

26

**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2005-2006)**

FOURTEENTH LOK SABHA

**MINISTRY OF COMMUNICATIONS AND
INFORMATION TECHNOLOGY
(DEPARTMENT OF POSTS)**

*[Action taken by Government on the Recommendations/Observations of the
Committee contained in their Sixteenth Report (Fourteenth Lok Sabha)
on Demands for Grants (2005-2006)]*

TWENTY-SIXTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2005/Agrahayana, 1927 (Saka)

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(DEPARTMENT OF POSTS)

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Committee contained in their Sixteenth Report (Fourteenth Lok Sabha)
on Demands for Grants (2005-2006)]*

Presented to Lok Sabha on 23.12.2005

Laid in Rajya Sabha on 23.12.2005



LOK SABHA SECRETARIAT
NEW DELHI

December, 2005/Agrahayana, 1927 (Saka)

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CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I Report	1
CHAPTER II Recommendations/Observations which have been accepted by the Government	8
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in view of replies of the Government.....	33
CHAPTER IV Recommendations/Observations in respect of which Replies of the Government have not been accepted by the Committee and which require reiteration	50
CHAPTER V Recommendations/Observations in respect of which Replies are interim in nature	56

ANNEXURES

I. Minutes of the sitting of the Standing Committee on Information Technology (2005-06) held on 20.12.2005.	57
II. Analysis of Action Taken by the Government on the Recommendations/Observations contained in the Sixteenth Report (Fourteenth Lok Sabha) of the Committee.....	59

COMPOSITION OF THE STANDING COMMITTEE ON
INFORMATION TECHNOLOGY (2005-2006)

Shri M.M. Pallam Raju — *Chairman*

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Lok Sabha

2. Shri Nikhil Kumar Chaudhary
3. Shri Mani Cherenamei
4. Shri Sanjay Shamrao Dhotre
5. Kunwar Jitin Prasada
6. Shri Kailash Joshi
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29. Shri K. Rama Mohana Rao
30. Shri Motiur Rahman
31. Shri Ekanath K. Thakur

SECRETARIAT

- | | | |
|----------------------------|---|---------------------------|
| 1. Shri John Joseph | — | <i>Secretary</i> |
| 2. Shri P. Sreedharan | — | <i>Joint Secretary</i> |
| 3. Shri Raj Shekhar Sharma | — | <i>Director</i> |
| 4. Shri Hoti Lal | — | <i>Assistant Director</i> |

*Nominated *w.e.f.* 27.9.2005.

INTRODUCTION

I, the Chairman, Standing Committee on Information Technology (2005-06) having been authorised by the Committee to submit the Report on their behalf, present this Twenty-Sixth Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in their Sixteenth Report (Fourteenth Lok Sabha) on "Demands for Grants (2005-2006)" relating to the Department of Posts.

2. The Sixteenth Report was presented to Lok Sabha on 21st April, 2005 and laid in Rajya Sabha the same day. The Department furnished Action Taken Notes on the Recommendations/Observations contained in the Report on 9th August, 2005.

3. The Report was considered and adopted by the Committee at their sitting held on 20th December, 2005.

4. For facility of reference and convenience Recommendations/Observations 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/observations contained in the Sixteenth Report (Fourteenth Lok Sabha) of the Committee is given at Annexure-II.

NEW DELHI;
21 December, 2005
30 Agrahayana, 1927 (Saka)

M.M. PALLAM RAJU,
Chairman,
Standing Committee on
Information Technology.

CHAPTER I

REPORT

This Report of the Standing Committee on Information Technology deals with action taken by Government on the Recommendations/Observations of the Committee contained in their Sixteenth Report (Fourteenth Lok Sabha) on 'Demands for Grants (2005-2006)' pertaining to the Department of Posts (DoP).

1.2 The Sixteenth Report was presented to Lok Sabha on 21st, April, 2005 and was also laid on the Table of Rajya Sabha on 21st April, 2005. It contained 39 Recommendations/Observations.

1.3 Action Taken Notes in respect of all the Recommendations/Observations contained in the Report have been received from the Ministry of Communications and Information Technology (Department of Posts) and categorised as under:—

- (i) Recommendations/Observations which have been accepted by the Government:

Para Nos: 111, 112, 114, 118, 120, 122, 123, 124, 125, 127, 128, 129, 130, 131, 132, 133, 134, 135, 140, 141, 142, 147 and 148

(Total: 23, Chapter-II)

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the reply of the Government:

Para Nos: 110, 117, 119, 121, 126, 136, 137, 138, 139, 143, 144, 145 and 146

(Total: 13, Chapter-III)

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

Para Nos: 113, 115,, and 116

(Total: 3, Chapter-IV)

- (iv) Recommendations/Observations in respect of which replies are of interim nature:

Para No: Nil

(Total: Nil, Chapter-V)

1.4 The Committee trust that utmost importance would be given to the implementation of the Recommendations/Observations accepted by the Government. In cases, where it is not possible for the Department to implement the Recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation. The Committee further desire that Action Taken Notes on the Recommendations/Observations contained in Chapter-I of this Report should be furnished to them at an early date.

1.5 The Committee will now deal with action taken by the Government on some of the Recommendations.

Utilization of Budgetary Allocations

Recommendation (Para No. 113)

1.6 Commenting on unspent balances, the Committee observed as follows:

“The Committee find that while on one side the Department has not been able to spend fully the allocated funds resulting in huge unspent balances, there have been, on the other side, certain activities such as modernisation of post offices, modernisation of speed post centres, modernisation of mail offices, promotion of premium products, construction of buildings etc., where more funds could have been utilized, if it had been allocated to the Department. The Committee’s apprehension about the poor budgetary exercise in the Department, thus gets reinforced from the above stated contradictory situation with regard to utilisation of funds. The Committee would, therefore, like the Department to ensure that the assessment of requirement of funds under different major, minor and sub-heads of the Grant are made on realistic anticipations to make the budgetary exercise more meaningful and accurate”.

1.7 The Department of Posts, in their action taken reply have stated as under:

“The allocations are firmed up in consultation with Planning Commission with whom each Department has to enter into an MoU regarding scheme-wise outlays and physical targets. Therefore, the Department is compelled to accede to their conditions regarding limiting the allocations in some cases, even if there is scope to utilize more funds under these activities. This is specially so in the case of Construction of buildings, modernization activities, etc.

Since the total outlay received initially, is always far lower than what is projected, and given the corporate compulsions to speed up the computerization projects, funds for activities like promotion of premium products, philately, financial services, etc., are often compelled to be reduced. This is why there is a mis-match between allocations and capacity to spend, in respect of certain schemes.”

“This disparity is sought to be reduced during the budgetary process, to the extent possible, by carefully assessing the capacity to spend in priority schemes and providing only token allocations where there is doubt in spending capacity, and allocating these resources to schemes which can absorb more funds, even if their inter-se priority is lower. This fact can be clearly seen from the figures relating to projection to Planning Commission and trend of allocations made under BE/RE”.

1.8 The Committee are not convinced with the arguments adduced by the Department of Posts (DoP) seeking to justify the deficiencies pointed by the Committee in the budgetary exercise. While on the one hand, DoP have sought to apportion the blame on the Planning Commission for imposing restrictions on the allocation, on the other hand, the Department have stated that they strive to maintain the balance through the budgetary exercise. In the opinion of the Committee, had it been so, there would not have been cases of under utilisation. Also, the core schemes ought to have got better considerations. Unfortunately, the budgetary mechanism to undertake a proper assessment of this has not been effective and this needs to be addressed to by DoP in all its implications. The Committee, therefore, reiterate their earlier recommendation that the DoP should ensure that the assessment of requirement of funds under different major, minor and sub-heads of the Grant are made on realistic anticipations to make the budgetary exercise more meaningful and accurate.

Recovery of Arrears

Recommendation (Para No. 115)

1.9 Dealing with the arrears of recoveries the Committee had recommended as under:

“The Committee note that the Department of Posts is paid agency charges for the service rendered by them on behalf of the other Government Departments and these earnings are accounted for as recoveries. The Postal Life Insurance and the Rural Life Insurance

constitute 65 per cent of the total recoveries. The Department also makes pension payment on behalf of a number of Departments, including the Ministry of Railways, Ministry of Coal, Ministry of Mines, the EPF organization and agency charges are paid for it. The Committee also observe that various areas of recoveries to be made by the Department include (i) Commission of money on Western Union Money Transfer; (ii) Commission on payment of Military Pension; (iii) Commission on sale of Non-postal stamps of Delhi Administration; (iv) Commission on payment of pension under CPF; (v) Collection of Custom Duty; (vi) Telegraphs share of combined office charges; (vii) PLI/RPLI; (viii) APS Accounts and other Government Departments. According to the Department of Posts, arrears worked out for the job of booking and delivery of telegrams on behalf of the BSNL comes to Rs. 100 crore. Similarly, huge arrears are stated to be recovered by the Department of Posts from various Departments for rendering the above mentioned services. However, the actual details of arrears of recoveries in respect of each service were to be worked out by the Department. The Committee therefore, recommend that arrears of recoveries due on 31st March 2005 against all the Departments/organizations on account of different services/agency functions including those pertaining to disbursement of pension, may be worked out unit/service/Department-wise and the matter of expeditious recovery of the arrears may be taken up at the highest level with the concerned Department/organizations at the earliest. The Committee would also like to be apprised of the progress made in this regard with full details within a period of three months”.

1.10 The Department of Posts in their action taken reply informed as follows:

The Status of outstanding dues against various departments/agencies as on 31st March 2005 for various agencies services rendered by the Department of Posts are:—

1. Recoveries in the shape of Fixes Rate of Remuneration (FRR) related to PLI and RPLI have been credited to the Department of Posts up to 31.03.2005 at the rate of FRR declared up to 31.03.2001. Although there is no arrear to be recovered, some adjustment is likely to occur with retrospective effect once the FRR is finalized.

1.A BSNL/DoT for delivery of Telegrams: Rs. 100 crore is the progressive total of the outstanding against BSNL/DoT from

1992-93 upto 2002-2003. The rates of agency charges payable to Department of Posts by BSNL/DoT for booking and delivery of telegrams in combined offices is under dispute and the matter is under discussion with DoT and the case has been sent to Committee of Secretaries (CoS).

2. Ministry of Railways for payments of pensions: There are no dues outstanding. Adjustment is made through RBI, CAS, Nagpur.
3. Ministry of Coal & Mines (CMPF) for payments of pensions: Rs. 9.4 crore are outstanding against Coal & Mines Provident Fund (CMPF) towards commission for payment of pension and towards the amount paid as pension. This matter has also been taken up at Secretary level with the Secretary (Labour) and Secretary (Coal & Mines) for early recovery.
4. Ministry of Labour (EPF) for payments of pensions: Rs. 15.87 crore are outstanding EPF towards commission for payment of pension and towards the amount paid as pension. This matter has also been taken up at Secretary level for recovery.
5. Western Union for International Money Transfer Service: No dues are outstanding. All recoveries made up to 31.03.2005.
6. Ministry of Defence for commission on payment of Military Pension: There are no dues outstanding. Adjustment is made through RBI, CAS, Nagpur.
7. State Government of Delhi for commission on sale of Non-Postal Stamps: No dues outstanding.
8. Department of Revenue for collection of customs duty: No dues are outstanding.
9. Ministry of Defence APS Accounts: There are no dues outstanding.
10. Department of Telecom for payment of pensions: The amount due is Rs. 23.01 crore (provisional). All Heads of Circles have been instructed to collect information in respect of dues recoverable from DoT, to determine total outstanding due in this regard. The matter has also been taken up with Member (Finance) of Department of Telecom, who has agreed to the rates proposed by DoP in this regard. The matter has also been taken with Ministry of Finance for concurrence as well as for providing necessary funds in the Budget of DoT for payment to Department of Posts."

1.11. The Committee note that the matter regarding outstanding dues was taken up with the various Departments of Central Government, State Government of Delhi and other Agencies on account of services rendered by the Department of Posts. The Committee appreciate that no dues are outstanding against the Ministry of Railways, Ministry of Defence, State Government of Delhi and Ministry of Finance (Department of Revenue). However, Rs. 100 crore is pending from BSNL/DoT for booking and delivery of telegrams, Rs. 9.4 crore from Ministry of Coal & Mines towards commission, Rs. 15.87 crore from Ministry of Labour and Rs. 23.01 crore from Department of Telecom for payment of Pensions. The Committee also note that efforts have been made by the Department of Posts for recovery of these arrears. Considering the sizeable extent of arrears, the Committee strongly recommend that the matter should be taken up with the respective Ministries/ Departments at the highest level for their expeditious recovery. The Committee would also like to be apprised of the progress made in this regard.

