

**149**

**PUNE TELEPHONES  
MINISTRY OF COMMUNI-  
CATIONS  
(DEPARTMENT OF TELE-  
COMMUNICATIONS)**

**PUBLIC ACCOUNTS  
COMMITTEE  
1988-89**

**HUNDRED AND FORTY NINTH  
REPORT**

**EIGHTH LOK SABHA**



**LOK SABHA SECRETARIAT  
NEW DELHI**



# HUNDRED AND FORTY-NINTH REPORT

## PUBLIC ACCOUNTS COMMITTEE (1988-89)

(EIGHTH LOK SABHA)

PUNE TELEPHONES

MINISTRY OF COMMUNICATIONS  
(DEPARTMENT OF TELECOMMUNICATIONS)



*Presented to Lok Sabha on 19 April 1989*

*Laid in Rajya Sabha on 24th April 1989*

LOK SABHA SECRETARIAT  
NEW DELHI

*April, 1989/Chaitra, 1911 (S)*

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ACCOUNTS COMMITTEE (8TH LOK SABHA)

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## PART II\*

Minutes of sittings of the Public Accounts Committee held on :

- (i) 14 December, 1988
- (ii) 12 April, 1989

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



COMMITTEE ON PUBLIC ACCOUNTS  
(1988-89)

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\*Appointed as Chairman w.e.f. 5-9-1988 vice Shri C. Madhav Reddy resigned from Chairmanship of the Committee.

@Appointed w.e.f. 7-12-1988 vice Shri Kalpnath Rai ceased to be member of the Committee on his appointment as a Minister of State.



## INTRODUCTION

1. The Chairman of the Public Accounts Committee do present on their behalf this 149th Report of the Committee on Para 36 of the Report of the Comptroller and Auditor General of India for the year ended 31 March, 1987, Union Government (P&T) relating to "Pune Telephones".

2. The Report of the Comptroller & Auditor General of India was laid on the Table of the House on 29 March, 1988.

3. In this Report the Committee have brought out that against the target for creating additional capacity of 40,770 telephone lines during the years 1980—87 the achievement was only 56% of the target. During this period, the number of applicants in the waiting list steadily rose to 30,250 as on 31-3-87.

4. The Committee have noted that the installed capacity of the telephones was under-utilised. The number of new connections actually given during the 7 years ended 1987-88 was only 25,000 and, with reference to actual connections given, the percentage of utilisation was hardly 85% on 31-3-1988. The Committee have felt that the achievement of targets reported to the Committee is based on programme drawn for utilisation and not on actual utilisation. The Committee have recommended that the management must draw up a workable programme for installation of new lines in the case of bulk releases, which take place when a new exchange or substantial expansion of exchange is commissioned so as to see that the new exchange is brought to optimum use within the prescribed period of 6 months.

5. The Committee have also found that as against the target for adding 300 telex lines during the period 1981-82 to 1986-87, only 230 lines were added to the net-work; the shortfall of 70 lines being due to non-supply of 70 lines equipment by the Indian Telephones Industries. As against this, 115 registrants were on the waiting list for new telex connections as on 1-1-1989; the earliest subscriber in the waiting list having been registered on 19-2-1987. The Committee have found that the telex net-work was not utilised to the overall extent of 92% of the equipped capacity resulting in loss of potential revenue of Rs. 52.05 lakhs during 1983-84 to 1987-88.

6. The Committee have also found that the percentages of effective calls exceeded the fixed standard during the 6 years ending 1985-86, except 1983-84 and 1984-85 when there were shortfalls of 1.4% and 7.3% respectively. However, the apparent achievement of target in most years was due to the target being kept at the same level for a number of years instead of being steadily increased as should have been done. The Committee have deprecated the practice of non-revision of targets for effective calls for years together.



7. The Public Accounts Committee examined the Audit Paragraph at their sitting held on 14 December, 1988. The Committee considered and finalised this Report at their sitting held on 12 April, 1989. The Minutes of the sitting form Part II\* of the Report.

8. For facility of reference 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 II to the Report.

9. The Committee would like to express their thanks to the officers of the Department of Telecommunications for the cooperation extended by them in giving information to the Committee.

10. 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;

April 13, 1989

Chaitra 23, 1911 (Saka)

AMAL DATTA

Chairman,

Public Accounts Committee

\*Not printed. One cyclostyled copy laid on the Table of the House and 5 copies placed in Parliament Library.



REPORT  
CHAPTER I  
TELEPHONE SERVICES

*Introductory*

1.1 This Report is based on a review of the working of Pune Telephone District, conducted by Audit in April, 1987, whose findings are contained in Paragraph\* 36 of the Report of the Comptroller & Auditor General of India for the year ended March, 1987 (P&T), captioned "Pune Telephones". The Audit Paragraph has highlighted *inter-alia* that the expansion of the Pune Telephone system did not keep pace with the demand for telephone and telex services, the installed capacity was under-utilised, there was loss of revenue, the operating expenses were high etc.

*History and growth of Pune Telephones*

1.2 The Pune Telephone District which was formed on 14 May, 1968, as a minor Telephone District was upgraded to a major Telephone District on 5 July, 1978 when the equipped capacity reached 20000 DELs (Direct Exchange Lines) and above. This District extends telecommunication facilities to Pune, Kirkee, Dehu Road Cantonment Boards, Pune and Pimpri Chinchwad Municipal Corporation limits, and Urulikanchan and Alandi Panchyat area. This District has come under the control of General Manager, Maharashtra Circle, Bombay, with effect from 1 November, 1986, consequent upon the formation of a Secondary Switching Area. The rural areas of Pune Revenue District are also now covered by Pune Telecommunication District with effect from 1 November, 1986. The Pune Telecommunication District covers an area of 15642 Sq. kms. and provides telephone and telex services to a population of nearly 41.64 lakhs.

1.3 During 1978-79, there were 7 exchanges in Pune Telephone District with exchange capacity of 29,700. During 1986-87 there were 12 exchanges (excluding Rural area) with an equipped capacity of 56,000. After the merger of the rural section, there are 84 exchanges with an exchange capacity of 65,000 in August 1988.

*Demand for local telephones and the extent of satisfaction*

1.4 The Audit Para has brought out that as on 1 April, 1980, the equipped capacity of the local telephone exchanges in Pune was 33,090 lines with 30,708 DELs working. The Projected equipped capacity for new telephone lines for the District as per annual plan targets

\*Appendix I



during the years 1980-81 to 1986-87 and achievements are as shown below :

Year	Target	Achievement	Shortfall (—) excess (+)	/Waiting List
1980-81	3550	1950	(—)1600	4630
1981-82	2060	2060	—	7070
1982-83	3100	3100	—	10545
1983-84	10290	700	(—)9590	13143
1984-85	2700	8240	(+)5540	16747
1985-86	4660	3020	(—)1640	19711
1986-87	14500	3840	(—)10660	21858*

1.5 Thus, the Audit have concluded that, the achievements of the Department did not keep pace with the increasing demand as reflected by the Waiting List.

1.6 In October 1987 the Department of Telecommunications explained to Audit that due to paucity of funds, area transfers, non-availability of cable pairs etc. and also due to unpredictable demand, the targets and waiting list could not be achieved.

