

SIXTY-THREE REPORT
PUBLIC ACCOUNTS COMMITTEE
(1986-87)

(EIGHTH LOK SABHA)

COSTLY EQUIPMENT LYING IDLE IN RTTC, HYDERABAD

MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF TELECOMMUNICATIONS)



Presented in Lok Sabha on 1 December, 1986

Laid in Rajya Sabha on 1 December, 1986

LOK SABHA SECRETARIAT
NEW DELHI

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PART II*

Minutes of the Public Accounts Committee (1985-86) and (1986-87)

11-2-1986

12-11-1986

*Not printed (One cyclostyled copy laid on the Table of the House and five copies placed in the Parliament Library).

PUBLIC ACCOUNTS COMMITTEE

(1986-87)

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1. Shri N. N. Mehra—*Joint Secretary.*
2. Shri K. H Chhaya—*Chief Financial Committee Officer.*
3. Shri Brahmanand—*Senior Financial Committee Officer.*

INTRODUCTION

1, the Chairman of the Public Accounts Committee, authorised by the Committee, do present on their behalf this Sixty-third Report on Paragraph 21 of the Report of the Comptroller and Auditor-General of India for the year 1983-84—Union Government (P&T)—Costly equipment lying idle in RTTC, Hyderabad.

2. The Report of the C&AG of India for the year 1983-84, Union Government (P&T) was laid on the Table of the House on 12 April, 1985.

3. The Regional Telecommunication Training Centre (RTCTC), Hyderabad was specifically chosen for installation of microwave system and for imparting training to engineering personnel in the system. The Post-Master General, Andhra Pradesh Circle sanctioned an estimate of Rs. 2.38 lakhs in March, 1973 for the purpose of procurement of equipment required for installation of the system. In his zeal to bring in new technology, the PMG, Andhra Pradesh Circle, moved in the matter of installation of the microwave system at RTTC, Hyderabad without proper evaluation of the proposed project and without adequate planning. The report points out that inadequate planning resulted not only in blocking up and wastage of public funds but also in non-provision of training intended to be provided to the staff at the Centre which was specifically chosen for the purpose. The Committee has desired that the Department should take proper lessons from the present case. Adequate administrative mechanisms and procedures should be devised with a view to ensuring that such ventures are properly screened and planned before the estimates for the same are brought forward and the demand is made for public funds.

4. The Public Accounts Committee 1985-86 examined the Audit Paragraph at their sittings held on 11 February, 1986.

5. The Committee considered and finalised this Report at their sitting held on 12 November, 1986, based on the evidence already taken and written information furnished by the Ministry of Communication (Department of Telecommunications). The Minutes of the sittings form Part II* of the Report.

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

7. The Committee place on record their appreciation of the commendable work done by the Public Accounts Committee (1985-86) in taking evidence and obtaining information for the Report.

8. The Committee would like to express their thanks to the Officers of the Ministry of Communication (Department of Telecommunications) for the cooperation extended by them in giving information to the Committee.

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

NEW DELHI;

November 17, 1986

Kartika 26, 1908 (S)

E. AYYAPU REDDY,

Chairman,

Public Accounts Committee.

REPORT

AUDIT PARAGRAPH

Costly equipment lying idle in RTTC Hyderabad

For equipping with 6 Gega Hertz (GHz) microwave system, the wide band microwave laboratory of the Regional Telecommunication Training Centre (RTTC) Hyderabad, located in a private rented building, the Post Master General (PMG), Andhra Pradesh Circle sanctioned an estimate for Rs. 2.38 lakhs in March 1973. The estimate provided for the construction of towers, for mounting antennae, in the space available in the RTTC compound. While preparing the estimate, the space in RTTC compound was considered sufficient for construction of towers. The Director General, Posts and Telegraphs (DGPT) placed order in July 1975 on ITI for the two antennae. These were received in April 1978, and cost Rs. 1.39 lakhs. During July, 1975 to April, 1978 the owner of rented building constructed additional room for lecture halls and laboratories which were taken over by RTTC in February 1979. Since the open space was used up, the microwave towers on which the antennae were to be mounted, could not be constructed in the RTTC compound.

2. On a proposal made by the Principal, RTTC in May 1978 for replacement of 12 diameter antennae by 6' diameter antenna because of paucity of space, the DGPT diverted in July 1978 one of the antennae to Advance Level Telecom. Training Centre (AL TTC), Ghaziabad. The other antennae is still lying in the local stores depot (July 1984).

