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**STANDING COMMITTEE ON
COMMUNICATIONS
(1998-99)**

TWELFTH LOK SABHA

**MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF POSTS)**

**DEMANDS FOR GRANTS
(1998-99)**

SECOND REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

July, 1998/Asadha, 1920 (Saka)

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COMMUNICATIONS
(1998-99)

(TWELFTH LOK SABHA)

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(DEPARTMENT OF POSTS)

DEMANDS FOR GRANTS
(1998-99)

Presented to Lok Sabha on 13.7.1998

Laid in Rajya Sabha on 13.7.1998



LOK SABHA SECRETARIAT
NEW DELHI

July, 1998/Asadha, 1920 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON
COMMUNICATIONS (1998-99)

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri Jay Krishna Mandal
3. Shri K.L Sharma
4. Shri Mahesh Kumar Mithabhai Kanodia
5. Shri Chandrashekhar Sahu
6. Dr. Chhatrapal Singh
7. Shri Nakli Singh
8. Shri Rajveer Singh
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12. Shri Somjibhai Punjabhai Damor
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14. Dr. (Smt.) Prabha Thakur
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16. Shri Dowarka Parshad Bairwa
17. Shri K. Asungba Sangtam
18. Smt. Nishaben Amarsinhbhai Chaudhari
19. Shri Shantilal Purushottamdas Patel
20. Shri T. Govindan
- *21. Shri Rizwan Zaheer Khan

Nominated to the Committee w.e.f. 25 June, 1998 in place of Shri Beni Prasad Verma who has been nominated as Member Standing Committee on Finance *vide* Bulletin 'art-II No. 338 dated 25 June, 1998.

22. Shri P. Rajarethinam
23. Shri Surendra Prasad Yadav (Jhanjharpur)
24. Shri Mahendra Baitha
25. Shri Braja Kishore Tripathy
26. Shri Balasaheb Vikhe Patil
27. Shri M. Durai
28. Shri P.C. Thomas
29. Shri A. Ganeshamurthi
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Rajya Sabha

31. Smt. Veena Verma
- *32. Vacant
33. Shri K. Rahman Khan
34. Smt. Chandresh Kumari
35. Shri Kanak Mal Katara
36. Shri Shatrughan Sinha
37. Shri Narendra Mohan
38. Shri Dawa Lama
39. Shri K. Kalavenkata Rao
40. Shri Raj Babbar
41. Shri R. Margabandu
42. Shri R.N. Arya
43. Shri Kuldip Nayyar
44. Shri Mrinal Sen
45. Shri Kartar Singh Duggal

SECRETARIAT

- | | | |
|-----------------------|---|-----------------------------|
| 1. Dr. A.K. Pandey | — | <i>Additional Secretary</i> |
| 2. Shri P.D.T. Achary | — | <i>Joint Secretary</i> |
| 3. Shri S.K. Sharma | — | <i>Deputy Secretary</i> |

*Vacancy caused due to retirement of Sh. Moolchand Meena from Rajya Sabha w.e.f. 4 July, 1998.

INTRODUCTION

I, the Chairman of the Standing Committee on Communications (1998-99) having been authorised by the Committee to submit the Report on its behalf, present this Second Report on the Demands for Grants (1998-99) relating to the Department of Posts.

2. The Standing Committee on Communications (1998-99) was constituted on 5 June, 1998. One of the functions of the Standing Committee as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha is to consider the Demands for Grants of the concerned Ministry/Department and make a Report on the same to the Houses.

3. The Committee considered the Demands for Grants pertaining to the Department of Posts for the current year *i.e.* 1998-99 which were laid on the Table of the House on 11 June, 1998. Thereafter the Committee took evidence of the representatives of the Department of Posts on 16 June, 1998.

4. The Committee wishes to express its thanks to the Officers of the Department of Posts for placing before it detailed written notes on the subject and for furnishing the information, that the Committee desired in connection with the examination of the subject.

5. The Report was considered and adopted by the Committee at its sitting held on 13 July, 1998.

NEW DELHI;
13 July, 1998
22 Asadha, 1920 (Saka)

SOMNATH CHATTERJEE,
Chairman,
Standing Committee on Communications.

REPORT

Introductory

Department of Posts (DoP) under the Ministry of Communications is entrusted with the responsibility of management and operation of postal services throughout the country. The basic postal operations play a crucial role in communication which has undergone almost revolutionary changes during the past few decades by assimilating far-reaching technological changes. Starting out with 23344 post offices at the time of independence, India has now around 153021 post offices today which is the highest in the world. The Department of Posts provides a wide gamut of services. Apart from the basic services as mail operations, sale of stamps and stationery, remittance of money orders etc., the Department also discharge agency functions on behalf of various departments of the Government like Saving Bank and other Saving Schemes, Postal Life Insurance etc., collection of custom duty on Postal articles and disbursement of pension to Military and Railway pensioners and family pension to Industrial employees of Coal Mines and also collect revenues in respect of telephones. In all, it provides 24 types of services.

2. For the purpose of operation and management of services, the entire country has been divided into 19 Postal Circles and each Circle is headed by a Chief Post Master General. A Circle is further divided into Regions and each Region is headed by a Post Master General. The Regions comprise Postal Divisions under which come Sub-Divisions, Head Post Offices, Sub Post Offices and Branch Post Offices. The Department also provides trained personnel for Army Postal Services which is called Army Base Circle. Officers in this category are trained by Indian Postal Service and in the non-officers rank, 75 per cent of the personnel are trained by the Department of Posts.

3. The Postal Services Board is the apex management body of the Department and it comprises of the Chairman and three Members. The Secretary, Department of Posts is the Chairman of the Board and Director General of India Post. The three Members of the Board hold charge of Operations, Development and Personnel respectively. The Joint Secretary who is also the Financial Adviser to the Department is a permanent invitee to the Board.

4. The Committee have considered in detail the Demands of Grants in respect of the Department of Posts for the year 1998-99. The evidence tendered by the Secretary and other senior officials of the Department has helped to clarify various aspects relating to the operation of Postal Services in the country, the Plan targets, achievements and the shortcomings. The performance profile of the Department, details of examination and the recommendations of the Committee are given in the succeeding paragraphs.

Demands for Grants

4(a). Brief summary of Demands for Grants 1998-99 is indicated below:

(Rs. in crores)

	Actuals 1996-97	BE 1997-98	RE 1997-98	BE 1998-99	%increase of Col.5 over Col.2	%increase of Col.5 over Col.4
Revenue Section						
Gross Expenditure	2982.32	3138.99	3677.99	3788.51	27.03%	3.00%
Deduct: Recoveries	1064.44	725.00	1144.10	1192.00	11.98%	4.19%
Net Expenditure	1917.88	2413.99	2533.89	2596.51	35.38%	2.47%
Postal Receipts	1214.62	1605.00	1625.00	1700.00	39.96%	4.62%
Deficit	703.26	808.99	908.89	896.51	27.48%	1.36%
Capital Section						
Gross Expenditure	54.32	74.51	57.52	74.99	38.05%	30.37%
Recoveries	10.49	11.00	11.00	11.50	9.63%	4.55%
Net Expenditure	43.83	63.51	46.52	63.49	44.86%	36.48%

5. It would be seen that the Gross Expenditure projected for 1998-99 is Rs.3788.51 crores which shows an increase of 3 percent over RE 1997-98. The Department of Posts has stated that this increase is to cater to the normal growth, effect of Vth Central Pay Commission, Pensionary Charges, Productivity Linked Bonus and increased office expenses.

6. Under Capital outlay increase of Rs.17.47 crores is mainly on account of construction of buildings, Mail Motor Services and RMS Vans.

7. Deficit of Rs. 896.51 crores is higher by 27.48% over 1996-97 Actuals but slightly less than Rs. 908.89 crores projected in 1997-98 (RE).

8. Financial outlay and the actual expenditure statement of the Department of Posts on various Plan Schemes during 8th Five Year Plan (1992-97) are as under:

(Rs. in lakhs)

Sl. No.	Particulars of the Scheme	Total Outlay as per VIII Five year Plan (1992-93 to 1996-97)	Actual Expenditure during VIII Five Year Plan	%age achievement Col. 3 & 4
I.	Expansion of Postal Network	2700	2270	84.07
II.	Upgradation of Technology	19187	12939	67.44
III.	Material Management	470	180	38.30
IV.	Training	741	654	88.26
V.	Mail Vans	313	8	2.56
VI.	Speed Post	557	329	59.07
VII.	Mail Motor Vehicles	525	761	144.95
VIII.	Marketing	727	361	49.66
IX.	Postal Life Insurance	647	401	61.98
X.	Postal Building & Staff Quarters	14033	18789	133.89
XI.	National Saving (PO SB)	200	98	49.00
	Total	40100	36790	91.75

9. It is seen from above that so far as 8th five year plan is concerned the Department of Posts could achieve the financial targets upto 84 percent on Expansion of Postal Network; upto 67 percent on Upgradation of technology; 38.3 percent on Material Management. On Mail Vans achievements were merely 2.56 percent. Against total outlay of Rs.401 crores DoP could utilise Rs.367.90 crores *i.e.* 91.7% of the total outlay. Only in the case of 2 schemes *viz.* Mail Motor Vehicles and Postal Buildings & Staff Quarters actual achievements were higher than that anticipated.

