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

TWELFTH LOK SABHA

**MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF POST)**

*[Action taken by Government on the Recommendations contained in the
Tenth Report (Eleventh Lok Sabha) of Standing Committee on
Communications on Demands for Grants (1997-98)]*

FOURTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

July, 1998/Shravana, 1920 (Saka)

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(1998-99)

(TWELFTH LOK SABHA)

MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF POST)

*{Action taken by Government on the Recommendations contained in
the Tenth Report (Eleventh Lok Sabha) of Standing Committee on
Communications on Demands for Grants (1997-98)}*

Presented to Lok Sabha on 29.7.1998

Laid in Rajya Sabha on 29.7.1998



LOK SABHA SECRETARIAT
NEW DELHI

July, 1998/Shravana, 1920 (Saka)

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

Shri Somnath Chatterjee — *Chairman*

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20. Shri T. Govindan
- *21. Shri Rizwan Zaheer Khan
22. Shri P. Rajarethinam

*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 of Finance *vide* Bulletin Part-II No. 338 dated 25 June, 1998.

23. Shri Surendra Prasad Yadav (Jhanjharpur)
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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> |

*Nominated to the Committee w.e.f. 17 July, 1998 in place of Sh. Moolchand Meena who ceased to be a Member of the Committee consequent on his retirement from Rajya Sabha w.e.f. 4 July, 1998.

INTRODUCTION

I, the Chairman, Standing Committee on Communications (1998-99) having been authorised by the Committee to submit the Report on its behalf, present this Fourth Report on Action Taken by Government on the recommendations of the Committee contained in the Tenth Report (Eleventh Lok Sabha) Demands for Grants (1997-98) relating to Ministry of Communications (Department of Post).

2. The Tenth Report was presented to Lok Sabha on 22 April, 1997 and also laid in Rajya Sabha the same day. The Government furnished their replies indicating Action Taken on the recommendations contained in the Report on 10.7.1997.

3. The Report was considered and adopted by the Committee at its sitting held on 27 July, 1998.

4. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

5. An analysis of Action Taken by Government on the recommendations contained in the Tenth Report of Standing Committee on Communications (Eleventh Lok Sabha) is given in Appendix-II.

NEW DELHI;
27 July, 1998
5 Shrawana, 1920 (Saka)

SOMNATH CHATTERJEE,
Chairman,
Standing Committee on Communications.

CHAPTER I

REPORT

This report of the Standing Committee on Communications deals with the action taken by Government on the Recommendations contained in its Tenth Report (Eleventh Lok Sabha) on Demands for Grants (1997-98) relating to the Ministry of Communications (Department of Post).

2. The Tenth Report was presented to Lok Sabha on 22.4.1997 and was also laid on the Table of Rajya Sabha on the same day. It contained 27 recommendations/observations.

3. Action taken notes in respect of all the recommendations/observations contained in the Report have been received and categorised as under:—

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

Para Nos. 51, 54, 55, 56, 57, 58, 59, 60, 61, 68, 69, 70, 71, 72, 73, 74, 75 and 77

Total 18
Chapter II

- (ii) Recommendations/observations which the Committee does not desire to pursue in view of the reply of the Government.

Para Nos. 53, 64, 66 and 76

Total 4
Chapter III

- (iii) Recommendations/observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.

Para Nos. 52, 62, 63, 65 and 67

Total 5
Chapter IV

- (iv) Recommendations/observations in respect of which replies are of interim nature.

Nil
Chapter V

3. The Committee will now deal with action taken by Government on some of its recommendations.

Targets for Panchayat Sanchar Sewa Kendras

Recommendation (Para No. 52)

4. The Committee in its Tenth Report had observed that the Department of Post (DoP) had failed to achieve the Eighth Five Year Plan targets of almost all the major schemes such as opening of new post offices and installation of Multipurpose Counter Machines etc. for modernisation of post offices. Only 750 Panchayat Sanchar Sewa Kendras were opened against the plan target of 2500 as a result of which more than 1700 villages which were likely to get postal facilities could not get their demand fulfilled. The Committee felt that perhaps ground realities were not properly assessed before introduction of the scheme or there was something wanting on the part of those entrusted with the implementation of this scheme.

5. The Department of Post in its Action Taken Note has contended that at no stage a target of opening 2500 Panchayat Sanchar Sewa Kendras was fixed. During the year 1995-96, initially a target of 1000 Panchayat Sanchar Sewa Kendras was kept but this was reduced to 500 later in view of the fact that the scheme could only be launched towards the end of the year. There was target of 250 Panchayat Sanchar Sewa Kendras for the year 1996-97. Against the total target of 750 Panchayat Sanchar Sewa Kendras, 610 have been opened.

6. The Committee is extremely surprised to note from the reply of the Department of Post that at no stage the target of opening 2500 Panchayat Sanchar Sewa Kendras was fixed whereas in its Performance Budget (1997-98) at page no. 4 under the column 'Revised targets 8th plan (1992-97)' it has been clearly indicated that the Revised 8th Plan Targets (1992-97) for opening of Panchayat Sanchar Sewa Kendras was 2500. Again in the material furnished to the Committee in connection with the examination of Demands for Grants 1998-99 and also Performance Budget 1997-98 target of

2500 Panchayat Dak Sewa Kendras during 8th Plan have been reported. The Committee fails to understand, in view of the above mentioned fact, how such an irresponsible and factually incorrect information has been submitted to the Committee and takes a serious view of the same. The Department owes an explanation in this regard.

Setting up of Integrated Mail Processing System

Recommendation (Para No. 56)

7. The Committee in its Tenth Report had expressed concern that of Integrated Mail Processing System at Delhi had not been set up and desired to know the specific reasons for not taking up the important project during the Eighth Plan.

8. The Department of Post in its Action Taken Note has stated that it was proposed to set up 3 Integrated Mail Processing Systems at Mumbai, Chennai and Delhi and that the Department has installed 2 Integrated Mail Processing Systems at Mumbai and Chennai. The Committee has been further informed that Planning Commission while clearing the proposal relating to Chennai had observed that Department of Post should formulate a combined EFC for remaining centres namely, Delhi, Bangalore and Calcutta. During the Ninth Plan, it is now proposed to establish Integrated Mail Processing System at Delhi, Calcutta, and Bangalore and the EFC for the three centres was being formulated.

9. The Committee would like the Department of Post to expeditiously formulate the Expenditure Finance Committee (EFC) for Delhi, Bangalore and Calcutta centres and the Committee may be apprised of the steps taken therefor.

Allocation for Postal Network

Recommendation (Para Nos. 62 & 63)

10. The Committee in its earlier Report had observed that meagre allocation of Rs. 3.55 crore made in Budget Estimate 1997-98 for the important scheme of Expansion of Postal Network was abnormally low as compared to the allocation made to the tune of Rs. 8.40 crore in 1996-97. The Committee failed to understand how such a meagre outlay had been proposed by Department of post and accepted by the

Planning Commission, ignoring the ground realities that there are still more than 8000 villages in the country which qualify as per the norms of the Department for opening of Post Office not to speak of the policy objective of covering all the Panchayat Villages with Post Offices. The Committee was also not satisfied with the reasons advanced by Secretary, Department of Post in the course of evidence that from next year onwards they would increase Budget Provisions and that Department of Post was not getting sanction from the Ministry of Finance for opening of Post Offices and there was abnormal delay in sanctioning of posts of Postmen/delivery men and sorters. The Committee felt that delay in sanctioning of posts for opening of EDBOs should in no way be allowed to hamper the progress of opening of new Post Offices. The Committee had strongly recommended higher allocation at least in tune with the allocation made in 1996-97 on this scheme. The Ministry of Finance should take a realistic view and the matter should be sorted out at the highest level.

