to maintain the highest quality and standards of instruments being so manufactured so that complaints on this account are minimised.

**3.60** The Committee note that a large number of private manufacturers have been issued licences for manufacture of payphones, cordless telephones and FAX machines. The Committee also note that many of these companies have yet to start production. The Committee hope that, as pointed out above, the Department of Telephones will take upon itself the role of nurturing the fledgeling units so that they are able to contribute in not only developing the telecom sector but also in optimal utilisation of nation's resources.

**3.61** The Committee are apprised that in area of transmission equipment C-DOT has already developed a number of rural transmission products which are being manufactured. In this the Committee are dismayed to note that the proposal for manufacture of digital UHF equipment with imported technology which have been under consideration of Government since 1985 has finally been dropped considering the status of indigenous technology in this area. While the Committee welcome the import substitution efforts in technology they are left with a feeling of disquiet over the manner in which Government has been dragging on the matter disregarding the fact that Telecom today is a rapidly changing field and also the acute demand for Telecom services in the country. The Committee desire that in future proposals should be mooted in tune with reasonable long perspective and decisions taken quickly.

**3.62** The Committee note that production capacities of ITI units at Mankapur and Palghat are being upgraded to meet the requirement of electronic switching system. They however note that there will be still a gap left between demand and supply which will be met through private manufacturers. The Committee are seriously concerned to note shortages of large switching systems which have hindered expansion and modernisation of Telecom services in larger urban centre thus depriving the department of much needed revenue. The Committee understand that indigenous technology for manufacture of larger switching system has not been developing as fast as could be desired and that the Government proposes to fill the gap by

relying on French C/T ALCATEL product for sometime. The Committee recommend that delay in expansion of services should not be allowed to come in the way of expansion and modernising telecom services in larger urban areas of substantial revenue potential.

**3.63** The Committee also note that at present the annual licence capacity for manufacture of cables by HCL (Hindustan Cables Limited) is just a little above the 50% of the actual annual requirement of the Department. The Committee would like to caution the Government about the likely gap between availability of switching and transmission equipment which can make targets for the 8th Five Year Plan unrealisable. The Committee, therefore, recommend that sufficient attention should be paid towards dovetailing the production capacities of switching systems and the telephone cables in terms of quantities as well as technological capability.

**3.64** The Committee have also been informed that after a comprehensive review for identifying the existing gap between demand and supply for satellite equipment and selection of appropriate technologies certain firms in private as well as in public have been permitted to manufacture different types of satellite equipments. The Committee desire that department should closely monitor the progress of these firms so that the targets of the 8th Five Year Plan are realised.

**3.65** To achieve self sufficiency in the field of Telecommunication, building up of adequate Research and Development facilities is of paramount importance. The Committee are however constrained to note that the present R&D facilities in the telecom sector are not adequate for the current needs despite the fact that there is no shortage of funds. The Department has stated that there is an acute shortage in the availability of indigenously produced electronic components of professional grade. LSI and VLSI chips required for modern telecom designs are also stated to be not available in the country.

**3.66** The Committee strongly recommend that the Research and Development set-up in the Department of Telecommunication should be strengthened to enable the Department to not only develop and update indigenous technology but also to accept and absorb latest foreign technology. The Committee also desire the Department to lend full financial and administrative support to R&D Units so as to be able to develop in the country a strong technological base in the field of telecommunications.

## CHAPTER IV

### TOWARDS A WHOLE NATION CONNECTIVITY

4.1 During evidence Secretary of the Department of Telecom stated:—

“In a developing country like ours, there is no way of increasing telephone density. We can provide more public phones and access to the villages. In the past we have not paid much attention to connecting our villages. We must provide connectivity.”

4.2 It was represented to the Committee by a non-official body that in rural areas public telephone facilities are far from satisfactory and that the public telephone facility should be made available in places like Primary Health Centres, Village Panchayats where the rural people normally congregated. In this context the Ministry stated the present policy of the Government is to provide telephone facility to category stations like District Headquarters, Sub-divisional Headquarters, Tehsil Headquarters, Sub-Tehsil Headquarters, Block Headquarters and Police Stations under the charge of Sub-Inspector or above without consideration of profit and loss. The policy of the Government further is to provide Telecom facility on fully subsidised basis within about 5 kms. of every inhabited place preferably in Gram Panchayat Village.

4.3 As per the above quoted policy, 28525 nos. of Long Distance Public Telephones have been provided as on 31.3.1990. This facility can be provided in the Gram Panchayat village either in the Post Office or at some other convenient place like grocer's shop to make the availability of the service for the maximum time to the public.

*(a) Public Call Offices (P.C.O.)*

4.4 During the tour of Study Group of the Committee to Bangalore, they were informed by some representatives of non-officials bodies like Federation of Karnataka Chambers of Commerce and Industries etc. that Public call offices at the Airports/Railway station should run round the clock. Asked to explain the reasons for non-functioning of P.C.Os. round the clock and the plans of the Department to provide more PCOs, Department stated that there are two types of PCOs one is a CCB (Coin Collecting Box) which do not require any attention and the second type of PCO, which are attended to by a person and are located in Departmental Offices and those which are given to private individuals. The coin collecting box PCOs work round the clock while those which are attended do not work round the clock.

4.5 Regarding the monitoring and supervision being exercised by the Department to ensure the satisfactory working of PCOs Department stated that all the public call offices are tested daily to ensure that they are in working condition. Recently a system of registering public complaints regarding working of PCOs has also been introduced. A non-metered

telephone number is indicated in the PCOs through which the public can make complaints. On its own Department is stated to have very ambitious programme to improve the accessibility of telephone service by opening a large number of PCOs.

During evidence, the Secretary DOT stated:

“Our dream is to put it at the bus stand, railway station, hospitals, high schools, highways alongwith villages.”

4.6 To a question by the Committee regarding the ways and means to make PCOs more efficient, representative of the Ministry during his evidence before the Committee stated as under:

“.....We have several solution. One is you can have coin operated telephone, STD type. You could have attendant oriented telephone, or you could have car telephone. All the three phones are now available in the country. The other one is with the computerised billing. Equipment is already in production by private parties. The car operated phone is being evaluated for going into production very soon. Once you have all these phones, you will have the equipment you need for more PCOs.

4.7 In regard to taking these PCOs through transmission media from the switching exchange and upto the network when it would be connected to telexes and other lines and so as to have the whole nation accessibility, the Secretary informed the Committee during evidence:—

“We have rural switching solution. Rural Radio Solution has been bothering us for quite sometime. We have our own products and we will be able to have cost justified transmission media. We need good radio solution. It is coming into the system. We feel confident that we will be able to add many more telephone in India.”

*(b) Telecom facilities in rural areas*

4.8 In a written note the Department stated that it had ambitious plans for providing telecom services in the rural areas on a large scale. Under this Plan telephones are to be provided in each Gram Panchayat by 1995 and in each village by 2000 AD. The target is to be achieved by adopting indigenous technologies for prompt inflow of equipment.

4.9 Asked what had been done to promote rural telecommunication facilities during the 7th Five Year Plan the Department stated that against a cumulative target of 9720 LDPTs 9354 were commissioned during the 7th Plan. To achieve these targets various indigenous technologies are being adopted to enable prompt inflow of equipment.

4.10 In a subsequent note the Department stated that the VIIIth Plan

aims at narrowing down the gap between rural and urban telecommunications both in qualitative and quantitative terms. Modern technology equipments are being inducted in rural areas for achieving reliability. The Eighth Plan objectives for rural telecommunication inter-alia, include:

- (i) Automatisation of all rural exchanges.
- (ii) Provision of a public telephone in each of the 2.2 lakh Gram Panchayats.
- (iii) Replacement of worn out, life expired electromechanical exchanges by electronic exchanges.

With the above objectives, about 14.7 lakh lines (gross) of local switching capacity will be commissioned in rural areas which includes replacement and automatisation component of about 4.15 lakh lines.

4.11 As the rural communication forms the last lap of the national network, its reliability is of utmost importance. To achieve this reliability and standardisation, the eighth plan envisages production of modern technology equipment for rural areas as follows:

- Single channel very high frequency (VHF) systems
- Shared Multi Access Rural (MARR) Systems
- 10 channel Digital Ultra High Frequency (UHF)
- 30 channel Digital UHF.
- 64 lines electronic exchange designed by ITI
- Rural Automatic Exchanges to C—DOT technology with a capacity of 64/128/256/512/1024/2048 ports.
- Combined local and transit exchanges to C-DOT/ITI technology with a capacity of 64/512/2048 ports.

4.12 Asked whether availability of variety of technologies was not a hindrance in moving ahead in regard to rural telecommunications the Secretary, DOT stated:—

“We have to consider the distance, terrain, etc. we need enough technologies but not too many. We have to have certain options depending upon capacity, distance and quality. It all depends on the situation.”

*(c) Rural Telecom Cooperatives*

4.13 Asked further whether there were any governmental constraints in achieving results the Secretary, DOT commented as follows:—

“.....I believe that we need rural cooperatives for telecom. This is an idea we need to explore. Take for example Dr. Kuriens NDDB. If they can have five thousand cooperatives can't we have rural exchanges on that basis for five thousand villages. It is a question which needs to be answered NDDB have Rs. 900 crores. Can I have Rs. 300 crores out of that.”

4.14 The Secretary DOT, further added:—

“ There is another point in implementing this scheme in rural areas. We need to get the support of local Panchayats. If they take on an active role, it will simplify our task.”

*(d) Telecommunication facilities in remote Hilly and Island Territories*

4.15 In their 81st Report (8th Lok Sabha) the Estimates Committee had noted that all the villages of Andaman & Nicobar Islands did not have telecommunication facilities. The Committee had therefore desired that all the schemes which had been taken up by the department to extend telecommunication facilities be implemented in right earnest so that there was no delay in providing the long distance public telephones, and connecting the remote Islands by Trunk Services with Port Blair.

The Committee also desired for augmentation of capacity of S.T.D. channels to relieve congestion from the mainland to Port Blair.

4.16 In its action taken reply, Ministry of Home Affairs *inter alia* stated that the schemes had been drawn to extend the telecommunication facilities to remote Islands during 1989-90 and the measures were also on at full swing.

The Ministry further stated that the case of providing of more STD Channels between Port Blair and mainland had been taken up with the Telecommunication Department and was being pursued with them.

4.17 The Committee are inclined to accept connectivity **throughout** the country to be the appropriate goal for development of Telecommunications. Expansion of rural telecom network and establishment of Public Call Offices have a special significance in achieving this objective. The Committee note that it is the objective of the Government to establish at least one telephone facility within about 5 kms. of every inhabited place preferably in the Gram Panchayat of Villages. The present policy of the Government is also to provide telephone facilities irrespective of profit or loss, at all the stations where the various levels of administrative machinery are sited. The Committee also note that the DOT aims at providing PCOs at bus-stands, railway stations, high-schools and highways, besides in the villages. The Committee find these objectives laudable and would like to emphasise the need to ensure proper and round the clock functioning of the PCOs through appropriate technological, organisation and administrative measures. The Committee are constrained to say that the actual functioning of PCOs is far from satisfactory and would, therefore, desire that the Department should effectively monitor the functioning of PCOs. They also recommend expeditious introduction of latest equipment for improving the performance of PCOs. The Committee would expect the Government to draw a perspective plan in this regard with special focus on promoting rural telecommunications. The Committee find that for achieving the desired level of connectivity difficulties are being faced by DOT in regard to rural radio solution.