Recommendation (Para No. 116)

1.12 Commenting on the agency functions, the Committee had recommended as follows:

“The Committee further observe that the Department of Posts provide agency services to the Ministry of Finance and in this regard an expert Committee set up by the Ministry of Finance in 1993-94 had fixed the rates of remuneration for that year. They had also recommended 10 per cent escalation per year but after the year 2001-02, the increase has been only to the tune of 4.25 per cent and 3.88 per cent during the last two years resulting in revenue deficit. Surprisingly, the Department did not get any response for the references made to the Ministry of Finance despite the fact that the matter was taken up with the Secretary (Expenditure). The Committee express their serious concern over such as state of affairs when the escalation rate fixed by the Expert Committee was reduced unilaterally by the Ministry of Finance which has adversely impacted the financial position of the Department of Posts. The unilateral decision taken by the Ministry of Finance with regard to reduction of escalation rates without consulting/involving the service provider/organization *i.e.* Department of Posts is, in the opinion of the Committee, highly unreasonable and needs to be rectified very soon. Taking into account the fact that working expenses of the Department are

steadily rising year after year while in sharp contrast thereto, the escalation rate of remuneration have been reduced by the Ministry of Finance resulting in an adverse financial position to the Department, the Committee are constrained to recommend that the Department of Posts should seriously take up the matter with the Ministry of Finance and Planning Commission at the highest level. In case no favourable response is received within a reasonable period of time, the Department should explore the possibility of placing the entire matter before the Cabinet.”

1.13 The Department in their action taken reply have stated as under:

“The matter continues to be pursued with Ministry of Finance. The last reminder was sent to the Ministry of Finance on 5-12-2005 and reply of Ministry is still awaited”.

1.14 The Committee are concerned to note that the matter regarding enhancement of remuneration to the Department of Posts by the Ministry of Finance for the agency functions rendered by the Department of Posts on behalf of the latter is still pending with the Ministry of Finance without any response. Since the issue has an important bearing on the finance of the Department, the Committee are of the view that there is an imperative need for DoP to show a higher degree of urgency, than in evidence. The Committee, therefore, recommend that the Department of Posts should pursue at the highest level in the Ministry of Finance to expedite the matter and arrive at an early decision. The Committee would also like to be apprised of the action taken by the Government in this regard within six months from the date of presentation of this Report to Parliament.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Budgetary Proposals and Thrust Areas

Recommendation (Para No. 111)

The Committee note that certain thrust areas have been defined by the PMO for the Department of Posts. These areas include timely completion of tasks related to setting up of Finance Marts as one stop shop for financial services, timely completion of franchising arrangements to provide services in the areas not having post offices, undertaking computerization of postal activities, taking necessary action for replacing/amending the Indian Post Office Act of 1898 to take care of the needs of competition, convergence and other new developments and bringing institutional reforms in terms of decentralization, simplification, transparency, accountability and e-governance. The Committee trust that the Department will initiate all necessary steps in this regard to achieve the desired results at the earliest in all the thrust areas defined by the PMO which will not only make the Department a vibrant commercial organization but also provide speedy and smooth services to the public at large. The Committee would like to be apprised of the specific steps being taken by the Department in this regard.

Action Taken by the Government

Efforts are being made to effectively implement the thrust areas identified for the Department. The steps taken in this regard till date are summarised below:—

1. **Setting up of Postal Finance Marts (PFMs):** The proposal to set up Postal Finance Marts was taken up only in the Mid Term Appraisal of the 10th Plan and reflected in the Annual Plan 2005-06. To implement this activity in the current year, a proposal has been submitted to the Planning Commission to enhance the outlay under the scheme 'Modernisation (Improving ergonomics) of Post Offices'. Meanwhile, short-listing of post offices for setting up of PFMs has been completed. Circles have been advised to

organise AMFI training programmes in coordination with Mutual Funds/Financial Institution that are retailing their products through PFMs. Implementation will be done after obtaining concurrence of the Planning Commission and approval of MoC&IT.

2. **Franchising Postal Facilities:** A confirmation has been received from the Ministry of Law that the concept of franchising does not conflict with the provisions of the Indian Post Office Act, 1898. Detailed provisions of the scheme, including the modus of funding are being worked out and is targeted to be ready by August 2005. Thereafter, action will be taken on the remaining items.
3. (a) **Computerisation of postal activities and ensure reliable connectivity and quality services comparable to international standards:** Computerisation of post offices is on schedule. Hardware is being supplied to 2860 sub-post offices on the basis of advance purchase orders placed (with the special permission granted by Ministry of Finance) in March, 2005. Site preparation funds have also been released. Processing of the proposal for Computerisation of the remaining 606 post offices, Speed Post centres, and foreign post offices and also for setting up the NDC is under process.
3. (b) **Re-orient future business development with special emphasis on services like Speed Post, Express parcels, e-post, e-billing, payments and presentments (EBPP), e-commerce:**
 - (i) Two separate Divisions, namely, Marketing Division and Parcel Division have been created within Business Development Directorate of the Department with a view to undertake dynamic marketing activities and enter into parcel segment in a big way.
 - (ii) Broad outlines and preliminary (operational) details have been worked out to launch specialised Speed Post services such as City Express, Post Express and Premium Speed Post and corporate e-Post to cater to the special needs of different customer segments.
 - (iii) Efforts to facilitate e-Commerce through post office network is also under process. Value Payable Post (VPP) and e-Bill

Post are being redesigned for this purpose in consultation with organisations such as CII and NIIT respectively.

4. **Replace/amend the Indian Post Office Act, 1998:** The Amendment Bill is being finalised. Thereafter, the Bill will be circulated to all concerned Ministries/Departments for comments/suggestions. The draft Amendment Bill is likely to be submitted to the Parliament during the Winter Session 2005.
5. **Institutional reform in terms of (a) decentralization, (b) simplification (c) transparency (d) accountability and (e) e-governance:**

This is an on-going process. Some of the major efforts taken so far during 2005-06 include the following:

- (i) Delegation of financial powers to meet operational requirements being effected.
- (ii) A professional consultant, M/s KPMG has been engaged to undertake a Systems Study of the Department to identify options available for the postal system to compete in a commercial environment and achieving financial self-sufficiency while continuing to fulfil its USO. Preliminary Report has been received, and final report is targeted to be received by October 2005.
- (iii) Output norms in respect of Savings Bank have been revised. Timeframes for disposing of all savings bank related services have been substantially reduced to provide faster service to customers.
- (iv) Implementation of Citizen's Charter has been progressively extended and all major Sub-Post Offices are expected to be covered by September 2005.
- (v) Web-based complaint handling: Four Circles, viz., Uttaranchal, Himachal Pradesh, Andhra Pradesh and Chhattisgarh Circle have achieved the target of handling 80% of the complaints through on-line system. The other Circles are also aiming to achieve their target before December 2005.

Progress in respect of all thrust areas are being reviewed at the level of Secretary (Posts) periodically.

Utilisation of Budgetary Allocations:

Recommendation (Para No. 112)

The Committee are constrained to note the recurring nature of unspent balances left with the Department at the end of each financial year. The unspent balances in the Revenue Section under Non-Plan head had been Rs. 88.57 crore, Rs. 14.26 crore, Rs. 6.37 crore and Rs. 67.82 crore during the year 2000-01, 2001-02, 2002-03 and 2003-04 respectively. Similarly, unspent balances in the Capital Section under Plan head had been Rs. 41.54 crore, 5.84 crore, 33.87 crore, and 3.66 crore respectively under the same period. The figure projected as unspent balances for the year 2004-05 under both the above mentioned heads are Rs. 1194.07 crore and Rs. 137.73 crore respectively. The Committee observe that the trend of continuous under-utilisation of allocated funds both under the Revenue and Capital Sections is quite alarming. In the opinion of the Committee, the reasons put forth by the Department for such under-utilization such as the time taken to complete the formalities and getting approval, booking of expenditure under wrong heads of accounts etc. are clear testimony of poor budgetary exercise prevalent in the Department coupled with the lethargic bureaucratic processes involving a lot of delay in completion of requisite formalities. The Committee, therefore, feel that the budgetary and administrative mechanisms of the Department needs to be revamped so as to avoid recurrence of past mistakes and to ensure optimum utilization of funds within the financial year. The Department should make serious efforts to procure and clear the bills of other Departments like DGS&D within the financial year so that the funds earmarked for that purpose are not left unutilised.

Action Taken by the Government

The concerns expressed by the Committee are noted. The reasons for under utilisation of budgetary allocations are given below:

a. Non-Plan

Revenue Expenditure (Non-Plan)

(in Crores)

Year	Revised Estimate	Actual Expenditure	Unspent balances (excess +)/(Savings-)	Percentage of column 4 to 2
2000-01	4975.00	4886.43	-88.57	-1.78
2001-02	5183.95	5169.69	-14.26	-0.28
2002-03	5477.11	5470.74	-6.37	-0.12
2003-04	5787.29	5719.47	-67.82	-1.17
2004-05*	6018.11	5947.58	-70.53	-1.17

The unspent balance of 2004-05 is at the same level, percentage wise, as of the previous year. The amounts unspent were primarily establishment related cost (Rs. 70.27 crores) due to final expenditure being lesser than anticipated. Efforts will continue to be made to avoid unspent balances to the extent possible, as directed by the Committee.

(b) Capital Plan

1. Unlike many other Departments, the Department of Posts, implements all its Plan schemes as central schemes through its own subordinate formations, spread across the country. Therefore, funds exit the budget only after expenditure is incurred and booked. Since major Plan schemes have long gestation period, the level of fund utilization and booking of expenditure at the time of finalizing RE is low. This results in reduction of funds at the RE stage. Therefore, every year, the Department is compelled to re-adjust its Plan implementation activities mid-year.

2. In 2002-03, i.e., the first year of the 10th Plan, scheme-wise outlays were approved by Planning Commission only by end-September 2002, after a detailed zero based budgeting exercise. Approval of the competent authority for the different schemes could be initiated only thereafter. This approval process involves multiple agencies, inter-ministerial consultations, etc., and the pace of progress is not always within the control of the Department. Therefore, major Plan schemes like Computerisation, Construction of buildings could be got approved only after mid-2003. The Computerisation project could not be taken up for implementation in 2003-04 after it was approved for want of funds in RE. These factors contributed to the low utilization of Plan funds in the first 3 years of the Plan.

As far as the budgetary process is concerned, funds are being provided in the last 3 years to each scheme only after assessing its capacity to utilize the funds, to avoid surrenders. However, despite best efforts, under-utilisation occurs when rate contracts are issued late by DGS&D or suppliers/contractors submit their bills late and DGS&D furnishes bills to the Department for booking expenditure beyond the financial year.

Some of the measures introduced to improve the Plan process include the following:

1. Securing special permission from Ministry of Finance to place orders on DGS&D for hardware in advance, to give suppliers and DGS&D adequate time to complete formalities and furnish the bills.

2. Approval process in respect of schemes pending approval of expedited through fortnightly monitoring. Release of Plan funds to Circles are also being monitored on fortnightly basis.
3. Quarterly progress targets (Financial and physical) have been set, both scheme-wise and Circle-wise and circulated to all concerned. Circles have been given detailed guidelines on the need for phasing and timely action to complete implementation within the given timeframes, so that expenditure targets (50% by September 2005, 70% by December 2005) can be achieved. Monthly monitoring of Plan expenditure and booking is also in place. Case by case directions are also being issued to sort out specific implementation issues.
4. A monitoring cell has been created at the Directorate level to oversee Plan expenditure and its booking by coordinating with concerned Divisions in the Directorate, Director of Accounts (Postal), Delhi, DGS&D, suppliers, etc.
5. Funds are strictly allocated only to those schemes which are ready for implementation.
6. Exercise is underway to rationalize the various Plan heads of account and to train accountants to understand the special requirements under Plan.