11. In its action taken notes, the Department of Post has clarified that the allocation of Rs. 8.40 crore for the year 1996-97 also included the recurring expenditure on the post offices sanctioned during the entire 8th Five Year Plan whereas the allocation of Rs. 3.55 crores for opening of post offices and upgradation of infrastructural equipment in post offices in for the first year of the 9th Five Year Plan alone. The Committee has been further informed that reluctance of the Ministry of Finance to approve creation of posts required for sanctioning new post offices is another factor that has to be borne in mind while fixing the physical targets and proposing budget allocation for opening of new post offices during 1997-98.

12. The Committee is not satisfied with the reply of the Department of Post. The Committee expected the Department of Post to take up the matter with Ministry of Finance/Planning Commission at the highest level to ensure that adequate funds are provided during Ninth Plan so that the expansion of Postal Network is not adversely affected. The Committee would like to be apprised of the steps taken by the Department of Post in this regard.

Panchayat Sanchar Sewa Kendras

Recommendation (Para No. 65)

13. The Committee in its Tenth Report was of the opinion that Panchayat Dak Sewa Yojana may be remodelled and given a fair trial

on the basis of experience gained. The Committee felt that since Panchayati Raj has been established all over the country it could be safely presumed that elected representatives of people at Panchayat level would not be wanting in making it a success unless there are constraints beyond their control. The Committee felt that being economical, this scheme could held expansion of postal network rapidly. With this end in view, the Committee felt that an indepth assessment of the scheme being carried out by Chief Post Master Generals and Post Master would be expedited and remedial action taken.

14. The Department of Post in its Action Taken Note has stated that a detailed feed back has been called for from the various circles regarding the performance of Panchayat Sanchar Sewa Yojana. The Committee has been further informed that after it is received, a thorough review of the scheme will be carried out to see whether and with what suitable modifications it can be successfully implemented.

15. The Committee is concerned to note that a detailed feed back called for from the various circles regarding the performance of the Panchayat Sanchar Sewa Yojana has not been received so far though the assessment was taken up more than a year ago. The Department of Post had therefore, made no targets for setting up of Panchayat Sanchar Sewa Kendra in 1997-98. The scheme has been formulated as an alternative scheme to provide basic postal facilities to Gram Panchayat Villages and being economical can help expansion of Postal Network. The Committee would like Department of Post to expedite thorough review of the scheme within a definite time frame. The Committee may also be apprised of the action taken in the matter.

Installation of Letter Boxes

Recommendation (Para No. 67)

16. The Committee in its earlier report had observed that even after installation of letter boxes in all the villages with population or more than 500, people have to cover a distance of about 2 kms. to post letters and that letter boxes are not properly maintained such as timings of clearance are not indicated on them. The Committee had, therefore, desired that criteria (of at least 500 people in a village for providing letter box) may be reviewed with a view to covering all

villages so that people may not have to walk long distances. The Committee had further recommended that the monitoring machinery should also be streamlined through surprise checks by higher officers and better interaction with the elected representatives for proper maintenance of letter boxes and clearance of mail.

17. The Department of Post in its action taken note has stated that there are standing instructions for periodical painting and lettering of letter boxes, ensuring availability of hour plates and locks, and replacement of damaged letter boxes which have been reiterated.

The Department of Post has further stated that for monitoring punctual and regular clearance of letter boxes there are standing instructions for obtaining the signature of Head man of the village by EDA/village postman in token of visiting the village. Test letters are posted by Sub-divisional Inspector of post offices and superintendent of post offices for monitoring the timely clearance of letter boxes. There is, however, no proposal to review the norm of 500 people for installing of letter boxes in rural areas.

18. The Committee is not convinced by the statement of the Department of Post that the Department has no proposal to review the norms of 500 people for installing of letter boxes in rural areas inspite of the fact that even after installation of letter boxes in all the villages with population of more than 500, people in some cases, have to cover distance of about 2 kms to post letters. The Committee, therefore, reiterates that criteria of 500 people for installing letter boxes in rural areas may be reviewed at least in those areas where people have to walk longer distances to post letters.

19. The Committee is also not satisfied with the reply that there are standing instructions for monitoring punctual and regular clearance of letter boxes. In fact the Committee in its earlier report has recommended that the monitoring machinery should be streamlined through surprise checks by higher officers and better interaction with the elected representatives for which no action has been taken. The Committee therefore, reiterates and strongly recommend surprise checks by higher officers to streamline monitoring machinery and better interaction with the elected representatives. In the opinion of the Committee it would ensure punctual and regular clearance of mail.

National Postal Policy**Recommendation (Para No. 75)**

20. The Committee in its Tenth Report has reiterated its earlier recommendation that Department should finalise the National Postal Policy without further loss of time.

21. The Department of Post in its action taken note has stated that Department is in process of giving final shape to the National Postal Policy at an early date.

22. The Committee would like to be apprised of the progress made in finalisation of National Postal Policy at an early date.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation/Observation (Para No. 51)

The Department of Posts under the Ministry of Communications is responsible for planning, development, expansion, operation and maintenance of postal services in the country besides performing certain agency functions such as small savings schemes, disbursement of pensions etc. on behalf of the other Government departments. The Demand No. 13 of the Postal Department has projected an expenditure of Rs. 3213.50 crores for the year 1997-98 against Rs. 2686 crores in the previous year showing an increase of Rs. 527.50 crores which is about 19 per cent higher than previous year's demands. The increase has mainly been on the Non-Plan expenditure. The Plan expenditure has been increased only by 12 per cent from Rs. 85 crores in 1996-97 to Rs. 95 crores in 1997-98 which is also first year of the Ninth Plan. Keeping in view the priorities of the Department and task ahead in expansion of postal facilities to non-covered areas particularly in rural, hilly and remote areas, transformation of the postal system into a modern one with necessary technological inputs to give the country an efficient growth oriented postal system as has been brought out in the following paragraph, the Committee feel that increase in the Plan expenditure is too modest. It ought to be supplemented in course of time.

Action Taken by the Department

The Department of Posts fully agrees with the views of the Standing Committee that increase in Plan expenditure during 1997-98 over the previous year is too modest.

The Department had addressed the Planning Commission in this regard when the proposed outlay of Rs. 141.42 crores for 1997-98 was reduced to Rs. 95 crores. It was specifically counted out to the Planning Commission that any reduction in the proposed outlay of Rs. 141.42 crores will definitely result in qualitative and quantitative diminution

of the programmes envisaged by the department in its Annual Plan 1997-98. It was also pointed out that this will considerably retard the process of modernisation of postal services initiated during the Eight Plan in a number of areas, hamper expansion of basic postal facilities in the country and also stifle the department's efforts to provide appropriate accommodation for offices and staff quarters and other essential facilities for the employees to enable them to achieve greater efficiency of service.

The Department would again take up with the Planning Commission for higher Plan allocations at the RE stage of the Annual Plan 1997-98 and also for successive Annual Plans in the Ninth Plan period. This need for increasing Plan outlay would also be taken up in the discussions with the Planning Commission during the Mid-term Review of the Ninth Plan.