The Committee desire that the Department should strive to overcome these difficulties to achieve visible results and make a speedy headway in this direction under a time bound programme.

4.18 The Committee welcome the idea of setting up of rural telecom corporations for rapid expansion of telecom services in rural areas. Such an arrangement is also expected to mitigate the problem of resource mobilisation for the purpose of promoting rural telecommunications. The Committee strongly urge the Government to carefully study the pros and cons of this suggestion.

4.19 The Committee note that telecom services in remote hill areas and Island territories are highly unsatisfactory. In this context, they would like the Department of Telecom to accord overriding priority to remote areas like Island territories and hill areas in sanctioning, supplying and installation of state of art telecom equipment including electronic exchanges.

The Committee would also like the Ministry to expedite the completion of two on going schemes for provision of telecommunication facilities in the Andaman and Nicobar Islands. They would also like to be apprised of the latest position with regard to the provision of STD Channels between Port Blair and the other Islands.

## CHAPTER V

### FINANCIAL ASPECTS

#### (a) *Tariff Policy*

5.1 Spelling out the objectives of a tariff policy in the Telecom sector the Department of Telecommunications in a note has stated that tariff should take into account the incidence of usage, the purpose (value) besides other factors. Besides, it should be simple to understand and administer. It should also not create any harmful competition amongst various telecom services.

5.2 Asked to indicate the reasons due to which tariff on communication has increased rapidly over the past few years, Department has stated that the tariff increases from time to time have been necessitated by the rising operative cost, cost of equipment and other inputs besides cost of staff charges by way of increase in pay and **allowanced owing to pay** revision and periodical increase in Dearness Allowances. At the same time, tariffs are also expected to generate resources to fund, at least partly, the expansion programmes, new telecom services as also improvement in the quality of services. Funds are also needed to improve R&D efforts towards self-reliance in Telecom equipment on which Government lays considerable emphasis.

5.3 The Department further stated that despite the above compulsions, the charges for various telecom. services have been kept low. In fact Telecom. tariffs in India have been well below the whole-sale price index. With 1970 as the base year, the whole-sale price index has crossed 493 on 1.7.90 whereas the Telecom. rates broadly correspond to 433 points.

5.4 The Deptt. also contended that while revising the tariff, care has been taken to see that undue burden does not fall on the rural section of the telephone users. The rentals for flat rate exchanges which mainly serve the rural areas, have not been revised after 1982 while the tariff for *Measured Rate Exchanges (MRE)* has been revised in 1986, 1988 and 1990. In the revision which came into effect from 1.4.90, the rentals for MRE systems below 100 lines have rather been reduced from Rs.125 for a bi-monthly to Rs.100/- per bi-monthly period. The revision for telex call charges have also come after a gap of 14 years.

5.5 For subscriber dialled calls 50% concession is available between 19 and 22 hours and 6 to 8 hours. The charged rate is still lower for STD calls made between 22 hours and 6 hours when only 25% of normal charge is levied.



Moreover, 50% concessions in charges have also been introduced for trunk calls made from LDPT (with effect from 1.4.90).

Concessional/rental in respect of telephones for educational institutions, institutes run for the handicapped and tribal welfare have also been introduced with effect from 1.4.90.

The Press also enjoys certain concessions in respect of some of the facilities.

5.6 The following measures are proposed to be taken to keep the tariffs low:

1. Reduction in cost of equipment. This is proposed to be had by enhancing the existing production capacity and competition wherever possible.

2. Introduction of cost effective technology.

3. Increasing productivity by use of modern maintenance practices, tools, office automation, training and re-training of staff.

4. Reduction of staff telephone ratio.

5.7 The Committee were informed by the Department that between 84 and 89 while the number of Direct Exchange Lines has increased by almost 60%, the number of staff has increased by only 7.74%. By increasing the productivity, the Department is trying to keep the increase in costs to the minimum. The Department is taking further steps to reduce the staff telephone ratio from 96 per 1000 now to 47 per 1000 by 1995.

5.8 Asked to indicate the cost per call (both domestic and international) to the Department and the charges being taken by the Department from the subscribers of these calls, representative of the Department stated:—

“Sir, it is very difficult to work out the cost correctly because we do not have the system by which we can mark the cost to the various parts of the network.

The local exchanges are connected to the Switch Exchanges and they are connected with the long distance systems. So, it is extremely difficult to calculate the cost per call. In general terms we can work it out but if you say that we should split it out and say that for a local call this is the cost and for STD This is the cost, it is very difficult.”

5.9 Asked as to how the Department was structuring tariff of local and STD Calls in the absence of exact information regarding cost per call, representative of the Department during evidence further stated:—

“We do look at the cost aspect of our work. So far as we are concerned, the STD Calls both the national and international calls come to the same meter.”

5.10 In a subsequent note on position of cost audit of local, national and international Trunk dialing facilities to assess the cost per call, DOT has

stated that as already mentioned, ascertainment of cost for different services, which are inter-related and served by a common equipment/transmission media is rather difficult, highly subjective and imprecise. Further, there are historical costs, marginal costs and long run marginal costs etc. There may be several ways of allocating the common costs to various services. This task is further complicated by the inter-mix of technology and also because tariffs are not only to cover costs for individual services separately but to cover total costs.

In addition, they also take care of the following:

- They should produce adequate and stable revenues to take care of the need for expansions, upgradation and maintenance;
- The policy goals, some of which may require cross-subsidisation from other services as in the case of development of rural/backward/hilly regions, which though require heavy investments but bring in only very meagre or nil revenue; and
- The benefit derived by customers from a service.

Successive Committees set up to look into the aspect of tariff fixation have all emphasised the above factors in fixing the tariff. It is also pertinent to mention that nowhere are the tariffs directly related to the costs. This is because of variety of reasons such as difficulty in determination of costs, needs for cross-subsidising different classes of customers and so on.

*(b) International Subscriber Dialed Calls*

5.11 Asked, during evidence, to indicate the rationale behind fixing the overseas telecommunication tariff, representative of Department of Telecommunications stated:—

“Sir, about the international calls, of course, the rationale should be there because we are sharing the revenue with the foreign administration. We have to be in line with the general tariffs which are prevalent from the calls from the other side. Of course, we cannot every time strictly adhere to it because of some technical limitations. The value of our currency goes on fluctuating. We are trying to put international calls in same groups and that is how we decide about them. Even the STD bills we decide on the basis of the distance and it is to some extent telescopic in nature.”

5.12 In a separate note submitted to the Committee the Department stated that the cost study has been conducted by the I.T.U in 1989-90 for arriving at the cost per minute to developed countries (one second and 1.2 second pulse). For this the capital outlay with the Videsh Sanchar Nigam upto 1986-87 was taken into account. A uniform rate of return of 15% per annum to arrive at the amortization costs on the basis of the useful life period has been taken. To this has been added the expenditure on operation, maintenance and national network charges. The cost thus

arrived has been distributed over the total traffic exchanged with the developed countries. This cost comes to 0.6523 SDRs per minute. At the conversion rate of S.D.R.=16.718 rupees (86-87 rate) this comes to Rs.10.90 per minute. Adding the element of amount then payable to other administrations which has been taken as Rs.16.40 per minute on an average basis the cost comes to Rs.27.30 per minute.

*(c) Telegrams*

5.13 The capital outlay on telegraph Branch upto 1988-89 has been taken into account for arriving at the cost per telegram. Interest @15% and depreciation at prescribed percentages on capital outlay has been applied. The total maintenance expenditure for the year 1988-89 has been apportioned on the basis of ratio between Telegraph and Telephone capital outlay. Operation cost, direction, control and supervision based on the actuals of 55 CTOs/DTOs and the payment to the Postal Department for handling messages at combined Post Offices has also been added while computing the costs. The cost on an average of 26 words per telegram works out to Rs. 28.25 per telegram.

*(d) Rationalisation of Tariff*

5.14 Asked to give views on the rationalisation of tariff on Telecommunication on the basis of the usage, representative of the Department further stated:

“I would like to say that when we said that to a business subscriber we would like to pay more than a domestic subscriber. Our thinking was that since telephone calls mean more to him, the benefit which accrues to him from that call in terms of money is more. Perhaps it would be justified on our part to charge more than probably the call made for domestic purposes.....This distinction between business and domestic call exists in many countries. So far we have not been doing it.”

5.15 When pointed out by the Committee that communication tariffs could not be rationalised without knowing the cost per call, representative of the Department stated:—

“Sir, in some sectors, say rural sector I will go to the extent of saying that if we put one PCO line—I am talking of the old technology which costs about Rs. 100,000—but in return we get practically nothing. Still, we are prepared to take it to the villages where people are not in the habit of using telephones. So, there are sectors where we are not changing adequately. Of course, I am not fully conversant with the actual fixing of the various tariffs but our main concern has been, as somebody mentioned here to get the money from wherever it is available.”

*(e) Dual Tariff*

5.16 The Committee enquired whether it will be possible to have dual tariff structure, with regard to commercial and non-commercial services. In reply the Department in a note to the Committee stated:—

“There is no proposal as yet for dual tariff structure with regard to commercial and non-commercial services. However, BICP has been entrusted with the study on tariff structure for the Telecom services which may cover this aspect as well. Their report is awaited.”

5.17 During evidence, representative of the Department further stated in this regard, as follows:—

“Sir, to some extent we are trying to advocate it because we feel that in Telecom, we have the component of cross-subsidy. We earn some surplus which we put back into other sector like the rural communication which on the basis of present figures is not paying itself. So, putting it in a policy guidelines, it will appear that we are trying to have a tariff which is higher for commercial or business sector than probably for domestic sector which has got less paying capacity. This is what we are trying to bring. The policy has not yet been finalised.....”

*(f) Outstanding Bills*

5.18 As per Audit Report Union Government (Posts & Telecommunications) the arrears of telephone revenue at the end of 1986-87 was Rs. 35.43 crores. These increased to Rs. 82.36 crores at the end of 1988-89.

5.19 Asked to explain the reasons for accumulation of arrears and steps being taken to remove them, Department stated that the arrears of telephone revenue to be realised from subscribers (excluding MTNL-Delhi and Bombay), which was Rs. 35.43 crores as on 30.06.87) increased to Rs. 82.36 crores as on 30.6.89 (in respect of bills issued upto 31.3.89). The outstanding dues have increased on account of the following reasons:

(i) Over the years, with the phenomenal expansion in telecom services, the quantum of telephone revenue billed for has also increased sharply. It is not abnormal in this context that the absolute amount of arrears at a more recent date will be higher than the absolute amount of arrears at an earlier date, when the revenue billed for was much lower. Accordingly, when comparing the arrears of telephone revenue at the end of 1986-87 (Rs. 35.43 crores) with the arrears of telephone revenue at the end of 1988-89 (Rs. 82.36 crores), it may be useful to understand that the revenue billed for in 1986-87 was a mere Rs. 941.20 crores, which has become Rs. 1761.27 crores in the year 1988-89. This records a growth in revenue of 87.13%.

It is, however, to the credit of the Department of Telecom that the collection efficiency has been far better than that of any other Government Department or even private concern wherever charges are claimed for

after rendering the service, as in the case of Telecom. The Department of Telecom generally recovers about 99% of the amount on bills issued upto the end of each financial year.