Working Expenses

Recommendation (Para No. 114)

The Committee note that the working expenses of the Department have been Rs. 5194.60 crore, Rs. 5476.15 crore, Rs. 5736.06 crore, Rs. 6027.31 crore, and BE of Rs. 6274.59 crore in the year 2001-02, 2002-03, 2003-04, 2004-05, and 2005-06 respectively, thus registering an increase of Rs. 281.55 crore in 2002-03, Rs. 259.91 crore in 2003-04, Rs. 291.25 crore in 2004-05 and Rs. 247.28 crore in 2005-06 (BE stage). The reasons for hike of working expenses in the BE of the year 2005-06 are stated to be merger of 50 per cent D.A. to the basic pay, thereby increasing the salaries and pension, adding requirement of additional funds. The Committee, however, observe that increase of working expenses of the Department is a regular phenomenon as is evident from the figures cited above, therefore, the Committee are not

convinced with the explanation of the Department that higher BE has been projected on this count only. The Committee would therefore desire that the Department should explore the areas where the working expenses could be reduced without adversely affecting the operations of the Department particularly when the Department itself admitted to the scope of controlling the expenditure to the tune of 3 to 5 per cent.

Action Taken by the Government

Increase in expenditure to the extent of 4.5% to 5.8% each year is inevitable in any Government organization because of the payments due to annual increment, increase in DA twice a year (for pay and pensions), salary increases due to promotions, retirement benefits, etc. In the case of Department of Posts, this impact is sizeable because 90% working expenses are establishment related. In 2004-05, abnormal increase occurred in this expenditure due to an enhanced burden of Rs. 292 crore (approximately) on account of the merger of 50% of DA in basic pay, which had an impact for pensioners also. There is also some increase due to costs towards maintenance of technology inducted.

Despite these increases, due to strict monitoring of expenditure and enforcement of the austerity measures imposed by Ministry of Finance, the Department has been able to peg expenditure in 2004-05 to Rs. 5964.05 crore, which is only an increase of 3.97% over the previous year. It also signifies a reduction in overall expenditure, if the abnormal expenditure of Rs. 292 crore mentioned above is not taken into account. These efforts will be continued to keep the expenditure at realistic levels.

Revenue Receipts

Recommendation (Para No. 118)

The Committee also note from the information submitted by the Department that revenue earned from postal operations constitute approximately 59 per cent of the total revenue of the Department, while over 41 per cent of the revenue is earned from commission from the Ministry of Finance on account of small savings work. In the case of postal operations, the BD Directorate is making efforts to mop up the bulk mailers and corporate mailers thereby increasing the amount despite non-revision of tariff from the year 2002. The Committee feel that there is an urgent need for increasing the revenue

earnings of the Department and therefore, they would advise the Department to explore the possibility of venturing into new areas of operation including selling of non-competing products so that financial health of the organization could be improved.

Action Taken by the Government

In the context of the advice given by the Committee, it is clarified that over the last 4-5 years, a number of initiatives have been taken up by the Department to leverage the reach of its network and to increase the range of financial services. Circles have been empowered in 2003 to finalise retail packages so that speedier decisions can be taken on proposals received. This has resulted in the introduction of a wide range of retail products to the customers (see annexure) and the revenues from 'Retail Post' has increased from Rs. 2.16 crore in 2001-02 to Rs. 50.50 crore (provisional) by 2004-05. This revenue has been included as part of revenues from Premium Products.

In the area of financial services, new products introduced include international money transfer through a tie up with Western Union, sale of Mutual Funds through tie ups with various leading players in the Mutual funds Market and sale of non-life products through a tie up with Oriental Insurance Corporation. While India Post has established itself as Western union's largest partner in Asia in the past 3-4 years, with 25% market share, the other products are yet to stabilise. Efforts are underway to develop Postal Finance Marts which can help boost the sale of Mutual Funds by leveraging the customer base for Savings Bank products for cross selling Mutual Funds. In the case of non-life insurance products also, efforts are underway to expand its sale to all the Head Post offices and all the States.

The Department continues to explore other options for introducing non-competing products. These include distribution of micro-credit through post offices, introduction of e-services in computerised post offices, etc. It needs to be mentioned that there is a certain time-lag required for new products to establish themselves with the post offices customers, as has been seen in the case of international money transfer. The computerisation of post offices and establishment of the National Data Centre would help the Department to increase the range of value added services that the Department can offer to its customers. The Department is, therefore, currently engaged in inducting technology into the System in order to, *inter-alia*, increase its capacity to generate more revenues.

LIST OF RETAIL ACTIVITIES/BUSINESS PACKAGES BEING
OFFERED BY POST OFFICES IN DIFFERENT POSTAL
CIRCLES THROUGH SELECT POST OFFICES

Sl.No.	Business Package
1.	Acceptance of countrywide loan application forms and disbursement of sanctioned loans through select post offices on behalf of corporates like GE.
2.	Address verification and credit rating of BSNL's Cell One customers
3.	Survey on behalf of State Government to identify Cable Connections
4.	Sale of forms for Universities, UPSC, State PSCs/SSCs, Engineering exams etc.
5.	Collection of Electricity Bill payments
6.	Delivery of Mobile Bills of BSNL/Air Tel and other private service providers
7.	Collection of Telephone Revenue Bills
8.	Sale of SIM Card and Recharge Coupons of private Telephone service providers
9.	Sale of products of private companies like Kodak, Emami etc.
10.	Acceptance of bills of Mahanagar Gas Limited, Mumbai
11.	Distribution of Prasadams
12.	Sale of milk cards
13.	Distribution of spices, Ayurvedic medicines
14.	Sale of carton boxes
15.	Sale of VCDs of eminent personalities
16.	Sale of books of various publishers
17.	Collection of tuition fee (on behalf of Dr. B.R. Ambedkar Open University)
18.	Sale of educational materials/CD
19.	Disbursal of Old age money orders/widow's pensions
20.	Sale of Philately frames Disbursal of Old age money orders/widow's pensions
21.	Sale of Philately frames.

Tenth Five Year Plan:

Recommendation (Para No. 120)

The Committee find that the approved Tenth Plan outlay for the Department of Posts for Plan Schemes is Rs. 1350 crore, wherein approved outlays for the first three year of the plan i.e. 2002-03, 2003-04 and 2004-05 was Rs. 350 crore and a provision (BE) of Rs. 354 crore has now been made for the year 2005-06. Further, out of total outlay of Rs. 1350 crore for the Xth Five Year Plan, Rs. 1066.50 crore (79%) is stated to be earmarked for computerization, up-gradation of technology and modernization of postal network and its operations. Similarly, out of Rs. 354 crore earmarked for the 2005-06, Rs. 307.05 (86.7%) is earmarked for the above mentioned activities. However, performance of the Department in respect of fifteen important activities for which funds were allocated to the extent of Rs. 103.61 crore in the year 2001-2003 and Rs. 104.31 crore in the year 2003-04 have been abysmally poor as the actual expenditures have been very less. Surprisingly, the Department failed to utilize the funds in some of the critical areas like Computerization of Post offices, Modernisation/Upgradation of VSAT system etc. The main reasons for poor performance in the first two years of the Tenth Plan are stated to be the delay in receiving the scheme-wise outlay from the Planning Commission including the delay in getting the approval of the competent authority to the plan schemes. The Committee are not convinced with the reasons for delay as the administrative hurdles could very well have been overcome had the Department put in focussed efforts in this direction. The Committee hope that the Department will at least now make concerted efforts for full and fruitful utilization of the budgetary allocations for the year 2005-06 so that implementation of the schemes and completion of activities are not delayed further.

Action Taken by the Government

The concerns expressed by the Committee are noted. However, the Department would like to clarify the following issues in this context:

1. The Department of Posts embarked on a programme to modernize the postal system from the middle of the Eighth Plan. It has substantially enhanced the scope of its schemes for modernization and Upgradation of technology not only in terms of physical and financial targets, but also in terms of the number of Plan schemes and activities in the successive Plan schemes. This is clearly reflected in

the comparative statement of number of schemes and quantum of outlays approved in the 8th, 9th and 10th Plan:

Plan	Number of Schemes	Total Outlay (Rs. In crore)
8th Plan	10	401.00
9th Plan	12	507.50
10th Plan	21	1350.00

The Department had proposed 24 Plan schemes to the Planning Commission for providing outlays. They wanted the number of schemes to be reduced, as part of zero based budgeting, which proved difficult, as there were implementation issues to be considered. This resulted in the delay. Due to the consistent efforts made by the Department, it was finally possible to get outlays approved for 20 schemes by September/October 2002.

2. As mentioned in response to para 112, the approval process through EFC/SFC/CCEA, etc., takes time and involves multiple agencies, sometimes resulting in delays and sometimes due to circumstances beyond the Department's control. However, the whole process was expedited, after the initial delay, through fortnightly monitoring and reviews at the level of Secretary (P).

Efforts are now being made to fully make up the lost ground in the first two years and the Department is confident of meeting the physical targets in almost all its Plan schemes.

Expansion of Postal Network:

Recommendation (Para Nos. 122 & 123)

The Committee feel that with the extensive reach all over the country, the DoP is very uniquely placed to reposition and re-invent itself as a one-stop-shop for multiple-services and products including postal services and products. This strength has to be optimally leveraged by an innovative and imaginative mix of offerings depending on the region and the local needs and demands, without diluting the USO objectives of Postal Services.

and

The Committee are happy to note that the Department of Posts has the largest Postal Network in the world with 155669 Post Offices

as on 31.03.2004. The different categories of Post Offices run by the Department are-Extra Departmental Branch Offices (EDBOs), Extra Departmental Sub-offices (EDSOs), Departmental Sub-Offices (DSOs), Panchayat Sanchar Sewa Kendras (PSSKs), Non-Recoverable Component (NRC) Post Offices. Although the expansion of the Postal Network was being undertaken by DoF through opening of Post Offices and Panchayat Sanchar Sewa Kendras but under the Tenth Plan, Post Offices are required to be opened only by redeployment of existing manpower and relocation of existing Post Offices. The Committee learn that an independent Committee has been set up by the Planning Commission for review of Postal Network and further physical targets will be fixed by the Department only after the receipt of the recommendations of the independent Committee. The Committee further observe that there are 80 justified proposals pending with the Department for opening Post Offices comprising 50 proposals for DOs and 30 proposals for DSOs. The Committee appreciate the constraints of the Department with regard to cost benefit ratio of opening a Post Office but at the same time the Department is also expected to discharge its responsibilities regarding Universal Service obligation (USO) which only ensures cost effective communication facility to the masses even in far flung areas of the country. The Committee would, therefore, like the Department to explore various options of expansion of Postal Network including franchising the Postal Services through agents so that the requirements of Postal Services at various places are met adequately and effectively.

Action Taken by the Government

Efforts are being continuously made to leverage the reach of the network to retail more services which are relevant to the needs of the customers. To facilitate this purpose, HoCs have been delegated powers to firm up retail packages. The range of retail services being offered through the network can be seen from the list annexed to response to para 118.

The Department has also requested Department of Information Technology to include post office as a nodal point for setting up Community Service Delivery Centres. Mid Term Appraisal of the 10th Plan also emphasizes the need to use the post office to disseminate health education, information and sale of basic health products like ORS packets, condoms, medicine for burns and antiseptic creams in rural areas.

The Department is already in the process of relocating, single/double handed post offices located in urban areas which do not meet

distance norms, to other needy areas. Similarly, EDBOs located in close proximity in norms rural areas and which, therefore, do not meet the distance norms, are also being relocated to needy places. Last year approximately 41 sub offices were relocated in this manner, which is higher than the annual target given for opening sub offices under the 10th Plan in the first two years. As far as franchising is concerned, the status has been clarified in response to para 111.

NRC Post Offices:

Recommendation (Para No. 124)

The Committee note that Non-Recoverable Component (NRC) Post offices are opened at the behest of a sponsor, who is willing to meet the gap between income and revenue from a Post Office that is opened without complying with the income norm of the Department for opening Post offices. This NRC scheme has, however, been withdrawn with effect from 1.4.03 because of the sponsors turning out to be defaulters in regard to payment of their dues. The Committee find that as on 31.03.03, when the NRC scheme was withdrawn, there were 1453 post offices in the country of which 1218 were sponsored by the Government/public sector, 234 were sponsored by the private sector or individuals and 1 by another Central Government Department. The total liability pending as on 31.03.03 was Rs. 32.94 crore. The Committee would, therefore, recommend that immediate necessary steps should be taken by the Department to recover these dues from the concerned Departments/Institutions/Individuals on account of their liability in NRC Post offices opened on their sponsorships.

Action Taken by the Government

The Department has already taken up the matter with the Inter State Council (ISC) for its consideration. Before the matter is placed before the council, the comments of the concerned State Governments have to be mandatorily obtained. A D.O. letter has been sent at the level of Secretary (P) to the Chief Secretaries of the concerned States. Responses from some of the States are still awaited. As soon as all the responses are received, the matter will be placed before the Inter State Council.