10. The Committee desired to know the areas of shortfall in physical terms during the Eighth Five Year Plan. In reply, it was stated that the major areas of shortfall were Departmental Sub-Post offices (DSOs) where against the revised target of 650 only 466 DSOs were opened; Panchayat Sanchar Sewa Kendras where a target to open 2500 Panchayat Sanchar Sewa Kendras was fixed during the 8th Plan but after the Mid-Term Review, actual targets to open 750 Panchayat Sanchar Sewa Kendras was set under the Annual Plans in the period 1995-97, out of which only 670 could be opened. In the case of computer based multipurpose counter machines (MPCMs), against the target to supply 5000 MPCMs only 2660 machines were installed in about 900 post offices. Automated mail processing systems were proposed to be provided in Chennai, Delhi and Mumbai to expedite transmission of pincoded mails to and from metro cities through machine processing. The target is partially achieved in respect of Chennai and Mumbai while the project for Delhi stands deferred to the 9th Plan on the recommendation of the Planning Commission. In the case of in-service training programme for operative staff, against the target of 33200, the achievement was 31333. Similarly, in Savings Bank refresher training programme against the target of 18700, training could be imparted to only 16962 officials. Again in Computerisation of Postal Store Depots (PSDs) and Network, under the Materials Management cell only 31 PSDs could be computerised against the target of 46. Under the scheme Construction and remodelling of Railway Mail Vans against a target to construct 20 new Railway Mail Vans and to remodel 50 Vans, only 20 vans were remodelled and none was constructed. For transportation of mails 284 mail motor vehicles were provided against the target of 384.

11. Asked about the reasons for the shortfall in achievement of the target for supplying of MPCMs during the Eighth Plan, the Secretary, DoP stated in evidence that during the first 2 years the pace was very

slow. There were 2-3 major reasons for this. For instance, Department took time to have the software with necessary safeguards and security measures. It took time to develop the software as it was being introduced into postal system for the first time.

12. It was submitted that the pace of implementation picked up during 1994-96. Again, in 1996-97 due to change in specifications for MPCMs, a fresh Expenditure Finance Committee(EFC) proposal was formulated by the Department for the purchase of the machines, however, due to procedural delays, the purchase could not be made in 1996-97. Only 360 machines, spillover from the previous year, were supplied in 1996-97 resulting in shortfall in the year 1996-97 and under the 8th plan.

13. The Committee enquired as to how the Department proposed to make up the shortfall in the target of installing 5000 MPCMs. In reply, it has been stated in a written note that the Department can meet the shortfall of the Eighth Plan provided sufficient funds are made available. It was further stated that DoP was also examining the possibility of obtaining hardware on lease with a view to procure more hardware with the funds now allocated. However, this would require a major policy change. It was stated that the Postal Department in that case will have to be declared an 'Infrastructure Sector' like Telecommunications, Power etc. so that the funding for the same could be done on suitable terms through leasing institutions at a sustainable rate of interest.

Panchayat Sanchar Seva Yojana

14. The Department of Posts had formulated an innovative scheme, Panchayat Sanchar Sewa Yojana, to extend basic postal services to Gram Panchayat villages through a contractual system on a lower operational cost than an Extra Departmental Branch post office. It is observed that against the revised target of opening 750 Panchayat Sanchar Seva Kendras (PSSK), the achievement was 670 only. It has been stated that in view of the on-going reassessment of the scheme, no target has been proposed for the 9th Plan.

15. In a written reply to the Committee, it was stated that the reassessment of the scheme was taken by the Department during the month of October 1997 and feed back was called for from all the 11 Circles where the Scheme was functioning. Out of these

11 Circles—Rajasthan, Karnataka, Bihar, Gujrat, Himachal Pradesh, Haryana and Orissa Circles have assessed that the scheme has not been successful and the reasons forwarded by them for this are summed up as follows:

- (1) The PSSKs are not remunerative and there is no scope for their improvement as the State Govt. and the Panchayat Heads are not cooperating with the Deptt. and are in favour of opening full-fledged EDBOs in the villages.
- (2) The scheme is working at a heavy loss and people do not seem to be taking advantage of the scheme. Responsibility for effective manning of a Sanchar Kendra is with the Gram Panchayat who do not seem to be interested in the scheme.
- (3) In the hilly areas the Panchayat Sanchar Seva Agent has to traverse long distances for rendering daily accounts to the Account offices and other postal works which is one the reasons for making the scheme unworkable.
- (4) There is lack of patronage from the public for the scheme.
- (5) The Panchayat authorities have not been in a position to nominate/select an agent to be appointed under the scheme due to local conflict among various groups associated with the Panchayats.

16. It was also stated that only Madhaya Pradesh Circle was in favour of the Scheme as providing a cheap and useful infrastructure in the rural areas.

17. During evidence, the Committee enquired about the procedure adopted by the Department to motivate the panchayats. In reply, Secretary, DoP stated that they had instructed the field officers and the superintendent inspector, post offices to get in touch with the Gram Panchayats and explain to them about benefits of the scheme.

18. The Committee pointed out that the above mentioned approach was not appropriate to motivate the Panchayats to opt for the scheme and that the Department should interact with them at higher levels including Circle and Board levels. In reply, the witness stated that some of the problems had been diagnosed and Department was trying to solve them.

19. The Committee during examination of demands for grants(1997-98) of the Department of Posts was informed that with the failure of Panchayat Sanchar Seva Yojana, two other schemes *i.e.* Licensed Stamp Vendors (LSV) and Licensed Postal Agents(LPAs) were being given importance in the villages where it was not possible to open post-offices. Again, as mentioned in the 14th Report on Postal Network, a representative of Postal Employees' Union had deposed before the Committee that they considered these schemes as anti-workers and therefore were opposed to them. Consequently, these schemes could not make headway. The Committee had therefore strongly recommended that DoP should take representatives of Postal Unions into confidence and discuss their points of view in respect of the two schemes so that they could be successfully implemented.

20. Asked in this context the witness submitted that inspite of the resistance by the employees' associations, the vendors schemes were in operation and that there were 2593 licensed vendors in the country.

Training Programmes

21. As regards reasons for shortfall in achievement of target for training officials, one of the reasons was stated to be non-attendance of training courses by some officials due to urgent official matters/ leave etc.

22. The Committee finds that the proposed gross Budget Expenditure of Rs. 3788.51 crores for 1998-99 is marginally higher by 3 per cent over the Revised Estimates of Rs. 3677.99 crores during 1997-98. The net expenditure is only 2.47% higher than revised estimates of previous year. However, if the impact of inflation ranging 6 to 7 percent is taken into account, the gross expenditure during current year in real terms works out to be less than previous year. For a services-oriented Department, which has to cope with the urgent demands like opening of new post offices in rural areas and expanding urban conglomerates, the provision is grossly inadequate.

23. At the same time, an analysis of the performance of the Department during the 8th Plan, brings out the fact that in respect of achievement of financial targets, the trend is towards under-utilisation of funds. The Committee is in fact disturbed to note that during the 8th Five Year Plan out of the Plan outlay of Rs. 401.00 crores the Department of posts could utilise only

Rs. 367.90 crores on its various schemes. This trend is more evident in the important area of modernisation. On certain schemes, like Mail vans and Material Management, the expenditure is very negligible. The Department could spend just Rs. 0.08 crores on Mail Van against the allocation of Rs. 3.13 crores and on 'material management' only Rs. 1.80 crores against the allocation of Rs. 4.70 crores. It is highly deplorable that DoP failed to utilise the meagre funds allotted to it. Even in speed post which is a highly profitable scheme, the financial target could not be achieved. Against the plan allocation of Rs. 5.57 crores only Rs. 3.29 crores i.e. 59% of the outlay could be utilised. Upgradation of technology which was the thrust area during the 8th plan did not get the attention it deserved. Against the outlay of Rs. 191.87 crores, Rs. 129.39 crores i.e. only 67.44 crores was utilised. These figures point to lack of efforts on the part of the Department to achieve targets. On training which is one of the important activities of the Department, out of Rs. 7.41 crores allocated during 8th plan Rs. 6.54 crores was utilised. On 'Marketing', out of Rs. 7.27 crores, only Rs. 3.61 crores were spent. Financial targets of 'PLI', another profit earning activity of the Department also remained unachieved. Against Rs. 6.47 crores only Rs. 4.01 crores could be spent on this scheme. On National Saving Schemes out of Rs. 2.00 crores only 0.98 crores could be utilised. The Committee is seriously concerned about this trend of under-utilisation of allotted funds as this would result in the Plan targets remaining unfulfilled. The Department of Post should therefore intensify its efforts and ensure that the funds allotted are spent and the physical targets are achieved.