(ii) There are certain categories of subscribers on which the Telecom Department is not able to enforce its procedures of recoveries with, which includes disconnection of services as a sort of pressure. There are various categories of dignitaries which are exempted as per Departmental rules from disconnection of services. Likewise, we are not in a position normally to disconnect Government Departments which are not paying up their dues. To add to this, with a growing affluence in educational level, we have more and more subscribers going to court in the event of a dispute with the Department over bills. For all the cases in court, the Department is not in a position to enforce recoveries. In recent years, a great many other forums have also become easily accessible to the subscribers, e.g. the State and National Consumer Councils, and cases with these bodies have also to be accorded the status of cases in courts of law, as per the directive of the Law Ministry. Our efficacy in pressing the subscriber to pay is reduced to that extent.

(iii) Since 1984, there has been a ban on the recruitment of staff. TR branches all over the country have therefore, been able to pay less attention to the procedures for pursuing recoveries of old dues.

5.20 It was further stated that Department is constantly monitoring the outstanding position, and the following strategies are being adopted to minimise the arrears in telephone dues:

(a) The only effective tool with the Department for timely recovery of dues is the threat of disconnection. On the other hand, once the tool is used, the chances of recovery sometimes become remote—unless the subscriber is interested in having his telephone restored. Orders are reiterated from time to time by the Department to make timely disconnections wherever payments are not forthcoming.

(b) An incentive scheme is in operation within the Department to motivate staff to realise the very old dues.

(c) Half-yearly targets for liquidation of outstanding dues are set for each of the units separately, and their performance critically reviewed. The units lagging behind are pulled up, and the units which achieve the targets are given letters of appreciation, and connected entries made in the confidential reports of the staff responsible.

(d) Alongwith court cases, there are a growing number of arbitration cases in respect of billing matters. As something akin to a legal process is involved, we have observed delays in the past in setting these disputes. Honorarium has recently been fixed to motivate Arbitrators to decide these cases early.

(e) The Department is considering the levying of a surcharge on the delayed payment of telephone bills.

5.21 The Department also informed the Committee that the outstanding dues in respect of bills issued up to 31.3.87, which was Rs. 35.43 crores as on 30.6.87, have come down to Rs. 9.33 crores as on 31.03.89, and the arrears of telephone revenue in respect of bills issued upto 31.03.89, which was Rs. 82.36 crores as on 30.06.89, has come down to Rs. 52.03 crores as on 31.03.90. This demonstrates that consistent steps are being taken to bring down the arrears, and the efforts on our part are continuous.

5.22 The Committee were also told that the bills outstanding for over three months are only of the order of 3% of the total amount billed to the subscribers.

5.23 About the delayed payment of Telephone Bills, Department of Telecommunications in a subsequent note has stated that approximately 60% of subscribers pay their telephone bills with delays, viz. at some point beyond the specified pay-by-date. On account of sometimes considerably delayed payments by subscribers sizeable revenues of the Department of Telecommunications stand at present blocked. An elaborate machinery of administrative accounts, and operational staff gets involved in the pursuit of recoveries, issue of reminders, disconnections and other related work, where they could actually be using their time to promote the more positive goals of the subscriber. Giving its views on the question of levying surcharge on bills paid beyond the due date, the Department informed the Committee in a written note that the date by which payment is due is specified on every bill. It is felt, that if the subscriber is asked to pay an additional charge on bills that are cleared beyond the 'pay-by-date', the reluctance, and fear of having, to make an extra payment would motivate the subscriber to clear his dues on time.

5.24 Explaining the exemption given to certain categories of dignitaries, from disconnection representative of the Ministry during evidence stated as under:—

“For us to recover the amounts, the only positive way, without taking recourse to litigation, is to disconnect and twist the hands of people. Perhaps when it comes to dignitaries, being a monopoly, it will not be correct to do this. We have certain very few categories which have been put under exemption. They may not be responsible personally for non-payment of bills. They are mostly doing public service. Their offices whose responsibility it is, have for some reason or the other delayed payment of bills. What we are examining is whether we can curtail the number of people in this list. But there is a limit. Probably, the social situation being what it is, in India, if I were for example to disconnect the telephone of a Judge, we will be called as being most insensitive to the social needs of the country. I think the departments which are responsible

for such telephones should give us some deposits, and not hold on to the bills.”

### Conclusion and Recommendations

**5.25** The Committee find that the tariff policy followed by the Department of Tele-Communications is based mainly on incidence of usage, the value of service rendered, susceptible to administration besides generation of revenue surplus for further expansion and R&D efforts.

**5.26** The Committee have been informed that Telecom tariffs have been kept low and are well below the whole-sale price index as on 1st July, 1990. The Committee have also been informed that the rentals for flat rate exchanges which mainly serve the rural areas have been left at the level where they were in 1982 while the tariff for Measured Rate Exchange (MRE) has been revised on three occasions since then. The Committee were also informed as to how tariff structure has been designed to be selective in imposing lesser burden on deserving target groups like press, educational institutions etc. The Committee were also informed that the Department is taking all necessary measures to keep tariff low through modernisation, higher productivity and better staff telephone ratio. The contention of the Department about telecom tariffs being low notwithstanding the Committee have been inclined to believe that these are not based on a rational cost plus formula. The Committee, therefore, enquired from the Department about the basis on which the tariff structure has been worked out. In this context, the information furnished to the Committee in regard to costs of local calls, ISD calls, Telephone rentals, telegram rates leaves them unconvinced about the correctness of the tariffs fixed by the Department.

The Committee find that as against the cost of Rs. 27.30 per minute of ISD calls to the Department the tariff charged is Rs. 40-48 per minute. Similarly, as against costs/call of 63 paise actual tariff is Rs. 0.80/call upto 1000 calls and Rs. 1.10 Paise/call in excess of 1000 calls. The Committee would like the Department to rationalise the tariff structure of telecommunication facilities on the basis in order to facilitate fixation of tariff on a realistic basis.

**5.27** The Committee wish to emphasize that telecommunication in the present day scenario is a necessity rather than a luxury, and would, therefore, like the department to make all efforts to keep the tariffs low. The Committee urge that all the necessary measures proposed to be taken by the Department viz. reduction in cost of equipment, introduction of cost effective technology, increasing productivity through the use of modern maintenance practices tool, office automation, training of staff etc. should be taken under a definite time frame.

**5.28** The Committee have been informed that distinction between business and domestic calls is prevalent in many countries of the world. The Committee also find that the Department of Telecommunications has a proposal to fix dual tariff for commercial and domestic sectors, which has

not been finalised so far. The Bureau of Industrial Costs and Price (BICP) who have been entrusted with a study on tariff structure for the telecom services is also stated to be considering the question of dual tariff.

5.29 The Committee are inclined to take the view that the proposal to have a dual tariff structure is not without merit more so when it can help DOT in bridging the resource gap and bringing about necessary expansion of telecom facilities in rural areas where it will at the present juncture, provide more of a social welfare input. However, the Committee will like to caution the Government at the same time about the possibility of such an arrangement being misused by unscrupulous elements leading to leakage of revenue. The Committee hope that Government will take a considered view in the matter after consulting all concerned including BICP.

5.30 The Department informed the Committee that an amount of Rs. 82.36 crores billed upto 31st March, 1989 was outstanding from the subscribers. The Committee are of the view that even though the outstanding bills constitute only 3% of the total amount billed, these are nevertheless of considerable magnitude considering the fact that outstanding bills in respect of MTNL at Delhi and Bombay have not been taken into account. In this context the Committee are constrained to find that Department is facing problems in recovering the outstanding bills particularly in respect of dignitaries/Government Departments and on account of disputed cases pending in the courts and consumer councils. The Department has expressed its helplessness in making a headway in respect of outstanding bills relating to these categories.

5.31 The Committee have no reasons to agree with the contention of the Department of Telecommunications that they are not in a position to disconnect the telephones of Government Departments which are not paying their dues. The Committee feel that a commercial Department like that of telephones cannot be faulted if they are constrained to disconnect even Government telephones for which bills are not being paid. The Committee would like the Department of Telecommunications to vigorously pursue cases of outstanding bills with Government department concerned at a high level with a view to realising telephone dues as early as possible. To overcome this situation the Committee would like the Department to consider the feasibility of pruning down the list of dignitaries from the exempted list for disconnection of telephones for non-payment of dues. At the same time the Committee would like the Department to explore the possibility of obtaining advance deposits from Government offices and other large corporate bodies as also from the dignitaries on the basis of reasonable average of billing made over a past period. The actual charges can then be adjusted against such an advance. This the Committee believe, will also obviate the need for arm twisting for enforcing recovery of outstanding dues.

5.32 As regards outstanding bills disputed by the subscribers and pending in courts and consumer councils, the Committee are of the opinion



that for expeditious disposal of these cases the Department should encourage using the instrument of telephone Adalats.

5.33 The Committee were also informed that one of the reasons for outstanding dues was insufficiency of staff. The Committee hardly need to stress upon the Department the desirability of sorting out such administrative powers.

5.34 The Committee note that payment of telephone bills by 60% of subscribers is not done in time thereby not only causing revenue losses to the Department but inconvenience to subscribers on account of disconnection of their telephones. To avoid the late payment of telephone bills Department is stated to be considering the levying of surcharge on bills delayed for payment. The Committee would like the Department to consider this issue in all its ramifications before arriving at a final decision. The Department should, however, ensure that in the first instance correct telephone bills are despatched to the consumers well before the date of their payment so that there is no harassment to the consumers on account of delayed receipt/non-receipt of telephone bills; and there should be at least a minimum time lag of 15 days between receipt of bill and last date of payment.

## CHAPTER VI

### MANAGING SUBSCRIBER SATISFACTION

#### *(a) Excessive Billing*

6.1 The Department of Telecommunications in its note furnished to the Committee stated that in-depth studies are undertaken from time to time within the Department regarding the complaints of subscribers about excessive/over-billing on their telephones. Based upon these, precautionary and corrective measures are prescribed.

6.2 The Department further stated that complaints of excessive billing can arise due to (a) a fault in the meter circuit, though rare; (b) mischief by some subscribers in league with Telecom Staff for diversion of lines (though such cases may not be as frequent as projected); (c) a faulty hook switch of an instrument, which may not disconnect the line after completion of an STD call; (d) the subscriber's guess that he has talked for a lesser time than the facts of the meter recordings finally bear out. Very often also the STD/ISD facility on a phone is seen to be used by family members, visitors, and employees on the premises without a subscriber's personal knowledge.

6.3 The action-plan for the reduction of excess billing complaints is as given below:—

- (a) Meter readings are to be taken every fortnight;
- (b) Subscribers, whose fortnightly meter readings show sudden jumps in the number of calls, are to be identified, and their lines are to be placed under observation;
- (c) In the event of a complaint of high bills for a specific period, responsible staff are to be sent to the subscriber's premises to ascertain whether there was a special occasion, *e.g.* a wedding or other celebration which might have given rise to a spurt in the number of calls.
- (d) Efforts are being made to rapidly computerise the billing process for telephones in the entire country. The billing for most of the major systems stands computerised already, and is proceeding swiftly in other places.
- (e) With effect from 1.12.89, bills with details of STD calls are being issued to subscribers connected with E-10B exchanges. This is also expected to go a long way in reducing the apprehensions of subscribers.

6.4 As a result of the action taken on the lines above, the incidence of complaints with regard to high bills issued during the year 1989-90 has come down to 0.89% of the total bills issued as against 1.12% in the

preceding year, 1988-89. It is observed that the total number of excess billing complaints in a year in the Telecom Department are around 1% of the total number of bills issued.