Recommendation (Para No. 54)

One area which brings some consolation in achieving the target is setting up of VSAT stations which are expected to revolutionise transmission of money orders and addition of other value added services like electronic mail, hybrid mail etc. Department has set up 74 VSAT stations during the plan against the target of 75. However, the Committee find that there are certain bottlenecks like linking of VSAT stations with major accounts offices and dereliction of duty by erring officials etc. which have been caused abnormal delay in delivery of money orders. The Committee desire that these factors should be identified and appropriate steps taken without loss of time to streamline the procedure. The delinquent officials should be identified by surprise checks and dealt with appropriately.

Action Taken by the Department

Installation of network of 74 Very Small Aperture Terminals has drastically reduced the transmission of Money Orders. Appropriate stamps have also been taken to streamline the procedures for financing of the Post Offices and quick delivery of money orders.

Instructions in this regard have been issued to all the Heads of Circles for proper financing of the various sub-offices to have transactions with local branches of the nodal bank in a District. All Postmasters Generals have been asked to identify 40 departmental

major delivery offices in their jurisdiction for keeping a close watch over the delivery of money orders. Monthly report for each of the Divisional Superintendents have been prescribed which are analysed by the PMSG. Heads of Circles have been asked to give suitable direction and take corrective action wherever laxity is noticed.

Recommendation (Para No. 55)

The Committee is deeply concerned to note that VSAT stations set up at enormous cost to the nation during 8th Plan are not being put to the optimum use. It is distressing to note that these stations have remained under-utilised to a great extent. No doubt the traffic of money orders has picked up from forty thousand in September 1996, to two lakhs in March this year, yet considering the total volume of money order traffic of ten crores a year, the achievements are not at all satisfactory. The Committee urge the DoP to make utmost efforts to utilise the capacity optimally more so considering the fact that money order transactions involve huge sum to the extent of Rs. 3787 crores. Benefits of technological upgradation must reach the people as early as possible.

Action Taken by the Department

At the time of working out the detailed project proposals, initial projections in the draft feasibility report was that 10% of 12 crore money orders would be transmitted through VSAT. With this the average estimated Satellite Money Order Traffic was originally worked out to be 1.2 crores.

As per the statistical figure of 1994-95, the Annual Money Order Traffic was 10.18 crores.

For the optimum utilisation of the VSAT capacity the Department has taken a few steps, which are:

1. Activation of 2nd port of VSAT. One port of VSAT is now being exclusively used for receipt of data while the 2nd port is used for transmission purposes only.

2. Installation of Extended Satellite Money Order (ESMO) by linking remote Post Offices in the periphery of VSAT Stations through MODEMs. At present 220 ESMOs have been set up.

As a result of the concerted efforts made the Satellite Money Order Traffic has, now, further increased. The figures for the month of March 1997 and April 1997 is as below:

March '97	—	1,96,261
April '97	—	2,22,848

Increase 13.5%

The VSAT infrastructure is also being utilised for transmission of "Hybrid Mail" and "Corporate Money Order"

Recommendation (Para No. 56)

The Committee notes that of the 3 Integrated Mail Processing Systems (IMPS) proposed during the Eighth Plan, only two have come up at Mumbai and Chennai. The proposal for the third one proposed to come up at Delhi has been shifted to Ninth Plan on the advice of Planning Commission. The Committee will like to be apprised of the specific reasons for not taking up this important project during the Eighth Plan.

Action Taken by the Department

During the Eighth Plan period 1992-97, it was proposed to set up 3 Integrated Mail Processing Centres at Mumbai, Chennai and Delhi. The Department, however, installed Integrated Mail Processing Systems at Mumbai and Chennai. The Planning Commission while clearing the proposal relating to Chennai, observed that the Department should formulate a combined EFC for the remaining centres namely, Delhi, Bangalore and Calcutta. During the 9th Five year Plan it is, now, proposed to establish AIMPS at Delhi, Calcutta and Bangalore. The EFC for the three centres is being formulated.

Comments of the Committee

Please see Para No. 9 of Chapter I.

Recommendation (Para No. 57)

The Committee observes that 3 IMPs are proposed to be set up during Ninth Plan at Delhi, Calcutta and Bangalore. In view of the

rapid growth of mail and consequent delays in delivery in these metropolises, early setting up of Integrated Mail Processing system should be undertaken.

Action Taken by the Department

For installation of Integrated mail processing systems at Delhi, Calcutta and Bangalore, action has been initiated for carrying out a feasibility of OCR based Automated Integrated Mail Processing System at these centres. After carrying out the feasibility study the proposals for the consideration of EFC would be formulated.

Recommendation (Para No. 58)

Again, suitable steps be taken to make optimum utilisation of already installed IMPS.

Action Taken by the Department

For the optimum utilisation of the installed capacity a blue print for action to be taken both at Mumbai and Chennai has been drawn up and the position is being monitored very closely. Already as a result of the steps taken so far, the quantum of mail being processed at Bombay has increased from four lakhs to 6.35 lakhs during the last three and half months.

For bar coding of letters at the originating point action has been initiated to install Stand-alone Bar Coding Desks at Mumbai at the following places, *i.e.* Mumbai GPO, Sion PO, Chembur and Ghatkopar Post Offices. The installation of Stand-alone Bar Coding Desks is further expected to increase the volume of mail processed on the AIMPC at Mumbai.

Recommendation (Para No. 59)

The Committee notes that the modernisation of counter service programme has been implemented in 468 post offices upto 31.03.1996 and 350 more post offices were targeted during 1996-97. The Committee expects that DoP has been able to achieve the target during 1996-97. The Committee desires DoP to accord greater emphasis towards modernisation of counter service programme, during the Ninth Plan, which will help towards transformation of the Postal System into a modern one.

Action Taken by the Department

The Department of Posts has achieved the target of modernising 350 post offices during 1996-97. According to the implementation reports in respect of this plan programme received from 16 Postal Circles so far, 365 post offices have been modernised. Reports from the remaining Circles are awaited.

The Department of Posts will continue to give emphasis on the programme for modernisation of counter services during Ninth Plan with more multipurpose counter machines. The programme of modernising the counters and other front office activities is built around the MPCMs to optimise the benefits of computerised counters.

The draft Ninth Plan proposal submitted by the Department to the Planning Commission included programmes for installation of 5000 multi-purpose counter machines in post offices (including 2100 machines for Local Area Networks to handle savings bank work) with an outlay of Rs. 45 crore and for modernisation of 1000 post offices and 25 major HOs with an outlay of Rs. 60 crore. However, the Planning Commission indicated during discussions that the Department would have to curtail the overall outlay envisaged for the Draft Ninth Plan proposals from Rs. 754.76 crore to about Rs. 600 to 650 crore due to overall budgetary constraints, and consequently the proposed programme of modernisation of post offices had to be pruned. The adverse effect on the programme of modernisation due to such reduction has been specifically brought to the attention of the Planning Commission and the strong views expressed by the Standing Committee in this matter while recommending larger outlay have also been conveyed. The revised outlay proposed for this Plan programme is for Rs. 32 crore for modernising 500 post offices and 5 major HOs only. This curtailment has been effected by the Department keeping in view the objective of this Plan programme wherein modernisation is taken up in those post offices where MPCMs are installed.

The Department would make efforts to increase the pace of installation of MPCMs and modernise more of the important and busy post offices where MPCMs have been installed by the end of the Plan period within the revised proposal. In view of the observations of the Standing Committee the programme for installation of MPCMs will be reassessed for upward revision of targets and faster implementation so that the matter can be taken up with the Planning Commission at the

Mid-term Review stage. The enhancement in targets under Plan programme for modernisation of post offices is linked to the implementation of the Plan programme for installation of MPCMs, hence these targets would have to be reviewed simultaneously.