24. The Committee notes with concern that the achievement in case of Multi-Purpose Counter Machines (MPCMs) which has brought about a significant transformation of post-offices specially in urban areas, was far below the set target. Against a target of providing 5000 MPCMs, only 2660 could be provided. The reason for shortfall was stated to be failure to acquire machines during 1996-97 due to some procedural delays. Such reason is hardly convincing. The Committee is of the view that with due care procedural delays during the 9th Plan should be avoided through foresight and proper planning.

25. The Committee is informed that in order to supplement the availability of funds to make up the shortfall of the 8th Plan, DoP is examining the possibility of obtaining hardware on lease so that it may procure more hardware but this will require some policy changes, the Committee desires that Department of Posts should take an early decision in this regard.

26. The Committee views with concern that even after reassessment of the Panchayat Sanchar Sewa Kendra Scheme in 1997, on the basis of feedback from various circles where the scheme was functioning, the Department has not been able so far to devise an alternative scheme. Further, it appears that the scheme was introduced without a proper study about its acceptability and workability, which was a serious lapse in functioning of the Department. The Committee is not convinced of the assumption that the Panchayat heads were not willing to cooperate with the Department. In fact it feels that the Panchayats were not approached in a serious and constructive manner. The interaction with them should be at the circle level rather than at the lowest functionary level and they should be made aware of the merits of this scheme. The Committee would like that Post Master Generals/Sr. Supdt. of Post Offices should be made responsible for interacting with the Panchayats and should prevail upon them to open post-offices in their areas. The Committee feels that with correct approach and removal of the main drawbacks of Panchayat Sanchar Sewa Kendra Scheme and also interaction at higher level with the elected representatives, the scheme can be operated successfully.

27. The Committee further notes that out of 11 Circles where the Panchayat Seva Kendra Scheme was functioning, assessment reports of 7 circles shows the failure of the scheme whereas Madhya Pradesh Circle reported it to be a success. The Committee would like to be apprised of the assessment report of the remaining three Circles where the scheme is functioning.

28. The Committee is of the opinion that as the proposal of opening of more post offices is the thrust areas during the Ninth Plan can not be speedily or satisfactorily implemented due to staff shortage due to non-sanction of creation of posts by Ministry of Finance, the only alternative seems to be opening of more Service Centres on the pattern of Panchayat Sanchar Seva Kendra. The Committee therefore recommends that the Department should make serious efforts to review PSSK Scheme at the earliest.

29. The Committee notes that Department of Posts had started two schemes of Licensed Stamp Vendors (LSV) and Licensed Postal Agents (LPA) to provide basic postal facilities in the villages, where it has not been possible to open post-offices on the basis of prescribed criteria. It further notes that there are only 2593 licensed vendors in the country and the scheme could not make progress due to resistance by the Postal Employees' Association. The Committee reiterates that the Department of Posts should make utmost efforts to arrive at agreement with the Unions, take them into confidence and try to remove their apprehensions so that these schemes may be implemented in a much wider scale.

30. The Committee is distressed to note that training targets could not be achieved during the 8th five year plan. One of the reasons is stated to be that some staff did not attend the programme. Against the target of 33200 & 18700 for in-service training and saving bank refresher training programme, training could be imparted to 31333 and 16962 officials respectively. The Committee recommends that since such training programmes are organised at huge cost, the Department should not allow the efforts to go in vain, and some corrective measures be taken in advance to make these programmes successful. If necessary appropriate action should be taken against the staff who are not cooperative.

Ninth Plan Outlay

31. Financial outlays for the IXth Five Year plan, Annual Plan 1997-98, BE, RE 1997-98 & Annual Plan 1998-99 are indicated in the table given below:

Sl. No.	Particulars of Scheme	Outlay as per Draft IXth Five Year Plan (1997-2002)*	BE 1997-98	RE 1997-98	Annual Plan 1998-99
1	2	3	4	5	6
1.	Expansion of Postal Network	3427	355	355	503
2.	Upgradation of Technology	14170	2993	2996	2003

1	2	3	4	5	6
3.	Human Resource Development	1330	279	279	294
4.	Modernisation of Mail Processing	18000	879	457	1272
5.	Business Development & Marketing	3070	385	363	425
6.	Computerisation of Saving Bank in Post Offices	595	119	119	125
7.	Postal Life Insurance	1671	400	401	435
8.	Philately	512	50	50	85
9.	Postal Building and Staff Quarters	13000	3500	2650	3980
10.	Streamlining of Administrative and Financial Management	2225	540	330	378
Total		58000	9500	8000	9500

*As proposed to Planning Commission.

32. The Committee was informed that the DoP had proposed an outlay of Rs. 754.76 crores for the IX Plan but the Planning Commission has approved outlay of Rs. 580 crores. The Committee desired to know the schemes in which the Department was forced to reduce the financial outlay. In reply, it was stated that under head 'Upgradation of Technology' for Multi Purpose Counter Machines they had proposed Rs. 45 crores which is now reduced to Rs. 36 crores; under Satellite Money Orders scheme, there was a proposal for setting up of one hub where they proposed Rs. 30 crores which has been reduced to Rs. 10 crores. For Modernisation of Post Offices the target has been reduced to Rs. 33.53 crores from Rs. 60 crores. Then for Upgradation of Operational Equipment for Sorting, the target has been reduced from Rs. 150 crores to Rs. 115 crores; provision for OCR facility from Rs. 14 crores to Rs. 11.50 crqres; for a culling, phasing and cancellation the target has again been reduced from Rs. 14 crores to Rs. 11.50 crores.

33. Following are the Details of Areas of Shortfall under annual Plan 1997-98

Sl. No.	Plan Scheme/Activity	Physical	Achievement	Percentage achievement
1	2	3	4	5
I. EXPANSION OF POSTAL NETWORK				
1.	Opening of Extra Departmental Sub Post Offices	500 EDBOs	402	80
II. UPGRADATION OF TECHNOLOGY				
1.	Computer based MPCMs	1000 Machines	918 (including 146 LANs for savings work)	92
2.	Setting up Extended Satellite Money Order Centres	350 modems in 35 centres	318	91
3.	Premium Savings Bank Service	3 cities	dropped	
4.	Mechanical equipment	2000 Machine engraved hand cancellors	—	0
5.	Provision of diesel operated fork lift trolleys for forms stores	4 trolleys	0	0
6.	In-house printing and paper cutting machines	5 printing & 5 paper cutting machines	0	0
7.	Computer networking of PSDs	All 46 PSDs and Directorate	Completed spill over computerisation of 15 PSDs	
III. MODERNISATION OF MAIL PROCESSING				
1.	International Mail Office computerisation	3 offices	0	0
2.	Computerisation of International Mail operation and accounts	3 Head Record Offices and administrative Branch	0	0

1	2	3	4	5
3.	Railway Mail Service Van Fabrication	2 Vans	0	0
4.	Modification of existing RMS Vans	6 Vans	0	0
5.	Modernisation of mail processing centres	6 bar coding machines dropped at RE & ancillary systems		
VI. BUSINESS DEVELOPMENT & MARKETING				
1.	Mechanisation of pick up	10 centres	3	30
2.	Mass mailing, inserting and sealing equipment	1 centre	dropped at RE stage	
V. POSTAL LIFE INSURANCE				
1.	Human Resource Development	500 officials	490	98
2.	Market surveys	1 survey	0	0
VI. POSTAL BUILDINGS AND STAFF QUARTERS				
1.	Completion of post office/ mail office buildings	80 post offices 4 mail offices	53 1	66 25
4.	Photovoltaic systems	100 systems	0	0

Extra Departmental Branch Offices (EDBOs)

34. During IX Plan, DoP has proposed opening of 2500 EDBOs and 250 Sub Post Offices. The target for the year 1997-98 was 500 EDBOs. Out of these only 402 EDBOs were opened during 1997-98. The primary reason for the shortfall was stated to be that the required number of posts asked for opening of post-offices was not sanctioned by the Ministry of Finance.

35. When asked about the steps taken to persuade the Ministry of Finance, the Secretary, DoP stated that the Department had been writing to them continuously for sanctioning more posts.

Multi Purpose Counter Machines (MPCMS)

36. As regards the function of MPCMs, it has been stated during evidence that this machine performs all postal functions i.e. registration,

saving bank transaction, Postal Life Insurance transactions, speed post transactions, money order etc. All functions that a customer wants to perform can be done at the same counter and he will not have to move from one counter to another.