1.7. Asked by the Committee to explain the reasons for the wide gap between the target for providing new connections and the actual achievement during the year 1986-87, the Department of Telecommunications have stated that the total target for providing new connections for 1986-87 was 14,500 which included commissioning of new Maharishi Karve exchange of 10,000 lines. This exchange could not be commissioned because the allotment of the equipment for this exchange was proposed from the second import order of E-10 B exchanges. Since this import was not approved by the Government, the exchange could not be commissioned.

1.8 In regard to the number of registrants for new telephone connections and plan for clearance of the waiting list in the Pune Telephone District, the Department of Telecommunications have stated that the target for Seventh Plan is to clear the waiting list as on 31-3-1987, which stood at 30,250.\*\* The Department have further stated that as on 31-12-1988 there were 41,208 persons waiting in the Pune Telephone District, of these, about 14,000 persons are likely to be provided with telephone connections during the period from 1-1-1989 to 31-3-1990 and that the remaining applicants on the waiting list will be provided with telephone connections progressively during the Eighth Five Year Plan period. According to the Department one of the causes for substantial increase in demand for telephone connections in Pune has been the migration of people to Pune from Bombay on account of congestion in Bombay, a phenomenon special to the city of Pune. According to the existing trend, a new applicant will have to wait for a period of about 3 years for getting a new telephone connection in Pune.

\* Represents the position as on 1-4-1986:

\*\* Represents the position after merging of some of the areas with Pune Telephone District under Secondary Switching Area Scheme.



1.9 In regard to increase in the waiting list and provision of telephone facilities in new colonies, the Department have stated as follows :

“We have also shortage of equipment and cables and we are not able to meet the registered demand. The question of planning exchange capacities or cable laying taking into consideration further demands due to such reasons is not relevant at present. However, we have issued instructions to the field units that wide publicity should be given for registration of the demand for new colonies which are in the planning stage.”

1.10 The Committee enquired why the work of laying cables was not planned in advance in the case of residential colonies under development. The Department of Telecommunications have stated that cable works are planned in advance but due to unexpected growth in certain areas, the demand shot-up beyond expectation.

1.11 In reply to a question regarding present position of availability of cables in the country, which has been one of the major factors for delay in installation of Telephone Exchanges at various places, the Department have stated :

“The position with regard to the cables is satisfactory.”

1.12 Asked whether it is not possible to lay cables in advance when new colonies and areas are scheduled to be developed in various parts of the country, the Department have stated that cable schemes are prepared according to the planning periods depending upon whether they are primary, secondary or distribution and that generally, cables are laid in advance in new colonies/areas but the laying of cables would depend upon the rate and the quantum of development and the availability of cables at that time.

1.13 According to the Department, it is programmed to commission 20,000 lines during 1988-89, another 20,000 lines in 1989-90 and 48,000 lines in the first 3 years of the Eighth Plan. The above targets also include the programme of commissioning 3 exchanges at Hadapsar (4,000 lines), Maharishi Karve (10,000 lines) and Mahadaji Shinde (6,000 lines).

1.14 Though the allotment of equipment for these expansions has already been made, the Department stated that the delayed supply of equipment by the Indian Telephone Industries Ltd. (ITI) and budgetary constraints are likely to adversely affect the growth of Pune Telephones. According to the Department, the major problems faced by Pune Telephones are by and large of general nature faced by other Telecom. Establishments viz.

- (i) ban on recruitment;
- (ii) short supply of exchange equipment;
- (iii) Short/erratic supplies by manufacturers like ITI, ICL etc.;
- (iv) budgetary constraints; and
- (v) protracted procedures for land acquisition and timely construction of buildings.



1.15 In regard to supply of equipment by ITI, a new agreement is reported to have been entered into between ITI and the Department and the total requirement of the Department has been indicated to ITI to enable it to build up manufacturing capacity for the future years. The position of supply of cables is reported to be satisfactory as these are now manufactured by a number of private/joint sector companies, besides Hindustan Cables Ltd. (a Government of India Undertaking).

1.16 Asked to explain the monitoring process developed to ensure that the set targets are achieved on time, the Department of Telecommunications have stated that a monitoring cell has been functioning in the Directorate, which is fixing up the targets for the addition of telephone switching capacity as well as new connections to be provided by each telephone circle and telephone District. This cell is collecting the monthly progress in the achievement of targets and conveying it further to the Ministry of Programme Implementation.

1.17 The Committee note that as against the target of creating 40,770 additional lines during the years 1980—87, the actual achievement during these years was only 22,910 lines which works out to 56 per cent of the target. The shortfall of 10,000 lines during 1986-87 has been attributed to the rejection by Government of a proposal of pune Telephones to import new exchanges. Other reasons which have been given to Audit for non-achievement of targets were paucity of funds, area transfers, non-availability of cable pairs etc. None of the aforesaid reasons are such as cannot be foreseen with a little more seriousness in planning. In fact, these are the stock reasons given by Government for the shortfalls in the execution of all projects. The Committee are of the view that neither the targets had been fixed realistically after taking into account all identifiable constraints nor serious efforts have been made to achieve the targets by overcoming the various constraints. The Committee need hardly emphasize that targets should invariably be fixed realistically after taking into account all foreseeable constraints and once the targets are so fixed, no effort should be spared to achieve them by overcoming whatever constraints come in the way.

1.18 The Committee regret to note while Department has failed to achieve the targets of providing additional lines, the number of applicants in the waiting list is steadily on the increase. While the shortfall number of applicants in the waiting list as on 31-3-1987 was 30,250. This in providing new lines during 7 years ending 31-3-1987 was 17,860, the shows that provision of telephone facilities by the Department has not been able to keep pace with the demand for additional telephones. The Department expects to clear the waiting list as on 31-3-1987 by 31-3-1990. Thus, a gap of the demand generated during the 3 years would be outstanding. The Committee hope that all efforts will be made to reduce the waiting list by meeting the demand of public to the maximum extent possible.

1.19 The Committee have been informed that the Department propose to commission 20,000 lines in each of the years 1988-89 and 1989-90 and another 48,000 lines in first 3 years of Eighth plan. The specific programmes included in the above targets are 3 new exchanges for a total capacity of 20,000 lines at Hadapsar, (4000 lines), Meharishi Karve (10,000 lines) and Mahadaji Shinde (6000 lines). Of these, the Committee have also been informed that 14,000 lines will only be brought to use upto 31 March 1989. The Committee would therefore like to be intimated of the plan of action



actually drawn to provide an additional 40,000 lines in 1988-89 and 1989-90 to meet the total target for these years. If, however, there are no new programmes under implementation in these two years, the Committee would desire to know the basis on which Committee were informed of plan to create 40,000 lines in the two years.

1.20 One of the causes for substantial increase in demand for telephone connections in Pune has been stated to be the constant migration of people to Pune from Bombay on account of congestion in Bombay. This is a phenomenon special to the city of Pune because of its proximity to the metropolitan city of Bombay. This phenomenon is likely to last for long time to come. The Committee, therefore, recommend that the impact of the continuous migration of people from Bombay should be assessed and kept in view while planning the addition of new lines in the Pune Telephone District.