Recommendation (Para 60)

The Committee is concerned to note that there have been shortfalls in achieving the target in Hybrid Mail Service and Premium savings Bank Service due to what is alleged to be inadequate customer response. The Committee urge upon DoP to immediately start a suitable marketing strategy in a more focussed manner for making these services more attractive to the customers.

Action Taken by the Department

Business Development Directorate has now conducted a Market Survey on Hybrid Mail through an organisation known as "Corporate Profile". The Department has devised a marketing strategy in a more focussed manner for making the service more attractive to the customer based on the following recommendations of the Survey:

- (a) Slashing of pricing of the product by 40%-50%.
- (b) Changing the name to sound like Satellite Money Order Service.
- (c) Re-designing the product to make it more customer-friendly like direct inter-connectivity from customer premises.

Premium Savings Bank Service is being developed S.B. Division.

Recommendation (Para No. 61)

The Committee takes serious note of the fact that though DoP had proposed a modest outlay of Rs. 141 crore for the year 1997-98, yet the Planning Commission/Ministry of Finance have approved an inadequate outlay of only Rs. 95 crore. It is pertinent to note that in previous year also, the DoP had proposed outlay of Rs. 148.84 crore but could get only Rs. 85 crore. Because of these finance constraints DoP has been forced to project modest targets of various important schemes. As a result, proposed outlay of Rs. 38.41 crore on such an important scheme as upgradation of technology has been reduced to Rs. 29.93 crore in Budget Estimates. Similarly, Mail Processing Scheme

could get only Rs. 8.79 crore against the proposal of Rs. 16.79 crore—almost fifty percent reduction. Scheme of Business Development and Marketing which has assumed added importance in view of the introduction of new value added services during Eighth Plan have been allocated only Rs. 3.85 crore against the proposed outlay of Rs. 5.87 crore. Postal Buildings and staff quarters could get only Rs. 35 crore while the proposal was for Rs. 60 crore. The Committee is convinced that such a drastic reduction to the extent of 33 per cent in Plan proposals for a Department like DoP which is involved in basic infrastructure is totally uncalled for. In fact, the Committee desires that Plan outlay requires to be suitably stepped up in consonance with the needs of the Department.

Action Taken by the Department

The Department of Post has addressed the Planning Commission clearly pointing out that the drastic reduction in the Plan proposal during 1997-98 would adversely affect Plan programmes of the Department and that the outlay approved is inadequate. The Department would take up this matter again with the Planning Commission at the RE stage during 1997-98 and ask for enhancing outlays in the critical schemes so that the programmes of development and modernisation in the postal sector which is an important element of the basic infrastructure are not adversely affected.

Recommendation (Para No. 68)

The Committee finds that volume of mail has been steadily growing over the years. Postal traffic is stated to have increased from Rs. 1340 crore at the beginning of the Eighth Plan to 1396 crore as on 31 March 1996 *i.e.* over a period of four years. Growth in the manpower of the Department has only been 0.395 percent during this period against 4.16 percent growth in traffic which itself is rather low. DoP required additional manpower of 162 sorting postmen and 2458 postmen to handle the increased work-load. The Committee feels that for an efficient and reliable delivery system of mail all over the country, DoP's proposal of additional posts of postmen/sorting postmen should be favourably considered and approved.

Action Taken by the Department

A proposal for creation of 2458 posts of postmen and 162 posts of sorting postmen being requirement for the nineteen postal circles in

the country has been taken up with the Ministry of Finance (Department of Expenditure) for their concurrence and approval.

Recommendation (Para No. 69)

The Committee observes that plan outlay on upgradation of technology scheme has come down to Rs. 29.93 crore in Budget Estimates against Rs. 38.41 crore in the previous year. Perhaps the reason for it has been slow progress made in 1996-97 in achieving physical targets. Consequently physical targets for all the major items have been lowered. Only 1000 PC based machines have been targeted for 1997-98 against 1500 in 1996-97. 2000 hand cancellors have been proposed against 3000 in the previous year. The Committee takes a serious note of this and would like to be convinced that lowering of targets would not adversely affect functioning of DoP during the year.

Action Taken by the Department

The total Plan outlay for the scheme of "upgradation of technology" and modernisation of mail processing during the Ninth Five Year Plan has been proposed at Rs. 379.98 crore against Rs. 196.07 crore provided under the Eighth Five Year Plan. Though the outlay provided during the first year *i.e.* 1997-98 of the 9th Five Year Plan is lower than what was provided under Annual Plan 1996-97 plan of the 8th Five Year Plan period but the over all outlay under the 9th Five Year Plan period is higher than the outlay provided under the 8th Plan period. Under the 8th Five Year Plan, the Department set a target of 5000 computer based machines. During the 9th Five Year Plan also the Department has set a target of 5000 machines, 1000 shall be installed during each of the five annual plan periods and hence there is no reduction in the physical target during the 9th Plan period. Similarly during the 9th Plan the Department has set a target of procurement of 10,000 hand cancellors against 25000 target set during the 8th Five Year Plan period. 18000 machines engraved cancellors have already been supplied to Post Office and there are 25719 departmental post offices in the country. Since the life of machine engraved hand cancellors is around four years and more than 18000 machines engraved hand cancellors have already been supplied to the Post Offices, a lower target for supply of 10000 such cancellors has been kept for supplying to the remaining offices. The lowering of the targets in respect of hand cancellors would not adversely affect the functioning of the DoP. The work of manufacturing of the hand cancellors is also being

supplemented by the Department's Postal Stores Stamps & Seals Factory located at Aligarh which manufacture the Stamp and Seals by manual process using Soft Iron.

Recommendation (Para No. 70)

The Committee is surprised to not that DoP does not have any Research and Development programme to keep pace with the technological development. A small provision of Rs. 9 lakh has been made for R&D which only enable a small cell to select a few equipments and machinery for postal services. The Committee feels that such neglect of R&D is not in national interest. No thought has been given to indigeneous development of R&D though the Department feels the need of a technical cadre. It is high time that concrete plans are formulated for indigeneous development of technology and all financial support should be provided.

Action Taken by the Department

The Department has not formal R&D set up for carrying out the research. However, the department has got two Central Workshops on Postal Machines located at Delhi and Chennai which provide maintenance support to the lower end postal mechanical equipment like Stamp Cancelling Machines, Savings Bank adding and listing machines, stocking of spare parts of these machines and development of proto types of Stamp Cancelling Machines. Action is afoot to upgrade the skills of the technical personnel working in these workshops.

The Department has introduced new technology in the following areas:

1. Mail Mechanisation;
2. Front Office computerisation;
3. Electronic Franking Machines.

Out of the above, the front office computerisation programme, including software, has been implemented indigenously while the Electronic Franking Machines and Automated Sorting Machines are not available indigenously. The automated sorting machines are being manufactured only by few Companies in the World and these are being purchased by all other countries from the same source. For

example country line China has installed 41 AMPC in the last few years after importing from Japan and Belgium.

However, items of consumables like index print ribbons and few items of spare parts required for Automated Integrated Mail Processing Centres are, now, being developed indigenously by the local manufacturers.

The Department also proposes to create a body of personnel with sufficient inputs in technology. We propose to train 1500 officials in computers during 1997-98. Already we have a large body of trained personnel, Training to them is imparted in the 5 training centre for non-gazetted cadres. The Postal Staff College trains the officers in computers. It is also proposed to give inputs to the Sr. Officers in management of change through technology with the help of well established Institutions like the Indian Institute of Technology.