3. A revised estimate for installation of microwave equipment of Rs. 11.15 lakhs was sanctioned by the General Manager Telecom. Hyderabad in December 1980 against which equipment worth Rs. 12.70 lakhs had been received till March 1984. These equipments are also lying idle due to non-utilisation of the antennae.

[Paragraph 21 of the Report of the C&AG of India for the year 1983-84 (P&T)]

4. According to Audit, Regional Telecommunication Training Centre (RTTC), Hyderabad was specifically chosen by the Department of Telecommunications for installation of micro-wave system and for imparting training to the trainees. The Post Master General (PMG), Andhra Pradesh Circle sanctioned an estimate for Rs. 2.38 lakhs in March, 1973 for the purpose of procurement of the

equipment required for installation of the system. However, two years were taken in placing actual orders for supply of the equipment/2 antennas on Indian Telephone Industries (ITI) and this was done only in July, 1975.

5. As regards the reasons for this inordinate delay in placement of orders, the Department of Telecommunication stated in a written note, as follows:

"The estimate for 6 GHz wide band microwave system was sanctioned by the then PMG, AP Circle, Hyderabad in the preliminary stages, when the equipment (the first of its kind in India) supplied by M/s. Indian Telephone Industries, Bangalore was still under field evaluation in Poona-Secunderabad route. The purchase order was therefore, placed for equipment and antennae in 1975 after ensuring that the equipment will be continued in field."

6. Elaborating the circumstances which caused the delay, the representative of P&T Department stated in evidence:

"In 1973 the Regional Telecommunication Training Centre in Hyderabad was established. Alongwith the other equipment which was required for the practicals, the laboratory for the micro-wave equipment was also decided to be furnished. An estimate was prepared on the basis of the information available at that time. Unfortunately it was one of those years in which the information on micro-wave was not available, I should say, in very great detail. Whatever was being manufactured in India was at the proving in stage. The then General Manager got some details of the equipment, their code numbers and their prices on the basis of which he made an estimate and he requested the P&T Board to place an order on M/s. ITI. As the equipment was not readily available, the order was not placed and it took about two years in settling some of the queries between the indenter and the order placing authority. An order was placed on ITI in 1975."

7. The Audit had pointed out that although ITI was an organization under the administrative control of the Department of Telecommunication and its activities including supply position were known to the Department, these antennae were received only in April, 1978, i.e. after 3 years from the date of placing order in 1975

Asked to explain the steps taken to expedite the supply, the Department stated in a note that—

“M/s. Indian Telephone Industries was not manufacturing the antennae when the orders were placed (1975). They were importing the item and arranging supply. The antennae in question were supplied by M/s. Indian Telephone Industries, Bangalore through M/s. NERA of Norway who could supply the same in 1978”.

8. Clarifying the position further the representative of the Department informed the Committee during evidence that although order was placed in 1975, the ITI requested the Department to revise the order on the ground that after the development of the equipment, they have different code numbers and different price schedules. The revised order was accordingly placed in 1977. He further informed that:

“The equipment formed at that stage into two parts, one part was the bought-out items and the second part was the items which were to be manufactured by ITI and supplied to us. The bought out items which were antennas were supplied to us in June 1978. The first consignment of the manufactured equipment came in September 1980, the second part came in November 1981. Still there are parts which have not yet come till today. In 1978 when the General Manager saw that he did not have any sight of the equipment, in my personal opinion he acted to the best advantage of the Department. He felt that he will not be able to utilise this equipment because it has not come in full complement. So he should divert this equipment. Therefore, he wrote to the P&T Board and requested that a place should be found where he could divert that equipment. The P&T Board ordered that one antenna should be shifted immediately to ALTC and later find another place where diversion could be done for the second. So, both were diverted. As far as the part equipment which was received is concerned, he also pressed for its diversion and it was diverted to Madurai. We have a small part of the equipment which we are utilising for demonstrating certain tests and practicals which are not live tests. We are taking the trainees to our working system at Banjara Hills.”

9. According to Audit, the Department in their remedial action taken note stated in April 1985 that the second antenna was diverted elsewhere in November, 1984. The Committee were informed subsequently that the second antenna was diverted to DET Microwave Project, Ahmedabad in November, 1984 and the same was installed and used at Dahaj Microwave Station on 5-12-1984.