6.5 In this context the representative of the Department stated during evidence:

“It is a technical problem. The only answer according to us, is, one, detailed billing so that you know which call was made at what time and to whom. The second is automatic STD locking. You can lock and unlock. We have introduced the lock.”

6.6 In a subsequent note Department of Telecommunications further stated that targets have been fixed for computerising the billing process for telephones in the entire country. The instructions in this connection stand issued to the field units. In brief, the plans are to computerise the billing process as follows:—

- (i) All major districts by 31.3.91.
- (ii) In respect of Circles where no computerisation of billing has taken place so far:
  - (a) 20% of the Secondary Switching Areas (all sizes) are to computerise by 31.3.91;
  - (b) 40% of the remaining SSAs to computerise by 31.3.92; and
  - (c) All units to complete computerisation by 31.3.93.
- (iii) In the Circles where some computerisation of billing has already taken place:
  - (a) 30% of the remaining Secondary Switching Areas (all sizes) to computerise by 31.3.91;
  - (b) 40% of the remaining SSAs to computerise by 31.3.92; and
  - (c) All units to complete computerisation by 31.3.93.

6.7 During evidence representative of the Department stated as under:

“We have the old strowger type of equipment which is going to be replaced in five years. We are not sure whether we should invest in it to the extent of Rs. 500 per line. Secondly, about the reliability of the equipment; we have a few prototypes; we would like to validate them properly. Whatever is now being designed, detailed STD billing is part of the design. We will be replacing the manual exchange within 5 years. We hope to exchange stowger exchanges. It has a correlation with investments.”

6.8 Regarding the secret Code system for STD Telephones, Department of Telecommunications in its note furnished to the Committee has stated that in the case of CDOT & E-10B systems, this is a system's feature. However for all other exchanges it has to be provided by use of an add-on equipment on a per-line basis. The production clearance for this equipment has been given to ITI. However production has not yet been commenced.

6.9 Asked about the proposal to include the-details of STD calls in the

bills issued to subscribers connected with other than E-10B exchanges, Department subsequently stated that exchanges other than E-10B can be classified into 4 categories:

- (1) Imported electronic exchanges i.e. PRX, NEAX and Fetex.
- (2) Imported X-bar exchanges i.e. C-400 types.
- (3) Indigenous electronic exchanges C-DOT, ILT of ITI.
- (4) Electro-mechanical exchanges MAX.I strowger, PC Crossbar ICP X-bar and MAX II type strowger exchanges,

6.10 Out of these detailed billing facility can be provided only for Fetex type which are working only in the metropolitan cities and indigenous electronic exchanges i.e. category 2 above.

For PRX and NEAX, the equipment and software needed, have to be imported and are found to be very expensive. Presently, there is no proposal to provide detailed bills to subscribers connected to these type of exchanges.

Provision of detailed billing facility with indigenously developed equipment for the C-400 X-bar and other electromechanical exchanges mentioned against the 4th category is under consideration. However, in view of the obsolescence of electro-mechanical systems which are definitely going to be phased out, the desirability of investing heavily in providing the additional facility of detailed billing is under examination based on feed back received about the subscribers reaction to the provision of detailed billing facility.

*(b) Telephone faults and maturing of calls*

6.11 In reply to a question whether any study had been undertaken by the Department to ascertain the time taken for rectification of telephone faults, Department stated that the study of complaints and faults is a continuous process which is being undertaken by the Department every day. The performance in respect of complaints and fault clearance are monitored at various levels in the Management Information Service. The overall average of complaints, faults etc. are compiled circle-wise and monitored at the Directorate. The average complaints all-India per 100 stations per month has shown a reduction from a figure of 29.9 in 1987-88 to 27.7 in 1988-89. Similarly the faults per 100 stations per month (For systems of 1000 lines and more) has also shown a reduction from 23.1 in 1987-88 to 21.6.

*(c) Working of PCOs / LDPTs*

6.12 In a note furnished to the Committee, Department stated that all the Public Call Offices are tested daily to ensure that they are in working condition.

6.13 Asked to give details of LDPTs which remained out of

order for more than a week, month and more during last one year, Department stated that information was being collected.

6.14 Regarding the check by the Department to ascertain that LDPTs are actually tested daily, department merely stated the procedure laid down for testing the working of LDPTs.

*(d) Maturing of calls*

6.15 During evidence Committee pointed out that only 47% of the local telephone calls mature at first attempt. In reply, the representative of the Department stated:

“A part of the problem has to be seen the other way also. It is not entirely because of failure in our equipment. Because of overloading of our lines also this problem comes.

We keep certain lines free and take tests. There the figures are as high as 95%. But then you take a live traffic in the real situation to see how much of them may mature, then we find that the percentage is not high. It may be as you said 40%.”

6.16 The Committee further pointed out that if less than 50% of local calls mature at first attempt, then it was a major problem, in reply representative of the department further stated:—

“I accept that the only solution is to reduce the load on our lines.”

*(e) Telephone Advisory Committees*

6.17 Department of Telecommunications in a note furnished to the Committee has stated that the members of the Telecommunication/ Telephone Advisory Committees representing various interests are selected out of the recommendations received from the Chief General Managers of the concerned Telecom Circles, recommendations received direct by the Ministry of Communications and in the Telecom Headquarters. The nominations for Members of Parliament are obtained from the Department of Parliamentary Affairs. The members of these committees are nominated by the Minister for Communications. The tenure of the Committees is two years. The composition of various advisory committees is given in the Annexure V.

The functions of the Advisory Committees are—

- (i) Monitoring the performance of telecommunication services and advising the Department for their improvement;
- (ii) Bringing the telephone using public and the Department of Telecommunications into closer relationship;
- (iii) Giving the public confidence that their grievances are being properly represented as well as attended to;
- (iv) Giving publicity to the action being taken by the Department for improving and developing the telephone services;
- (v) Assisting the Department in handling the shortages in telephone

equipment and lines by involving co-operation and patience from public; and

- (vi) Assisting the Department in deciding out-of-turn connections as provided in the rules on fair and equitable basis by joint assessment of the comparative merits of various applicants in the waiting list under the 'OYT' and 'Non-Oyt-Special' categories.

6.18 During evidence representative of Department of Telecommunications elaborated as follows:—

“Telephone Advisory Committees had been functioning for so many years. In between we wanted to have a relook at their constitutions to make them more effective. Since December, 1989 they were not functioning. How a final decision is taken and we are in the process of constituting them. I hope in one month we will be able to nominate members and they will again start functioning....These Committees do meet regularly. They discuss lot of aspects of our services for the public. We do have allied functions. Some of the telephone connections are issued out of turn on the recommendations, but their percentage is only 3.”

6.19 The Committee are of the firm view that as a service industry, it is incumbent upon Department of Telecommunication (DOT) to provide maximum consumer satisfaction to its subscribers, whether it is in billing, fault-repair or prevention of misuse of STD. They wish to emphasise the point that the Department being a supplier in a service industry, the evident dissatisfaction between the Department and the subscribers indicates that the service being provided is not satisfactory. The Committee therefore reiterate that it is imperative to provide operational satisfaction to customers and Department of Telecommunication must gear itself to achieve this goal optimally.

6.20 The Committee note that in order to overcome the problem of excess billing DOT has introduced detailed billing and automatic STD locking. The Committee feel that such a step will go a long way in mitigating the hardships of the subscribers.

In this context the Committee would like the Department to take steps to replace manual exchanges with a view to provide detailed billing facilities and STD lock-facilities to subscribers connected with other than E-10B exchanges. Provision of detailed billing facility should also be made in the indigenously developed equipment for the C-400 X bar and other electromechanical exchanges which are being contemplated by the Department.

6.21 The Committee also find that Department has undertaken computerised billing and has fixed targets for the same. They feel that this will help in removing the complaints of subscribers to a considerable extent. The Department of Telecommunication, nevertheless, should strengthen its vigilance machinery and evolve a foolproof system of supervision to remove

the existing nexus between telephone staff and unscrupulous elements indulging in misuse of STD facility. The Committee recommend that the Department should take strong and visible punitive action against such erring staff found guilty of connivance. The Committee would also like the Department to take stern action on all complaints of malpractices and ensure a very high level of consumer satisfaction. The Committee also desire that high level officers of Department of Telecommunications should listen to the grievances of the subscribers as and when they visit a particular state.

6.22 The Committee note that during the past 4 decades there has been a tenfold increase in the number of telephones in the country. The Committee, however, wish to point out that even while telecommunication network in the country has grown the public dissatisfaction with the poor quality of subscriber service has become more and more acute. The Committee are constrained to state that the number of average complaints and faults during the year 1988 and 1989 which stood at 27.7% and 21.6% respectively do not reflect acuteness of the problems faced by the public particularly in the maintenance of user telephone instruments, fault repairs, subscriber service and over billing. They therefore strongly urge the Department to make vigorous efforts for tackling subscriber's discontentment and to provide efficient and prompt and courteous service to the subscribers.

6.23 In this context the Committee note that department has a stringent procedure laid down for testing on a daily basis whether all public call offices (PCOs) are working properly. The Committee are however, constrained to find that there is no effective monitoring to ensure that PCOs are actually working satisfactorily.

6.24 The Committee find that complaints and fault clearance are monitored at various levels under the Management Information System (MIS). However, the Department failed to furnish information regarding number of PCOs actually working which is indicative of lacunae in the existing MIS. Needless to say MIS needs to be strengthened. The Committee can also not but conclude that the daily test report in respect of PCOs are not being sent. The Committee, therefore, recommend that all loopholes in the existing system for Fault Repairs working of PCOs should be plugged without further delay.

6.25 The Committee are also dismayed to note that only 47% of local calls nature at the first instance. The Committee hope that the Department would look into this matter and take appropriate steps to ensure a higher percentage of 'calls-matured'.

6.26 The Committee are constrained to find that Telephone Advisory Committee are not in existence since December, 1989. The Committee highly deprecate the inordinate delay in the formation of these Committees. They would also like the Department to ensure that in future the new

*Telephone Advisory Committees are constituted before the term of existing Committees expire. They also desire that the Committees meet as frequently as they are expected to meet. Subscribers should also be well informed about the existence and functions of these Committees so that they may approach these Committees to give their suggestions for betterment of telecommunication services/ventilation of their genuine grievance.*

NEW DELHI;  
November 20, 1991  

---

Agrahayana '29, 1912(S)

MANORANJAN BHAKTA  
Chairman,  
Estimates Committee.





## ANNEXURE II

<b>List of Manufacturers for Pay Phones.</b>	<b>Status</b>
1. S.S. Enterprises, Allahabad	*A* Not yet implemented.
2. Phillips Carbon Block Ltd. New Delhi	*A* F.C. approved. Change of location and revalidation pending.
3. B.K. Aggarwal (Kailash Telecommn. Indian Pvt. Ltd.), New Delhi.	*A* change of name under process.
4. Pacific Telecommunication and Instruments Ltd., Hyderabad.	*A* Unit set up. Production likely to commence.
5. Indocom Industries Ltd., Hyderabad	*A* Change of name approved Project being implemented.
6. San Electronics Ltd., New Delhi	*A* No Progress.
7. Maharashtra state Electronics Corporation Ltd., Bombay	*A* No progress.
8. Omtitel Industries Ltd., Hyderabad.	*P* In production.
9. Soumag Electronic, Hosur	*A* No Progress.
10. Applied Electronics Ltd., Thane. (Smart Card Operated PCO)	*A* LOI yet to be issued.
11. Applied Electronics Ltd., Thane (Accessories)	*A* -do-
12. Andhra Pradesh Electronics Development Corporation, Hyderabad.	*A* No Progress.
13. Usha CEC Plessey, New Delhi.	*A* Project implemented production yet to start.