Recommendation (Para 71)

The Committee notes that operations of DoP during 1996-97 resulted in a deficit of Rs. 41.29 crores (RE 96-97). During the current year, deficit is expected to go upto Rs. 1113.99 crores (BE 97-98) *i.e.* 50.28% above the RE of 96-97, inspite of increase in tariff for 1996-97 and 1997-98. The reasons, for increase in deficit are stated to be increased DA and IR and consequential increase in OTA, Bonus etc., and inadequate realisation of Agency Charges in respect of activities performed on behalf of other Departments. The Committee does not find any reason why the DoP has not recovered fully its dues from Departments/State Governments/UTs and recommends that these issues should be taken up at the highest level with all concerned authorities for realisation. The Committee has also felt that DoP should take up with the Departments/State Governments/Union Territories, the question of revising upward the rates of Agency Charges.

Action Taken by the Department

The action taken by the Department on the observations of the Standing Committee is as follows:—

- (1) The deficit of DoP as projected for the year 1997-98 is Rs. 1113.99 crores. The same is proposed to be reduced by Rs. 305 crores by earning additional revenue by way of

rationalisation of tariff of certain postal services w.e.f. 1.6.1997. Thus, the deficit will come down to about Rs. 809 crores.

- (2) Negotiations at higher level are going for appropriate revision of Agency Charges recoverable from Departments/ State Governments/Union Territories etc., on the basis of cost calculation by the Department of Posts. Rates calculated by DOP and amount of charges being realised are detailed in enclosed Annexure. A few points are detailed below to make clear the observation in this regard.
- (i) To enhance remuneration on Savings Bank, Savings Certificates and Postal Life Insurance, matter has been taken up with the Ministry of Finance;
 - (ii) To realise remuneration on Mahila Samridhi Yojana, matter has been taken up with Department of Welfare & Child Development;
 - (iii) To enhance the agency charges in connection with Telephone Bills and Telegrams handled the matter has been taken up with the Department of Telecommunications;
 - (iv) In regard to work done in Post Offices in connection with payments to Railway Pensioners the final rate of remuneration from the year 1986-87 has been finalised in consultation with the Department of Railways and now adjustments are being made in Postal Accounts Offices accordingly;
 - (v) To realise accumulated arrear towards rental etc., for occupying Postal Buildings by the Department of Telecom., the matter has been taken up with the DoT through Secretary (Post);
 - (vi) To realise adequate charges for Pension Payments on behalf of Employees Provident Fund, Coal Mines Pension Payment and Assam Refiles Pension, the matter has been taken up with respective Departments by the Deptt. of Posts;

- (vii) Revenue Stamps—To realise commission @ 15% on the sale of Revenue Stamps, matter has been taken up with the State Governments;
- (viii) To bring the rate of remuneration at the level of cost in regard to the work done in Post Offices for collection of Custom Duty, the matter has been referred to Chief Adviser (Cost), Costs Accounts Branch, of Ministry of Finance. The matter is likely to be decided at an early date.

It would be evident that the issues relating to realisation of adequate agency Fee etc., has been taken up by the Department of Posts with the respective Ministries/Departments in the light of the observations of the Standing Committee and efforts are continuing in this regard to suitably revise the Agency Charges also to recover the relevant amounts from the concerned Ministries/Departments.

Sl. No.	Name of Service	Section in which dealt	No. & date of letter	Year	Rate	Cost calculated by CTG. Section		
						Year	Rate	Rate
1	2	3	4	5	6	7	8	9
1.	Savings Bank	S.B.O.	MOF. 9/1/93	9.2.93	1992-93	9-52	1995-96	14-04
2.	Saving Certificates	S.B.O.	MOF. 9/1/93	9.2.93	1992-93	12-14	1995-96	14-24
3.	Railway Pension	S.B.O.	Director (PO) L. No. 54-4/79/95 /96 (vol. II)	3.2.97	1995-96	22-50	1995-96	22-50
4.	EPF Pension & Coal Mines	P.O.	ADG (PO)L. No. 7-8-88 dated 20-10-95	20.10.95	1995-96	20-66	1995-96	20-66
5.	Telegraph charges	P.O.	costing & Rates No. 6-10/90 -CTG(P)	26-7-91	1992-93	6-95	1995-96	13-40
6.	Pension to Pensioners of Assam Refiles	P.O.	Director (PO) No. 7-3/84-CI	24-10-91	1995-96	20-66	1995-96	20-66

1	2	3	4	5	6	7	8	9
7.	C.R.F. Stamps	P.O.	15-11/78-CI	19.8.86	1986-87	6%	1995-96	15.95%
8.	Revenue Stamps	P.O.	-- --	-- --	-- --	-- --	1995-96	15%
9.	Collection of Custom Duty on the inward Foreign Postal articles	I.R.	ADG(IM) L.No. 5-14/76-CF dated 18.4.91	18.4.91	1990-91	15%	Based on the data 1985-86	16%
10.	M.S.Y. Scheme	S.B.	-- --	-- --	-- --	-- --	1995-96	73 Rs. per account.
11.	Passport Fee Stamps	P.O.	-- --	-- --	-- --	3 Rs. per from	-- --	-- --
12.	P.L.I.	PLI Directorate	-- --	-- --	-- --	37-39	1995-96	42.00

Recommendation (Para No. 72)

The Committee notes that revenue receipts from Postal Operations have been registering a marginal increase annually. The Committee also notes that 10847 cases of leakage of Postal revenue by theft, pilferage, etc. have been detected during the last three years and amount involved is Rs. 12, 21, 95, 590.00. The Committee desires that most stringent steps should be taken to avoid such loss of revenue and to bring the erring officials to book.

Action Taken by the Department

The Department is seized of the gravity of the matter and has taken a number of steps to improve the situation. Despite having a well-established system for investigating losses of revenue to the Government through theft, pilferage, etc. measures have now been adopted to have greater effectiveness in preventing the losses and punishing the guilty officials. Some of these measures are enumerated below:—

2. A 10 Point Action Plan was chalked out last year which specifically laid down that:—

- (i) review of all cases of losses, frauds, etc. of over Rs. 10,000/- to be done by Regional Postmasters General/Chief Postmasters General;
- (ii) all officials working in sensitive posts like Savings Bank, dealing with cash transactions, etc. and having completed their tenure, must be transferred; and
- (iii) action be ensured for settlement all SB claims and completion of inter-Circle investigations by the Circles.

Pursuant to the Action Plan, timely action is now being taken and officials responsible for theft, pilferage, etc. are being expeditiously dealt with.

3. To reduce the incidence of losses, frauds, etc., suitable instructions have been issued to field organisations. Constant monitoring of loss and fraud cases is undertaken at the Circle and at the Directorate levels and reports received from the field units are meticulously reviewed. The quarterly reports received from the CPMsG are

personally reviewed by the Director General. If the review brings out any new *modus operandi* adopted by the miscreants it is circulated to all the field units to guard against such occurrences. The other points noticed from these reports are also highlighted and circulated to the Circles for suitable action.

4. The machinery dealing with vigilance and investigation matters has been strengthened not only at the Headquarters but also in the field. Action has been taken to provide a Group 'A' officer in all the Circles to take care of vigilance and investigation matters. With greater attention to be paid to such activities in the field, reduction in cases of frauds, thefts and leakages is expected.