*Under-utilisation of installed capacity*

1.21 According to departmental instructions the exchange capacity should be utilised to the extent of 90% soon after the expansion/installation and in any case not later than 6 months of such expansion/installation and to the extent of 94% about 6 months before the date of commissioning of the next expansion, subject to overall utilisation of 92% of total capacity after expansion.

1.22 According to the Audit Para, the installed capacity of telephones was not fully utilised during the years 1980-81 to 1986-87 resulting in loss of potential revenue of Rs. 106.75 lakhs.

1.23 The following reasons have been brought out in the Audit paragraph for under-utilisation of the installed capacity :

- (i) Non completion of cable works simultaneously with commissioning of Mahadaji Shinde (Pune) exchange. For example, two major cable works sanctioned in August 1982 and November 1982 could be completed only by July 1986 while the Mahadaji Shinde (Pune) Exchange (8000 lines) were commissioned in May 1984;
- (ii) "With mush-rooming of a number of housing societies and new flats, cable pair and distribution cable has become a great problem, especially in the periphery of new exchange. Utilisation of capacity is also linked to laying of cables which takes more time, since activities are quite scattered in the areas"; and
- (iii) Non-execution of work orders for giving new telephone connections within the prescribed norm of 15 days and 25 days of new PABX/PBX and shifting of telephones respectively. A test check by Audit of 1105 work orders for new telephone connections revealed that in 564 cases there was delay ranging from one to nine months.



1.24 The Department of Telecommunications have furnished in November 1988 the following statement to the Committee showing the year-wise utilisation of the installed capacity :

Year	Equipped capacity	No. of DELS	Utilisation	No. of new connections added in the year
1-4-79	29,700	28,281	95.2	—
1-4-80	33,090	30,708	92.8	2,427
1-4-81	35,040	32,630	93.2	1,922
1-4-82	37,100	34,043	93.7	1,413
1-4-83	40,200	35,785	89.0	1,742
1-4-84	40,900	38,015	92.9	2,230
1-4-85	49,140	42,484	86.5	4,469
1-4-86	52,160	47,627	91.4	5,143
1-4-87	56,000	51,091	91.2	3,464
1-4-88	64,955	59,951	92.3	8,860

1.25 Based on the above table, the Department have contended that by and large 92% of the equipped capacity was utilised and that under-utilisation in some years "is on account of area transfer and completion of installation just a month or so prior to April 1988".

1.26 In a subsequent note furnished to the Committee in February 1989, the Department have however, given the following data on targets and achievements for giving new connections during the years 1980-81 to 1987-88.

Year	Target	Achievement	increase in DELs as per previous table
1980-81	1150	2350	1922
1981-82	1500	1851	1413
1982-83	1500	1846	1742
1983-84	3700	2230	2230
1984-85	6000	4688	4469
1985-86	3100	5171	5143
1986-87	2500	3617	3460
1987-88	2200	3247	8860
<b>TOTAL</b>		<b>25000</b>	<b>29239</b>

1.27 The table above will indicate that 25000 new connections were given during the 8 years whereas according to the previous table 29239 DELs were added in the same period. The actual utilisation as on 1-4-1988 would hence be about 55,751 only (59,951—4239) giving a percentage utilisation of 85% as against 92.3% reported to the Committee.



1.28 One of the factors for under utilisation of the installed capacity, brought out in the Audit Para is non-execution of work orders for giving new telephone connections within the prescribed norm of 15 days and 25 days of installation of new PABX/PBX and shifting of telephones respectively. A test check by Audit of 1105 work orders for new telephone connections revealed that in 564 cases there were delays ranging from 1 to 9 months. The Committee, therefore, enquired about the reasons for such delays. The Department of Telecommunications have attributed the following broad reasons :

- (1) non-feasibility of areas due to short/erratic supply of cables.
- (2) Shortage of manpower.
- (3) Reasons attributable to subscribers like party out of station/premises not ready/genuineness etc.
- (4) Bulk release.

1.29 The Committee enquired why the Department resorted to "bulk release" of the telephones if they were not in a position to provide new telephones within the stipulated period. The Department have stated that the norms of 15 to 25 days fixed for providing new telephone connections are not applicable for cases of bulk release and that these norms are for new connections released as piece-meal. According to the Department, the bulk release of telephone connections is done when an existing telephone exchange is expanded and it is considered necessary to enable the Department to utilise the capacity available in the shortest possible time and provide maximum number of telephone connections in the least possible time.

1.30 During the course of evidence before the Committee, the representative of the Department of Telecommunications stated *inter-alia* :

"... It takes 10 to 25 days. If you are giving small number of connections, say, 10—20 connections in a week, then it is all right that 25 days is the upper limits for connections. But if you want to release 4000 connections, then the exchange should be fully ready, then it will take more than 25 days to provide all of them with connections.

It depends on the capacity available. To avoid the complaint of manipulation, what we do now is . . . . . when the exchange is ready for commissioning, whatever list is there, we don't verify the feasibility at all, we simply issue a work order saying, 'provide connection to so and so party'. After that the work order will go the Exchange, then they will visit the place and see whether the underground cable is available upto that location or not."

1.31 Asked whether in such a situation, it might take 4 to 5 months, the Secretary, Telecommunications explained :

"Normally, it is not so. What happens is, in case work order is issued and we find a lot of cable work is required to be done, we inform the party that your turn has come but it will take one or two months



for connection. So, we keep the party informed of likely delay in doing cable work."

1.23 The Committee enquired whether the norm of 15 days to 25 days for providing new telephones, after issue of the work order, is sufficient or is proposed to be revised. The Department have stated that the norms of 15 to 25 days for provision of new telephone connections are considered sufficient except in cases of bulk release, where it is not possible to prescribe the norm because the time required will depend upon the size of the bulk release and various other factors. The Department has considered necessary to revise the norm only in those cases where for unforeseen reasons cable pair for providing connection is not readily available.

1.33 The Committee note that though according to the Department 92% of capacity stood utilised as on 31st March, 1988, the number of new connections actually given during the 8 years ended 1987-88 was only 25,000 and with reference to actual connections given, the percentage of utilisation was hardly 85% on 31 March 1988. As work orders are being issued immediately after commissioning of new exchange without ensuring feasibility of utilisation, the Committee feel that the achievement of targets reported to the Committee is based on programme drawn for utilisation and not on actual utilisation. In the circumstances, the Committee are concerned to note that an exaggerated level of operational efficiency relating to utilisation of facility has been furnished. The Committee recommend that the level of utilisation should be assessed only with reference to lines actually in operation and that assessment should be done monthly so that effort may be directed in time to enhance utilisation of capacity and reduce potential loss of revenue. The Committee recommend that the reasons for poor utilisation may be investigated and steps taken to improve utilisation.