37. During 1997-98, the target was to supply 1000 multi-purpose counter machines but only 918 machines were supplied. The reasons for shortfall was stated to be inability on the part of the vendors to fully implement the orders placed by the Department.

38. Clarifying the position during evidence, the Secretary, DoP stated that vendors posed a problem at times in the case of supplies of machines to North-Eastern States or difficult areas.

39. During evidence, the Committee wanted to know the criteria adopted by the Department for selecting post offices for installing the MPCMs. In reply Member(O), DoP submitted that priority wise they are installed at Head Post Office, Selection Grade Post Office and then Sub-Post Offices. It was further submitted that they had not been able to instal such machines at rural post offices till date.

40. The target for 1998-99 for MPCMs has been fixed at 500 as against 1000 machines during 1998-99. The reasons for the reduced target was stated to be inadequate allocation which has been reduced from the proposed Rs. 754 crores to Rs. 580 crores for the IXth Plan. Consequently, the target for entire 9th plan is reduced to 4000 and for 1998-99 to 500 machines.

41. The Committee is perturbed to note that the approved IX plan outlay of the Department of Posts has been reduced to Rs. 580 crores against the proposal of Rs. 754.76 crores submitted by the Department. The Department has been forced to reduce allocation on such vital schemes as upgradation of Technology, Modernisation of Post Offices; Satellite Money order and upgradation of equipments for sorting etc. These schemes are of utmost importance for the Department which still carry its century old conventional look. The conventional methods of operations, not only retards efficiency and productivity which is the crying need for the Department to cope with the ever increasing work load and developing competitive environment, but also deter the young and brilliant people from joining postal service. The Committee, therefore, strongly recommends that more and more resources should be provided to DoP to implement its important schemes like modernisation and expansion of postal network.

42. The Committee is perturbed to find that annual plan outlay of Department of Posts for the year 1998-99 at Rs. 95 crores is at the same level as it was in the previous year's Budget Estimates. The Budget Estimates(BE) during 1997-98 was Rs. 95 crores which was reduced to Rs. 80 crores in the Revised Estimates. The Committee strongly feels that this increase of Rs.15 crores in the plan outlay shows no growth or merely a marginal growth if price escalation that has taken place during the past year is taken into consideration. The Committee hopes that the provision of Rs. 95 crores will be suitably stepped up at the RE stage in consonance with the needs of the Department.

43. The Committee is unhappy to note that the Department of Posts could not achieve its target of installing Multi-purpose counter machines not only during VIII Plan, but in 1997-98 also which happens to be first year of the Ninth plan. Against the target of supplying 1000 machines, 918 could be supplied during 1997-98 and 2660 during the VIII plan against the target of 5000. The reason for the same is stated to be inability on the part of vendors to fully implement the orders specifically in case of supplies of machines to North-Eastern States and difficult areas. The Committee hopes that for the current year sufficient purchase orders would be placed well in advance with reliable vendors and bottlenecks be removed well in time to fully achieve the target set for 1998-99.

Modernisation of Post Offices

44. During evidence a representative of the Department of Posts informed that the programme of modernisation was started as a sequel to introduction of computer-based counter machines, when it was found that merely providing the machines in the old post office environment was not having the desired effect. It was elaborated that the modernisation of a post office also includes display of information regarding identification of counters etc. so that customers can straightway understand to which counter they have to go.

45. So far the target in respect of Modernisation of Post Offices during the 9th Five Year Plan is concerned, it was stated that the initially the target was to modernise 1025 post offices with a total plan outlay of Rs. 754.76 crores. However, with the reduction of the total plan outlay to Rs. 580 crores only, the target for the programme has been cut down to 505 post offices. Also, since during 1997-98, 308

post offices were modernised against the target of 205 post offices, the Department had stated to have reduced the target to modernise 50 post-offices during 1998-99.

46. It may be noted, as stated during evidence, that there are in total 1,53,000 post offices, out of which 24,000 post offices are in the urban areas. The Committee pointed out that out of 24,000, the Department had selected only 50 offices for modernisation. To this the witness responded that they had already covered 1000 post offices.

47. The Committee notes that the Department of Post undertook the programme of modernising the Post Offices as a sequel to introduction of computer-based counter machines as it was found that mere providing these machines was not helpful. The Committee is deeply concerned to note that out of total of 1,53,000 post offices in the country and 24,000 post offices in the urban areas, the Department had modernised 1000 post offices and propose to modernise just 50 post offices in 1998-99. The Committee fails to understand that with such a low target how much time the Department will take to modernise all the post offices in the country in a given time-frame. The Committee, therefore, recommends that the targets of modernising the post offices should be enhanced suitably and at least must keep pace with the computerisation of Post Offices as modernisation of Post Offices is a prerequisite to installation of computer-based counter machines.

Engraved Hand Cancellers

48. During 1997-98 none of the engraved hand cancellers machines could be supplied against the target of 2000. The reasons for the same was stated to be that the central ordnance factory did not manufacture the cancellers. The target for 1998-99 has been kept at 10000.

Modernisation of Mail Processing

49. In a note furnished to the Committee, DoP has stated that to give focus to programmes relating to mail processing initiated in the 8th plan under the scheme 'upgradation of technology', a separate scheme for 'Modernisation of Mail processing' has been introduced. When asked what new initiatives and reforms the Department proposed to introduce in Mail Services to provide quicker and more reliable and responsive services to the customers during the IXth Plan, it was stated in a subsequent note submitted to the Committee that during

the IXth Five Year Plan, the Department proposes to continue and expand its programme of induction of technology into mail processing, mail monitoring and deliveries.

50. Under Annual Plan 1998-99, it is proposed to undertake the following projects:—

Name of Project	Target Fixed
1. TMO Computerisation	05 Transit Mail Offices
2. Computerisation of Registration	05 Mail Offices
3. HRO Computerisation	10 Head Record Offices
4. Modernisation of Mail Offices	20 Mail Offices
5. Computerisation of Registration	10 Post Offices Delivery
6. Upgradation of Mail Net	15 Centres
7. Upgradation of operational equipment for delivery	75 Mopeds to delivery staff

Purchase and Replacement of Railway Mail Service Vans

51. The Budget Estimates for 1998-99 provides Rs. 8.65 crores for the purchase and replacement of RMS vans whereas in the Revised Estimates for 1996-97 and 1997-98 provision was Rs. 0.36 crores and Rs.1.64 lakhs respectively. The Committee desired to know the reasons for this abnormal increase in the outlay. In reply, DoP in a note has stated that as per long standing procedure, Full Bogie Mail Vans are owned by the Department of Posts but these are obtained through the Ministry of Railways on payment basis. The Railways have plans for gradual introduction of Air-Brake system in all the important trains in the country. The Railways have therefore asked the Department to get the existing mail vans modified and converted into Air Brake system wherever the same is feasible and also to get new Air Brake vans fabricated so as to provide Air Brake vans in the trains in which Air Brake system has been introduced.

52. In pursuance of the above policy of the Ministry of Railways, the Department has the proposal to get 9 existing mail vans modified and converted into Air Brake system for which Rs. 0.36 crores was provided in 1996-97. However, inspite of the best efforts of the Department the Railways couldn't undertake the work during 1996-97 and therefore the amount of Rs.36 lakhs had to be surrendered. During 1997-98 the Department had a proposal to get 6 existing vans modified and converted into Air Brake system for which Rs.24 lakhs were provided in the year 1997-98. In addition they had the proposal to get 2 new Mail Vans with Air Brake system fabricated through the Ministry of Railways for which an allotment of Rs.1.40 crores was made during 1997-98 bringing the total to Rs.1.64 crores. It is seen that the achievement against the set targets during 1997-98 is again nil.

53. The Department has again demanded Rs. 8.16 crores during the year 1998-99 for manufacture of 12 new Air Brake Vans through Railways and Rs 0.49 crores for modification and conversion of 20 existing vans into Air Brake vans making the total demand to Rs.8.65 crores.

54. During evidence the Committee enquired whether the Department expected some improvement during 1998-99. In reply the Secretary, DoP submitted that this year Ministry of Railways have entrusted the work of construction and remodelling of Mail Vans to Bharat Earth Movers Limited(BEML).

55. Supply of engraved hand cancellers machine is one of the major schemes under Head "Upgradation of Technology". The Committee finds that during 1997-98 against the target to supply 2000 engraved Hand Cancellers machines the achievement was nil. The reason for shortfall in target which is stated to be non-fabrication of the cancellers by the Central Ordnance Factory is not plausible. The Committee is at a loss to understand how a target of 10,000 would be achieved during 1998-99 when the achievement during 1997-98 was nil. The Committee expresses its grave concern over this huge slippage in the achievement of target. The Committee therefore urges the Department to identify the bottlenecks and apply correctives well in time to achieve the plan projections.