5. To prevent the leakage of revenue through manipulation of franking machines, it has been decided to:—

- (i) have only electronic tamper-proof franking machines; and
- (ii) Stop any further issue/renewal of licences in respect of mechanical/electro-mechanical machines which are to be phased out by January 1998.

6. All cases of losses exceeding Rs. 5000/- are immediately reported to the police with whom a close liaison is maintained. Cases involving larger amounts and having serious implications are entrusted to the CBI. It is ensured that the necessary follow-up action is taken through departmental and police investigations and prosecution cases are properly pursued in the Court and disciplinary action taken departmentally for all lapses of procedural or substantive nature. Suitable punishment is awarded in all the deserving cases to deter other officials who indulge in such activities. Action is also taken under the PAD Act, to recover the amount lost, through the Intervention of revenue authorities.

7. Action is being taken to reinvigorate the inspection machinery of the Department. Greater attention is being paid to periodical reports received from the field units and carrying out timely visits and inspections to check any untoward happenings.

8. A constant watch is kept over the functioning of the field units to guard against losses, frauds, pilferages and leakages and action is taken at all levels to prevent such activities. Besides issuing suitable instructions, the extent instructions are also reiterated from time to time for the guidance of the officials. A copy of the instructions recently issued in this regard is enclosed. These actions have already started showing encouraging results as in almost all the Circles, the targets were achieved with reference to the 10 Point Action Plan. This is expected to have a salutary effect on losses, thefts, etc.

V.S. Saksena
Senior Dy. Director General (VIG.)

D.O. No. 8-2/97-INV

Dated 12.6.1997

Dear Shri

In Para-72 of its 10th Report, the Standing Committee on Communications (1997-98) have made following observations:—

“The Committee notes that revenue receipts from Postal Operations have been registering a marginal increase annually. The Committee also notes that 10047 cases of leakage of postal revenue by theft, pilferage, etc. have been detected during the last 3 years and amount involved is Rs. 12, 21, 95, 590.00. The Committee desires that most stringent steps should be taken to avoid such loss of revenue and to bring the erring officials to book.”

2. The serious concern expressed by the Committee about the huge loss of postal revenue caused by theft, pilferage etc. and the recommendations made by them for making all out efforts avoid such losses and to bring the erring officials to book needs immediate attention and action by all concerned.

3. In compliance to the recommendations made by the Committee you are required to take immediate steps to ensure that officials responsible for such losses are immediately identified and deterrent action taken against them, both departmentally as well as by reporting the case to the police leading to conviction by the Court where necessary.

4. Towards this end, I would request you to issue suitable follow-up instructions to all inspecting and supervising officers with clear understanding that any lapse on their part would call for serious adverse notice and deterrent action by the Department.

With regards,

Yours Sincerely,

Sd/-
(V.S. Saksena)

Recommendation (Para No. 73)

The Committee also desires DoP to find ways to augment postal revenue and economise expenditure by proper utilisation of its valuable assets.

The action taken by the Department on the observations of the Standing Committee is as follows:—

- (1) The Tariff of various Postal Services has to be rationalised keeping in view the infrastructure of the society. The Postal Services are generally availed of by the common man of the society. The postal tariff are to be rationalised in such a way that incidence of the service is not felt by the general public and the traffic is not affected.
- (2) The Postal assets are generally comprises of the Postal Buildings and most of the buildings are required to provide accommodation for giving efficient postal services to the society. These assets are such that these cannot be invested in other form in day to day running of the services. However, in some cases the surplus to requirement portion of the building is let out for Postal Shoppe wherein stationery items are sold so that it can be used by the general public.
- (3) In order to augment postal revenue, the tariff in respect of certain postal services has been revised w.e.f. 1-6-1997. Similar exercises is done to every year to augment the postal revenue and steps will be taken to economise expenditure by proper utilisation of its assets.

Recommendation (Para No. 74)

The Committee notes that the Department of Post has prepared Perspective Plan for Postal Network in pursuance of an earlier recommendation of the Committee and a formal document has been submitted to the Committee. The Committee will consider it separately at a later date.

Action Taken by the Department

Since the formal document of the Perspective Plan has already been submitted and is still to be considered by the Committee, no action by the Department of Post is required at present.

Recommendation (Para No. 75)

The Committee reiterates its earlier recommendations that Department should finalise the National Postal Policy without further loss of time.

Action Taken by the Department

The Department of Posts is in the process of giving final shape to the National Postal Policy.

Comments of the Committee

Please *see* Para No. 22 of Chapter I.

Recommendation (Para No. 77)

The Committee is disturbed to note that there are a lot of complaints about the functioning of Mahila Samriddhi Yojana. The Committee therefore recommends that DoP must ensure that the customers operating this scheme particularly in the rural areas do not face any problem. Utmost efforts should be made to achieve the objectives of the Yojana.

Action taken by the Department

The implementation of Mahila Samriddhi Yojana scheme is being closely monitored by the Department of Post. The Department of Women & Child Development is the nodal agency from the scheme. In view of the recommendations of the Standing Committee, steps are being taken to ensure that customers operating this scheme particularly in rural areas do not face any problem. Special attention is being given to specific complaints received in the field units which relates to the functioning of the scheme.

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLY OF THE GOVERNMENT

Recommendations and Observations of the Committee (Para No. 53)

In providing stamp cancelling hand machines also, the Department could achieve only 18053 cancellers against the target of 25,000. The Committee expresses its grave concern at the tardy progress of above mentioned major schemes. It desires that schemes of technological upgradation should be expedited all over the country with a view to improve the conventional image of the Department and to make available to the propel fruits of technological development.

Action Taken by the Department

The procurement of Stamp Cancelling Machines and hand cancellers was one of the Plan activities pursued under the 8th Five Year Plan. At the time of formulation of the 8th Five Year Plan no physical targets were initially set for the installation of this mechanical equipment. However, during the period 1993-94 after successful developing field testing of the prototype, a target of 25,000 hand cancellers was set. There are 94 types of stamps/seals in the Department of Posts. Out of 94 types of stamps, only cancellation and delivery stamp was proposed to be developed by the machine engraved process. These stamps are used for the cancellation of the postage impressions both in the office of issue and delivery post offices. There are 25719 Departmental Post Offices in the country. Indents were invited from all the Heads of Circles and till March 1996, the Department received about 18000 indents from all the Circles. 18000 machines engraved hand cancellers have been supplied to the Post Offices. Life of such cancellation stamps is approximately 4 to 5 years as against the life of hand cancellers produced manually in the Postal Stores, Stamps & Seals Factory at Aligarh which has a life of six to eight months only.

In addition to the hand cancellers, the Department installed 270 high and low speed stamp cancelling machines which have been supplied to the selected post offices where the traffic is high.

Recommendation (Para No. 64)

The Committee finds that with Budget outlay of Rs. 3.55 crores, DoP proposes to open 500 EDBOs and 50 DSOs all over the country during the year. The target for the Ninth Plan period is opening of 2500 EDBOs and 250 DSOs. Considering the fact that there were more than 8000 villages which qualify for opening of post offices not to speak of the upcoming urban conglomerates extensions and settlements, the Committee feels that targets are very low. Even during Eight Plan, DoP had targeted for 4590 post offices (1440 EDBOs + 650 DSOs + 2500 Panchayat Dak Sewa Kendras). The reasons for toning down the growth of postal network are not comprehensible. The Committee therefore, strongly urges the DoP to make realistic targets in the light of their avowed objective of ensuring availability of basic postal services in all parts of the county.