1.34 The Committee have been informed that the target for 7th Plan is to ensure clearance of wait listed applications as on 31 March, 1987 which stood at 30,250 and that the Department except achievement of the target. However, it is noticed that during 1987-88, 3247 new connections were given and about 4300 work orders for connections were pending execution at the end of that year and that another 14,000 connections are likely to be given between January 1989 and March 1990 from the 3 new exchanges under commissioning. Even if these expectations for 1988-89 and 1989-90 are met in full, the Committee feel that not more than 22,000 connections can be given out of the wait listed number of 30,250, thus leaving 25% at least of the waiting list to be cleared in 8th Plan. The Committee may be intimated of the actual programme drawn to clear the backlog of wait listed applicant upto 31 March 1987.

1.35 The Committee have been informed that the existing time limit of 15 days for execution of work orders is a workable one except in respect of bulk release. But the Department does not verify the feasibility of installation of the premises of wait listed applicants before issue of work orders, leading it to the Telephone Exchange personnel to visit the place, see whether cable is available or not and take action for providing the connections. The Committee do not approve of the stand of the Administration in this regard because no purpose is served by issue of a work



order which is not capable of timely execution. On the other hand, the present practice tends not only to leave the entire responsibility for planning and execution to the lower staff but also encourages malpractices in allotment of priorities for execution of work orders. The Committee recommend that the management must draw up a workable programme for installation of new lines in the case of bulk releases, issue work orders that are capable of implementation within prescribed period and monitor and oversee implementation of their orders, so as to see that the new exchange is brought to optimum use within the prescribed period of 6 months. For this purpose the Department must establish norms for the new connection period required in case of bulk releases as otherwise no parameters exist for assessing the efficiency of the Department in this regard.

2.2. Asked to explain the reasons for underachievement of the installed capacity of the Department of Telecommunications, the following reasons were stated:

(i) Utilization of telephone cable, local and junction in network for tele lines, which is restricted, hindrance in an ever growing system-in particular in rural areas where tele lines are required.

(ii) Non-availability of TPs and existing lines.

(iii) Reserving the capacity for non-telecom means till they become available.

(iv) Delayed completion of commercial formalities by subscribers.

2.3. Asked to state the normal standard period during which the tele connection can be provided, the Department have stated that "as multi-branch connection is involved, tele connections can normally be provided in about 45 days after the payment of demand note."

2.4. Asked whether the standard period of 45 days is observed in practice, the Department have replied in the affirmative.

2.5. According to the Department of Telecommunications, the total waiting list as on 1-1-89 was 115 and the earliest subscriber in the waiting list was registered on 19-2-87 in the general category. The Department propose to take up the following steps for providing new tele services:

(i) Systematic analysis of waiting list, wherever.

(ii) Adequate provision of local lands and junction cable lines in project estimates.

(iii) Improved supply of cable materials and TPs and accessories due to indigenous production.



## CHAPTER II

### TELEX SERVICES

#### *Targets for additional Telex lines and utilisation thereof*

2.1 The Audit Para has brought out that as against the targeted addition of 300 telex lines during the period 1981-82 to 1986-87 only 230 lines were added to the network on account of non-supply of 70 lines equipment by the Indian Telephone Industries. The telex capacity was also not utilised to the overall extent of 92% of equipped capacity resulting in loss of potential revenue of Rs. 52.05 lakhs during 1983-84 to 1986-87.

2.2 In their explanation to Audit the Department of Telecommunications stated that the telex capacity could not be fully utilised since the outdoor plant for telex network is in common with the Telecommunication network and that there is always a delay due to many bottlenecks due to supply of cables and other connecting materials.

2.3 Asked to explain the reasons for underutilisation of the installed capacity, the Department of Telecommunications have listed the following reasons.

- (i) Utilisation of telephone cable, local and junctions in network for telex lines, which is sometime inadequate in an ever growing system—in particular in areas where telex lines are required.
- (ii) Non-availability of TPs and dialling units.
- (iii) Reserving the capacity for non-feasible areas till they become feasible.
- (iv) Delayed compliance of commercial formalities by subscribers.

2.4 Asked to state the normal standard period during which the telex connection can be provided, the Department have stated that "as multi-agencies coordination is involved, telex connections can normally be provided in about 45 days after the payment of demand note."

2.5 Asked whether the standard period of 45 days is observed in practice, the Department have replied in the affirmative.

2.6 According to the Department of Telecommunications the total waiting list as on 1-1-89 was 115 and the earliest subscriber in the waiting list was registered on 19-2-87 in the general category. The Department propose to take up the following steps for providing new telex connections :

- (i) Systematic analysis of waiting list, areawise.
- (ii) Adequate provision of local leads and junction cable pairs in project estimates.
- (iii) Improved supply of cable materials and TPs and accessories due to indigenous production.



2.7 In regard to the type of complaints received during the last 2 years, the Department have stated that these generally relate to fault on electro-mechanic T.P. Machines, getting the numbers busy, unget distant numbers due to power failure and congestion in the network etc.

2.8 These complaints are sought to be cleared by introduction of electronic T. P. Machines, Electronic switching network, provision of adequate junctions in the network etc.

2.9 The Committee regret to note that as against the target of adding 300 telex lines during the period 1981-82 to 1986-87, only 230 lines were added to the network. The shortfall of 70 lines was stated to be due to non-supply of 70 lines equipment by the ITI. The Committee would like to know the present position of provision of telex lines in addition to the already installed 230 lines.

2.10 As on 1 January, 1989, 115 registrants were on the waiting list for new telex connections, the earliest subscriber in the waiting list having been registered on 19 February, 1987. The Department have intimated that a number of steps have been taken for providing new telex connections. The Committee would like to know the results of these measures.

2.11 The Committee further note that the telex network was not utilised to the overall extent of 92% of the equipped capacity resulting in loss of potential revenue of Rs. 52.05 lakhs during 1983-84 to 1987-88. The main reasons for under-utilisation were that the system involves use of common telecommunication network, there were certain bottlenecks like short supply of cables and other connecting materials, as also delayed compliance of formalities by subscribers. The Committee would like to know what steps have been taken to sort out the various causes for under-utilisation and what has been the effect of such steps on the level of utilisation.



## CHAPTER III

### EFFICIENCY OF EXCHANGES

#### *Ineffective Trunk Calls*

3.1 Targets for the percentage of effective trunk calls are fixed every year after making allowance for the working conditions, including the existing constraints on maintenance and operation of the system. Percentages of effective calls during the six years ending 1985-86 are compared with the statement for each year in the table below :

	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
(a) Percentage of effective calls	73.3	76.6	76.3	73.6	70.6	76.3
(b) Percentage standard fixed for effective	75	75	75	75	77.9	72
(c) Percentage shortfall in effective calls	—	—	—	1.4	7.3	—

3.2 It will be seen that actual achievement exceeded the standard during all the years except 1983-84 and 1984-85 when there was shortfall of 1.4 per cent and 7.3 per cent respectively. The shortfall during 1983-84 and 1984-85 resulted in loss of revenue amounting to Rs. 48.39 lakhs during these two years.

3.3 Besides, there was a constant increase in the percentage of calls cancelled due to departmental failure from 1983-84 to 1985-86 as per details below :

Year	Percentage of calls cancelled
1981-82	14.3
1982-83	15.7
1983-84	19.2
1984-85	21.7
1985-86	17.9

3.4 The Department of Telecommunications stated to Audit that the targets fixed were not achieved due to :

- (i) Congestion in local/distant network,
- (ii) Interruptions in the trunk circuits, and
- (iii) network conditions were different at different places.