56. The Committee observes that a separate head of 'Modernisation of Mail Processing' is made during the 9th Plan to provide focus to programmes relating to mail processing initiated in the 8th Plan. Under the abovesaid Head for the schemes *viz.* International Mail Office computerisation, Computerisation of International Mail operation and accounts, Railway Mail Service Van fabrication, Modification of existing RMS vans no progress has been made during 1997-98. The scheme 'modernisation of mail processing centres' was dropped at the RE stage. The Committee takes a serious note of it and will like to be apprised of the reasons for non-initiation of this scheme. The Committee desires that the Department should identify all the difficulties which resulted in tardy implementation of the schemes and draw suitable lessons from them so that the targets set for 1998-99 are fully achieved.

57. The Committee is surprised to note that under the Purchase and Replacement of Railway Mail Service Vans scheme, physical target of construction of 20 Vans could not be achieved during the 8th Five Year Plan and during 1997-98 also. Similarly, during 1997-98, DoP had a target to remodel 6 existing vans & get 2 new mail vans and that too remained unachieved. The target for 1998-99 is fixed for getting 12 new vans & remodelling of 20 existing vans for which an amount of Rs.8.65 crores has been allocated. The Department is stated to have been making continuous efforts to implement the scheme. Construction & remodelling of mail van being the high priority activity of the Department, the Committee would like the Department to ensure that the amount allocated during 1998-99 for construction & remodelling of vans is put to optimum use.

Opening of Village Post Offices

58. Opening of Post Offices is determined on the basis of three norms namely, distance, population and anticipated income and cost as laid down by the Department, according to which the distance between two post offices should not be less than three kilometers and the population in rural area should not be less than 3000. But this is relaxable in case of hilly, desert and inaccessible areas where the population in a village should be 500 and for a group of village it should be 1,000. The income norm is $33\frac{1}{3}$ percent of the total cost for a post office in a normal rural area. In a desert or inaccessible area, it is 15 percent of the cost.

59. Circle-wise details of total number of Villages justifying opening of Post-Office on the norms of distance and population as on 31.3.97 are as under:-

Sl. No.	Name of Circle	No. of villages justifying for opening of P.O. as per norms
1	2	3
1.	Andhra Pradesh	32
2.	Assam	50
3.	Bihar	2354
4.	Delhi	-
5.	Gujarat	259
	Dadra & Nagar Haveli	1
	Daman & Diu	-
6.	Haryana	12
7.	Himachal Pradesh	69
8.	J & K	286
9.	Karnataka	195
10.	Kerala	-
	Lakshadweep	
11.	Madhya Pradesh	518
12.	Maharashtra	534
	Goa	2
13.	North East	
	Arunachal Pradesh	68
	Manipur	144

1	2	3
	Meghalaya	134
	Mizoram	20
	Nagaland	165
	Tripura	36
14.	Orissa	203
15.	Punjab	10
	Chandigarh	-
16.	Rajasthan	125
17.	Tamil Nadu	28
	Pondicherry	-
18.	Uttar Pradesh	755
19.	West Bengal	24
	Sikkim	-
	Andaman & Nicobar Island	2
	Total	6026

60. Asked about the constraints in opening of post-offices in all the above mentioned villages which justify having post-offices, the Secretary, Posts stated in evidence that only constraint was that of getting the required number of staff as creation of posts requires the sanction of the Ministry of Finance. There is no other constraint, and that is why Department is moving gradually. In reply to another query, the Secretary stated that places at which new post offices are required to be opened on the basis of prescribed norms have been identified. Asked if all the 6000 post-offices can be opened during IXth Plan, if required staff is sanctioned, the witness replied in affirmative.

61. Asked about the financial implications in opening of 6000 post-offices during Plan period, the witness stated that roughly for each

branch post-office, expenditure is about Rs. 25000 per year. But once there is pay hike and service conditions are changed for the rural postal employees, the cost will go up.

62. The Committee is unhappy to note that there are more than 6000 villages in the country which qualify for opening of post-offices on the basis of norms prescribed by the Department of Posts but have been denied this facility for want of sanctions of requisite staff by the Ministry of Finance. At the present reckoning, the expenditure on each village post-office would be about Rs. 25000 per annum and aggregate expenditure on opening of 6000 villages will be Rs. 15 crores. The Committee does not consider this amount to be high so as to deny postal facilities to eligible villages. On the other hand, the Committee finds this amount to be totally insignificant considering the gross total expenditure of the department at Rs. 3788.5 crores. The Committee, therefore, strongly feels that there is hardly any justification denying post-offices to 6000 eligible villages and recommends that Post-Offices should be provided in all these eligible villages in a given time frame within the IXth Plan period. The Committee also desires the Department of Posts to see if the norms for opening post-offices can further be relaxed with a view to providing post-offices in more and more villages.

Speed Post

63. Speed Post is one of the profitable services provided by the DoP and it holds promises for further growth. The Secretary, Department of Posts apprised the Committee that there was an improvement in the revenue generation. As against last year's revenue of Rs. 69 crores, this year they have earned Rs. 77 crores. They have improved their traffic and revenue position in the speed post segment.

64. The Committee drew attention of the Department towards corresponding improvement in the position of private operators, the Secretary, DoP admitted that there was no doubt that private operators got a major market share but Department of Posts was also trying to increase their market share by providing better marketing and better customer service. They had also mechanised the delivery systems in important cities.

65. As regards problems faced by the Department to further improve the services, it was stated that DoP is not in a position to work as per commercial parameters as sufficient discretion cannot be

vested with the employees who actually operate the services and the second is the staff constraint.

66. To a suggestion of the Committee to have their own motor vehicles etc. to make Speed-Post service more effective, the witness stated that they had engaged some mopeds in the outlying areas.

67. During evidence the Committee desired to know whether the department had any special staff for delivering the speed-post articles or for this purpose the usual post-office staff is used, the witness submitted that so far it was done without demarcation but now it was proposed to have dedicated group and for that they had asked all the circles to arrange the manpower. Although for this purpose they will have to redeploy their staff.

68. The Committee was further informed that the DoP has prepared a paper suggesting setting up a focussed managerial group so that they can look after speed-post as a whole time job and give full attention which it deserves.

69. The Committee notes that there is improvement in revenue and traffic position in the speed post segment. This year revenue is Rs. 77 crores as against to Rs. 69 crores during 1996-97. The Committee desires the Department to make all out efforts to improve marketing, customer service and the delivery system so as to improve their market share in a competitive environment and withstand the challenges of private courier service who have got market shares of Rs.700 crores against the Department shares of merely Rs. 103 crores.

70. The Committee also desires that as proposed by the Department some dedicated staff should immediately be arranged to provide speed and attention which the speed-post service deserves. It will certainly help the Department to raise traffic and earn more revenue in the speed-post segment.

Postal Buildings and Staff Quarters

71. The Committee was informed that development and maintenance of appropriate buildings for the modernised systems and staff quarters for the employees are among the identified priorities of the Ninth Plan. The proposed Ninth Plan outlay under this head is Rs. 130 crores and Rs. 39.80 crores has been provided in the B.E. for 1998-99.

72. The Committee was further informed that the present level of availability of staff quarters in DoP was only 7% and there was a need for considerable work in this area during 9th plan so that the level of satisfaction in this department could be raised to a level comparable with other major departments like the Railways, All India Radio and Directorate of Estates where the satisfaction level is 34%, 50% and 19% respectively.

73. VIIIth Five year plan aimed at providing 242 operative office buildings and 1000 staff quarters, the achievements against which were 251 operative office buildings and 1008 staff quarters. IXth five year plan has a target of 400 post offices, 20 mail offices, 7 administrative office buildings and 950 staff quarters. The Plan outlay during VIIIth five year Plan on Postal Buildings and staff quarters was Rs. 140.33 crores and the actual expenditure incurred was Rs. 187.89 crores. Asked about the reasons for the reduced outlay for Postal buildings and staff quarters during IXth Plan which also includes an estimated amount of Rs. 48 crores for completion of spillover projects from the 8th Plan, it was submitted that it was done in view of the directive of the Planning Commission during discussion on the 9th Plan proposal to reduce emphasis on this activity and also considering the overall budgetary support for the draft Ninth Plan indicated by the Planning Commission.

74. The Committee is distressed to note that the Financial outlay for the IXth five year plan on Postal Building & Staff Quarters has been reduced to Rs. 130.33 crores against financial outlay of Rs. 140.33 crores during the VIIIth plan whereas the actual expenditure during VIIIth plan was Rs. 187.89 crores. The Department intends to construct 950 staff quarters besides completing 400 post offices, 20 mail offices and 7 administrative office buildings for which the Committee feels the funds allocated would remain inadequate. Keeping in view the present level of availability of staff quarters which is grossly inadequate at 7% as compared to other departments like Railways, AIR and Directorate of Estates where the satisfaction rate is 34%, 50% & 19% respectively, the Committee strongly recommends that larger number of staff quarter should be constructed and fund allocation should be adequately stepped up in consonance with the need of the Department.