---

\*P\* Indicates unit in Production, \*A\* — Approved.

### ANNEXURE III

#### List of Manufacturers approved for production of Cordless Telephones

Status-No Unit has started production

-Only ITI & Bharti Telecom have converted their letter of intent Industrial Licence.

1. Gujarat Communication & Electronics Ltd., Baroda.
2. Hendez Electronics Ltd., Kerala.
3. Andhra Pradesh Electronics Development Corporation, Hyderabad.
4. Telematics Systems Ltd., Madras.
5. W.S. Industries, Madras.
6. Himachal Wireless Ltd., Hhalini, Simla.
7. Karnataka, SEDC, Bangalore - 58
8. BMG Telecom Pvt. Ltd., New Delhi.
9. Indian Telephone Industries Limited, (Bangalore), Bangalore.
10. Manipur Electronic Dev. Corp. Ltd., Imphal
11. Rajasthan Electronics & Instruments Ltd., Jaipur.
12. United Telecoms Ltd., Bangalore.
13. Orissa State Elect. Dec. Corpn. Ltd., Bhubneshwar.
14. HCL Ltd., (Telecommunication Division), New Delhi.
15. Bharti Telecom Ltd., New Delhi.
16. New Video Ltd., Kasauli, Himachal Pradesh.
17. India Tele-Comp Limited, New Delhi.
18. Pondicherry Indus. Promotion Dev & Inv. Corp. Ltd., Pondicherry.1.
19. UP Hill Electronics Corporation Limited, Gomit Nagar.
20. Indian Telephone Industry Ltd. (Srinagar), Badgam, Srinagar.
21. Maharashtra State Electronics Corporation Ltd., Bombay.
22. Bihar State Electronics Development Corporations, Patna.
23. SAN Electronics Ltd., New Delhi.
24. TATA Keltron Ltd., Palghat, Kerala.
25. Hemant Electronics, Erode, Erode.
26. Cosmo Communications Pvt. Ltd., Hyderabad.
27. Key Electro Industries, Bombay.
28. Elite Infotronics (P) Ltd., New Delhi.
29. Kerala State Electronics Dev. Corporation Ltd. (Keltron), Trivandrum.
30. Birender Gupta, Calcutta.
31. Esquire Distributing & Services (P) Ltd., Churchgate, Bombay.

32. Grover Y.N., New Delhi.
33. Zimag India Ltd. (PSEDC), Kharar, Ropar.
34. Himachal Wireless Ltd. Hhalini, Shimla.

## **ANNEXURE IV**

### **List of Manufacturers for FAX Machines.**

1. Shri H.R. Gajria, Tokyo (Japan).
2. M/s P.S.I.D.C. Ltd., Chandigarh
3. M/s B.P.L. Systems & Projects Ltd., Palghat.
4. M/s Bee Electronics Machines Pvt. Ltd., Bombay.  
Application for I/L
5. M/s Bee Electronics Machines Ltd., Bombay.  
Application for FC-
6. M/s Murphy India Ltd., Nanpada (Thana).
7. M/s Modi Xerox Ltd., New Delhi.
8. M/s Hindustan Reprographics Ltd., New Delhi.
9. M/s Debikay Information Technologies Ltd., Application for Grant  
of I/L.
10. M/s Debikay Information Technology Ltd., New Delhi.  
Application for FC
11. M/s J.K. Synthetics Ltd., New Delhi.
12. The Economic Development Corporation of Goa Ltd.
13. M/s Tirupathi Electronics, New Delhi.
14. Shri S. Bali Reddy. Hyderabad.
15. M/s UP Electronics Corporation Ltd., Lucknow.
16. M/s Golak Time Industry, Bombay.
17. M/s India Tele-Comp Ltd., New Delhi.
18. M/s Tata Telecom Ltd., New Delhi.
19. M/s Webel Telematic Ltd., Calcutta.
20. Shri P.D.S. Sawhney, New Delhi.
21. M/s Hindustan Brown Boveri Ltd., Baroda.
22. Shri Durgesh Mathur Bombay.
23. M/s Pansan India Ltd., Hissar, Haryana.
24. M/s San Electronics Ltd., New Delhi.
25. M/s Gensia Telecommunications Ltd., New Delhi.
26. Shri Mangal Das A Shanghavi, Calcutta.
27. M/s Far Fax Pvt. Ltd., Bangalore.
28. M/s Weston Electronics Ltd., New Delhi.
29. Shri P.V. Prabhakar Rao, Hyderabad.

30. M/s Jolly Electrical Industries, Baroda.
31. M/s J&K State Industries Development Corporation Ltd., Kashmir.
32. Shri Om Wadhwa, Bombay.
33. M/s Hindustan Teleprinters, Madras.
34. M/s Indocom Industries Ltd., Secunderabad.

---

The cases have been sent to Secretariat for Industrial Approvals, Deptt. of Industrial Development, Ministry of Industry, for convening special Project Approval Board Meeting which has not yet been decided.

**ANNEXURE V**

**TELECOM/TELEPHONE ADVISORY COMMITTEES—COMPOSITION  
& INTEREST REPRESENTED**

Sl. No.	Interest Represented Category	Telephone Advisory Committees for Bombay Calcutta & Delhi.	Telephone Advisory Comm. for Madras.	Telecom. Advisory Committees for 5 States	Telecom. Advisory Committees for 13 States.	Telephone Advisory Committees for 17 major Telephone Districts.	Telephone Advisory Committees of 66 minor Districts	Telephone Advisory Committees of 13 other States and U/Ts.
				(A)	(B)	(C)	(D)	(E)
1.	Members of Parliament	3	3	3	3	2	2	2
2.	State Legislature	4	3	4	3	3	2	3
3.	State Administration	1	1	1	1	1	1	1
4.	Corporation or Civic Body	2	1	—	—	1	1	—
5.	Press	4	3	4	3	2	1	1
6.	Medical Profession	2	2	2	2	2	1	1
7.	Legal Profession	2	2	2	2	2	1	1
8.	All other Professions like Engineers, Architects etc.	2	2	2	2	2	1	1
9.	Trade, Commerce & Industry	10	6	10	6	5	5	4
10.	Public Workers & Others	10	7	12	8	5	5	6
<b>Total</b>		<b>40</b>	<b>30</b>	<b>40</b>	<b>30</b>	<b>25</b>	<b>20</b>	<b>20</b>

(A) Bihar, Maharashtra, Madhya Pradesh, Rajasthan and Uttar Pradesh.

(B) Andhra Pradesh, Karnataka, Kerala, Gujarat, Tamil Nadu, Haryana, Orissa, West Bengal, Punjab, Assam, Himachal Pradesh, Jammu & Kashmir and Arunachal Pradesh.

(C) Ahmedabad, Amritsar, Bangalore, Baroda, Calicut, Coimbatore, Ernakulam, Hyderabad, Jaipur, Kanpur, Ludhiana, Lucknow, Maurai, Mangalore, Pune, Rajkot, Surat.

(D) Agra, Allahabad, Amballa, Alleppy, Ahmednagar, Agartala, Asansol, Bulsar, Bhuj, Bhavnagar, Balgaum, Bhopal, Chittoor, Cannanore, Cuttack, Cuddalore, Dimapur, Eluru, Erode, Faridabad, Ferozpur, Guntakkal, Guwahati, Guntun, Ghaziabad, Hubli, Hissar, Indore, Imphal, Junagadh, Jabalpur, Jamnagar, Jalgaon, Jullundhar, Kurnool,

Kottayam, Karnal, Kalyan, Kohlapur, Mehsana, Mysore, Meerut, Nagpur, Nadiad, Nasik, Patna, Palghat, Panjim, Patiala, Port Blair, Rajamundhry, Rohtak, Srinagar, Sholapur, Shillong, Salem, Siliguri, Trivandrum, Trichur, Trichy, Tirunelveli, Tanjore, Vijayawada, Varanasi, Vellore and Quilon.

(E) Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Goa, Andman and Nicobar Islands, Chandigarh, Daman & Diu, Lakshadweep & Minicoy, Dadar & Nagar Haveli, Pondicherry.



**ANNEXURE VI.**  
**COMPOSITION OF THE ESTIMATES**  
**COMMITTEE (1990-91)**

**CHAIRMAN**

**Shri Jaswant Singh**

**MEMBERS**

2. **Shri J.P. Agarwal**
3. **Shri Anbarasu Era**
4. **Shri Kamal Chaudhry**
5. **Shri Anantrao Deshmukh**
6. **Prof. Prem Kumar Dhumal**
7. **Shri Balvant Manvar**
8. **Shri Hannan Mollah**
9. **Shri Arvind Netam**
10. **Dr. Debi Prasad Pal**
11. **Shri Rupchand Pal**
12. **Shri Harin Pathak**
13. **Shri Bhausahab Pundlik Phundkar**
14. **Bh. Vijaya Kumara Raju**
15. **Shri Mullappally Ramachandran**
16. **Shri Y. Ramakrishna**
17. **Shri Rameshwar Prasad**
18. **Shri J. Chokka Rao**
19. **Shri Chiranji Lal Sharma**
20. **Shri Yamuna Prasad Shastri**
21. **Shri Dhanraj Singh**
22. **Shri Subedar Prasad Singh**
23. **Shri Sukhendra Singh**
24. **Shri Tej Narain Singh**
25. **Shri Taslimuddin**
26. **Dr. Thambi Durai**
27. **Shri Nandu Thapa**
28. **Shri P.K. Thungon**
- \*29. **Shri K.C. Tyagi**
30. **Shri Kailash Nath Singh Yadav.**

---

\* Shri K.C. Tyagi has resigned from the membership of the Committee on Estimates with effect from 30th August, 1990.

## APPENDIX

### *Statement of Recommendations & Observations*

<i>Sl. No.</i>	<i>Para No.</i>	<i>Recommendations / Observations</i>
1	2	3
1.	1.31	<p>In their submissions before the Committee during the evidence the Department of Telecommunications have emphasised that the growth in telecommunication services bears a direct co-relation with development in other sphere of economic and social activity and thereby contributes immensely in optimisation of resources through enhanced levels of productivity and efficiency. Better telecommunications ensure speedy transmission and dissemination of information and obviate the need to travel. These also help in rapid economic growth, expansion of public welfare and ultimately social transformation. It is, thus abundantly clear that optimal investment in this sector which, in the opinion of the Committee, has the same importance in the development process of other sectors such as agriculture, transport and energy, is absolutely necessary if country has to keep pace with a rapidly changing global economy. The Committee, therefore, deprecate the fact that due weightage is not being assigned to the growth of telecom infrastructure in the country. <i>The Committee, urge the Government to give high priority to this sector in the 8th and 9th Five Year Plan. They also recommend that these two plans should be formulated in such a manner so as to focus adequately on achieving an 'all-nation-connectivity' right down to the village level.</i></p>
2.	1.32	<p>In the above background, while the Committee appreciate the all round growth achieved in the telecommunication sector in the past four decades and the fact that in doing so the Government has been appropriately guided by the deliberations of the</p>

1

2

3

---

Parliamentary Consultative Committee, Telephone Advisory Committees, debates in the Parliament and technological and operational views within the Department they nevertheless regret the absence of an intelligible, articulated and comprehensive policy statement on telecommunications even after four decades of planned development. The Committee, however, have taken note of the fact that Government has been considering the question of adopting formal and comprehensive policy in this regard. In this context, the Committee are unable to share the view that such a policy ought to be part of an overall communications policy. *They are inclined to think that telecommunication by itself is an extensive and self-contained field which require a treatment independent of other modes of communication. However, necessary linkages between Department of Telecommunications and other communication agencies should appropriately be reflected in the Telecommunication Policy which may be placed before the House.*

*The Committee, therefore, recommend that a formal policy document on telecommunications will be adopted without any further delay.*

3. 1.33

The Committee have been informed that the Indian Telegraph Act which governs the provision of telecom services has undergone a process of amendment repeal and adoption in order to make its basic philosophy and objects compatible with the present telecom scenario and that the provisions of the Act do not come in the way of technological development in this sector. They have also been apprised that the Act permits and aids the role of telecommunications as a propellant of growth and promoter of exports, etc. They have also been further informed that the advent of Cable TV technology does not call for any major changes in the Act. At the same time, the Secretary, Department of Telecommunications did not rule out modifications in the Act in the light of a formal telecommunications policy to be adopted by the Government in future.