3.5 The Department of Telecommunications have explained that the targets for trunk call efficiency are prescribed on the basis of statistical methods and are normally increased year by year to motivate the staff to



perform better and that the actual achievement every month is depending on reliability of circuits which are affected by the weather conditions and also absenteeism of staff. The Department have added that the short fall in performance has been predominantly high in the months of April, May, June and July of these years on account of heavy absenteeism and interruption on trunk & local lines.

According to the Department, opening of more and more STD stations has enabled subscribers to dial directly with the result that subscribers book the call and try on STD also and if STD calls materialise, trunk calls are cancelled.

3.6 The Committee enquired whether the norms prescribed for Pune Telephones were in keeping with the all India norms, the Department of Telecommunications have stated that the norms fixed by the Department are on group basis and group targets and group control limits are fixed. The figures for 1982-83 to 1984-85 are as below :

	Group Target %	Group Control Limit%	Percentage for Telephones.
1982-83 . . . . .	75	67.5	76.3
1983-84 . . . . .	75	67.5	73.6
1984-85 . . . . .	77.9	70.1	70.6

3.7 The Department have concluded that the percentage figures in respect of Pune Telephones are well within the control limits .

#### High percentage failure of STD calls

3.8 The Audit Para reveals that the percentage failures of STD calls on level 'O' is more than the group targets as well as the control limits during the years 1982-83 to 1986-87. Similarly failure of STD calls on level '9' exceeded the permissible target and control limit during the years 1983-84 to 1986-87.

3.9 Audit have incorporated the following statement in the Audit paragraph to support their contention :

	1982-83	1983-84	1984-85	1985-86	1986-87
1. Group target*					
(a) Level '0'	42.5	40	34.8	52.2	51.3
(b) Level '9'	48	20	20	20	20
2. Control limit*					
(a) Level '0'	47	44	38.3	57.4	56.4
(b) Level '9'	53	22	22	22	22
3. Actual					
(a) Level '0'	67.7	65.9	77.0	78.7	83.5
(b) Level '9'	46.8	23.1	30.7	36.7	39.8
4. Excess percentage failure over control limit*					
(a) Level '0'	20.7	21.9	38.7	21.3	27.1
(b) Level '9'	—	1.1	8.7	14.7	17.8

\*Group target indicates target fixed for a group of exchanges whereas the Group Control means the achievement should not fall below the prescribed control limit.



3.10 In their explanation to Audit, the Department stated that the prominent factor affecting the calls was the limited efficiency of the Pune exchanges due to ageing and that action was being taken to replace them. In a note furnished to the Committee, the Department have stated that all TAX junctions from Pune exchanges were directly terminated at Penta Conta TAX exchange at Bombay with the result that the efficiency of Pune level 'O' call was dependant on the efficiency of Bombay TAX—the throughput of which was low.

3.11 As a remedial measure, the Department have stated that the 3,000 lines digital TAX exchange at Pune has since been commissioned in September 1988 and the D TAX is being gradually loaded by phased transfer of working circuits and exchanges. According to the Department, the call success rate on level 'O' is showing a noticeable improvement.

3.12 The percentage of effective calls exceeded during all the years except 1983-84 and 1984-85 when there were shortfalls of 1.4 per cent and 7.3 per cent respectively. However, the apparent achievement of target in most years was due to the target being kept at the same level for a number of years rather than setting it higher as the personnel acquired experience. The Committee deprecate the practice of non revision of targets for effective calls for years together as a serious lapse on the part of the Department. The Committee consider this as an effort on the part of the Department to conceal its inefficiency as well as the loss of potential revenue. Even so the shortfalls during 1983-84 and 1984-85 resulted in loss of revenue amounting to Rs. 48.39 lakhs. The reasons given to Audit for non-achievement of targets are of general nature. The factors like absenteeism, weather conditions, type of available circuits, staff strength etc. which have been advanced as reasons for shortfalls by the Department are not acceptable to the Committee as such factors must have been taken into account while fixing the targets. The Committee recommend that the methodology of fixing targets for effective calls should be reviewed so as to ensure that the targets are fixed in a scientific and systematic manner after taking into account all relevant factors so that the targets serve as an effective control to improve efficiency as well as to measure it.

3.13 The constant increase in the percentages of calls cancelled due to departmental failure is also a matter of great concern. The Committee hope that the reasons for constant increase in the percentages of calls cancelled will be analysed in detail with a view to taking steps to bring down this figures to the minimum. The Committee desire that the results of such an analysis and the steps taken to bring down the percentages of calls cancelled due to departmental failure may be intimated to the Committee.

3.14 One of the reasons given for high percentage of failure of STD calls is the limited efficiency of the Pune exchanges due to its ageing. The Department have stated that action was being taken to replace them. The Committee would like to be apprised of the further progress in the matter and also the results of other measures adopted to improve the success level of STD calls.



## CHAPTER IV

### FINANCIAL RESULTS

#### *Shortfall in telephone warnings*

4.1 The Audit Paragraph shows that the financial performance of the Pune Telephone District deteriorated from 1983-84 onwards, resulting in shortfall of revenue of Rs. 578.18 lakhs during the 3 years ending March 1986.

4.2 The actual revenue earned per DEL per month against the targets fixed by the Department is detailed below :—

Year	Prescribed target per month per DEL	Actual earning per month per DEL	Shortfall per DEL per month	Percentage shortfall	Average number of DELs	Annual shortfall in revenue (Rs. in lakhs)
1980-81	275	288.25	—	—	30485	—
1982-82	275	328.33	—	—	32492	—
1982-83	342	381.33	—	—	34242	—
1983-84	400	399.83	0.17	0.04	36482	7.04
1984-85	430	369.83	60.17	14	42803	309.05
1985-86	460	408.75	51.25	11.14	43641	268.39
					Total	578.18

4.3 In their statement submitted to Audit, the Department of Telecommunications stated : "the actual achievements of the targets were not in the hands of the Department. It varies with the need of the subscribers and other socio-economic conditions of the place". As the targets were fixed by the Department itself and these were fully achieved during the period ending March 1983 whereas the achievements fell short of the target by 14% in 1984-85 and 11.14% in 1985-86, the Committee enquired about the detailed reasons for the shortfall of Rs. 578.18 lakhs in telephone earnings compared to the prescribed targets during the years 1983-84 to 1985-86. The Department have stated that "the revenue for DEL in Pune Telephone is Rs. 551/- (excluding rural exchanges) per line which is quite good".

4.4 The Department have added that the target is generally laid at a higher level as it is a goal proposed to be achieved in ideal condition of men, material and circumstances and that its only an aim towards which one should move in all earnestness. Another contributory factor, according to the Department is that with the expansion of system, the load/revenue per line comes down as the sharing of telephones by public is reduced.



4.5 The Department have observed that the shortfall is only hypothetical and does not reflect on efficiency of the Department.  
*Excessive operating expenses*

4.6 The Audit Paragraph indicates that the gross operating expenses per weighted telephone exceeded the targets in all the years from 1982-83 to 1985-86. The percentage excess per weighted telephone per month increased from 53 in 1983-84 to 87 in 1985-86.