Premium Saving Bank Service

75. During 1997-98 the Department of Posts proposed to extend Premium Savings Bank Service (PSBS) available at Delhi to 3 more

cities but the achievements was nil. It was decided to review this service before extending this service to other cities by studying the response at Delhi.

76. The Committee enquired whether the deptt. had made any study to assess the response of PSBS at Delhi and what decision was taken in regard to extending PSBS to other cities. In reply it was submitted that since the introduction of the pilot projects of PSBS in Delhi on 15.11.96 this service could not get good response from the users (151 Smart Cards are in operation in Delhi). Hence the introduction of the service at other cities had been deferred.

77. It was further stated that not only the deficiencies and poor response of the public for this service was being studied but also the incentives and other benefits being provided by the competitors (some Nationalised Banks and Foreign Banks) to the customers were being ascertained to help reviewing the scheme as a whole.

78. The Committee observes that the Department of Posts proposed to extend the Premium Saving Bank Services available at Delhi to 3 more cities after studying the response at Delhi, but the proposal has been deferred. The Committee notes that besides study of poor response of the customers, some incentives and other benefits to be provided to the customers are being ascertained by the Department to help a proper review of the scheme. The Committee desires the Department to take immediate steps to revive this important scheme so that the people can be benefited at the earliest.

Postal Life Insurance (PLI)

79. Postal Life Insurance Scheme was extended to rural areas on March 25, 1995 and its performance during 1995-96 & 1996-97 is as given below:

Year	Rural Postal Life Insurance No. of Policies	Performance Sum Assured (Rs. in crores)
1995-96	2,37,557	733.56
1996-97	2,00,570	577.22

80. It will be seen that the number of rural Postal Life Insurance (PLI) policies has come down. Asked about reasons, it was stated that there was a need of additional hands for rural PLI work.

81. On the point of simplification of procedure for premature withdrawal of Insurance money, the witness stated that the matter would be looked into.

82. The Committee notes that Postal Life Insurance was extended to rural areas in March, 1995 and in the first year of its operation, the number of Rural Postal Insurance Policies was 2,37,557 and the sum assured was Rs. 733.56 crores. It has come down to 2,00,570 policies with sum assured at Rs. 577.22 crores. The decrease in the number of Insurance policies is stated to be for want of additional hand for Rural PLI work. The Committee takes a serious note that PLI business is being allowed to suffer for want of staff. The Committee recommends that the matter be taken up with the Ministry of Finance at the highest level.

83. The Committee desires that the procedure for withdrawal of insurance money should be simplified with a view to ameliorate the difficulties of rural people and also to expand it in rural areas.

Post Office Saving Bank Accounts

84. During evidence the Committee pointed out that the procedure followed for withdrawing a certain amount from Post-Office Saving Bank Account is that the customer has to produce a witness even if the postal employees of the concerned branch do recognise the customer. In this connection, the Committee enquired whether the Department could think of introducing pass-books with photographs of the concerned customers to facilitate withdrawal without any witness. To this Secretary, DoP reciprocated that they would consider the suggestion made by the Committee.

85. The Committee observes that for withdrawal from Post-Office Saving Bank Account the customer has to produce a witness even if the postal employees of the concerned branch do recognise him. It feels that it might be one of the reasons for deterring people from opening saving accounts in Post-Offices. The Committee would like to impress upon the Department to think of the feasibility of introducing pass-books with photographs to obviate the need for witnesses.

The Committee would also like to be apprised of the decision taken by the Department in this regard.

Delivery of Mail

86. The Committee pointed out that quite often there has been complaints of inordinate delay in the delivery of mail or no delivery at all and enquired about the procedure adopted by the Department to minimise cases of delay in delivery system, the witness submitted that they had launched a 10-point plan and conducted a detailed survey in this regard. It was assessed that 50 to 60% of mail was delivered in time and the rest was getting delayed. The Secretary, DoP admitted that some lapses in delivery of mails might be due to delay on their part also, but there were other factors also involved like needs of transport viz. air, rail as well as State transport buses etc. He further submitted that the Department is making all efforts to ensure timely delivery of mail in urban and rural areas.

87. The Committee pointed out that quite often, there had been serious complaints of pilferage, thefts and loss of valuable articles, cheques, share certificates etc. during transmission of mail and enquired about the measures being taken in this regard. In reply, the Secretary DoP stated in evidence that this was a cause for concern. He submitted that Department had a very meagre vigilance staff available at every level. The problem was further aggravated by the fact that traffic was going up. The investigation and vigilance machinery had come down instead of going up.

88. Asked if the Department had devised any development plan in this connection, the Secretary replied that he was getting monthly reports regarding the position and as to how these cases are settled. He was personally looking into these cases. In 1997-98(till Dec.) DoP has been able to recover Rs. 88.20 lakh. Department is stated to be sparing no effort to minimise such instances because pilferage and theft etc. are direct loss to the Department as it has to compensate the parties whose items are stolen.

89. The Committee was further informed such cases have been reported mostly in respect of Registered articles booked in Calcutta, Mumbai and certain parts of U.P. circles. In most of the cases the articles were found pilfered and the cheques, drafts were encashed through fake accounts opened either in post-office or in banks situated

in Delhi and different places in Assam/Bihar/Haryana circles. The number of such complaints reported during the last 3 years are as under:

Year	No. of complaints received (approx.)
1995-96	826
1996-97	1333
1997-98	1397
Total	3556

90. As regards complaints received during the last 3 years of ordinary mail, registered and insured mail, money-orders etc., the details are as follows:

Year	Unregd. Mails	Registered Mails (Letter+Parcels)	Insured mails (Letters+ Parcels)	Money Orders including Telegraphic M.Os
1995-96	15,426	3,18,659	14,408	286900
1996-97	14,509	2,61,125	13,463	283723
1997-98	12,159	2,74,672	15,354	334977

91. As regards measures to curb such instance, it was stated that thorough enquiries have been conducted in West Bengal, Assam and Delhi Circle. West Bengal Circle had also reported the case to C.B.I. for enquiries. The matter had been critically analysed in the Directorate and an Action Plan was drawn up and sent to the Circles for immediate implementation. The matter had also been taken up with the financial institutions like banks, suggesting certain remedial measures to put a stop to such activities. The matter was also taken up with the Chairman, Securities and Exchange Board of India, Mumbai suggesting certain remedial measures for action at their and Chairman, SEBI has agreed to some of the suggestions. As a result of these actions, complaints regarding such pilferage of postal articles have shown a decrease.

92. The Committee is unhappy to note that only 50 to 60 % of the total mail is delivered in time and the rest is getting delayed. No doubt the Department has to depend on certain other agencies for transportation of mail and much of the delay is reported to be for that reason. However, the Committee would point out that many a time mail is held up because of delayed sorting in post offices. These aspects are required to be looked into and procedure streamlined. A time bound system should be evolved for sorting offices to expedite delivery and transmission of mail. Department of Posts should also ensure that mail is delivered daily in all corners of the country particularly in rural areas and delay in this respect should be looked into.

93. The Committee notes with concern that there are serious complaints of loss of registered & insured mail, money order etc. The number of such complaints for registered mail was 2,74,672, insured mail 15354 and money orders 3,34,977 in 1997-98. The Committee holds that a large number of pilferage and theft of valuables goes unreported.

94. The Committee further notes that cases of pilferage of cheques, demand drafts, share certificates, warrants, refund orders are also on the increase during the last 3 years. There were 3556 such cases reported during last 3 years. The Committee understands that it is a direct loss of revenue to the Department by such cases as it is made to compensate the customer. The Committee takes a serious note of it and desires that stringent action should be taken to avoid such loss of revenue and to bring the erring officials to book. Besides, the vigilance wing also require to be strengthened.

Extra-Departmental Employees

95. The Committee was informed that the recommendations of Justice Talwar Committee which was set up to look into the conditions of service, emoluments and other facilities available to Extra Department employees was awaiting the approval of the Ministry of Finance.

96. In a subsequent note furnished to the Committee, it has been stated that it was decided with the concurrence of Ministry of Finance to enhance the allowance of ED Agents by multiplying their basic allowances by a factor of 3.25 w.e.f. 1.1.96 and accordingly, formal orders were issued by the Department on 12.11.97. However, due to

the opposition of the Staff Federations and in pursuance of their demand, the said orders were held in abeyance on 17.11.1997. Subsequently, a draft note for the Cabinet was prepared by the Department on the recommendations of the Justice Talwar Committee which was however, received back from the Cabinet Secretariat with instructions to place the matter before the new Government. It is supplemented that the matter has now been processed and a fresh Cabinet Note is under finalization.

97. As regards providing accidental insurance to the Extra Departmental Employees (EDAs) it was stated in a written note that for EDAs there is EDA Group Insurance Scheme under which insurance cover of Rs. 10000/- has been provided to them. So far as regular postmen are concerned they have been provided insurance cover under Central Government Employees Group Insurance Scheme (CGEGIS).