---

1

2

3

---

*The Committee recommend that the Indian Telegraph Act should be kept under constant review, and modified, as and when changes in the technology, expansion of telecom network and introduction of new services so Warrant. The Committee would also like to advise the Department to review the Act from a futuristic perspective so that it continues to remain an instrument of growth and is not permitted to become an impediment at any stage.*

4. 1.34

To enable the officers and staff of the Department of Telecommunications to perform their duties efficiently and effectively and to keep them abreast of the latest modern technology it is imperative that they are provided training at periodic intervals. The Committee note that officers and staff of the department are not geared to meet the challenges of changing scenario in the field of telecommunication. The Committee are constrained to note that allocation of funds for the purposes of training has not been commensurate with the rapid expansion in the area of telecommunication and introduction of modern technology in this field. Keeping in view the widely perceived state of continuing telephone faults the Committee are inclined to take the view that the technicians employed to man the equipment in the exchanges as also the telephone instruments are not attitudinally trained to perform at an optimum level of efficiency and courtesy. *The Committee would therefore like the department to strengthen its training programme. They feel that such training programmes ought to emphasise the attitudinal changes of the officers and staff of the department to help them to be not only in tune with modern technology but to be sufficiently motivated to attend to the subscriber's problems which include acute difficulties faced by them regarding fault repairs, trunk bookings, directory enquiries etc. with promptness and courtesy.*

1.35

**The Committee recommend the Department to earmark sufficient funds for purpose of training and for other Human Resources Development objectives / requirements.**

---

1	2	3
5.	2.41	The Committee find that the targets of 7th plan pertaining to providing of subscriber dialing facilities, Long Distance Public Telephones and in the field of Coaxial, Microwave, Ultra High Frequency Systems, Optical fibre etc. could not be achieved due to various reasons viz. non-availability of equipments from indigenous sources, delay in obtaining approvals for import and indigenous manufacture, poor and inadequate supply of equipments from the manufacturers etc.
	2.42	In their Sixty-ninth Report (8th Lok Sabha) on Telecommunication Services in the Rural Areas, the Estimate. Committee had deprecated the conscious non-correlation of physical targets with plan allocations and consequential fixation of unrealistic targets. The Committee are constrained to note that notwithstanding the recommendation of its predecessor committee the Department of Telecommunications have failed to bring in the required degree of realistic planning and expansion of Telecom services. Even during the 7th Plan the target for LDPTs had to be brought down from original level of 15,000 to 9,720 due to difficulties in the supply of equipment. Obviously, such drastic scaling down of targets could have been avoided had equipment supply position been assessed realistically.
6.	2.43	The Committee find that the equipment supply during 8th Plan was being augmented by adopting various indigenous technologies and productionising these in private as well as public sector. However, the Committee are concerned to note that even though 14 firms in private and public sector have been given license for production of various types of equipment required for providing LDPTs, actually, only one company has succeeded in production. The Committee, therefore, cannot but infer that this state of affairs is indicative of lackadaisical attitude of the Department in implementing its plans. The Committee, strongly emphasise once again the utmost need for formulating the realistic plans, fixing targets within an achievable range and vigorous action for successful implementation of such plans. The

1

2

3

---

*Committee also urge that shortfall in meeting the requirements under various components of the plan i.e. Coaxial Cables, Microwave and UHF Systems and Optical Fibre etc. should be fully met during the 8th Plan. They also desire the Government to ensure that production of equipment for which licenses have already been granted to public and private sector firms should be taken up expeditiously.*

7.

2.44

The Committee note that even against modest expectation of providing a net work of 20 million telephones for a population of 800 millions in the country there are at present only 5 million telephones in India. This indicates an imbalance of 400% between demand and supply. Even though in recent years the Department of tele-communications has achieved a net addition of 0.3 to 0.4 million Direct Exchange Lines (DEL), the waiting list for telephones has actually grown by 33% over the same period; in fact it has continued to grow over the successive Five Year Plans inspite of regular expansion in the telephone services. The Department of Tele-communications hopes to achieve a switching capacity of 111 lakh lines as against the estimated demand of Rs. 110 lakh lines at the end of Eighth Plan. This, coupled with installation of 1.88 lakh Public Call Offices in the rural areas, is expected to give India an all-nation connectivity. The Committee are dismayed to find that the planning apparatus in the country has failed to take note of almost persistent and growing gap between the demand and supply of telephone services in the country. They are also dismayed by the fact that the developmental spin-off of Telecom Services has not been fully appreciated so far. The Committee strongly recommend that the planning process in future should set right this kind of distortion.

8

2.45

The Committee note that providing Telecommunication services is an expensive proposition in as much as every additional telephone requires an

---

1

2

3

---

investment of Rs. 30,000/-. On the other hand, it has the potential of generating the revenue far exceeding the required investment. In this context the Committee were informed that it is an established fact that an investment of one dollar in rural communication, ultimately generated a return of five dollars. The Committee are surprised to find that these facts appeared to have been over-looked by the Planning Commission while allocating resources for expansion of Tele-Communication services. *The Committee deprecate the fact that level of investment in this vital sector has ranged from 2 to 3% and that even during the 7th Five Year Plan, Plan allocations fell way behind the required investment. Even though the ultimate investment during the 7th Plan (Rs. 81.38 crores) was twice what had been initially allocated, the additional resources were raised through non-budgetary support. The Committee are constrained to note that even during the 8th Five Year Plan when the Tele-Communication sector is at a take-off stage and fully capable of meeting all its financial requirements through internal generation of revenues, the Planning Commission appears to be unappreciative of the need to give Tele-Communication services its deserved importance and priority.*

The Committee were informed that if investment in the Tele-Com Sector during the 8th Plan is not allowed upto the minimum required level of Rs. 20,000 crores, it would have serious implications not only on the future growth potential of the tele-com sector, but will also inhibit growth in other sectors of economy. The Committee were also informed that in case investments upto the required level were permitted at this stage, the Department of Tele-Communication would be in a position to not only meet an investment level of Rs. 30,000 crores but would also be able to generate a surplus of 17,000 crores. *The Committee desire that the Government should take due note of these projections and raise plan allocation for tele-communications from proposed Rs. 14,000 crores to the required level of Rs. 20,000*

---

1	2	3
		<i>crores.</i>
9	2.46	<p>The Committee find that Tele-Communication sector has considerable potential for generating sufficient resources for meeting its expansion programmes. They have also been informed that at present the Government is transferring revenue earning services from this sector to other Sectors of economy. The Committee are unable to appreciate why a sector which is capable of standing on its own is not permitted to become self-supportive so as to be able to generate greater resources at a subsequent stage. <i>While they appreciate the resource crunch that underpins the entire planning process, the Committee strongly feel that an important service like Tele-Communication ought to be given all encouragement to achieve a high degree of self-financing and, for this purpose, the resources generated by it need to be ploughed back if the yawning gap between demand and supply for Tele-Com Services is to be bridged.</i></p>
10	2.47	<p><i>The committee would like the Department to make a concerted attempt in bridging the resource gap through increased productivity and greater reliance on market borrowing. They desire the Department to adopt an innovative growth strategy, so that tele-com users are directly involved in the development of Tele-com services.</i></p>
11	2.48	<p><i>The committee also recommend that the Government should immediately review the financial relationship between the General Revenues and the Tele-Com Department. In this context the Committee are inclined to support the plea of the Department of Tele-Communication that they ought to be treated at par with Railways in the matter of payment of dividend and retention of revenues for internal use.</i></p>
12	3.51	<p>The present organisational structure of Telecommunication Department has been devised to meet the requirements of development, operation and maintenance of countrywide telecommunication infrastructure. The Telecom Commission is an apex</p>



1	2	3
		<p>level body for overall formulation and implementation of policy relating to Telecom services. The necessary interface with the Government is achieved through the Department of Telecommunication; the Chairman of the Telecom Commission being simultaneously designated as Secretary, Department of Telecommunications. The Commission functions through various telecommunication circles and Government undertakings like Mahanagar Telephone Nigam Ltd., Videsh Sanchar Nigam Limited, I.T.I., H.T.L. etc.</p> <p>The Commission has been given wide financial and administrative powers.</p>
13	3.52	<p>The Committee note that as part of the exercise to restructure the Telecom organisation, while the Telecom Board was replaced by a Telecom Commission, at the same time two major revenue generating Telecom Circles viz. Delhi and Bombay, were converted w.e.f. 1st April, 1986, into a Limited Company called Mahanagar Telephone Nigam Limited. The purpose of creating MTNL was to upgrade the quality of Telecom Service, expand telecom network and raise financial resources for further expansion and improvement. In this context the Committee's attention has also been drawn to a comparative study made by Administrative Staff College of Hyderabad in respect of the telecom services in four metropolitan telecom circles of Delhi, Bombay, Calcutta, Madras. It has surprised the Committee that, according to the above study telecom services in Madras and not in Bombay or Delhi, have been adjudged the best. The Committee therefore find it least surprising that serious doubts about the wisdom of creating MTNL have cropped up in recent years.</p>
14	3.53	<p>The Committee have been informed that creation of MTNL has not only resulted in difficulties in cross-subsidisation of finances for improving and expanding the service in low revenue earnings areas, particularly in those telecom circles which cater mostly to rural areas but at the same time a substantial part of revenue generated through telecom operations in</p>

1

2

3

Delhi and Bombay now invites corporate tax liability. A not unexpected fallout of this arrangement has been a certain wage disparity between staff working in MTNL and those working in other telecom circles. Apprehensions about a steep rise in the wage Bill as well as other factors mentioned above have inhibited the Department from bringing more telecom operations under the MTNL pattern. In these circumstances the Committee are inclined to believe that experiment of creating MTNL has had an inherent limitations thus limiting its impact. The MTNL pattern therefore appear to promise no solution to the problem of reducing demanded supply imbalances in the telecom sector.