Since 31/3/03, when the scheme was decided to be wound up, Rs. 1.05 crore has been recovered, out of a total liability of Rs. 32.94 crore, due to the persistent efforts of the Circles. Some State Governments have, however, refused to meet their commitments on the grounds that this burden should be the sole responsibility of the Department of Posts. Hence, a final decision can be taken now only by the ISC.

NRC Post Offices:

Recommendation (Para No. 125)

The Committee further observe that in the NE circle, there are 103 Sub Post Offices and 298 Branch Post Offices which were opened with the State as sponsor. The State governments are unable to meet their liabilities which amounted to Rs. 8.13 crore as on 31.3.2003 due to paucity of funds. The Committee further learn that keeping in view the need for communication facilities in these remote areas, the Department decided to provide support for them under Plan from the NE component rather than closing them down. Accordingly, the Department has made provisions for BE of Rs. 2.60 crore from Plan Head for the year 2005-06 to maintain these offices. The Committee appreciate the initiative taken by the Department to make provision from Plan head to maintain the NRC Post Offices in the North East Circle. They also feel that this step of the Department not to close down 401 Post Offices in the NE circle and to maintain them will provide great relief to the local inhabitants of that region.

Action Taken by the Government

To meet the recurring expenditure of 103 SOs and 298 BOs in the NE Circle, the Department has made the proposal of Rs. 2.60 crore in Annual Plan 2005-06. This proposal has been included in the EFC proposal. Proposal for consideration of EFC has already been put up for concurrence of competent authority.

Computerization of Post Offices:

Recommendation (Para No. 127)

The Committee feel that the DoP must approach its necessity to computerize more from the view of a multi-service and product provider rather than just Postal Services that would ensure the pace of computerization and the optimal usage of IT Infrastructure.

Action Taken by the Government

The 10th Plan clearly spells out the fact that upgradation of the physical network is not only to improve the efficiency of the service but also to provide a platform for extending value added services relevant to the needs of the people. Plan schemes approved in the 10th Plan include e-Post, e-Bill Post and New products and services, including financial services. Additional features like Speednet, Track &

Trace and web-based customer handling are also initiatives for which allocations were provided under Plan. The policy initiatives of the 10th Plan also spoke of the need to make post office into multi-product/multi-service centres.

Keeping these aspects in mind, the Department has taken up a number of retail financial and technology based services which cater to the needs of the customers. Heads of Circles have been delegated powers to finalise retail packages that are relevant to local needs. It has been possible to introduce many of these schemes due to the computerised facilities increasingly available in post offices. The Department has also requested the Department of Information Technology to consider post office as one of the nodal points for setting up Rural Service Delivery Centres. A decision in this matter is awaited.

Meanwhile, the Department has taken up with Planning Commission the possibility of computerising all the Departmental post offices. A High Powered Committee has also been constituted to monitor and advise the implementation of the computerisation programme. Thus, every effort is being made to increase the pace of computerisation in the Department and to optimise the use of this infrastructure.

Computerisation & Networking of Mail Offices:

Recommendation (Para Nos. 128, 129 & 130)

The Committee note that during the Tenth Plan period target fixed for computerisation of Head Record Offices is 48, setting up of Computerised Record Sorting Centres (CRC) and Networking of CRC is 150 and Track and Trace system for accountable articles is 4.

The Committee's analysis, however, reveal serious shortfalls in the area of computerisation and networking of Mail offices as the Department could utilise only 0.82 crore against allocation of Rs. 13.32 crore in 2002-03, Rs. 0.58 crore against allocation of Rs. 0.82 crore in 2003-04 and again only Rs. 1.37 (anticipated) against allocation of Rs. 5.00 crore in the year 2004-05. The Department's performance in the year 2004-05 has been very dismal as no achievements were made against the target of computerisation of 25 Computerised Registration Sorting Centres (CRC) and Track & Trace System for accountable articles in 4 metros. The Committee note that no systematic study was undertaken before initiating the computerisation process and as a result a decision was to be taken during mid-term appraisal to form a Core Group to recommend end-

to-end solution for management of mail in computerised environment and integration/upgradation of software in use.

The Committee are of the firm opinion that it is sheer lack of preparedness on the part of the Department which resulted in failure in achievement of targets and thus necessitated mid-term revision of these targets. The Committee while expressing their anguish over the unsatisfactory performance of the Department, would recommend the Department to expedite submission of the report of the Core Group, analyse it and reformulate its policy and targets for computerisation and Networking of mail offices at the earliest.

Action Taken by the Government

The concern expressed by the Committee is noted. In this context, it is clarified that no targets were approved for the CRCs in the first two years of the Plan by the SFC when recommending the scheme in 2003-04. The SFC also desired that a study of the Computerisation of Registration Centres taken up in the previous 5 year Plan should first be done before computerisation is taken up in the 10th Plan. Hence, in 2003-04, action was taken to computerise only HROs. Action was also initiated to tender for the study, when it was decided at the time of mid term evaluation of the Plan, to undertake a comprehensive evaluation of the entire computerised system of handling mails, including CRCs, the requirements for introducing track and trace for registered articles, etc. It was also decided that since results of the study would primarily impact only the software related technical issues, the Department should go ahead with the computerisation programme and undertake the necessary Upgradation, if any, after the evaluation is completed.

Accordingly, 40 CRCs are proposed to be covered in the current year, and funds to the extent of Rs. 0.60 crore allocated for this activity has been given to the Circles for undertaking site preparation in 30 offices. Funds for the remaining offices and for purchase of hardware are proposed to be sought in the RE. The Department hopes to cover the remaining 35 CRCs in 2006-07 and thereby fulfil the revised target of 75 offices.

Incidentally, the targets for computerisation of CRCs were reduced from 100 to 75 not because of lack of preparedness but due to fall in traffic. Only CRCs having 1500 plus articles were decided to be covered under the computerisation programme. This necessitated a reduction in the physical targets for CRCs by 25%.

Modernisation and Upgradation of VSAT System:

Recommendation (Para Nos. 131 & 132)

The Committee observe that a Satellite Network for transmission of money orders between Post offices was established during the Ninth Plan and an expenditure of Rs. 3 lakh was incurred for setting up of one VSAT unit which included a Dish antenna, one indoor unit and one modem for cabling a computer and peripherals like printer, UPS etc. A money order transmitted through VSAT System gives a saving of Rs. 10.12 per money order and currently 60,000 money orders per day are transmitted through the system. The Committee also note that the physical target of installation 150 VSATs was achieved in the Ninth Plan period and provisions are made in the Tenth Plan only for meeting the spill over liabilities. Out of the total liability of Rs. 3.067 crore, the Department has already paid Rs. 2.709 crore.

and

The Committee appreciate that the Department achieved the target of installation of 150 VSAT systems in the Ninth Plan period and the system is running successfully though initially some software related problems had emerged which were overcome subsequently. The Committee feel that the VSAT system not only provides efficiency by optimum utilisation of the available capacity in the barest minimum time but also provide saving of Rs. 10.12 per money order. The Committee, therefore, recommend that the Department should explore the possibility of operating VSAT system at a larger scale covering wider postal network and for this purpose, if required, more VSAT units may be installed. The Committee would advise the Department to get a study undertaken in this regard.

Action taken by the Government

The existing VSAT system consists of a network of 150 VSAT/ Satellite Money Order (SMO) linked to 1429 Extended Satellite Money Order (ESMO) stations. The above network of VSAT/ESMO stations cover all the Post Offices including Branch Post Offices in the rural areas in the country for the purpose of money order transmission.

Suggestions have already been called for from the Circles for relocation/setting up of additional VSAT centres. Further, circles are also adding new Extended Satellite Money Order (ESMO) Stations to utilize the network optimally. In this way, efforts are already underway to rationalise and expand the VSAT network based on actual need.

Decline in Mail Volume:

Recommendation (Para No. 133)

The Committee observe that the registered mail volume has gone down from 222.4 million in 2002-03 to 213.6 million in 2003-04 thus registering decline of 3.96% and similarly unregistered mail volume has also gone down from 8871.6 million to 8421.6 million registering decline of 5.07%. The Committee further note that the money order traffic has also come down by 5.43% in quantity terms and by 20.52% in value terms. The Committee express their concern over the decline of Mail volumes as it leads to under-utilisation of resources towards postal purposes. The Committee, therefore, recommend that the Department should strengthen its postal mechanism, keep close monitoring over processing and delivery of mails, expand the Track and Tracing Mechanism so as to bring efficiency in postal services which could attract more and more business.

Action Taken by the Government

The Department is seized of the concerns expressed by the Committee about the decline in mail volumes and money order traffic. It has taken a number of measures to increase the mail volumes. The focus of the initiatives include the following:

1. Introduce a reliable channel for local mails and inter-metro and inter district mails, so that they are delivered within D+1 norms.
2. Set up a reliable machinery to handle greetings/invitations/corporate mails.
3. Give greater attention to the handling of registered mails to ensure timely processing and delivery.
4. Improved supervision and monitoring to ensure:
 - (a) That sorting offices start functioning from 6 a.m. to ensure that overnight mails received up to 8 a.m. connect same day delivery. So also the case of letter box clearances done in the morning.
 - (b) That accountable articles have been brought back by postmen only where delivery was unavoidable. Residual mail to be specially monitored and reasons for non-delivery to be cross verified.

- (c) The rationalisation of mail offices is undertaken to ensure network integration and optimal use of resources.
 - (d) That Emphasis is placed on computerisation and quality optimisation as well as productivity.
 - (e) That complaints handling is prompt and responsive and
 - (f) That continuous posting of test letters is undertaken to measure delivery efficiency and of live mail surveys are conducted regularly to measure traffic and efficiency.
5. Marketing of traditional mail: It has been recognized that besides premium products/services, traditional mail also requires proper and sustained marketing efforts to make public aware of all services/products being offered by the Department and their special features which can cater to varying needs of the customers.
 6. Targets are now being assigned to Circles for traditional mail products also. The objective is to try and increase mail volumes by 20%.
 7. A core group has been formed to study and recommend end-to-end solutions for mail transmission in computerized environment.
 8. The need to increase mail volumes through the implementation of the above measures has been taken up with Circles repeatedly not only in letters addressed by Secretary and Member (Operations & Marketing) but also through meetings specially convened for this purpose.

In the case of money orders also, the following measures are being taken to retain the existing market segment for this product and expand it:

- (i) To ensure speedy and efficient transmission of money order to avoid the delay associated with manual transmission. Efforts are being made to transmit all the money orders (except local money orders) through VSAT Network. Almost all the Post Offices including Branch Offices are either directly/indirectly connected to VSAT station or Extended Satellite Money Order Station (ESMO) for the purpose of money order transmission. Further Postal Circles have also been asked to increase the number of ESMO stations on need/demand basis, to utilize the existing capacity optimally.

- (ii) Increased monitoring of delivery of money orders has been instituted. In this context, complaint prone areas have been identified and focussed action is being taken to identify their special problems and address them.
- (iii) An analysis of complaints received relating to money orders in 2004-05 has been carried out and communicated to Circles for corrective action.
- (iv) The problems faced in transmission of money orders through VSAT has also been examined and discussed at Heads of Circles conference to ensure corrective action by those handling VSAT.
- (v) A study of the time take for delivery of money orders all over the country has been carried out during June 2005 to validate the norms for payment of money orders. The results of the study are in the process of being compiled so that they can be analysed.
- (vi) In October 2004, instructions for careful handling of money order acknowledgements were issued and it resulted in a reduction in the proportion of such complaints by 8% up to March 2005.

Training:

Recommendation (Para No. 134)

The Committee recommend that the DoP must approach its Training and HRD development programme with the firm resolve that it will earn its recognition as a quality service provider to the Nation. The Training Programme thus have to be oriented towards ensuring quality at every stage of interaction with the public. They observe that it has become imperative for the DoP to impart training to the existing manpower to handle the new requirements in the wake of induction of technologies and launching of new value added services. The Department has, therefore, kept the training in the thrust area with the allocation of Rs. 61.30 crore in the Tenth Plan. The Committee note that induction training is given at entry level to all the staff and offices with a view to familiarising them with the work of the Department and to enable them to handle the job assigned while in-service training is imparted to staff and officers for upgrading their existing skills/knowledge to handle greater responsibility as well as to meet the emerging requirements of the organisation. In addition to these regular training courses, business development programmes are

also organised alongwith computer training. Regular Training Courses are conducted for Group 'A' & 'B' officers at the Postal Staff College India, Ghaziabad and for Postal/Sorting Assistants, Supervisory and Inspectorial Staff at Postal training Centres located in Saharanpur, Mysore, Vadodara, Darbhanga, Madurai and Guwahati.