4.7 Expenses per weighted telephone per month *vis a vis* group target fixed therefor were as under :—

	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
Group Target . . . . .	45	45	61.9	72	72	72
Actuals (Rs.) . . . . .	63.50	73.50	12.403	110.00	123.70	134.50
Excess per weighted telephones (Rs.) . . . . .	18.50	28.50	61.50	38.00	51.70	62.50
Percentage excess . . . . .	41	63	99	53	72	87

4.7 Asked to explain the reasons for the excessive gross operating expenses, the Department of Telecommunications have stated that operating expenses are on the increase due to inflationary trend and rising prices, payment of A. D. A. and bonus etc. The Department have added that strict measures are adopted in the District while incurring the expenditure and all controllable expenditure is kept to the minimum without affecting the quality of service.

4.8 The Committee note that while on the one hand, the realisations are substantially below the targets since 1984-85, on the other hand the operational expenses have been far more than the targeted figure with the result that overall performance in financial terms is not satisfactory. Both in the case of shortfall in revenue as well as excess of operating expenses the reasons given are of general nature. The Committee feel that the Department has not made systematic study and analysis of either of the phenomena. The Committee are therefore not convinced with the reasons given for these slippages. The Committee are also of the view that the methodology of fixing targets needs to be reviewed to ensure that the targets fixed are as realistic and also serve as effective control for assessing efficiency. The Committee also desire that a suitable system of analysing variances from the targets should also be introduced with a view to locating and controlling causes for slippages as well as identifying and encouraging factors favourable for overall efficiency of the system.



## APPENDIX I

*Paragraph 36 of the Report of the C & AG of India for the year ended 31 March, 1987. Union Government (P & T) on "Pune Telephones".*

### 36 *Pune Telephones*

#### 36.1 *Introduction*

Pune Telephone District was formed on 14-5-1968 as a minor district and was upgraded as a major telephone district on 5-7-1978. It is headed by a General Manager, Telephones (GMT) who controls the operation and maintenance of the Telephone District. The GMT is also responsible for formulation, execution and monitoring of planned programmes.

#### 36.2 *Scope of Audit*

A review of the working of Pune Telephone District was conducted by Audit in April 1987.

#### 36.3 *Highlights*

The expansion of Pune Telephone system did not keep pace with the demand.

The installed capacity was not fully utilised with the result the department lost potential revenue of Rs. 106.75 lakhs in respect of telephones during the years 1980-81 to 1986-87 and Rs. 52.05 lakhs in respect of telex services during the years 1983-84 to 1986-87.

Potential revenue of Rs. 48.39 lakhs did not accrue to the department during the years 1983-84 to 1984-85 due to percentage of ineffective trunk calls exceeding the norms.

There was a shortfall of Rs. 578.18 lakhs in telephone earnings compared to prescribed targets, during the years from 1983-84 to 1985-86.

The gross operating expenses per weighted telephone exceeded the targets in all the years from 1982-83 to 1985-86. The percentage excess per weighted telephone per month increased from 53 in 1983-84 to 87 in 1985-86.

#### 36.4 *Volume and growth—local telephones—non-achievement of targets*

As on 1st April 1980, the equipped capacity of local telephone exchanges was 33,090 lines with 30,708 DELs working. The projected equipped for new telephone lines as per annual plan targets during the



years 1980-81 to 1986-87 and achievements of the districts are shown below :—

Year	Target	Achievement	Shortfall (—)/excess (+)	Waiting list
1980-81	3550	1950	(—)1600	4630
1981-82	2060	2060	—	7070
1982-83	3100	3100	—	10545
1983-84	10200	700	(—)9500	13143
1984-85	2700	8240	(+)5540	16747
1985-86	4660	3020	(—)6040	19711
1986-87	14500	3840	(—)10660	21858

It would be seen from the above that the achievements did not keep pace with the increasing demand as reflected by the waiting list.

The department stated in October 1987 that due to paucity of funds, area transfers, availability of cable pairs etc., and also due to unpredictable demand the targets and waiting list could not be controlled.

### 36.5 Operating performance

The department has prescribed certain norms in regard to (i) utilisation of equipped capacity; (ii) percentage satisfaction of service demands; (iii) percentage of ineffective calls etc. to access the performance of the system. A review of the performance revealed the following :—

#### 36.5.1 Under-utilisation of equipped capacity

According to departmental instructions exchange capacity should be utilised to the extent of 90 per cent soon after expansion/installation and in any case not later than 6 months of such expansion/installation and to the extent of 94 per cent about 6 months before the date of commissioning of the next expansion subject to over all utilisation of 92 per cent of total capacity after expansion. However, this was not achieved, resulting in potential loss of revenue of Rs. 106.75 lakhs during 1980-81 to 1986-87.

Under-utilisation of exchange capacity was mainly due to non-completion of cable works simultaneously with the commissioning of Mahadaji Shinde (Pune) Exchange, e.g. two major cable works sanctioned in August 1982 and November 1982 were completed by July 1986 only while Mahadaji Shinde (Pune) exchange (8000 lines) were commissioned in May 1984.

Another factor contributing to under-utilisation was non-execution of work orders for giving new telephone connections within the prescribed norm of 15 days and 25 days of new PABX/PBX and shifting of telephones respectively. A test check by Audit of 1105 work orders for new telephone connections revealed that in 564 cases there was delay ranging from one to nine months.



The department stated that, "Due to mush-rooming of a number of housing societies and new flats, cable pair and distribution cable has become a great problem, especially in the periphery of new exchange. Utilisation of capacity is also linked to laying of cables which takes more time since, activities are quite scattered in the areas." Apparently the department had not taken effective action for laying the underground cable to enable them to provide telephone connections to the new housing societies/flats.

### 36.5.2 Ineffective Trunk calls

Targets for the percentage of effective trunk calls are fixed every year after making allowances for the working conditions, including the existing constraints on the maintenance and operation of the system. The data for the last six years is given below:—

	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
1. No. of calls booked (in lakhs)	21.14	21.60	22.40	23.01	23.62	26.15
2. (a) Effective calls (in lakhs)	16.56	16.55	17.09	16.92	16.67	19.70
(b) Percentage of effective calls	78.3	76.6	76.3	73.6	70.6	75.3
(c) Percentage standard fixed for effective calls	75	75	75	75	77.9	72
(d) Percentage shortfall in effective calls	—	—	—	1.4	7.3	—
(e) Total trunk call revenue (Rs. in lakhs)	254.51	304.82	352.20	371.08	399.74	422.50
(f) Loss due to less percentage of effective calls (Rs. in lakhs)	—	—	—	7.06	41.33	—
3. (a) Ineffective calls (in lakhs)	4.58	5.05	5.31	6.09	6.95	6.45
(b) Percentage of ineffective calls	21.7	23.42	23.7	26.4	29.4	24.7
(c) Calls cancelled due to departmental failures (in lakhs)	N.A.	3.08	3.53	4.42	5.13	4.7
(d) Percentage of call cancelled due to departmental failure	N.A.	14.3	15.7	19.2	21.7	17.9



The above table shows non-achievement of targets of effective calls by 1.4 per cent in 1983-84 and 7.3 per cent in 1984-85, resulting in loss of revenue amounting to Rs. 48.39 lakhs during these two years. Further there was a constant increase in percentage of calls cancelled due to departmental failure from 1982-83 to 1984-85.