10. The Audit had pointed out that the estimate of Rs. 2.38 lakhs provided for construction of towers for mounting antennae in the space available in the RTTC compound. By the time antennae were received in April, 1978 at a cost of Rs. 1.39 lakhs the owner of the rented building (where RTTC was located) used up the space by constructing additional rooms for lecture halls and laboratories and thus no space was left for construction of the tower for mounting antennae. Clarifying this point the representative of the Department stated in evidence that:

"If the space was reserved, we would have paid ground rent, erected a tower, we would have put out an antennae, but still we would not have utilised it because the equipment has not come in full complement and the Audit para would have been more severe. So, I would submit that the Committee may kindly drop this particular aspect. However, as the circumstances arose in such a way that the equipment did not come in full complement and we could not utilise it, a method should be found by which the equipments are supplied in full complement at one stage so as to make them useful."

11. Asked why before ascertaining the availability of space in the rented building, orders were placed for supply of antennae, a representative of the Telecommunication Department stated in evidence that:

"I will be very candid about it. We in this particular case, definitely did not plan a proper equipment for training. We really could not have used these antennae for the purpose of training except to the extent that we had to demonstrate".

12. Asked how the student were trained on the transmission technology in the absence of the entire equipment, a representative of the Department stated in evidence that:

"In Andhra Pradesh, we have micro-wave systems. We have all the complements of building a system. In this case, we have the instrumentation and we fortunately have a working system at Banjara Hills near about Secunderabad. We have been continuously taking our students there, explaining to them the method of measurements, taking tests there. Some of the students have done very well in this field and they are installing micro-wave system all over India RTTC, Hyderabad, does not cater only to Hyderabad, students from all over India are allocated there. We have trained about 51 batches out of which 41 are trained in transmission and they have proved extremely well all over India."

13. As regards the training facilities available at Banjara Hills, the representative of Department of Telecommunication stated in evidence that:

"What we want in a training centre is a model which can demonstrate all the tests and for that, both the end of equipments must be in the Training Centre. A large antenna like this can be working only in a regular station. If we had planned properly, we would have planned that both ends will be in the same building with a small pair of antennas with facilities for artificially reducing the levels they get. It looks to be that our staff in Andhra Pradesh at that time, in their zeal for bringing new technology into their Training Centre moved ahead without taking into account how best they can do. This is one of the problem.

There has been a second part of the problem that we ordered this equipment from ITI from a generation of equipment which was still under development. Development do take place. This is one of the cases in which initial development was a failure."

14. As regards reported non-utilising of the equipment (12 antennae) for non-availability of ground space, the witness added:

"Strictly for a training model, it was not needed to erect a tower and put an antenna of this type".

15. He also stated that "At no time was a decision taken to erect a tower there." The Audit has, however, drawn attention to the following communication received by them from the Telecommunications Department in reply to their letter dated 28-5-84:

"The proposal and estimate for installation of 6 GHz microwave equipment alongwith 12' antenna was sanctioned for RTTC Hyderabad in March 1973 for Rs. 2.38 lakhs by PMG Hyderabad. At this time enough open space was available in the rented RTTC complex for the construction of microwave towers and for installing antennae. The antennae order was placed by DGP&T to ITI in July 1975 and antennae received in April, 1978. In the meanwhile due to construction of additional rooms of RTTC in the open space by the landlord, no space was left for the construction of micro wave tower and therefore for mounting antennae. On request for diversion of antennae from Principal, RTTC, Hyderabad, Directorate arranged the diversion of one antennae to ALTTC Ghaziabad in July, 1978 for replacing the damaged antennae. Due to this diversion the microwave links at ALTTC Ghaziabad was put through. Second antennae being one end of two antennae required for a link is proposed to be utilised in the Deptt. in a new project. In the meanwhile it is being utilised for demonstration to the trainees."

16. On a query, the representative of the Department submitted that estimate of Rs. 2.38 lakhs did not provide for construction of a tower. It was only for the procurement of the equipment and antennae. He however admitted that "there has been a failure in planning the training arrangement in the particular case."

17. As regards the person responsible for this lapse he admitted that persons of this Department were responsible for that. However, at that time "this was a new technology. Most of them were new to it and this man apparently made a mistake."

18. The Audit has pointed out that the revised estimate for installation of microwave equipment at a cost of Rs. 11.15 lakhs was sanctioned by the General Manager Telecom., Hyderabad in December 1980 against which equipment worth Rs. 12.70 lakhs had been received till March, 1984. These equipments were also stated to be lying idle due to absence of requisite antennae. Asked to indicate the present position, the Department of Telecommunication stated in a note that:

"The Microwave Equipment as and when received at RTTC Hyderabad was installed, energised and whatever training possible was imparted to the trainees even without the antennae. The complete line system could not be built up fully as many parts of complete system could not be

supplied by M/s Indian Telephone Industries as the design further underwent a change. Now, that the equipment is being diverted to repair centres at Madurai and Patna, the latest version of complete Microwave system will be ordered".