Action Taken by Government

In continuance of the initiatives taken in the first three years, during the next two years also emphasis would be on improving the quality of training in various fields, as indicated below:

- It is planned to conduct specialized courses on Marketing Concepts & Practices at PSCI for senior and middle level officers. For other officers and staff involved in marketing field special focus is being given at the Postal Training Centres to strengthen the marketing network. Further, Andhra Pradesh, Delhi, Gujarat, Karnataka, Maharashtra, Tamil Nadu & West Bengal Circles have been identified to tie-up with the external training Institutes of repute to organize courses locally on Marketing Skills and Customer Care.
- To familiarize the officers of Group 'A' and 'B' level with the legal aspects, it is proposed to organize six courses to give exposure to 120 officers on Legal Aspects at the National Law School Bangalore during the Annual Plan 2005-06.
- With a view to familiarizing the middle level officers on Financial Management Concepts, 40 officers are being trained at National Institute of Financial Management, Faridabad.
- It is proposed to train 40,000 Gramin Dak Sevak Mail Deliverers during the next two years on the lines of the training provided to Postmen previously.
- Review of training through internal evaluation is a continuous process to assess and improve the quality of training. The process to carry out "Training Need Analysis (TNA) and Evaluation of Training in Department of Posts" through some outside organization has also been initiated.

Training

Recommendation (Para No. 135)

The Committee are happy to note that keeping in view the need to meet the rising customer aspirations and the demand of competing

in a highly competitive and commercial environment, the Department has given thrust during Tenth Five Year Plan to provide qualitative training covering the areas of customer care, marketing management, leadership qualities and change management etc. and also the Customer Care courses of one week duration are offered covering the areas of customer importance, customer identification, customer delight, handling different customers and citizens charter.

Action Taken by Government

The initiative to provide training in areas like customer care, marketing management, leadership qualities, change management, etc., are proposed to be continued through specialised courses in external Training Institutes within the organisation as well as external institutes of repute like ASCI, Hyderabad, IIMs Lucknow and Indore, etc.

Speed Post

Recommendation (Para No. 140)

The Committee are happy to note that the share of speed post in express mail market has been constantly increasing from Rs. 77.95 crore in 1997-98 to Rs. 514.29 crore in 2004-05. While appreciating the efforts made by the Department in this regard, the Committee feel that there is still a huge potential and ample scope for expansion of speed post in the express market. The Committee, therefore, feel that with the computerization of Postal Network and indication of new Technology the Department should have a larger share of the express market.

Action Taken by Government

The recommendations of the Standing Committee relating to expansion of Speed Post network and increasing its market share in the highly potential express market have been noted and action is being taken, taken into account these directions. Upgradation of Speed Post centers into National Speed Post centers is being taken up based on their volume of business, for which specific criteria have been specified. 7 States Speed Post centers have been upgraded to National Speed Post Centres during 2004-05. The network of State Speed Post Centres has also been increased to 953, covering all important towns/cities. The Department is also increasing the availability of Track & Trace facilities, and computerization of booking and delivery offices, to provide better service to Speed Post Customers.

In order to focus on the need to expand the market for Speed Post articles, annual targets are given to Circles to generate revenues from this product. In 2004-05, the revenues generated from Speed Post was approximately Rs. 354.16 crore, while the target for 2005-06 is Rs. 566.29 crore.

Through these initiatives, efforts are being made to increase the Department's share in the express market. Efforts will also be made to expedite the computerisation of the postal network and to induct new technology to support the Department's initiatives to have a larger share in the Express Market.

New Initiatives by the Department

Recommendation (Para Nos. 141 & 142)

The Committee observe that keeping in view the emerging needs of the customers, a number of new initiatives is being undertaken by the Department by introducing various new services targeted to specific groups such as National Bill Mail services for Corporate Sector, Senior Citizen Savings Scheme for senior citizens, tie up with UTI mutual funds, Marketing of non-life products of Oriental Insurance, International Money Order, Logistics Post, Direct Mail, e-Commerce, new speed post services *i.e.* City Express, Post Express, Premium Speed Post etc. In addition, the Department is also proposing to open 150 Finance Marts, which will be a one point destination for availing services such as banking, Insurance, mutual funds, securities and money transfers.

and

The Committee are happy to note that the Department is trying to sustain itself through venturing into the financial services by introducing new service and products and by opening Financial Marts. The Committee, however, observe that differentiation of the same product under different names may create a little confusion to the targeted customers and as such they feel that the Department should categorise their services and products on rational basis so that the market goodwill of the Department of Post could be encashed effectively. The Committee would also like to put in a word of caution that these new financial services being new areas of operation of the Department should be initiated with utmost care and alertness.

Action Taken by Government

The concerns expressed by the Committee are well taken, and care will be taken to incorporate these directions in the Plan formulated to implement the scheme to set up Postal Finance Marts. It is clarified that the Postal Finance Mart is a concept that seeks to make available all financial/banking services offered by the Department under one roof, in select outlets, in an ergonomically enhanced environment with computerized facilities and AMFI trained personnel, who can advise the customers on the various products which can suit their needs. It is hoped that these enhanced facilities will help the Department to leverage its large customer base in Savings Bank to cross sell other financial products and thereby generate more revenues.

Advertising & Publicity:

Recommendation (Para No. 147)

The Committee realize that the DoP enjoys a very familiar bond and recognition of the common man all over the country. This goodwill and the association has to be successfully branded and leveraged for the continuing growth of the organization for its close association of reliable service by the people of India. The Committee recommend that a strategic advertising campaign be planned in this direction.

Action Taken by Government

The suggestions of the Committee has been accepted and a strategic advertising campaign has already been planned for implementation during the Plan period.

Advertising & Publicity:

Recommendation (Para No. 148)

The Committee note that under the head "Advertising & Publicity" there has been a financial allocation of Rs. 4.11 crore in 2003-04 and Rs. 6.29 crore in 2004-05. A sum of Rs. 7.22 crore has however been earmarked in BE of the year 2005-06. The Committee note that the Department had initially projected their requirement of funds to the tune of Rs. 4 to 5 crore for the media plan but the actual allocation was restricted to substantially lower level and therefore the allocations happened to be very less in terms of the other competitors who are coming up with high profile advertisement in respect of their services/products in the market. While appreciating the fact that the small

advertisement of the Department with low cost do not bring the desired impact on the targeted customers, the Committee strongly recommend the Department to ensure sufficient allocation of funds under this head for undertaking vigorous advertising campaign of their various service/ products in electronic as well as print media to expand its market base.

Action Taken by Government

The PLI Directorate has taken steps to provide substantial allocation of fund for advertisement and publicity on PLI and RPLI and a strategic advertising campaign has been planned for the year 2005-2006.

In so far as postal products are concerned, Rs. 4.50 crore has been allocated for promotion at the BE stage in 2005-06. The allocation in the last financial year was only Rs. 2 crore. Therefore, the allocation in this financial year is higher, as per the recommendations of Standing Committee, and efforts are underway to ensure the full utilization of these funds in the financial year.

Budgetary allocations for advertising and publicity are made keeping in mind the overall allocation approved by Planning Commission for the Department and the *inter-se* priority accorded by the Planning Commission to this activity, since the Department is required to sign an Memorandum of Understanding with them once the scheme-wise outlays are finalized. The need for greater allocations to be given to promotional activity and its linkage with the objective of generating more revenues and creating greater awareness among the customers has been taken up with the Planning Commission at the Quarterly Plan Review meeting, and they have agreed to give the matter favourable consideration.

CHAPTER III

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

Budgetary Proposals and Thrust Areas

Recommendation (Para No. 110)

The Committee find that the budgetary allocation proposed by the Department of Posts under the Demand no. 14 for the year 2005-06 is Rs. 6598.05 crore, which comprises of expenditure of Rs. 6279.86 crore under revenue section and Rs. 218.19 crore under capital section. The analysis of the gross expenditure of the Department in the past years reveal the constant increase from Rs. 5476.15 crore in 2002-03 to Rs. 5736.06 crore in 2003-04 and again from Rs. 6036.59 crore in 2004-05 to BE of Rs. 6274.59 crore in 2005-06. Compared to the previous year of 2004-05, the gross expenditure at BE stage for 2005-06 is higher by Rs. 238 crore. The various factors, as stated by the Department, being responsible for increase are enhanced expenditures on account of salaries, pension charges, office expenses and office consumable, supplies and materials, maintenance etc. The Committee also note the submission of the representative of the Department during the evidence that the revenue of the Department has increased by 30 per cent but the expenditure has gone up by 17 per cent, which according to the Department is a very positive feature. The Department has also expressed their inability to contain the increasing trend of expenditure because 90 per cent of the expenditure pertain to the fixed cost like salaries, where they did not have much of the opportunity to reduce it and in other areas any effort to squeeze it further will affect the quality of the services being provided by the Department. While the Committee do appreciate the constraints being faced by the Department in controlling the gross expenditure under revenue section for various compelling reasons, it is still expected that the Department will give serious consideration to the issue of growing tend of expenditure over the years and devise some mechanism to monitor the expenditure being incurred under different heads so as to have effective control over the total expenditure to the extent possible. The Committee would also like to caution the Department not to be misled by the comparison of growth of revenue with the rise of expenditure as both these areas are to be analysed independently with a view to achieving efficiency on both the counts. The Committee recommend that efforts should be

made to control the overall expenditure on one side and ways and means should also be explored to increase the revenue of the Department on the other side.

Action Taken by the Government

The Committee's concern about the need to devise some mechanism to monitor the expenditure being incurred under different heads, so as to have effective control over total expenditure, to the extent possible, and not to be misled by comparisons of growth of revenue with rise of expenditure, (as these have to be analysed independently to achieve efficiency on both counts), is noted.

The level of flexibility available to the Department to control expenditure is very limited, given the fact that 90% of the working expenses are establishment related, and they have an unavoidable annual increase of 4.5% to 5.8% due to payment of increments, DA (to pensioners also), etc. Further, the cost on maintenance of technology inducted into the system has also increased; yet every effort is made to control expenditure by making realistic budgetary projections and allocation of funds under various heads of accounts. Expenditure incurred by Circles is also being monitored on monthly basis at the level of Secretary (P), and wherever any excess trend in expenditure is noted, the concerned Circle is alerted.

The expenses cover ratio of each Circle is also being monitored at the Circle and Directorate levels. Circles, in turn, identify Head Post Offices that are incurring more expenditure, and initiate action to streamline their operations.

The Department currently follows the Government accounting system where activity wise details of revenue and expenditure are not available. Efforts are underway to have a more commercial system of accounting so that the administration has more effective management inputs to streamline its expenditure without affecting the quality of service.

Revenue Receipt:

Recommendation (Para No. 117)

The Committee find that the revenue receipts of the Department was Rs. 4256.93 crore in the year 2003-04 which was projected at RE stage in the year 2004-05 to be Rs. 4455.00 crore. For the year 2005-06, revenue receipt of the Department has been projected (BE) at Rs. 4713.70 crore, which is 5.81 per cent more than the RE of the previous year. The Committee however observe that though

Rs. 4455.00 crore was estimated for revenue receipts at RE stage in 2004-05, yet the actuals upto January 2005 was stated to be only Rs. 2091.94 crore which was less than half of the projected RE. The Committee thus observe that the Department is far behind the target of achieving the revenue receipts as projected in RE 2004-05 which clearly indicate that either unrealistic projections were made in this regard or the Department could not make concerted efforts to actualise the accruals within the financial year. While expressing their desire to know the precise reasons for far less realization of revenue receipts than the projected level, the Committee would advise the Department to closely monitor the revenue receipts on monthly basis in order to ensure achievement of targets fixed at the BE stage for the financial year.

Action Taken by the Government

The revenue targets are projected keeping in mind the trend of revenue receipts in the past years and the anticipated rate of growth in receipts during the current year. During the year 2004-05 the actual revenue realised up to Jan. 2005 was Rs. 2091.94 crores against the projected Revised Estimates of Rs. 4455.00 crores. This was on the lower side, not because of unrealistic projections but because these figures do not include revenues from Savings Bank, Savings Certificates which constitute approximately 39%-40% of the total revenues. Reimbursement for Savings Bank/Savings Certificates is given on the number of live accounts/certificates as on 31st March of the given year. Hence, this revenue is adjusted only after the financial year is over, *i.e.*, by May/June.