15

3.54

The Committee have been informed that a high level body has been set up to go into the question of reorganising telecom services *de novo* with specific reference to future status of MTNL. In this context the Committee are constrained to note that within a period of 8 years i.e. from 1983 to 1991 restructuring of the Department is being contemplated for the fourth time. *The Committee deprecate the state of impermanency that seems to have seized the organisation which is expected to serve this vital sector. The Committee's disquiet is accentuated further because they firmly believe that it is telecom sector which can help the country in leapfrogging into the 21st century. The Committee hope that the latest Expert Committee which is going into the reorganisation of telecom services will not overlook limited advantages of adopting MTNL pattern. They also desire that while considering the question of further restructuring Telecom Department the Government should not overlook the lessons learnt in past. The Committee would also like the Government to ensure that any fresh restructuring is given sufficient period to achieve the expected results before any further review is ordered.*

16

3.55

The Committee are concerned to find that substantial expansion in the Telecom Services notwithstanding, situation on the ground level is not altogether satisfactory in as much as even the Secretary,

1

2

3

Department of Telecommunications admitted before the Committee the unhappiness of subscribers with the services provided and also the limited prospect of redeeming the situation during the 8th Five Year Plan. The Committee are inclined to accept the view that it is not possible in the Indian context to increase telephone density and that the thrust of development in the Telecom sector should be to achieve higher levels of connectivity. The Committee are also inclined to accept the view, that, atleast in the immediate future, a monopolistic structure for providing Telecom services may be unavoidable. The Committee have also been told that this was an almost universal pattern dictated by the compulsions of having a compatible network of telecom system. Nevertheless, the Committee are convinced that in certain respects there is scope for moving away from a monopolistic scheme of things. *In this regard the Committee have been informed that the production of equipments can be, to a large extent, given into private hands subject to necessary standardisation and quality assurance. The Committee desire to emphasise that while envisioning such a monopoly in regard to Telecom services due allowance should be made for inherent inefficiencies of this arrangement. This the Committee believe, can be done by encouraging the bulk users of Telecom services to run their dedicated network in tandem with the public Network, by popularising private branch exchanges and finally by promoting rural Telecom Consumer Cooperatives.*

17

3.56

The Committee note that the Department of Telecommunications has been issuing licences for establishing dedicated telecommunication networks to bulk users like Defence, Railways, Banks, Airlines, etc. The Committee expect that in view of expanding information industry and growth in the other sector of economy the demand for such networks is expected to increase in coming years. Expectedly, this calls for greater investments. However, the present resources position in the country underlines

1

2

3

---

the need to optimise utilisation of existing networks. In this context, the Committee have been informed that under the present norms bulk users can operate only within their own network and cannot share their traffic with the public network. The Committee believe this factor can come in the way of optimum utilisation of all available networks which may on the one hand generate demand for expansion of such networks and at the same time inhibit the Department from encouraging establishment of such network owing to resource constraints. *The Committee, recommend that in order to reduce load on public network and to optimise utilisation of dedicated networks the proposal to allow bulk users to connect their networks with the public network should be readily approved by the Government. The Committee desire the Department to take an early decision in the matter.*

18 3.57

The Committee find that even though performance during the 7th Five Year Plan in respect of commissioning of LDPTs has been below expectations the Department continue to be ambitious about its achievements in this area during the 8th Five Year Plan. The Committee also note that a serious handicap faced by the Department during the 7th Five Year Plan has been the shortage of equipment, mainly of switching systems, which have, hitherto been manufactured in the public sector and are based on imported technology, a situation which has inherent limitations in yielding desired flow of equipment. The Committee, however, appreciate the fact that Department of Telecommunications is seized of the problem and has devised a twin strategy of developing indigenous technology for manufacture of large, medium and small switching systems and of productionising these technologies in the private sector.

19 3.58

The Committee also welcome the present trend towards liberalisation of telecom equipment production and hope that this will result in easing the equipment related constraints which are presently

---

1

2

3

---

hamparing the expansion of telecom network in the country. *The Committee would like the Government to not merely stop at issuing licences for manufacture of equipments but to maintain constant interface in the industry, both in public and private sector in order to ensure that process of liberalisation works according to plan and yields concrete results.*

20

3.59

The Committee have been informed about position of various types of equipment for switching and transmission purposes besides the subscribers' end equipment. The Committee are happy to note that the telephone instruments are being produced today by 10 companies and there is a capacity to produce 40 lakh telephone instruments a year as against the current capacity utilisation upto 10 lakh instruments. The Committee cannot but express its concern over the excess capacity which has been created. They nevertheless, hope that such capacity as is excess to the minimum requirements of the country will not be allowed to remain idle. *They, therefore, expect the Government to launch the concerted drive for export of telephone instruments. The Committee would also like the Department to maintain the highest quality and standards of instruments being so manufactured so that complaints on this account are minimised.*

21

3.60

The Committee note that a large number of private manufacturers have been issued licences for manufacture of payphones, cordless telephones and FAX machines. The Committee also note that many of these companies have yet to start production. The Committee hope that, as pointed out above, the Department of Telephones will take upon itself the role of nurturing the fledgeling units so that they are able to contribute in not only developing the telecom sector but also in optimal utilisation of nation's resources.

22

3.61

The Committee are apprised that in the area of the transmission equipment C-DOT has already developed a number of rural transmission products which are being manufactured. In this the Committee are dismayed to note that the proposal for

---

1

2

3

---

manufacture of digital UHF equipment with imported technology which have been under consideration of Government since 1985 has finally been dropped considering the status of indigenous technology in this area. While the Committee welcome the import substitution efforts in technology they are left with a feeling of disquiet over the manner in which Government has been dragging on the matter disregarding the fact that Telecom today is a rapidly changing field and also the acute demand for Telecom services in the country. *The Committee desire that in future proposals should be mooted in tune with reasonable long perspective and decisions taken quickly.*

23

3.62

The Committee note that production capacities of ITI units at Mankapur and Palghat are being upgraded to meet the requirement of electronic switching system. They however note that there will be still a gap left between demand and supply which will be met through private manufacturers. The Committee are seriously concerned to note shortages of large switching systems which have hindered expansion and modernisation of Telecom services in larger urban centre thus depriving the department of much needed revenue. The Committee understand that indigenous technology for manufacture of larger switching system has not been developing as fast as could be desired and that the Government proposes to fill the gap by relying on French C/T ALCATEL product for sometime. *The Committee recommend that delay in expansion of services should not be allowed to come in the way of expansion and modernising telecom services in larger urban areas of substantial revenue potential.*

24

3.63

The Committee also note that at present the annual licence capacity for manufacture of cables by HCL (Hindustan Cables Limited) is just a little above the 50% of the actual annual requirement of the Department. The Committee would like to caution the Government about the likely gap between availability of switching and transmission equipment

---

1	2	3
		<p>which can make targets for the 8th Five Year Plan unrealisable. The Committee, therefore, recommend that sufficient attention should be paid towards dovetailing the production capacities of switching systems and the telephone cables in terms of quantities as well as technological capability.</p>
25	3.64	<p>The Committee have also been informed that after a comprehensive reiew for identifying the existing gap between demand and supply for satellite equipment and selection of appropriate technologies certain firms in private as well as in public have been permitted to manufacture different types of satellite equipments. <i>The Committee desire that department should closely monitor the progress of these firms so that the targets of the 8th Five Year Plan are realised.</i></p>
26	3.65	<p>To achieve self sufficiency in the field of Telecommunication, building up of adequate Research and Development facilities is of paramount importance. The Committee are however constrained to note that the present R&amp;D facilities in the telecom sector are not adequate for the current needs despite the fact that there is no shortage of funds. The Department has stated that there is an acute shortage in the availability of indigenously produced electronic components of professional grade. LSI and VLSI chips required for modern telecom designs are also stated to be not available in the country.</p>
27	3.66	<p><i>The Committee strongly recommend that the Research and Development set-up in the Department of Telecommunication should be strengthened to enable the Department to not only develop and update indigenous technology but also to accept and absorb latest foreign technology. The Committee also desire the Department to lend full financial and administrative support to R&amp;D Units so as to be able to develop in the country a strong technological base in the field of telecommunications.</i></p>
28	4.17	<p>The Committee are inclined to accept connectivity through out the country to be the appropriate goal for development of Telecommunciations. Expansion</p>

1

2

3

of rural telecom network and establishment of Public Call Offices have a special significance in achieving this objective. The Committee note that it is the objective of the Government to establish at least one telephone facility within about 5 kms. of every inhabited place preferably in the Gram Panchayat of Villages. The present policy of the Government is also to provide telephone facilities irrespective of profit or loss, at all the stations where the various levels of administrative machinery are sited. The Committee also note that the DOT aims at providing PCOs at bus-stands, railway stations, high-schools and highways, besides in the villages. The Committee find these objectives laudable and would like to emphasise the need to ensure proper and round the clock functioning of the PCOs through appropriate technological, organisation and administrative measures. **The Committee are constrained to say that the actual functioning of PCOs is far from satisfactory and would, therefore, desire that the Department should effectively monitor the functioning of PCOs. They also recommend expeditious introduction of latest equipment for improving the performance of PCOs. The Committee would expect the Government to draw a perspective plan in this regard with special focus on promoting rural telecommunications. The Committee find that for achieving the desired level of connectivity difficulties are being faced by DOT in regard to rural radio solution. The Committee desire that the Department should strive to overcome these difficulties to achieve visible results and make a speedy headway in this direction under a time bound programme.**

29

4.18

**The Committee welcome the idea of setting up of rural telecom corporation for rapid expansion to telecom services in rural areas. Such an arrangement is also expected to mitigate the problem of resource mobilisation for the purpose of promoting rural telecommunications. The Committee strongly urge the Government to carefully study the pros and cons of this suggestion.**



---

1

2

3

---

30

4.19

**The Committee note that telecom service in remote hill areas and Island territories are highly Unsatisfactory. In this context, they would like the Department of Telecom to accord overriding priority to Remote areas like Island territories and hill areas in sanctioning, supplying and installation of state of art telecom equipment including electronic exchanges.**

The Committee would also like the Ministry to expedite the completion of two on going schemes for provision of telecommunication facilities in the Andaman and Nicobar Islands. They would also like to be apprised of the latest position with regard to the provision of STD Channels between Port Blair and the other Islands.

31

5.25

The Committee find that the tariff policy followed by the Department of Tele-communications is based mainly on incidence of usage, the value of service rendered, susceptible to administration besides generation of revenue surplus for further expansion and R&D efforts.