Action Taken by the Department

The 8041 villages mentioned in the para qualify for opening of post offices on the two norms of distance and population. The third norm relating to income is applied while preparing a proposal on allocation of targets. It is expected that about 6000 villages out of the 8000 will justify opening of post offices on the basis of the three norms of distance, population and income. Hence, with the present plan targets of 2500 Extra Departmental Branch Post Offices and 500 Departmental Sub Post Offices, the Department will be able to cover almost 1/2 of these villages in 9th Five Year Plan. The rest are expected to be covered in the 10th Five Year Plan. Compared to the 8th Plan where the combined target of Extra Departmental Branch Post Offices and Departmental Sub Post Offices were 2090, the 9th Plan target is 2750 post offices. Hence in terms of opening of post offices, the targets have been enhanced. As mentioned earlier Panchayat Sanchar Sewa Yojna has not shown any encouraging results so far hence no target for Panchayat Sanchar Sewa Kendras have been fixed for the year 1997-98. The target for Panchayat Sanchar Sewa Kendras was 500 during 1995-96 and 250 during 1996-97. Hence the overall target in respect of Panchayat Sanchar Sewa Yojna in the 8th Five Year Plan was 750 and not 2500. The budget outlay of Rs. 3.55 crores for 1997-98 covers; the

expenditure involved for opening post offices and upgradation of equipment done during the Annual plan, 1997-98 only, whereas the allocation of Rs. 8.40 crores during the year 1996-97 also included the recurring expenditure of post offices opened in the previous years of the 8th Five Year Plan as mentioned earlier.

Recommendation (Para No. 66)

The Committee notes that in accordance with the present policy of the Department all the villages having population of more than 500 have been provided with letter boxes. During the Eighth Plan 42175 letter boxes have been provided against the target of 56000. The Committee is at loss to understand why target of 56000 letter boxes was fixed when actual requirement to achieve policy objective was only 42175.

Action Taken by the Department

Variation in physical target for supply of 56000 letter boxes and actual supply of 42175 letter boxes in the villages exceeding 500 population may be attributed to non-availability of exact number of villages having population of more than 500 without letter boxes as the time of formulation of 8th Five Year Plan, since analytical reports on the basis of census 1991 were published in subsequent years. Physical target was fixed with a view to ensure installation of letter boxes in all the villages having population of more than 500 and utilisation of remaining quantity for replacement of old letter boxes.

Recommendation (Para No. 76)

The Committee is concerned to note that private courier service providers are encroaching on the territory of Department of Post by carrying letter mail in the grab of transmission of documents on which DoP has no monopoly jurisdiction. The growing value of traffic handled by private couriers has caused loss of revenue to the Department of Post quite possibly it may be one of the reasons for lower growth of postal revenue. While this tendency on the part of private couriers is required to be checked for healthy growth of Department of Post, the Committee desires that Speed Post Service should be extended at a faster rate to cover more and more district headquarters and important industrial towns all over the country. The efficiency of this Service should be improved further so that it may withstand the challenges of private courier service.

Action Taken by the Department

Since the creation of BD Directorate in February 1996, our Speed Post revenue growth has reached Rs. 69.95 crores for the year ending 31.3.1997, which is an all-time record. We have added two more centres, viz., Udupi and Amritsar on the National Network in keeping with our thinking of consolidating rather than expanding. We have no targets as such although we expect to have 80 centres on the National Network by the year 2000. Already we have more than 800 stations on the Point-to-Point Network and there also exist bilateral contractual arrangements with organisations.

Since the creation of BD Directorate, Speed Post which comprised more than 90% of the revenue of the BD Directorate has been largely the subject of our promotional activities. Customer's Meets are held regularly at all Circle Headquarters and we have now resorted to promotional campaigns on the electronic media as well. Our promotional activities have been pursued in keeping with recommendations made by a Survey conducted by a professional agency on Speed Post. A Speed Post article is always treated as a separate article and now we also have distinct Speed Post bags which are given special treatment at Transit Mail Offices and, therefore, there is no question of mixing with other bags and causing delay.

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendations and Observations of the Committee (Para No. 52)

The Committee finds that Department of Post (DoP) has failed to achieve the Eighth Five Year targets of almost all the major schemes. No doubt the Department has succeeded in opening 1546 Extra-Departmental Post Offices (EDPOs) against the revised target of 1440 for the Plan period mostly in rural areas, yet it is no consolation in view of the fact that only 750 Panchayat Sanchar Sewa Kendras have been opened against the target of 2500. Obviously, more than 1700 villages which were likely to get postal facilities could not get their demand fulfilled. More disturbing is the fact that this scheme which had raised the hope of rapid expansion of postal network in rural areas for its merit of being inexpensive has been given a silent burial. The reasons for its failure require to be probed in depth for future planning. Perhaps ground realities were not properly assessed before introduction of the scheme or there was something wanting on the part of those entrusted with the implementation of this scheme. Again only 466 Departmental Sub-Offices (DSOs) have been opened against the target of 650. Under the modernisation scheme, 5000 Multi-purpose counter-machines were targeted but only 2758 could be installed upto 31-3-1997. DOP had set the target of 1500 such machines whereas the achievements this year was only 458. The Committee are not impressed by the enthusiasm of the Secretary, DoP that he was quite hopeful of achieving targets upto 70 percent in this regard in the remaining 15 days of the financial year 1996-97 when even the tendering process was not initiated. The Department should keep the Committee informed of the progress made.

Action Taken by the Department

The Department of Posts will keep in mind the observations of the Standing Committee regarding shortfalls in achievement of Plan

targets during Eighth Plan period, while implementing the Ninth Plan programmes. The steps already taken during the Eighth Plan period for improving the monitoring of Plan programmes would be further strengthened during the Ninth Plan period to ensure achievement of targets.

The PSSY was introduced with a view to provide postal facilities to villages where opening of a post office was justified but a post office could not be opened immediately due to financial constraints and want of targets. The scheme was launched with the expectation that the local panchayats would take initiative, so that the villagers could benefit, by involving participation of eligible local people. In this manner, rapid expansion of postal network in rural areas, which would also be inexpensive, would be achieved.

2. It is clarified that at no stage a target of opening 2500 Panchayat Sanchar Sewa Kendras was Fixed. During the year 1995-96, initially a target of 1000 Panchayat Sanchar Sewa Kendras was kept but this was reduced to 500 later in view of the fact that the scheme could only be launched towards the end of the year. There was a target of 250 Panchayat Sanchar Sewa Kendras for the year 1996-97. Against this total target of 750 Panchayat Sanchar Sewa Kendras, 610 have been opened.

3. Contrary to the expectations of the Department, the panchayats did not show much enthusiasm and since the scheme involved voluntary participation and was not something that was mandatory for the panchayats to implement, the Department could not force the scheme on them or elicit enthusiastic response from them.

4. An indepth review of the scheme is, however, being carried out to identify the shortcomings in the scheme and to see if the scheme can be improved.

5. As for the opening of Departmental Sub Post Offices, the 8th Plan targets could not be achieved because the department did not have the power to sanction departmental posts without which it was not possible to open a departmental office. All cases involving creation of departmental posts had to be referred to the Ministry of Finance and these cases continue to remain pending with them with the exception of one which was sanctioned during 1996-97. The Department of Post, has, however, in 1996-97 sanctioned 150 Departmental Sub Post Offices through redeployment of posts wherever this was operationally feasible.