Therefore, amount of Rs. 1861.00 crores, which constitutes 41.77% of the total amount of the Revised Estimates 2004-05, was projected as revenue for the year, but the actuals projected up to January 2005, did not include any part of the reimbursement due from Savings Bank/Savings Certificates. Up to March, 2005 supplementary First Batch figures, the revenue earned is seen to be 96.35% of target projected in Revised Estimate 2004-05, and is likely to be further revised. In years 2001-02, 2002-03 and 2003-04 too, the Department has achieved the target to the tune of 98.52%, 101.20%, 97.78% of the targets fixed for Revised Estimate.

The revenue receipts of the Department are being monitored on a monthly basis against proportionate targets set Circle-wise/month-wise. The monitoring is done at the highest level by Secretary (Posts) and any shortfall in achieving the targets is taken up with the head of Circle concerned, so that immediate corrective action is taken to make up the shortfall.

Revenue Deficit:

Recommendation (Para No. 119)

The Committee's analysis reveal that out of 43 services provided by the Department, only eleven services can recover full cost and leave some profit margin, whereas 24 services are running in deficit as their cost of operation is more than the average revenue realised. The total subsidy during 2003-04 amounted to Rs. 1204.03 crore which range from 7.09 per cent amounting to Rs. 3.92 crore in respect of 'book packets and sample packets' to 95.28 per cent amounting to Rs. 46.60 crore in respect of 'Registered Newspaper Single'. Further, the Committee observe that the revenue deficit of the Department has been Rs. 1411.51 crore, Rs. 1364.40 crore, Rs. 1375.22 crore and Rs. 1374.71 crore (RE) during the years 2001-02, 2002-03, 2003-04 and 2004-05 respectively. However, the actual revenue deficit up to January 2005 for the year 2004-05 has been Rs. 2723.53 crore which is much higher than the BE projection of Rs. 1374.71 crore. Moreover, the Department has again projected revenue deficit of Rs. 1449.64 crore at BE stage for the year 2005-06. The Committee observe that the Department of Post has not been able to minimize the revenue deficit despite the efforts stated to have been made by them. While the Committee do appreciate the universal service obligation of the Department to provide efficient and accessible postal services in all corners of the country, the present day economic scenario, however, require each and every operating unit to be self-sufficient and therefore, the Department of Post should also devise ways and means to make them commercially viable entity in the long run keeping their national obligation intact.

Action Taken by the Government

While appreciating the concern of the Committee about the need to make serious efforts to reduce the revenue deficit and to make each operating unit financially self-sufficient, the following facts are submitted for consideration:

1. The Department has been able to minimise its deficit over the last few years, as may be seen from the figures of the last 5 years, when the deficit has been steadily reducing.

(Rs. in crore)

	2000-01	2001-02	2002-03	2003-04	2004-05 (Estimates)	2005-06
	1	2	3	4	5	6
Revenue	3357.53	3783.09	4111.75	4360.84	4582.18 (provisional)	4824.95

	1	2	3	4	5	6
Working Expenses	4907.29	5194.60	5476.15	5736.06	5964.05 (Provisional)	6274.59
Deficit	1549.76	1411.51	1364.40	1375.22	1381.87 (Provisional)	1449.64

In 2004-05, despite the additional burden of approximately Rs. 290 crore due to merger of 50% of DA with the basic pay, the overall deficit increased only to the extent of Rs. 1381.87 crore *vis-a-vis* Rs. 1375.22 crore in the previous year. Thus the Department has been able to steadily bring down its deficit despite the fact that 90% of the working expenses relate to establishment costs.

2. While it is ideally desirable that every operating unit should be financially self-sufficient, this directive can be made applicable only in the case of urban post offices which are required to be financially self-sufficient from inception and earn 5% over costs after the first year. The entire rural network is being deliberately subsidised to the extent of $66\frac{2}{3}\%$ in normal rural areas and 85% in hilly, tribal, inaccessible and desert areas. Post offices are opened based on an assessment of their potential income. However, the fact is that over 50% of single and double handed post offices in urban areas are incurring losses, and a majority of the rural post offices are incurring more than permissible levels of losses. In the urban areas, competition from private service providers has resulted in a reduction in mail volumes while telephones have impacted even the previously available mail volumes in rural areas.
3. The tariff for some of the postal articles like postcards, registered newspapers, printed books, etc., are far lower than the cost involved in processing and delivering them. Some of these rates have not been changed for years despite the costs of manpower, transmission, etc., having increased in the interim.
4. Efforts are being made to improve the viability of post offices (a) by redeploying manpower from existing post offices to needy ones (b) by relocating post offices that do not fulfill the distance norm to needy areas to optimise resources (c) by identifying new business opportunities to generate revenues. However, the postal network in India is

the largest in the world, with 1,55,669 post offices and 7386 PSSKs. 89% of the post offices are in the rural areas, requiring subsidy.

5. With even the smaller post offices in urban areas needing budgetary support, the support that is required to sustain the USO, as well as the subsidy given for various products like registered newspapers, printed books, etc., (which are not really a part of this Department's USO), is very high. It is difficult to cross-subsidise this amount when the Department is not given the agreed remuneration for its Savings Bank operations, its exclusive privilege over letters is not being enforced, the Department does not have adequate commercial flexibility to compete for the creamy layers of the business, and some of the agency services are expected to be provided without any cost plus element.

These issues are now being examined and efforts are on to identify more cost effective means of fulfilling the Department's USO. In brief, it would be virtually impossible to make the post offices self-sufficient, especially in rural areas, given the existing circumstances, lines of business as well as the business opportunities currently available in rural areas.

Budgetary Allocations for North-East Region:

Recommendation (Para No. 121)

The Committee observe that the Department of Posts was required to utilize Rs. 135 crore in five years period of Tenth Plan in the North Eastern Region. However, the total allocation in the first three years of the Plan has been Rs. 33.94 crore, while only a meagre amount of Rs. 6.94 crore has been spent in the first two years thus leaving approximately Rs. 128 crore to be spent in the last three years of the Plan. If the amount of Rs. 15.23 crore allocated at BE stage for 2005-06 is taken into account, the amount left to be spent in the last year of the Plan *i.e.* 2006-07 would be approximately Rs. 101 crore. It is beyond comprehension as to how the Department will be able to spend such a huge amount of Rs. 101 crore in a single year, when they could not even utilize the small annual allocation in the previous years. It is ironical that on one side there is substantial allocation for the North Eastern Region in the Tenth Plan and on the other side, admittedly there are no separate plan activities specifically earmarked for the North East. While expressing their dissatisfaction over the

passive role of the Department in this regard, the Committee recommend that the Department of Posts should formulate, in a time bound manner, the special schemes for the North East in consultation with the Department of North Eastern Region (DONER), Planning Commission and the State Authorities etc., keeping in view the peculiar geographical terrains of the regions and also giving due regard to the fact that 10% of total Plan allocation is earmarked for the North East Regions only because of these specific reasons.

Action Taken by the Government

The Department is required to utilize 10% of its Plan outlay in the NE. It has not been possible for the Department to comply with this mandate for a number of reasons:

1. The main requirements in the NE are for basic postal facilities and connectivity. There is restriction in providing these facilities due to the following factors (a) the existing post offices/PSSKs are incurring more than permissible levels of loss (*i.e.*, more than 85% of costs as subsidy). Hence, it is difficult to carve out new post offices from them, which fulfil income norms; (b) Even for post offices opened in the 10th Plan, no Plan support is allowed for recurring costs, which accounts for over 96% of the cost of the post office. Hence, the Department is incurring more expenditure under non-Plan to sustain postal facilities in the NE; (c) Most of the offices, in the category identified as per parameters fixed for computerization and technology induction have already been covered. Hence, there is limited scope for further investments in terms of modernization and computerization under the existing parameters; (d) The funds provided for construction activities are limited, and Planning Commission has further stipulated a condition that no new civil works should be started by the Department. Hence, new works are being taken up only where they are unavoidable; (e) Due to the economy orders imposed by Ministry of Finance, no investment has been possible since 2004-05 to purchase mail vans for the NE, which is crucial to ensure regular mail processing in areas where transport facilities are not satisfactory.

Recognising the need for special schemes for NE, the Department has suggested some special schemes for the area in the Mid Term appraisal which include the following:

1. Support for NRC post offices opened in Gram Panchayat villages which are fulfilling 2 norms *i.e.* distance & population.

2. Plan support for sustaining 298 branch Offices and 104 Departmental post offices opened on NRC basis for recovering the arrears due from the North Eastern region.
3. Computerize all double handed post offices in North East (250 offices), as a special case to improve infrastructure in that region.
4. Providing mail vans to stabilize mail and cash transmissions (62 mail vans).
5. Leasing/purchasing of a plane for providing better connectivity in North East to overcome the problem of connectivity for all services, including Speed Post.
6. Provision of e-post facilities in 392 post offices.

Approval of Planning Commission is yet to be received for these projects. However, they have been/are proposed to be posed to Planning Commission progressively during BE 2005-06 onwards. The Department has also taken up with DONER the need to relax the general restrictions placed on certain Plan schemes in regard to NE. They in turn have taken the matter up with the Planning Commission.

However, despite all these efforts, it is unlikely that the Department will be able to identify schemes in the NE that can match 10% of its enhanced total outlay for the following reasons:

1. The investment requirements in the postal sector are normally low, except for computerization and induction of technology, and the scope for these activities in the NE are limited.
2. There are no other capital intensive schemes required in the NE except construction of post offices, etc., for which there is a limitation on the levels of investment possible. So this activity cannot absorb funds to the extent necessary to match 10% of the large outlay provided to modernize and computerize the vast network in the rest of the country.
3. These facts were already apprised to DONER, CoS, etc., and the latter have requested DONER to finalise an acceptable level of provisioning for such Departments, including Department of Posts, in consultation with them. This is yet to be done.

It is reiterated that the 'lower than required' investment in the NE is not for want of efforts on the part of the Department, as almost all Plan activities are being implemented there (annexure*) but the requirement of funds and/or the capacity to absorb funds in this area in the postal sector under the existing schemes is low. The Department is also incurring more than permissible losses under non-Plan only to sustain the access to postal services in the NE. It will continue to identify new areas for Plan investment as part of the efforts to enhance utilization of Plan funds in the NE region.

DETAILS OF PLAN SCHEMES AND STATUS OF
IMPLEMENTATION IN NORTH EAST

Plan Scheme/ Activity	Implemented or Not
1	2
Expansion of Postal Network	Yes
Computerisation of Post Offices, Postal Accounts Offices and Administrative Offices (including software development and refinement)	Yes
Computerisation & networking of Mail Offices	Yes
Upgradation of Customer Care Centres	Yes
Upgradation of VAST system	Only spill over expenditure on Centrally implemented scheme of the 9th Plan.
Modernisation/Upgradation of operative/working systems (improving ergonomics)	Yes
Automatic Mail Processing Centres	Investment in proposed AMPC, Kolkata to benefit North Eastern Region also
Mechanisation/Modernisation of mail movement	Yes
Up gradation/Promotion of Premium products	Yes
Up gradation/Promotion of Philately	Yes
Training	Yes
Construction of Buildings	Yes

1	2
Modernisation of Circle Stamp Depots	Yes
Computerisation of International Mail Processing	Investment in Air Mail Centre/Foreign Post Kolkata serves NER also.
National Data Centre	The scheme proposed to be implemented Centrally Investment in NIC, Delhi. Impact throughout the country, including NER.
Research & Development/Studies/Surveys	Allocation given on basis of proposals received and approved from any Circle, including NE.
Establishment of Express Parcel Post Centres	To be covered in Phase II.
e-Post e-Bill Post	Funds given for AMC and software modification. Impact throughout the country, including NER.
New products and services including development of Financial Products and Services	Yes
Improvement in quality of services	Yes

Computerization of Post Offices

Recommendation (Para No. 126)

The Committee observe that the total approved outlay for Tenth Plan for computerization was Rs. 836.27 crore. The proposal made by the Department was for Rs. 1193.27 crore for the first three years of the Plan, but the Planning Commission approved only Rs. 488.28 crore. The Committee, however, note that the Department have miserably failed to achieve the target as the actual expenditure by the Department has been only Rs. 8.38 crore in 2002-03, Rs. 0.48 crore in 2003-04. The Committee are surprised to note that admittedly no external assessment or study has been undertaken so far on the feasibility of the computerisation process of the Post Offices in such a large scale. The Committee learn that the Department had the target to computerize all head Post Offices, 5575 large Sub-Post Offices, all 22 Postal Accounts Offices and 205 important Administrative Offices during the Tenth Plan and the Department intended to computerize the remaining Post

Offices in the subsequent Plans. The Committee observe that the Computerization and networking of Post Offices will bring efficiency in providing various services to the public which in turn will fetch more customers to the Postal units resulting in higher revenue generation. The Committee, therefore, recommend that the Department should take all necessary steps to achieve the targets fixed for the Tenth Plan and also for early computerisation of the remaining Post Offices along with interconnecting them through National Network.