19. The Regional Telecommunication Training Centre (RTTC) Hyderabad was specifically chosen for installation of microwave system for the purpose of imparting training to engineering personnel in the system. The Post-Master-General, Andhra Pradesh Circle sanctioned an estimate of Rs. 2.38 lakhs in March 1973 for the purpose of procurement of equipment required for installation of the system. However, the Committee note that the actual orders for supply of the equipment were placed on the I.T.I. (Indian Telephone Industries) only in 1975, i.e. more than 2 years later. Justifying the reasons for this delay in placing the orders on ITI, the P&T Department explained to the Committee that the equipment for 6 GHz wide band microwave system was the first of its kind in India and was still under field evaluation in Pune-Secunderabad route. The orders were issued only after ensuring that the equipment would be continued in the field. The Committee note further that the order had to be revised in 1977 on the request of ITI on the ground that after the development of the equipment the code numbers and the price schedule had undergone a change. The Committee were informed that the equipment formed at that stage into two parts—one part forming bought-out items and the second part was the items manufactured by ITI. The bought out-items i.e. antennae were supplied by M/s. ITI, Bangalore after importing it through M/s. NERA, Norway. These antennae could be supplied only in 1978. As for the equipment manufactured within the country, the first consignment was supplied in September, 1980 and the second part came in November, 1981. Some parts of this equipment were yet to be supplied (as in February 1986). Since the equipment was not coming in time, the General Manager realised that he would not be able to put it to proper use and requested the P&T Department to divert the equipment elsewhere. Accordingly one of the antennae was diverted to the Advance Level Telecom. Centre (AL TTC) at Ghaziabad in July 1978, the other antenna was diverted to DET Microwave Project, Ahmedabad in November, 1984. Part of the equipment diverted to the repair centres at Madurai and Patna. The Committee further understand that in view of further developments in the system the estimates were revised further and sanctions for purchase of equipment worth Rs. 11.25 lakhs were issued in December 1980.

20. It turned out during evidence before the Committee that installation of the microwave system in RTTC, Hyderabad had not been well-conceived and well-planned. The representative of the Department of P&T stated during evidence that since "the equipment did not come in full complement and we could not utilise it, a method should be found by which the equipments are supplied in full complement at one stage so as to make them useful." Admitting this lapse, the Secretary, PNT stated: "I will be very candid about it. We in this particular case definitely did not plan a proper equipment for training. We really could not have used these antennae for the purpose of training except to the extent that we had to demonstrate." He added subsequently that "it looks to be that our staff in Andhra Pradesh at that time in their zeal for bringing new technology into their training centre moved ahead without taking into account how best they can do..." It is thus clear that in his zeal to bring in new technology, the PMG, Andhra Pradesh Circle, moved in the matter of installation of the microwave system at RTTC, Hyderabad without proper evaluation of the proposed project and without putting an adequate amount of planning exercise beforehand. While the zeal shown by the RTTC staff in introducing an element of new technology into the training was well-intended the Committee observe that there has been lack of proper planning before installation of microwave equipment at RTTC. In the present case improper planning resulted not only in blocking up and wastage of public funds but also in non-provision of training intended to be provided to the staff at the Centre which was specifically chosen for the purpose. The staff had to be taken to another centre at Banjara hills. The Committee would suggest that the Department should take proper lessons from the present case and in future devise adequate administrative mechanisms and procedures with a view to ensure that such ventures are properly screened and planned before the estimates for the same are brought forward and the demand is made for public funds.

21. During evidence the representative of the Department of Telecommunications contended that the antennae were required for demonstration only and not for mounting on the tower. It would, however, appear from the communication received from the Department of Telecommunications by Audit in reply to their letter dated 28-5-84 quoted elsewhere that the antennae order was placed by DGP&T to ITI in July 1975. The Department had in fact in view the space available in the rented complex for the construction of microwave tower for installing the antennae. Meanwhile, the landlord had taken up the construction of building on premises earmarked for construction of towers much before antennae were received at the RTTC, Hyderabad. The Committee feel that on realising that

the space would not be available for construction of towers when other constructions were coming up, the Department should have worked out alternative plans for diversion of the utilisation of the antennae instead of initiating action only after receipt of the antennae. In that context the materials/equipment could have been directly consigned to those stations.