6. During the Plan period 1996-97, the Department set a target of installation of 1500 computer based counter machines, which also included installation of Local Area Network (LAN) for computerisation of Savings Bank Services. To achieve the target, the Department issued Notice Inviting Tenders (NIT) on 30-9-1996. The tenders were opened on 28-10-96. The technical evaluation of the tender and price negotiation was completed on 21-12-1996 and thereafter the file was submitted to Integrated Finance of the Department for approval. As the total cost of the equipment was more than Rs. 5 crores, the file was sent to Ministry of Finance for concurrence on 7-3-1997 which was received back with certain queries during the last week of March 1997. The specific queries of the Ministry of Finance were answered on the same day and the file was personally handed over to the concerned branch in the Ministry of Finance, Department of Expenditure. The case is being pursued personally by the JS&FA, OSD (Technology) and Director (Technology) with the concerned branch of the Ministry of Finance. The concurrence of the Ministry of Finance is awaited.

Comments of the Committee

Please *see* Para No. 6 of Chapter I.

Recommendations (Para No. 62)

The Committee is anguished to observe that a meagre allocation of Rs. 3.55 crores has been made in the Budget Estimates for such an important scheme as Expansion of Postal Network. The Committee fails to understand how such a meagre outlay has been proposed by the DOP and accepted by the Planning Commission altogether ignoring the ground realities that there are still more than 8000 villages in the country which qualify as per the norms of the Department for opening of a post office not to speak of the policy objective of covering all the Panchayat Villages with post offices. The allocation is abnormally low, in the context of allocation made to the tune of Rs. 8.40 crores in 1996-97. The reasoning of the Secretary, DoP that from next year onward they would be increasing it fails to give any consolation. The Committee strongly recommends higher allocation at least in tune with the allocation made in 1996-97 on this scheme.

(Para No. 63)

One of the reasons advanced by the Secretary, DoP for meagre allocation on Expansion of Postal Network Scheme is that Department

is not getting sanction from the Ministry of Finance for opening of new post offices. It is highly disturbing. The Committee had expressed its concern earlier also in its First report on Demands for Grants (1996-97) of this Department on abnormal delay in sanctioning of posts of postmen by the Ministry of Finance. While the matter relating to posts of deliverymen and sorters has been dealt with in the succeeding paragraphs, the Committee strongly feels that delay in sanctioning of posts for opening of EDBOs should in no way be allowed to hamper the progress of opening of new post offices. Ministry of Finance should take a realistic view and the matter may be sorted out at the highest level.

Action Taken by the Department

The allocation of Rs. 8.40 crore for the year 1996-97 also included the recurring expenditure on the post offices sanctioned during the entire 8th Five Year Plan whereas the allocation of Rs. 3.55 crores for opening of post offices and upgradation of infrastructural equipment in post offices is for the first year of the 9th Five Year Plan alone. Reluctance of the Ministry of Finance to approve creation of new posts required for sanctioning post offices is another factor that had to be borne in mind while fixing the physical targets and proposing budget allocation for opening of new post offices during 1997-98.

Comments of the Committee

Please *see* Para No. 12 of Chapter I.

Recommendation/Observation (Para No. 65)

In the light of the facts stated in the preceding paragraph, the Committee is of the opinion that Panchayat Dak Sewa Yojana may be remodelled and given a fair trial on the basis of experience gained. Since Panchayati Raj set up has been established all over the country it can be safely presumed that elected representatives of people at Panchayat level will not be wanting to make it a success unless there are constraints beyond their control. The Committee feels that being economical, this scheme can help expand postal network rapidly. With this end in view, the indepth assessment of the scheme being carried out by the Chief Post Master Generals and Post Masters-General may be expedited and remedial action taken.

Action Taken by the Department

A detailed feed back had been called for from the various Circles regarding the performance of the Panchayat Sanchar Sewa Yojana. After it is received, a thorough review of the scheme will be carried out to see whether with any suitable modifications it can be successfully implemented.

Comments of the Committee

Please see Para No. 15 of Chapter I.

Recommendation (Para No. 67)

The Committee find that even after installation of letter boxes in all the villages with population of more than 500, people have to cover a distance of about 2 kms. to post letters and that letter boxes are not properly maintained such as timings of clearance are not indicated on them. Instances have also come to the notice where letter boxes are badly damaged and require to be replaced. The Committee therefore, desires that criteria of 500 population in a village for providing letter box may be reviewed with a view to cover all villages so that people may not have to walk longer distances. The monitoring machinery should also be streamlined through surprise checks by higher officers and better interaction with the elected representatives *for proper maintenance of letter boxes and clearance of mail.*

Action Taken by the Department

There are standing instructions for periodical painting and lettering of letter boxes, ensuring availability of hour plates and locks, and replacement of damaged letter boxes which have been reiterated. For monitoring punctual and regular clearance of letter boxes there are standing instructions for obtaining the signature of Head man of the village by EDDA/village postman in taken of visiting the village. Test letters are posted by sub-divisional inspector of post offices and superintendent of post offices for monitoring the timely clearance of letter boxes. There is, however, no proposal to review the norm of 500 people for installing of letter boxes in rural areas.

Comments of the Committee

Please see Para No. 32 of Chapter I.

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH
REPLIES OF GOVERNMENT ARE OF INTERIM NATURE

—NIL—

NEW DELHI;
27, July, 1998

5, Shravana, 1920 (Saka)

SOMNATH CHATTERJEE,
Chairman,
Standing Committee on Communications.

APPENDIX I

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

The Committee sat on Monday, the 27th July, 1998 from 15.00 hrs. to 16.00 hrs. in Committee Room 'E', 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 Balasaheb Vikhe Patil
8. Shri Harpal Singh Sathi
9. Shri Krishan Lal Sharma
10. Shri Braja Kishore Tripathy

Rajya Sabha

11. Shri Kartar Singh Duggal
12. Shri K. Rahman Khan
13. Smt. Chandresh Kumari
14. Shri Mrinal Sen
15. Smt. Veena Verma

SECRETARIAT

- | | | |
|-----------------------|---|---------------------------|
| 1. Shri S. K. Sharma | — | <i>Deputy Secretary</i> |
| 2. Shri Ashok Balwani | — | <i>Assistant Director</i> |
| 3. Shri Bhupesh Kumar | — | <i>Assistant Director</i> |

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

- (i) Draft Report on action taken by Government on the recommendations contained in the Tenth Report on Demands for Grants 1997-98 relating to Department of Posts.
- (ii) Draft Report on action taken by Government on the recommendations contained in the Twelfth Report on Demands for Grants 1997-98 relating to Ministry of Information and Broadcasting.

3. The Committee adopted the Draft Reports without any modification.

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

The Committee then adjourned.

APPENDIX II

(Vide Introduction of Report)

Analysis of Action Taken by Government on the Tenth Report of the Standing Committee on Communications (Eleventh Lok Sabha)

- I. Recommendations/Observations which have been accepted by the Government.

Para Nos. 51, 54, 55, 56, 57, 58, 59, 60, 61, 68, 69, 70, 71, 72, 73, 74, 75 & 77.

Total 18
Percentage 67

- II. Recommendations/Observations which the Committee does not desire to pursue in view of the reply of the Government
Para Nos. 53, 64, 66 & 76.

Total 4
Percentage 15

- III. Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.

Para Nos. 52, 62, 63, 65 & 67.

Total 5
Percentage 18

- IV. Recommendations/Observations in respect of which replies are of interim nature.

Nil.