32

5.26

The Committee have been informed that Telecom tariffs have been kept low and are well below the whole-sale price index as on 1st July, 1990. The Committee have also been informed that the rentals for flat rate exchanges which mainly serve the rural areas have been left at the level where they were in 1982 while the traiff for Measured Rate Exchange (MRE) has been revised on three occasions since then. The Committee were also informed as to how tariff structure has been designed to be selective in imposing lesser burden on deserving target groups like press, educational institutions etc. The Committee were also informed that the Department is taking all necessary measures to keep tariff low through modernisation, higher productivity and better staff telephone ratio. The contention of the Department about telecom tariffs being low notwithstanding the Committee have been inclined to believe that these are not based on a rational cost

---

1	2	3
		<p>plus formula. The Committee, therefore, enquired from the Department about the basis on which the tariff structure has been worked out. In this context, the information furnished to the Committee in regard to costs of local calls, ISD calls, Telephone rentals, telegram rates leaves them unconvinced about the correctness of the tariffs fixed by the Department.</p> <p>The Committee find that as against the cost of Rs. 27.30 per minute of ISD calls to the Department the tariff charged is Rs. 40-48 per minute. Similarly, as against costs all of 63 paise actual tariff is Rs. 0.80/call up to 1000 calls and Rs. 1.10 Paise/call in excess of 1000 calls. The Committee would like the Department to rationalise the tariff structure of telecommunication facilities on the basis in order to facilitate fixation of tariff on a realistic basis.</p>
33	5.27	<p>The Committee wish to emphasize that telecommunication in the present day scenario is a necessity rather than a luxury, and would, therefore, like the department to make all efforts to keep the tariffs low. The Committee urge that all the necessary measures proposed to be taken by the Department viz. reduction in cost of equipment, introduction of cost effective technology, increasing productivity through the use of modern maintenance practices tool, office automation, training of staff etc. should be taken under a definite time frame.</p>
34	5.28	<p>The Committee have been informed that distinction between business and domestic calls is prevalent in many countries of the world. The Committee also find that the Department of Telecommunications has a proposal to fix dual tariff for commercial and domestic sectors, which has not been finalised so far. The Bureau of Industrial Costs and Price (BICP) who have been entrusted with a study on tariff structure for the telecom services is also stated to be considering the question of dual tariff.</p>
35	5.29	<p>The Committee are inclined to take the view that the proposal to have a dual tariff structure is not without merit more so when it can help DOT in bridging the</p>

1

2

3

---

resource gap and bringing about necessary expansion of telecom facilities in rural areas where it will at the present juncture, provide more of a social welfare input. However, the Committee will like to caution the Government at the same time about the possibility of such an arrangement being misused by unscrupulous elements leading to leakage of revenue. The Committee hope that Government will take a considered view in the matter after consulting all concerned including BICP.

36

5.30

The Department informed the Committee that an amount of Rs. 82.36 crores billed upto 31st March, 1989 was outstanding from the subscribers. The Committee are of the view that even though the outstanding bills constitute only 3% of the total amount billed, these are nevertheless of considerable magnitude considering the fact that outstanding bills in respect of MTNL at Delhi and Bombay have not been taken into account. In this context the Committee are constrained to find that Department is facing problems in recovering the outstanding bills particularly in respect of dignitaries/Government Departments and on account of disputed cases pending in the courts and consumer councils. The Department has expressed its helplessness in making a headway in respect of outstanding bills relating to these categories.

37

5.31

The Committee have no reasons to agree with the contention of the Department of Telecommunications that they are not in a position to disconnect the telephones of Government Department which are not paying their dues. The Committee feel that a commercial Department like that of telephones cannot be faulted if they are constrained to disconnect even Government telephones for which bills are not being paid. **The Committee would like the Department of Telecommunications to vigorously pursue cases of outstanding bills with Government department concerned at a high level with a view to realising telephone dues as early as possible. To overcome this situation the Committee would like the**

---

1

2

3

---

Department to consider the feasibility of pruning down the list of dignitaries from the exempted list for disconnection of telephones for non-payment of dues. At the same time the Committee would like the Department to explore the possibility of obtaining advance deposits from Government offices and other large corporate bodies as also from the dignitaries on the basis of reasonable average of billing made over a past period. The actual charges can then be adjusted against such an advance. This the Committee believe, will also obviate the need for arm twisting for enforcing recovery of outstanding dues.

38

5.32

As regards outstanding bills disputed by the subscribers end pending in courts and consumer councils, the Committee are of the opinion that for expeditious disposal of these cases the Department should encourage using the instrument of telephone Adalats.

39

5.33

The Committee were also informed that one of the reasons for outstanding dues was insufficiency of staff. The Committee hardly need to stress upon the Department the desirability of sorting out such administrative powers.

40

5.34

The Committee note that payment of telephone bills by 60% of subscribers is not done in time thereby not only causing revenue losses to the Department but inconvenience to subscribers on account of disconnection of their telephones. To avoid the late payment of telephone bills Department is stated to be considering the levying of surcharge on bills delayed for payment. The Committee would like the Department to consider this issue in all its ramifications before arriving at a final decision. The Department should, however, ensure that in the first instance correct telephone bills are despatched to the consumers well before the date of their payment so that there is no harassment to the consumers on account of delayed receipt/non-receipt of telephone bills; and there should be at least a minimum time lag of 15 days between receipt of bill and last date of payment.

---

---

---

1

2

3

---

---

- 41      6.19      **The Committee are of the firm view that as a service industry, it is incumbent upon Department of Telecommunications (DOT) to provide maximum consumer satisfaction to its subscribers, whether it is in billing, fault-repair or prevention of misuse of STD. They wish to emphasise the point that the Department being a supplier in a service industry, the evident dissatisfaction between the Department and the subscribers indicates that the service being provided is not satisfactory. The Committee therefore reiterate that it is imperative to provide operational satisfaction to customers and Department of Telecommunications must gear itself to achieve this goal optimally.**
- 42      6.20      **The Committee note that in order to overcome the problem of excess billing DOT has introduced detailed billing and automatic STD locking. The Committee feel that such a step will go a long way in mitigating the hardships of the subscribers.**
- In this context the Committee would like the Department to take steps to replace manual exchanges with a view to provide detailed billing facilities and STD lock-facilities to subscribers connected with other than E-10B exchanges. Provision of detailed billing facility should also be made in the indigenously developed equipment for the C-400 X bar and other electromechanical exchanges which are being contemplated by the Department.**
- 43      6.21      **The Committee also find that Department has undertaken computerised billing and has fixed targets for the same. They feel that this will help in removing the complaints of subscribers to a considerable extent. The Department of Telecommunications, nevertheless, should strengthen its vigilance machinery and evolve a foolproof system of supervision to remove the existing nexus between telephone staff and unscrupulous elements indulging in misuse of STD facility. The Committee recommend that the Department should take strong and visible**
-

1

2

3

---

**punitive action against such erring staff found guilty of connivance. The Committee would also like the Department to take stern action on all complaints of malpractices and ensure a very high level of consumer satisfaction. The Committee also desire that high level officers of Department of Telecommunications should listen to the grievances of the subscribers as and when they visit a particular State.**

44

6.22

The Committee note that during the past 4 decades there has been a tenfold increase in the number of telephones in the country. The Committee, however, wish to point out that even while telecommunication network in the country has grown the public dissatisfaction with the poor quality of subscriber service has become more and more acute. The Committee are constrained to state that the number of average complaints and faults during the years 1988 and 1989 which stood at 27.7% and 21.6% respectively do not reflect acuteness of the problems faced by the public particularly in the maintenance of user telephone instruments, fault repairs, subscriber service and over billing. **They, therefore strongly urge the Department to make vigorous efforts for tackling subscriber's discontentment and to provide efficient and prompt and courteous service to the subscribers.**

45

6.23

In this context the Committee note that department has a stringent procedure laid down for testing on a daily basis whether all public call offices (PCOs) are working properly. The Committee are however, constrained to find that there is no effective monitoring to ensure that PCOs are actually working satisfactorily.

46

6.24

The Committee find that complaints and fault clearance are monitored at various levels under the Management Information System (MIS). However, the Department failed to furnish information regarding number of PCOs actually working which is indicative of lacunae in the existing MIS. Needless to say MIS needs to be strengthened. The Committee can also not but conclude that the daily test report in respect of PCOs are not being sent. The Committee, therefore, **recommend that all loopholes in the existing**

---

---

1	2	3
47	6.25	<p>system for Fault Repairs working of PCOs should be plugged without further delay.</p> <p>The Committee are also dismayed to note that only 47% of local calls mature at the first instance. The Committee hope that the Department would look into this matter and take appropriate steps to ensure a higher percentage of 'calls-matured'.</p>
48	6.26	<p>The Committee are constrained to find that Telephone Advisory Committees are not in existence since December, 1989. The Committee highly deprecate the inordinate delay in the formation of these Committees. They would also like the Department to ensure that in future the new Telephone Advisory Committees are constituted before the term of existing Committees expire. They also desire that the Committees meet as frequently as they are expected to meet. Subscribers should also be well informed about the existence and functions of these Committees so that they may approach these Committees to give their suggestions for betterment of telecommunication services/ventilation of their genuine grievance.</p>

---

**LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA  
SECRETARIAT PUBLICATION**

Sl. No.	Name of Agent	Sl. No.	Name of Agent
<b>ANDHRA PRADESH</b>		<b>UTTAR PRADESH</b>	
1.	M/s. Vijay Book Agency, 11-1-477. Mviargadda. Secunderabad-500 306.	12.	Law Publishers, Sardar Patel Marg, P.B. No. 77, Allahabad, U.P.
<b>BIHAR</b>		<b>WEST BENGAL</b>	
2.	M/s. Crown Book Depot. Uppar Bazar, Ranchi (Bihar).	13.	M/s. Madimala, Buys & Sells, 123, Bow Bazar Street, Calcutta-1.
<b>GUJARAT</b>		<b>DELHI</b>	
3.	The New Order Book Company, Ellis Bridge, Ahmedabad-380 006. (T.No. 79065)	14.	M/s. Jain Book Agency, C-9, Connaught Place, New Delhi, (T.No. 351663 & 350806).
<b>MADHYA PRADESH</b>		15.	M/s. J.M. Jaina & Brothers, P. Box 1020, Mori Gate, Delhi-110006. (T. No. 2915064 & 230936).
4.	Modern Book House, Shiv Vilas Place, Indore City. (T.No. 3528)	16.	M/s. Oxford Book & Stationery Co., Sciadia House, Connaught Place, New Delhi-110001. (T.No. 3315308 & 45896).
<b>MARASHTRA</b>		17.	M/s. Bookwell, 2/72, Sant Nirankari Colony, Kingsway Camp, Delhi-110 009. (T.No. 7112309).
5.	M/s. Sunderdas Gian Chand, 601, Girgaum Road, Near Princes Street, Bombay-400 002.	18.	M/s. Rajendra Book Agency, IV-DR59, Lajpat Nagar, Old Double Storey, New Delhi-110 024. (T.No. 6412362 & 6412131).
6.	The International Book Service, Deccan Gymkhana, Poona-4.	19.	M/s. Ashok Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110 033.
7.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-400 001.	20.	M/s. Venus Enterprises, B-2/85, Phase-II, Ashok Vihar, Delhi.
8.	M/s. Usha Book Depot, 'Law Book Seller and Publishers' Agents Govt. Publications, 585, Chira Bazar, Khan House, Bombay-400 002.	21.	M/s. Central News Agency Pvt. Ltd., 23/90, Connaught Circus, New Delhi-110 001. (T. No. 344448, 322705, 344478 & 344508)
9.	M & J Services, Publishers, Rep- resentative Accounts & Law Book Sellers, Mohan Kunj, Ground Floor, 68, Jyotiba Fuele Road Nalgaum, Dadar, Bombay-400 014	22.	M/s. Amrit Book Co., N-21, Connaught Circus, New Delhi.
10.	Subscribers Subscription Service India, 21, Raghunath Dadaji Street, 2nd Floor, Bombay-400 001.	23.	M/s. Books India Corporation Publishers, Importers & Exporters, L-27, Shastri Nagar, Delhi-110 052. (T.No. 269631 & 714465).
<b>TAMIL NADU</b>		24.	M/s. Sangam Book Depot, 4378/4B, Murari Lal Street, Ansari Road, Darya Ganj, New Delhi-110 002.
11.	M/s. M.M. Subscription Agencies, 14th Murali Street, (1st Floor), Mahalingapuram, Nungambakkam, Madras-600 034. (T.No. 476558)		