22. The representative of the Department of Telecommunications also admitted during evidence that there was no agreement with the owner of the building regarding use of land appurtenant to the building hired. He further pleaded that had the Department reserved space without being able to use it for non-receipt of complete sets of equipment they would have been required to pay ground rent which would have invited criticism. The Committee consider that such a situation could well have been avoided by clearly specifying the use of land buildings and structures appurtenant to the property hired.

NEW DELHI;

November 17, 1985

Kartika 26, 1908 (Saka)

E. AYYAPU REDDY,

Chairman.

Public Accounts Committee.

APPENDIX-I

Statement of Observations and Recommendations

Sl No.	Para No.	Ministry concerned	Observations/Recommendations
1	2	3	4
1	19—20	Ministry of Communications (Deptt. of Telecommunications)	<p>The Regional Telecommunication Training Centre (RTTC) Hyderabad was specifically chosen for installation of microwave system for the purpose of imparting training to engineering personnel in the system. The Post-Master-General, Andhra Pradesh Circle sanctioned an estimate of Rs. 2.38 lakhs in March 1973 for the purpose of procurement of equipment required for installation of the system. However, the Committee note that the actual orders for supply of the equipment were placed on the I.T.I (Indian Telephone Industries) only in July 1975, i.e. more than 2 years later. Justifying the reasons for this delay in placing the orders on ITI, the P & T Department explained to the Committee that the equipment for 6 GHz wideband microwave system was the first of its kind in India and was still under field evaluation in Pune-Secunderabad route. The orders were issued only after ensuring that the equipment would be continued in the field. The Committee note further that the order had to be revised in 1977 on the request of ITI on the ground that after the development of the equipment the code numbers and the price schedule had undergone a change. The</p>

Committee were informed that the equipment formed at that stage into two parts—one part forming bought-out items and the second part was the items manufactured by ITI. The bought-out items, i.e., antennae were supplied by M/s. ITI, Bangalore after importing it through M/s. NERA, Norway. These antennae could be supplied only in 1978. As for the equipment manufactured within the country, the first consignment was supplied in September 1980 and the second part came in November, 1981. Some parts of this equipment were yet to be supplied (as in February 1986). Since the equipment was not coming in time, the General Manager realised that he would not be able to put it to proper use and requested the P&T Department to divert the equipment elsewhere. Accordingly one of the antenna was diverted to the Advance Level Telecom. Centre (ALTTIC) at Ghaziabad in July 1978, the other antenna was diverted to DET Microwave Project, Ahmedabad in November 1984. Part of the equipment was diverted to the repair centres at Madurai and Patna. The Committee further understand that in view of further developments in the system the estimates were revised further and sanctions for purchase of equipment worth Rs. 11.25 lakhs were issued in December 1980.

It turned out during evidence before the Committee that installation of the microwave system in RTTC Hyderabad had not been well-conceived and well-planned. The representative of the Department of P&T stated during evidence that since "the equipment did not come in full complement and we could not utilise it, a method should be found by which the equipments are supplied in full complement at one stage so as to make them useful." Admitting this

lipse, the Secretary, P&T stated: "I will be very candid about it. We in this particular case definitely did not plan a proper equipment for training. We really could not have used these antennae for the purpose of training except to the extent that we had to demonstrate." He added subsequently that "it looks to be that our staff in Andhra Pradesh at that time in their zeal for bringing new technology into their training centre moved ahead without taking into account how best they can do....." It is thus clear that in his zeal to bring in new technology, the PMG, Andhra Pradesh Circle, moved in the matter of installation of the microwave system at RTTC, Hyderabad without proper evaluation of the proposed project and without putting an adequate amount of planning exercise beforehand. While the zeal shown by the RTTC staff in introducing an element of new technology into the training was well-intended the Committee observe that there has been lack of proper planning before installation of microwave equipment at RTTC. In the present case improper planning resulted not only in blocking up and wastage of public funds but also in non-provision of training intended to be provided to the staff at the Centre which was specifically chosen for the purpose. The staff had to be taken to another centre at Banjara hills. The Committee would suggest that the Department should take proper lessons from the present case and in future devise adequate administrative mechanisms and procedures with a view to ensure that such ventures are properly screened and planned before

the estimates for the same are brought forward and the demand is made for public funds.

2 21 Ministry of Communication
(Deptt. of Telecommunications)

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