98. The Committee strongly feels that already much time has been taken to decide the fate of ED employees which are the backbone of the rural postal system. The present service conditions and emoluments require drastic changes for the better. It is of the unanimous opinion that the matter should be accorded top priority and decided without any further delay. The recent industrial action taken by the postal employees underscores the need for early action on the basis of the Talwar Committee Report.

99. The Committee notes that like other regular government servants who are provided insurance cover under CGEGIS, Extra Departmental Agents (EDAs) are also provided insurance cover of Rs. 10,000 under EDA Group Insurance Scheme. The Committee considers this amount to be insignificant these days. The Committee therefore recommends that this amount should be suitably enhanced.

Advertisements on Postal Stationery etc.

100. Department of Posts being a service oriented Department, its services are heavily subsidised. For that reason it has been carrying deficit running upto Rs. 908.89 crores in 1997-98(R.E.). In this context, the Committee enquired about the measures taken by the Department of Posts to raise their revenue. In reply, it was submitted that besides 'Speed-Post' they had adopted the corporate publicity like carrying advertisements on postal stationery. The Committee was further apprised that they proposed to exploit the advertisements on the postal buildings also.

101. The Committee enquired whether the Department intend to utilise blank space on the postal stationery for corporate advertising and publicity with a view to earn revenue as some of the public sector undertakings were already doing and approach the corporate houses for this purpose , the Secretary, DoP replied in the affirmative. He further added that there was another good area which has not yet been exploited. The Department would like to exploit the advertisements on postal buildings as all these buildings are located at prime locations. If DoP is allowed some advertisements-neon signs etc. from those buildings, it would be able to earn good revenue.

102. The Committee notes that corporate publicity on postal stationery has the potential to develop into a major source of profit and of late it has been attracting attention. Advertisements on postal buildings can also be quite an attractive proposition to business corporations who are on the look out for prime sights. The Committee appreciates the efforts being made by the Department of Posts in this regard. Such efforts require further encouragement and appreciations.

Training Centre

103. During study tour of the North-East region, one of the grievances voiced was that training facilities for staff was lacking there and the staff was required to go to Darbhanga in Bihar which is quite far off for training and this has been a disincentive. Staff tried to avoid going to such far off places as the essential incentives were lacking. In this context, the Committee enquired whether the Department had any plans to open a training centre for postal employees in North-East. In reply, DoP has stated that there is a training centre at Darbhanga, Bihar which caters to the needs of postal employees for 5 circles including North-East and Assam circles.

104. It was further submitted that the proposals for setting up postal training centre in the North-East were examined in the past from time to time. The strength of postal employees and other annual intake were not adequate for generating sufficient training load to justify setting up of a training centre in the North-East. A fresh proposal

was stated to have now been received from Chief Post Master General Assam Circle and was being examined.

105. The Committee notes with some satisfaction that the department is examining the proposal for opening a training centre in North-East. It hopes that keeping in view the urgent training needs and difficulties faced by the Postal employees in North-east, the Department of Posts will soon take a decision in this matter.

Non-Refundable Contributions (NRC)

106. The Committee desired to know as to how many Non-refundable contribution (NRC) cases had been in operation with the Department of Post during the preceding year and what was the amount involved and what action was taken to get the amount recovered. It was subsequently informed that there were approximately 1192 post offices throughout the country, which were functioning on NRC (Non-Refundable Contribution). The total amount of NRC due to be recovered from the State Governments and Others in this regard was stated to be approximately Rs. 4.08 Crores. This amount included the sum to be recovered as NRC where the Post Offices initially opened on NRC had later become self-supporting but the amount of NRC pending till the post office became self supporting was due to be realised. It was further stated that the recovery of NRC was not an easy task as the interest of the sponsors generally peters away once their needs were met.

107. It was stated that while it was not always possible to close down these post offices, in public interest despite the financial burden on the Department due to their continuance, in view of the problems being faced by the Department with regard to recovery of NRC amounts pending, further opening of post offices on NRC was consciously avoided in the past few years. During the last three years only one Departmental Sub-Post Office was sanctioned on NRC.

108. The DoP has further submitted that continuous efforts are being made by the Circles to recover the amounts of NRC due but so far there has been lack of positive response by the State Government concerned and others.

109. The Committee note with concern that Rs. 4.08 crores of Non-Refundable Contribution (NRC) are pending with the State Governments and other quarters. It feels that something is lacking somewhere in the efforts made by the Department in pursuing the Circles to recover the NRC amount and desires that urgent steps should be taken to recover the outstanding Non-Refundable contributions. The matter should be taken up with the state Governments at the highest level.

NEW DELHI;
13 July, 1998

22 Asadha, 1920 (Saka)

SOMNATH CHATTERJEE,
Chairman,
Standing Committee on Communications.

APPENDIX I

MINUTES OF THE THIRD SITTING OF THE COMMITTEE ON COMMUNICATIONS (1998-99)

The Committee sat on Thursday, the 11th June, 1998 from 15.00 hrs. to 17.00 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri Krishan Lal Sharma
3. Shri Chandrashekhar Sahu
4. Dr. Chhatrapal Singh
5. Shri Nakli Singh
6. Shri Rajveer Singh
7. Shri Harpal Singh Sathi
8. Smt. Sheela Gautam
9. Shri Giridhar Gamang
10. Dr. (Smt.) Prabha Thakur
11. Shri K. Asungba Sangtam
12. Smt. Nishaben Amarsinhbhai Chaudhari
13. Shri Shantilal Purushottamdas Patel
14. Shri T. Govindan
15. Shri P. Rajarethinam
16. Shri Surendra Prasad Yadav (Jhanjharpur)

17. Shri Mahendra Baitha
18. Shri Braja Kishore Tripathy
19. Shri Balasaheb Vikhe Patil
20. Shri M. Durai
21. Shri P. C. Thomas
22. Shri Surendra Singh

Rajya Sabha

23. Smt. Veena Verma
24. Shri Narendra Mohan
25. Shri K. Kalavenkata Rao
26. Shri R. Margabandu
27. Shri Kartar Singh Duggal

SECRETARIAT

1. Shri P. D. T. Achary — *Joint Secretary*
2. Shri S. K. Sharma — *Deputy Secretary*

REPRESENTATIVES OF DEPARTMENT OF POSTS

1. Shri R. U. S. Prasad, Secretary, DoP
2. Shri S. C. Dutta, Member (P)
3. Shri B. M. Som, Member (O)
4. Shri P. Bhagwan Das, Member (D)
5. Shri Gautam Gupta, Sr. DDG (CPT)
6. Shri K. S. Menon, JS & FA

2. At the outset, the Chairman welcomed the Secretary, Department of Posts and Officials accompanying him.

3. After the Secretary, Department of Posts briefed the Committee on Demands for Grants of the Department for 1998-99, the Committee sought certain clarifications on the issues relating to the Demands for

Grants for 1998-99. The officials replied to various queries made by the Committee.

4. A verbatim record of the sitting has been kept.

5. The Chairman thanked the officials of Department of Posts for furnishing valuable information to the Committee and for the free and frank views expressed on various points raised by the Members.

The Committee then adjourned.

APPENDIX II

MINUTES OF THE SIXTH SITTING OF THE COMMITTEE ON COMMUNICATIONS (1998-99)

The Committee sat on Tuesday, the 16th June, 1998 from 15.00 hrs. to 17.30 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri Jay Krishna Mandal
3. Shri Mahesh Kumar Mithabhai Kanodia
4. Dr. Chhatrapal Singh
5. Shri Nakli Singh
6. Shri Rajveer Singh
7. Shri Baijnath Rawat
8. Smt. Sheela Gautam
9. Shri K. Asungba Sangtam
10. Shri Shantilal Purushottamdas Patel
11. Shri Surendra Prasad Yadav (Jhanjharpur)
12. Shri Mahendra Baitha
13. Shri Balasaheb Vikhe Patil

Rajya Sabha

14. Smt. Veena Verma
15. Smt. Chandresh Kumari

SECRETARIAT

1. Shri P.D.T. Achary — *Joint Secretary*
2. Shri S.K. Sharma — *Deputy Secretary*

REPRESENTATIVES OF DEPARTMENT OF POSTS

1. Shri R.U.S. Prasad, Secretary, DoP
2. Shri S.C. Dutta, Member (P)
3. Shri B.M. Som, Member (O)
4. Shri P. Bhagwan Das, Member (D)
5. Shri Gautam Gupta, Sr. DDG (CPT)
6. Shri K.S. Menon, JS & FA

2. At the outset, the Chairman welcomed the Secretary, Department of Posts and officials accompanying him.

3. The Committee sought certain clarifications on the issues relating to Demands for Grants for 1998-99 as well as points arising out of the written replies to the questionnaire furnished by the Department on Demands for Grants 1998-99.