The department stated in October 1987 that the targets fixed were not achieved due to :—

- (i) Congestion in local/distant net work
- (ii) interruptions on the trunk circuits; and
- (iii) network conditions were different at different places.

### 36.5.3 High percentage failure STD calls

The percentage failure of STD calls, per month on Level '0' and Level '9' (sample) during 1982-83 to 1986-87 was as under :—

	1982-83	1983-84	1984-85	1986-86	1986-87
1. Group target*					
(a) Level '0'	42.5	40	34.8	52.2	51.3
(b) Level '9'	48	20	20	20	20
2. Contro limit*					
(a) Level '0'	47	44	38.3	57.4	56.4
(b) Level '9'	53	22	22	22	22
3. Actual					
(a) Level '0'	67.7	65.9	77.0	78.7	83.5
(b) Level '9'	46.8	23.1	30.7	36.7	39.8
4. Excess percentage failure over control limit					
(a) Level '0'	20.7	21.9	38.7	21.3	2.17
(b) Level '9'	—	11	8.7	14.7	17.8

\*Group target indicates target fixed for a group of exchanges where as the Group Control means the achievement should not fall below the prescribed control limit.

The above total shows that the percentage failure of STD calls on Level '0' is more than the group target as well as the control limits during all the years from 1982-83 to 1986-87. Similarly failure of STD calls on Level '9' exceeded the permissible target and control limit during the years from 1983-84 to 1986-87.

The department stated the prominent factor affecting the calls was the limited efficiency of Pune exchanges due to ageing. Action to replace them was being taken.

### 36.6 Telex

36.6.1 As against the targetted addition of 300 telex lines during the period 1981-82 to 1986-87, 230 lines only were added on account of non-supply of 70 lines equipment by Indian Telephone Industries.



36.6.2 As in the case of telephones, the telex capacity also was not utilised to the overall extent of 92 per cent of equipped capacity resulting in loss of potential revenue of Rs. 52.05 lakhs, during 1983-84 to 1986-87.

The department stated that, "The telex capacity could not be fully utilised since the outdoor plant for telex net work is in common with the telecom. network. There is always a delay due to many bottlenecks, due to supply of cables and other connecting materials".

### 36.7 Financial Performance

#### 36.7.1 Average revenue per Direct Exchange Line (DEL)

The actual revenue earned per DEL per month against the targets fixed by the department is detailed below :

Year	Prescribed target per month per DEL	Actual earning per DEL	Shortfall per DEL per month	Percentage shortfall	Average number of DELs	Annual Shortfall in revenue (Rs. in lakhs)
1980-81	275	288.25	—	—	30485	—
1981-82	275	328.33	—	—	32492	—
1982-83	342	381.33	—	—	34242	—
1983-84	400	399.83	0.17	0.004	36482	0.74
1984-85	430	369.83	60.17	14	42803	309.05
1985-86	460	408.75	51.25	11.14	436411	268.39
					Total	578.18

The financial performance of the District deteriorated from 1983-84 onwards, resulting in shortfall of revenue of Rs. 578.18 lakhs during the 3 years ending March 1986.

The department stated that, "The actual achievements of the target were not in the hands of the department. It varies with the needs of the subscribers and other socio-economic conditions of the place." In this connection it may be pointed out that the targets were fixed by the department itself and were fully achieved during the period ending March 1983 while the achievements fall short of the target by 14 per cent in 1984-85 and 11.14 per cent in 1985-86.

#### 36.7.2 Gross operating expenses per weighted telephone

Expenses per weighted telephone per month vis-a-vis group target fixed therefor were as under :

	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
Group target	45	45	61.9	72	72	72
Actual (Rs.)	63.50	73.50	123.40	110.00	123.70	134.50
Excess per weighted telephone (Rs.)	18.50	28.50	61.50	38.00	51.70	62.50
Percentage excess	41	63	99	53	72	87



The above table shows that the operating expenses per weighted telephone per month were in excess of the prescribed norms during all the years from 1980-81 to 1985-86. Besides there was an increasing trend from 1983-84 onwards.

The department stated that all possible efforts were being made to reduce the expenditure.



APPENDIX II

Statement of Conclusions/Recommendations

S. No.	Ministry/Deptt. concerned	Recommendations/observations
1	2	3
1.	Deptt. of Telecommunication	1.17 The Committee note that as against the target of creating 40,770 additional lines during the years 1980—87, the actual achievement during these years was only 22,910 lines which works out to 56 per cent of the target. The shortfall of 10,000 lines during 1986-87 has been attributed to the rejection by Government of a proposal of Pune Telephones to import new exchanges. Other reasons which have been given to Audit for non-achievement of targets were paucity of funds, area transfers, non-availability of cable pairs etc. None of the aforesaid reasons are such as cannot be foreseen with a little more seriousness in planning. In fact, these are the stock reasons given by Government for the shortfalls in the execution of all projects. The Committee are of the view that neither the targets had been fixed realistically after taking into account all identifiable constraints nor serious efforts have been made to achieve the targets by overcoming the various constraints. The Committee need hardly emphasize that targets should invariably be fixed realistically after taking into account all foreseeable constraints and once the targets are so fixed, no effort should be spared to achieve them by overcoming whatever constraints come in the way.
2.	—Do—	1.18 The Committee regret to note that while the Department has failed to achieve the targets of providing additional lines, the number of applicants in the waiting list is steadily on the increase. While the shortfall in providing new lines during 7 years ending 31-3-1987 was 17,860, the number of applicants in the waiting list as on 31-3-1987 was 30,250. This shows that provision of telephone facilities by the Department has not been able to keep pace with the demand for additional telephones. The Department expects to clear the waiting list as on 31-3-1987 by 31-3-1990. Thus a gap of the demand generated during the 3 years would be outstanding. The Committee hope that all efforts will be made to reduce the waiting list by meeting the demand of public to the maximum extent possible.
3.	—Do—	1.19 The Committee have been informed that the Department propose to commission 20,000 lines in each of the years 1988-89 and 1989-90 and another 48,000 lines in first 3 years of Eighth plan. The specific programmes included in the above targets are 3 new exchanges for a total capacity of 20,000 lines at Hadapsar, (4000 lines), Meharishi Karve (10,000 lines) and Mahadaji Shinde (6000 lines). Of these, the Committee have also been informed that 14,000 lines will only be brought to use upto 31 March 1989. The Committee would therefore like to be intimated of the plan of action actually drawn to provide an additional 40,000 lines in 1988-89 and 1989-90 to meet the total target for these years. If, however, there are no new programmes under implementation in these two years, the Committee would desire to know the basis on which Committee were informed of plan to create 40,000 lines in the two years.