Action Taken by the Government

The computerization initiatives taken up in the 8th and 9th Plans focused on different processes rather than on computerizing and networking post offices. Based on the benefits that were experienced from these initiatives, it was realized that they can be further optimised if the entire post office can be computerized and networked. Prior to formulating the proposals for the 10th Plan, the Planning Commission had constituted a Working Group on Postal Sector in April 2001 comprising representatives from Department of Posts, IIT, IIM, Planning Commission, Telecom, NIRD, Ministry of Railways, Department of Information Technology etc. They studied the computerization initiatives carried up to the year 2001 and recommended that the process of computerization should be continued in the Department, and all the Head Post Offices and important Departmental Sub-Post Offices should be covered during the Tenth Plan. The Working Group also suggested to introduce new services/products for generating additional resources for the Department. With the computerization efforts made so far, the Department has been able to introduce value added services such as e-Post, e-Bill Post, Speed Post Track and Trace and an online customer grievances redressal system.

The Department has the target to computerize all 845 Head Post Offices, 6861 large Sub-Post Offices, all 22 Postal Accounts Offices and 205 Administrative Offices during the Tenth Plan. The Department took up the total computerization and networking of 845 Head Post Offices and 1200 Sub-Post Offices in 2004-05. By obtaining special permission from the Ministry of Finance, the Department has already placed orders for PCs and other hardware to computerize 2860 more sub-Post Offices as on 31.3.2005. The Department will computerize the remaining large sub-post offices numbering 5661, as targeted in the 10th Plan, during the remaining period of Tenth Plan. The Department is also working towards networking of post offices by setting up a National Data Centre in NIC, which is scheduled to be completed during the 10th Plan period.

Training

Recommendation (Para No. 136)

The Committee are, however, concerned to note that actual utilisation of funds for training has been constantly much lower than the allocations at BE/RE stage at least in the first three years of Tenth Plan and that too when the Department itself has kept the training in the thrust area in Tenth Plan with allocation of Rs. 61.30 crore. The Committee's analysis further reveal that actual expenditure of Rs. 2.37 crore and Rs. 7.34 crore in the year 2002-03, 2003-04, RE of Rs. 8.00 crore for the year 2004-05 and BE of Rs. 8.00 for the year 2005-06 taken together comes to Rs. 25.71 crore for the first four years of the Plan and thus the Department will be left with huge amount of Rs. 35.59 for the last one year of the Tenth Plan. The Committee also observe that due to procedural delays, the building project for PTC, Guwahati and augmentation of hostel facility at PTC Mysore and Saharanpur have not been completed.

Action Taken by the Government

It is a fact that there was shortfall in utilization of the funds during last three years due to the following reasons:

- The amount actually required for training postmen and GDS BPMs was found to be lesser than what was projected. Only Rs. 1.44 crore was utilized against the projection of Rs. 3.17 crore.
- Due to reduction in prices of computer hardware and due to some WCTCs incurring lesser expenditure for site preparation, etc., the expenditure was limited to Rs. 2.38 crore as against the projected amount of Rs. 3.24 crore.
- Finalisation of Building Projects is a time consuming process involving obtaining approvals of competent authority at every stage namely (i) For the Schedule of Accommodation (ii) Preliminary Drawings/Preliminary Estimates (iii) Administrative Approval & Expenditure Sanction etc. Schedule of Accommodation in respect of building projects of PTC Guwahati, Mysore, and Saharanpur have already been approved. The process for construction of hostel at PTC Vadodara has reached the stage of calling for NIT. Efforts are being taken to complete the pre-construction formalities as early as possible to ensure full utilization of the funds.

- During 10th Five Year Plan thrust has been given to training near the workplace under Distance Learning method, which is cost effective and time saving. As the training is held at these nodal points, expenditure under Travel Expenses has been considerably lesser than previously estimated. Same is the case in respect of computer training being held at Workplace Computer Training Centres.
- Incorrect booking of Plan expenditure under non-Plan heads of account also contribute to the Plan funds appearing to be under utilized, even after they have been spent.
- It is clarified that although there is lesser utilization of funds than projected, the physical targets have been exceeded in respect of each Plan Training Activity fixed during the first three years of the 10th Five Year Plan.

Training

Recommendation (Para No. 137)

The Committee, therefore recommend that the Department should analyse seriously all the causes responsible for the delay in the projects, constant under-utilisation of allocations in previous years, uneven annual allocations in the Plan period and other related factors and thereafter devise a well formulated programme not only to complete the pending projects but also to augment the facilities/courses available in different Training Centres so that the Department could, with well trained personnel, make itself as a strong service organisation to the fullest satisfaction of the customers particularly when new services or products are being introduced by the Department in the market. The thrust assigned in the Tenth Plan for training bestows greater responsibility on the Department to discharge its obligation especially when surplus fund on this count is already available. The Committee trust that the Department will take immediate positive steps in this regard and keep the Committee apprised of the progress made.

Action Taken by the Government

As already indicated in the replies to Para Nos. 132 to 134, steps are being taken to optimally utilize funds (a) by reviewing the position periodically by ensuring that the physical targets are met by providing funds for new emerging areas of training. For example, training of GDS Delivery agents was taken up on the lines of the training given to postmen based on the requirements projected by HOCs is in

June 2003, even though this was not part of the original targets fixed for this scheme; (b) a few Circles were also visited by the officers of Training Division of Directorate to address the issue of wrong booking which has resulted in improving the Plan level of booking of Plan expenditure; (c) with a view to utilize the funds for procurement of computer hardware for PTCs within the currency of the DGS&D Rate Contract, advance purchase order was placed for Rs. 0.67 crore with special permission from Ministry of Finance on 31-03-2005 for incurring the expenditure during the year 2005-06. Building projects for PTC Guwahati and for augmentation of hostel facilities at PTC Saharanpur, Mysore and Vododara are also being pursued vigorously to start the construction as early as possible and to ensure full utilization of allocated funds.

National Data Centre

Recommendation (Para Nos. 138 & 139)

The Committee observe that the various activities of the Department such as public grievances, speed post, track and trace, VSAT money order transmission and financial service are proposed to be networked in the central data base which would be accessible to all postal units facilitating effective access to information and data management. The National Data Centre which is proposed to be located in the NIC headquarter at C.G.O. Complex, New Delhi with the disaster recovery system at NIC Hyderabad, will carry out all the activities for creating the centralised data base. The Department is also considering providing online services to customers in the areas such as Track and Trace of speed post articles, lodging of public grievances etc.

and

The Committee appreciate the initiatives taken by the Department to establish the National Data Centre with the laudable objective of networking of various activities of the Department in the Central Data Base. The Committee are, however, concerned to note that no progress has been made in this matter, as is evident from nil utilization of budgetary allocation from the year 2002-03 onwards on this project, simply because the scheme had not got the administrative approval of the competent authority. The Committee expresses their dissatisfaction over the apathetic attitude of the Department on account of which the administrative processes could not be completed within a reasonable time. The Committee, therefore, recommend that the Department should complete all the formalities at a faster pace at least now and complete the project of setting up of National Data Centre at the earliest in

order to facilitate the smooth and effective monitoring of various activities of the Department as well as fulfil the aspirations of the customers to have quick and accurate access to the requisite information. The Committee would also like to advise the Department to formulate a well-defined programme to provide the facility of online services to the customers in various areas at the earliest.

Action Taken by the Government

The proposal for setting up the National Data Centre involved the resolution of a number of technical issues since the project involves networking of all the initiatives taken till date for computerizing various postal operations, including financial and banking services. Given the level of technology involved, advice/opinion of Experts/External Agencies were required to be obtained. Action was also required to be taken to provide back up arrangements for the data to be stored in the data center. These consultations and the decision on the architecture and technology to support the NDC, has taken time.

The proposal for seeking approval of Expenditure Finance Committee (EFC) has been prepared and a final view is likely to be taken soon. Once the National Data Centre becomes operational this would provide information for an efficient management information system to support decision making, and improve the quality of services offered through Post Office Savings Bank, PLI, Money Order, Speed Post Services etc.

New Initiatives by the Department

Recommendation (Para No. 143)

The Committee are happy to note that the Finance Marts, opened in Tamil Nadu on trial basis are doing quite well and PMO has also identified the concept of Finance Marts as the thrust areas of the Department.

Action Taken by the Government

In order to implement this Plan activity and utilize the Plan funds allocated for it in BE 2005-06, the Department has sought the concurrence of the Planning Commission, which is awaited. The target is to set up 150 Postal Finance Marts during the current year.

New Initiatives by the Department

Recommendation (Para No. 144)

However, the Department is selecting second level cities for identification of 150 locations, which according to them have enormous

scope having less competition. The Committee, therefore, recommends that extra care is needed in identifying the locations, as the success of Finance Marts would depend on the selection of right location. In this connection, the Committee desire that the Department should explore the possibilities of opening up Finance Marts in the precincts of the Community Information Centres (CICs) established by the Department of Information Technology (DIT) in consultation with them. The Committee also advise the Department to examine the feasibility of expanding the network of Finance Mart Network at maximum locations in subsequent stages.

Action Taken by the Government

The suggestions of the Committee will be taken into account when formulating the Plan for setting up Postal Finance Marts (PFMs). Initially, efforts will be made to set up PFMs in those locations, including post offices housing Community Information Centres in the North East, where there is maximum business potential. The target is to set up 300 PFMs during the last 2 years of the 10th Plan.

Domestic Travel Expenses

Recommendation (Para No. 145)

The Committee note that substantial amount is spent by the Department of Post on domestic travel year after year *i.e.* Rs. 30.09 crore in 2001-2002, Rs. 32.31 crore in 2002-03, Rs. 34.61 crore in 2003-04 and Rs. 26.80 crore in 2004-05 (upto January, 2005). The expenses are stated to be incurred due to travels relating to Inspection Duty, Trainings, Meetings, Conferences which according to the Department are essential for the operational functioning of the Department.

Action Taken by the Government

Some amount of travel expenses are essential on account of inspections, visit and training given for the upgradation of skills of the staff. The postal network comprises outlets or post offices which are located in far flung areas, and supervision over this network is maintained mainly through regular visits/inspections conducted by supervisory officers, etc. Postal Department has the most adverse officer to employee ratio, *viz.*, 1:210 and these officers have to supervise offices located over a very vast area.

Since many of the operations in post offices involve financial transactions, regular visits/inspections are mandatory to maintain

quality of service and ensure strict adherence to financial propriety. Therefore, domestic travel expenses are primarily related to operational requirement.

However, every attempt is being made to restrict travel expenses on account of meetings, conferences, etc., in keeping with austerity measures conveyed by the Ministry of Finance.

Domestic Travel Expenses

Recommendation (Para No. 146)

While the Committee do not dispute the necessity of the domestic travel in the Department of Post being a service oriented organization, it is however felt that the amount of expenses on this count could be rationalized by the Department to some extent by using the latest modes of communication and cyber technology.

Action Taken by the Government

The linkage between travel expenses and operational requirements have been explained in detail in response to the recommendation in para 145. While efforts will be made to comply with the recommendations of the Committee, it needs to be noted that technology induction is still in its infancy and even by the end of the 10th Plan, only 7700 out of 1,55,669 post offices will be computerized. Hence, traditional methods of supervision will need to be continued till all the offices are covered. However, efforts are being made to reduce travelling expenses related to training by setting up WCTCs nearer the workplace of the employees. Every effort is also being made to restrict travel expenses to the extent possible by strictly enforcing economy measures of Ministry of Finance on conferences/seminars, etc.

CHAPTER IV

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

Utilisation of Budgetary Allocations

Recommendation (Para No. 113)

The Committee find that while on one side the Department has not been able to spend fully the allocated funds resulting in huge unspent balances, there have been, on the other side, certain activities such as modernisation of post offices, modernisation of speed post centers, modernisation of mail offices, promotion of premium products, construction of buildings etc., where more funds could have been utilized, if it had been allocated to the Department. The Committee's apprehension about the poor budgetary exercise in the Department, thus gets reinforced from the above stated contradictory situation with regard to utilisation of funds. The Committee would, therefore, like the Department to ensure that the assessment of requirement of funds under different major, minor and sub-heads of the Grant are made on realistic anticipations to make the budgetary exercise more meaningful and accurate.