4. A verbatim record of sitting has been kept.

5. The Chairman thanked the officials of Department of Posts for furnishing valuable information to the Committee and for the free and frank views expressed on various points raised by the Members.

The Committee then adjourned.

APPENDIX III

MINUTES OF THE FIRST SITTING OF THE SUB-COMMITTEE 'B' OF COMMITTEE ON COMMUNICATIONS (1998-99)

The Sub-Committee 'B' sat on Monday, the 29th June, 1998 from 11.00 hrs. to 12.30 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Smt. Sheela Gautam—*Convener*

MEMBERS

Lok Sabha

2. Shri Dowarka Parshad Bairwa
3. Shri Balasaheb Vikhe Patil
4. Shri Rajveer Singh
5. Shri Surendra Prasad Yadav (Jhanjharpur)

Rajya Sabha

5. Smt. Chandresh Kumari
6. Shri Moolchand Meena

SECRETARIAT

Shri S.K. Sharma — *Deputy Secretary*

2. The Sub-Committee took up for consideration the Draft Report on Demands for Grants 1998-99 relating to Department of Posts and suggested some amendments/additions (as shown in Annexure). The Sub-Committee then decided to sit again on 2nd July, 1997 for consideration of the Draft Report.

The Sub-Committee then adjourned.

Page No.	Para No.	Line No.	Additions
1	2	3	4
7&8	17	11 (From below)	<p><i>Add after para 17:</i></p> <p>"The Committee during examination of demands for grants (1997-98) of the department of posts was informed that with the failure of Panchayat Sanchar Seva Yojana, two other schemes <i>i.e.</i> Licensed Stamp Vendors (LSV) and Licensed Postal Agents (LPA) are being given importance in the villages where it was not possible to open post-offices. Again, while considering the subject 'Postal Network' a representative of Postal Employees' Union had deposed before the Committee that they considered these schemes as anti-workers and therefore opposed them. Consequently these schemes could not make headway. The Committee had therefore strongly recommended in its 14th Report that DoP should</p>

1	2	3	4
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Committee reiterates that the Department of Posts should make utmost efforts to resolve misunderstandings of Unions, take them into confidence and try to remove their apprehensions so that these schemes do not meet the fate of Panchayat Sanchar Seva Yojana. The Committee strongly desires that under the prevailing constraints of the Department, there is an urgent need to accelerate the pace of setting up of LSV and LPA schemes to improve postal facilities particularly in villages and urban extensions."

29.

81

4

(from above)

Add after para 81:
Post-Office Saving Bank Accounts

"During evidence the Committee pointed out that the procedure followed for withdrawal from Post-Office Saving Bank Account is that the customer has to produce a witness even if the postal employees of the concerned branch do recognise the customer. In this connection, the

1**2****3****4**

Committee enquired whether the Department could think of introducing pass-books with photographs of the concerned customers to facilitate withdrawal without any witness. To this Secretary, DoP replied that they would consider the suggestion made by the Committee."

"The Committee observes that for withdrawal from Post-Office Saving Bank Account the customer has to produce a witness even if the postal employees of the concerned branch do recognise him. It feels that it might be one of the reason for deterring people from opening saving accounts in Post-Offices. The Committee would like to impress upon the Department to think of the feasibility of introducing the pass-books with photographs to obviate the need for witnesses. The Committee would also like to be apprised of the decision taken by the Department in this regard."

1	2	3	4
29&30	83	6 (from below)	<p>Add after para 83: "The Committee pointed out that quite often, there has been complaints of inordinate delay in the delivery of mail or no delivery at all the enquired about the procedure adopted by the Department to minimise cases of delay in mail delivery system, the witness submitted that they had launched a 10 point plan and conducted a detailed survey in this regard. It was assessed that 50 to 60% of mail was delivered in time and the rest was getting delayed. The Secretary, DoP admitted that some lapses in delivery of mails might be due to delay on their part also, but there were other factors also involved like modes of transport viz. air, rail as well as State transport buses etc. he further submitted that the department is making all efforts to ensure timely delivery of mail in urban and rural areas."</p>
31&32	89	4 (from below)	<p>Add after para 89: "The Committee is unhappy to note that only</p>

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50 to 60 percent of the total mail is delivered in time and the rest is getting delayed. No doubt, the Department has to depend on certain other agencies for transportation of mail and much of the delay is reported to be for that reason yet the Committee would point out that may a times mail is held up because of delayed sorting in post offices. These aspects are required to be looked into and procedure streamlined. A time bound system should be evolved for sorting offices to expedite delivery and transmission of mail."

33

94

11
(from above)

Add after para 94:
"As regards providing accidental insurance to the Extra Departmental Agents (EDAs) it was stated in a written note that for EDAs there is EDA Group Insurance Scheme under which Insurance cover of Rs. 10000/has been provided to them. So far as regular postmen is concerned they have been provided insurance cover under Central Government Employees Group Insurance Scheme (CGEGIS)."

1	2	3	4
33.	96	10 (from below)	<i>Add after para 96:</i> “The Committee notes that like other regular government servants who are provided insurance cover under CGEGIS, Extra Departmental Agents (EDAs) are also provided insurance cover of Rs. 10,000 under EDA Group Insurance Scheme. The Committee considers, this amount to be insignificant these days. The Committee therefore recommends that this amount should be suitably enhanced.”

APPENDIX IV

MINUTES OF THE SECOND SITTING OF THE SUB-COMMITTEE 'B' OF COMMITTEE ON COMMUNICATIONS (1998-99)

The Sub-Committee sat on Thursday, the 2nd July, 1998 from 15.00 hrs. to 16.00 hrs. in Committee Room No. '53', Parliament House, New Delhi.

PRESENT

Smt. Sheela Gautam — *Convener*

MEMBERS

Lok Sabha

2. Shri Somjibhai Punjabhai Damor
3. Shri Balasaheb Vikhe Patil
4. Shri Chandrashekhar Sahu
5. Shri Rajveer Singh

Rajya Sabha

7. Shri K. Kalavenkata Rao

SECRETARIAT

Shri S.K. Sharma — *Deputy Secretary*

2. The Sub-Committee took up for consideration the Draft Report (with amendments suggested by the Sub-Committee during its sitting held on 29.6.1998) on Demands for Grants 1998-99 relating to Department of Post and approved the same with some amendments/modifications/additions as shown in the Annexure.

The Sub-Committee then adjourned.

Page No.	Para No.	Line No.	Amendments/Modifications
10	25	13 (from below)	Add after "scheme": "The Committee would like that Post Master Generals/Sr. Supdt. of Post Offices should be made responsible for interacting with the Panchayats and prevail upon them to open post-offices in their areas.
24	61	4 (from above)	Add after "the IXth Plan": "The Committee also desires the Department of Posts to see if the norms for opening post-offices can further be relaxed with a view to providing post-offices in more and more villages."
32	90	5 (from above)	Add after "transmission of mails": "Department of Posts should also ensure that mail is delivered daily in all corners of the country particularly in rural areas and delay in this respect should be looked into."

APPENDIX V

MINUTES OF THE TENTH SITTING OF THE COMMITTEE ON COMMUNICATIONS (1998-99)

The Committee sat on Monday, the 13th July, 1998 from 15.00 hrs. to 16.00 hrs. in Committee Room 'C', Parliament House Annexe New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri Mahendra Baitha
3. Shri Giridhar Gamang
4. Smt. Sheela Gautam
5. Shri T. Govindan
6. Shri Jay Krishna Mandal
7. Shri Shantilal Purushottamdas Patel
8. Shri Balasaheb Vikhe Patil
9. Shri Baijnath Rawat
10. Shri K. Asungba Sangtam
11. Shri Krishan Lal Sharma
12. Dr. (Smt.) Prabha Thakur

Rajya Sabha

13. Shri K. Rahman Khan
14. Shri R. Margabandu
15. Smt. Veena Verma

SECRETARIAT

1. Shri P.D.T. Achary — *Joint Secretary*
2. Shri S.K. Sharma — *Deputy Secretary*
3. Shri Ashok Balwani — *Assistant Director*
4. Shri Bhupesh Kumar — *Assistant Director*

2. The Committee took up for consideration the following Draft Reports:

- (i) Draft Report on Demands for Grants 1998-99 relating to Department of Telecommunications.
- (ii) Draft Report on Demands for Grants 1998-99 relating to Department of Posts.
- (iii) Draft Report on Demands for Grants 1998-99 relating to Ministry of Information and Broadcasting.

3. ** ** ** **

4. The Committee adopted the Draft Reports relating to Department of Posts and Ministry of Information and broadcasting without any modification.

5. The Committee then authorised the Chairman to finalise and present/lay the Reports in both the Houses of Parliament.

The Committee then adjourned.