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4. —Do—

1.20 One of the causes for substantial increase in demand for telephone connections in Pune has been stated to be the constant migration of people to Pune from Bombay on account of congestion in Bombay. This is a phenomenon special to the city of Pune because of its proximity to the metropolitan city of Bombay. This phenomenon is likely to last for long time to come. The Committee, therefore, recommend that the impact of the continuous migration of people from Bombay should be assessed and kept in view while planing the additions of new lines in the Pune Telephone District.

5. —Do—

1.33 The Committee note that though according to the Department 92% of capacity utilised as on 31 March, 1988, the number of new connections actually given during the 8 years ended 1987-88 was only 25,000 and with reference to actual connections given, the percentage of utilisation was hardly 85% on 31 March, 1988. As work orders are being issued immediately after commissioning of new exchanges without ensuring feasibility of utilisation, the Committee feel that the achievement of targets resorted to the Committee is based on programme drawn for utilisation and not on actual utilisation. In the circumstances, the Committee are concerned to note that an exaggerated level of operational efficiency relating to utilisation of facility has been furnished. The Committee recommend that the level of utilisation should be assessed only with reference to lines actually in operation and that assessment should be done monthly so that effort may be directed in time to enhance utilisation of capacity and reduce potential loss of revenue. The Committee recommend that the reasons for poor utilisation may be investigated and steps taken to improve utilisation.

6. —Do—

1.34 The Committee have been informed that the target for 7th Plan is to ensure clearance of wait listed applications as on 31 March, 1987 which stood at 30,250 and that the Department expect achievement of the target. However, it is noticed that during 1987-88, 3247 new connections were given and about 4300 work orders for connections were pending execution at the end of that year and that another 14,000 connections are likely to be given between January 1989 and March 1990 from the 3 new exchanges under Commissioning. Even if these expectations for 1988-89 and 1989-90 are met in full, the Committee feel that not more than 22,000 connections can be given out of the wait listed number of 30,250, thus leaving 25% at least of the waiting list to be cleared in 8th Plan. The Committee may be intimated of the actual programme drawn to clear the backlog of wait listed applicants upto 31 March 1987.

7. —Do—

1.35 The Committee have been informed that the existing time limit of 15 days for execution of work orders is a workable one except in respect of bulk release. But the Department does not verify the feasibility of installation of the premises of wait listed applicants before issue of work orders, leading it to the Telephone Exchange personnel to visit the place, see whether table is available or not and take action for providing the connections. The Committee do not approve of the stand of the Administration in this regard because no purpose is served by issue of a work order which is not capable of timely execution. On the other hand, the present practice tends not only to leave the entire responsibility for planning and execution to the lower staff but also encourages malpractices in allotment of priorities for execution of work orders. The Committee recom-



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mend that the management must draw up a workable programme for installation of new lines in the case of bulk releases, issue work orders that are capable of implementation within prescribed period and monitor and oversee implementation of their orders, so as to see that the new exchange is brought to optimum use within the prescribed period of 6 mon.hs. For this purpose the Department must establishment norms for the new connection period required in case of bulk releases as otherwise no parameter exist for assessing the efficiency of the Department in this regard.

2.9 The Committee regret to note that as against the target of adding 300 telex lines during the period 1981-82 to 1986-87, only 230 lines were added to the network. The shortfall of 70 lines was stated to be due to non-supply of 70 lines equipment by the ITI. The Committee would like to know the present position of provision of telex lines in addition to the already installed 230 lines.

—D o—  
2.10 As on 1 January, 1989, 115 registrants were on the waiting list for new telex connections, the earliest subscriber in the waiting list having been registered on 19 February, 1987. The Department have intimated that a number of steps have been taken for providing new telex connections. The Committee would like to know the results of these measures.

10. —Do—  
2.11 The Committee further note that the telex network was not utilised to the overall extent of 92% of the equipped capacity resulting in loss of potential revenue of Rs. 52.05 lakhs during 1983-84 to 1987-88. The main reasons for under-utilisation were that the system involves use of common telecommunication network, there were certain bottlenecks like short supply of cables and other connecting materials, as also delayed compliance of formalities by subscribers. The Committee would like to know what steps have been taken to sort out the various causes for underutilisation and what has been the effect of such steps on the level of utilisation.

11. —Do—  
3.12 The percentages of effective calls exceeded during all the years except 1983-84 and 1984-85 when there were shortfalls of 1.4 per cent and 7.3 per cent respectively. However, the apparent achievement of target in most years was due to the target being kept at the same level for a number of years rather than setting it higher as the personnel acquired experience. The Committee deprecate the practice of non-revision of targets for effective calls for years together as a series lapse on the part of the Department. The Committee consider this as an effort on the part of the Department to conceal its inefficiency as well as the loss of potential revenue. Even so the shortfalls during 1983-84 and 1984-85 resulted in loss of revenue amounting to Rs. 48.39 lakhs. The reasons given to Audit for non-achievement of targets are of general nature. The factors like absenteeism, weather conditions, type of available circuits, staff strength etc. which have been advanced as reasons for shortfalls by the Department are not acceptable to the Committee as such factors must have been taken into account while fixing the targets. The Committee recommend that the methodology of fixing targets for effective calls should be reviewed so as to ensure that the targets are fixed in a



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scientific and systematic manner after taking into account all relevant factors so that the targets serve as an effective control to improve efficiency as well as to measure it.

12. —Do—

3.13 The constant increase in the percentages of calls cancelled due to departmental failure is also a matter of great concern. The Committee hope that the reasons for constant increase in the percentages of calls cancelled will be analysed in detail with a view to taking steps to bring down this figure to the minimum. The Committee desire that the results of such an analysis and the steps taken to bring down the percentages of calls cancelled due to departmental failure may be intimated to the Committee.

13. —Do—

3.14 One of the reasons given for high percentage of failure of STD calls is the limited efficiency of the Pune exchanges due to its ageing. The Department have stated that action was being taken to replace them. The Committee would like to be apprised of the further progress in the matter and also the results of other measures adopted to improve the success level of STD calls.

14. —Do—

4.8 The Committee note that while on the one hand, the realisations are substantially below the targets since 1984-85, on the other hand the operational expenses have been far more than the targeted figure with the result that overall performance in financial terms is not satisfactory. Both in the case of shortfall in revenue as well as excess of operating expenses the reasons given are of general nature. The Committee feel that the Department has not made systematic study and analysis of either of the phenomena. The Committee are therefore not convinced with the reasons given for these slippages. The Committee are also of the view that the methodology of fixing targets needs to be reviewed to ensure that the targets fixed are as realistic and also serve as effective control for assessing efficiency. The Committee also desire that a suitable system of analysing variances from the targets should also be introduced with a view to locating and controlling causes for slippages as well as identifying and encouraging factors favourable for overall efficiency of the system.



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

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<b>ANDHRA PRADESH</b>		<b>UTTAR PRADESH</b>	
1.	M/s. Vijay Book Agency, 11-1-477, Mylargadda, Secunderabad-500 361.	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, Upper 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. 35289).	16.	M/s. Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-110001. (T. No. 3315308 & 45896).
<b>MAHARASHTRA</b>		17.	M/s. Bookwell, 2/72, Sant Nirankari Colony, Kingsway Camp, Delhi-110 009. (T. No. 7112399).
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, Pooana-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, Repre- sentative 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 Services 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)		