Action Taken by the Government

The following clarification submitted on the observations made by the Committee regarding meaningful and accurate budgetary exercise.

The allocation of funds is not a unilateral exercise undertaken by the Department. Two basic issues are considered during the budgetary process while allocating funds for different schemes/activities. They are: (1) *inter-se* priority of the Plan activity in the context of 10th Plan priorities, and (2) capacity for utilization of the proposed Plan allocation. Higher priority is given to the former if there is potential to utilize the funds.

The allocations are firmed up in consultation with Planning Commission with whom each Department has to enter into an MoU

regarding scheme-wise outlays and physical targets. Therefore, the Department is compelled to accede to their conditions regarding limiting the allocations in some cases, even if there is scope to utilize more funds under these activities. This is specially so in the case of construction of buildings, modernization activities, etc. Since the total outlay received initially, is always far lower than what is projected, and given the corporate compulsions to speed up the computerization projects, funds for activities like promotion of premium products, philately, financial services, etc., are often compelled to be reduced. This is why there is a mis-match between allocations and capacity to spend, in respect of certain schemes.

This disparity is ought to be reduced during the budgetary process, to the extent possible, by carefully assessing the capacity to spend in priority schemes and providing only token allocations where there is doubt about spending capacity, and allocating these resources to schemes which can absorb more funds, even if their *inter-se* priority is lower. This fact can be clearly seen from the figures relating to projection to Planning Commission and trend of allocations made under BE/RE.

Comments of the Committee

(Kindly see Para 1.8 of Chapter-I)

Recoveries

Recommendation (Para No. 115)

The Committee note that the Department of Posts is paid agency charges for the service rendered by them on behalf of the other Government Departments and these earnings are accounted for as recoveries. The Postal Life Insurance and the Rural Life Insurance constitute 65 per cent of the total recoveries. The Department also makes pension payment on behalf of a number of Departments, including the Ministry of Railways, Ministry of Coal, Ministry of Mines, The EPF organization and agency charges are paid for it. The Committee also observe that various areas of recoveries to be made by the Department include (i) Commission of money on Western Union Money Transfer; (ii) Commission on payment of Military Pension; (iii) Commission on sale of Non-postal stamps of Delhi Administration; (iv) Commission for payment of pension under CPF; (v) Collection of Custom Duty; (vi) Telegraphs share of combined office charges; (vii) PLI/RPLI; (viii) APS Accounts and other Government Departments. According to the Department of Posts, arrears worked out for the job

of booking and delivery of telegrams on behalf of the BSNL comes to Rs. 100 crore. Similarly, huge arrears are stated to be recovered by the Department of Posts from various Departments for rendering the above mentioned services. However, the actual details of arrears of recoveries in respect of each service were to be worked out by the Department. The Committee therefore, recommend that arrears of recoveries due on 31st March, 2005 against all the Departments/organizations on account of different services/agency functions including those pertaining to disbursement of pension, may be worked out unit/service/ Department-wise and the matter of expeditious recovery of the arrears may be taken up at the highest level with the concerned Department/ organizations at the earliest. The Committee would also like to be apprised of the progress made in this regard with full details within a period of three months.

Action Taken by the Government

The status of outstanding dues, if any, against various departments/ agencies as on 31st March, 2005 for various agencies services rendered by the Department of Posts is detailed below:

1. Recoveries in the shape of Fixed Rate of Remuneration (FRR) related to PLI and RPLI have been recovered and credited to the Department of Posts up to 31.03.2005 at the rate of FRR declared up to 31.03.2001. Although there is no arrear to be recovered, some adjustment is likely to occur with retrospective effect once the FRR is finalized.
2. BSNL/DoT for delivery of telegrams: Rs. 100 crores is the progressive total of the outstanding against BSNL/DoT from 1992-93 upto 2002-2003. The rates of agency charges payable to Department of Posts by BSNL/DoT for booking and delivery of telegrams in combined offices is under dispute and the matter is under discussion with DoT and the case has been sent to Committee of Secretaries (CoS).
3. Ministry of Railways for payments of pensions: There are no dues outstanding. Adjustment is made through RBI, CAS, Nagpur.
4. Ministry of Coal & Mines (CMPF) for payment of pensions: Rs. 9.4 crores are outstanding against Coal & Mines Provident Fund (CMPF) towards commission for payment of pension and towards the amount paid as pension. This matter has also been taken up at Secretary level with the Secretary (Labour) and Secretary (Coal & Mines) for early recovery.

5. Ministry of Labour (EPF) for payment of pensions: Rs. 15.87 crores are outstanding against EPF towards commission for payment of pension and towards amount paid as pension. This matter has also been taken up at Secretary level for recovery.
6. Western Union for international money transfer service: No dues are outstanding. All recoveries made up to 31.03.2005.
7. Ministry of Defence for commission on payment of Military Pension: There are no dues outstanding. Adjustment is made through RBI, CAS, Nagpur.
8. State Government of Delhi for commission on sale of Non-Postal stamps: No dues are outstanding.
9. Department of Revenue for collection of Customs duty: No dues are outstanding.
10. Ministry of Defence APS Accounts: There are no dues outstanding.
11. Department of Telecom for payment of Pensions: The amount due is Rs. 23.01 crore (provisional). All Heads of Circles have been instructed to collect information in respect of dues recoverable from DoT, to determine total outstanding due in this regard. The matter has also been taken up with Member (Finance) of Department of Telecom, who has agreed to the rates proposed by DoP in this regard. The matter has also been taken with Ministry of Finance for concurrence as well as for providing necessary funds in the Budget of DoT for payment to Department of Posts.

Comments of the Committee

(Please *see* Para 1.11 of Chapter-I)

Recoveries:

Recommendation (Para No. 116)

The Committee further observe that the Department of Posts provide agency services to the Ministry of Finance and in this regard an expert Committee set up by the Ministry of Finance in 1993-94 had fixed the rates of remuneration for that year. They had also recommended 10 per cent escalation per year but after the year 2001-02, the increase has been only to the tune of 4.25 per cent and 3.88 per cent during the last two years resulting in revenue deficit. Surprisingly, the Department did not get any response for the references

made to the Ministry of Finance despite the fact that the matter was taken up with the Secretary (Expenditure). The Committee express their serious concern over such a state of affairs when the escalation rate fixed by the Expert Committee was reduced unilaterally by the Ministry of Finance which has adversely impacted the financial position of the Department of Posts. The unilateral decision taken by the Ministry of Finance with regard to reduction of escalation rates without consulting/involving the service provider/organization i.e. Department of Posts is, in the opinion of the Committee, highly unreasonable and needs to be rectified very soon. Taking into account the fact that working expenses of the Department are steadily rising year after year while in sharp contrast thereto, the escalation rate of remuneration have been reduced by the Ministry of Finance resulting in an adverse financial position to the Department, the Committee are constrained to recommend that the Department of Posts should seriously take up the matter with the Ministry of Finance and Planning Commission at the highest level. In case no favourable response is received within a reasonable period of time, the Department should explore the possibility of placing the entire matter before the Cabinet.

Action Taken by the Government

The matter continues to be pursued with Ministry of Finance. A copy of the last reminder sent to the Ministry of Finance in the matter is enclosed for ready reference. Reply of Ministry is still awaited.

Comments of the Committee

(Please *see* Para 1.14 of Chapter-I)

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Department of Posts, India
Ministry of Communications & IT
Dak Bhawan, Sansad Marg,
New Delhi-110 001

D.O. No. 95-178/95-SB (Pt)

Date: 11.05.2005

Dear Ms. Vas,

Kindly refer to DO. No. 20-1/03-BGT (PA) dated 21.4.04 from Secretary (Posts) to Secretary (Expenditure) followed by reminders dated 14.10.04, 04.11.2004 & 10.01.05 relating to revised estimates 2003-04 and Budget Estimates 2004-05 in respect of Major Head: 8008.03.101- Payment of remuneration to Department of Posts for Management of Saving Bank and Savings Certificate work. No reply has so far been received in this regard.

2. In this context, I would like to draw your attention to the Recommendation No. 116 (Copy enclosed) of the Sixteenth Report of the Standing Committee on Information Technology (2004-05) on "Demands for Grants (2005-06)" pertaining to the Department of Posts wherein the Committee has impressed upon the Ministry of Finance to abide by its terms of agreement and enhance the per account/per certificate remuneration by 10% every year. Keeping in view the facts and figures mentioned in the above mentioned DO letter and the recommendation of the Committee, it is once again requested to restore the rates of remuneration based on an annual escalation of 10% for the financial years 2002-03, 2003-04, 2004-05 and 2005-06 and provide arrear payments an account of financial year 2002-03 too. A response in the matter may kindly be given so that Department of Posts can furnish reply to Standing Committee in the matter.

With regards,

Yours sincerely,

Sd/-
(Jyotsna Diesh)

MS. L.M. Vas,
Joint Secretary (Budget),
Ministry of Finance,
Department of Economic Affairs,
North Block,
New Delhi-110 001

Copy to:

JS & FA, Dak Bhawan, New Delhi-110 001 for kind information and necessary action.

Sd/-
(Jyotsna Diesh)

CHAPTER V

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

-NIL-

NEW DELHI;
21 December, 2005
30 Agrahayana, 1927 (Saka)

M. M. PALLAM RAJU,
Chairman,
Standing Committee on
Information Technology.

ANNEXURE I

MINUTES OF THE FOURTEENTH SITTING OF THE STANDING
COMMITTEE ON INFORMATION TECHNOLOGY (2005-06)

The Committee sat on the 20th December, 2005 from 1600 hrs. to 1730 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri M.M. Pallam Raju—*Chairman*

MEMBERS

Lok Sabha

2. Shri Nikhil Kumar Chaudhary
3. Shri Mani Cherenamei
4. Shri Sanjay Shamrao Dhotre
5. Shri Kailash Joshi
6. Shri P.S. Gadhavi
7. Shri Chander Shekhar Sahu
8. Shri K.V. Thangka Balu

Rajya Sabha

9. Shri Vijay J. Darda
10. Shri Ashwani Kumar
11. Shri Dara Singh
12. Shri K. Rama Mohan Rao
13. Shri Motiur Rahman

SECRETARIAT

1. Shri P. Sreedharan — *Joint Secretary*
2. Shri Raj Shekhar Sharma — *Director*
3. Shri K.L. Arora — *Under Secretary*
4. Shri Hoti Lal — *Assistant Director*

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. The Committee, then, took up the following Draft Reports for consideration:

- (i) *** *** ***
- (ii) Draft Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in their Sixteenth Report on “Demands for Grants (2005-06)” relating to the Ministry of Communications and Information Technology (Department of Posts).
- (iii) *** *** ***
- (iv) *** *** ***

5. The Committee, then, adopted the Draft Action Taken Reports at Serial No. (i), and (iii). Draft Report on “Spectrum Management” relating to Department of Telecommunication was partially discussed. As some Members requested the Chairman to give them some more time to go through the Draft Report, the Committee deferred further consideration of the Draft Report on “Spectrum Management” to 21 December, 2005.

3. The Committee, then, authorized the Chairman to finalize and present the above mentioned Reports adopted by the Committee to the House on a dated and time convenient to him.

The Committee, then, adjourned.

ANNEXURE II

[Vide Paragraph No. 5 of Introduction]

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE
FIFTEENTH REPORT (FOURTEENTH LOK SABHA)

- (i) Total Number of Recommendations/Observations 39
- (ii) Recommendations/Observations which have been accepted by the Government:
Para Nos.: 111, 112, 114, 118, 120, 122, 123, 124, 125, 127, 128, 129, 130, 131, 132, 133, 134, 140, 141, 147 and 148

Total: 23
Percentage: 58.97%
- (iii) Recommendations/Observations which the Committee do not desire to pursue in view of the replies of the Government:
Para Nos.: 110, 117, 121, 126, 136, 137, 138, 139, 143, 144, 145, and 146

Total: 13
Percentage: 33.33%
- (iv) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:
Para Nos.: 113, 115 and 116

Total: 3
Percentage: 7.69%
- (v) Recommendations/observations in respect of which replies are of interim nature:
Para No. Nil

Total: Nil
Percentage: Nil