

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 Forty-Fifth Report (Fourteenth Lok Sabha) on 'Demands for Grants (2007-2008)' pertaining to the Department of Posts (DoP).

2. The Forty-fifth Report was presented to Lok Sabha on 27 April, 2007 and was laid on the Table of Rajya Sabha on 27 April, 2007. It contained 28 recommendations/observations.

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

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

Para Nos. 1, 3, 4, 6, 7, 9, 12, 15, 18, 19, 20, 21, 22, 23, 24, 26, 27 and 28

Total-18

Chapter-II

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

Para No. 13

Total-01

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. 8, 10, 11 and 16

Total-04

Chapter-IV

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

Para Nos. 2, 5, 14, 17, 25

Total-05

Chapter-V

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 and final action taken replies to the recommendations contained in Chapter-V of this Report should be furnished to them at an early date.

5. The Committee will now deal with action taken by the Government on some of their recommendations.

I. Rate of Remuneration for Savings Bank and Cash Certificates

Recommendation (Para No. 6)

6. In their Forty-Fifth Report the Committee had observed that pursuant to the recommendations of an Expert Committee set up in 1993-94 by the Ministry of Finance, the Department of Posts were entitled to a hike of 10 per cent per annum of the rate of remuneration for the Savings Bank and Cash Certificates work performed by them. Taking note of the fact that the recommended increase in the rate of remuneration never touched even four per cent between the years 2004-2005 and 2007-2008 and keeping in mind the number of agency functions rendered by the Department of Posts for the Ministry of Finance, the Committee had hoped that the Ministry of Finance would look into the matter favourably. The Committee had also desired that the Department should vigorously follow up the matter with the Ministry of Finance failing which the matter may be placed before the Union Cabinet for consideration.

7. The Department in their Action Taken Notes have stated as under:—

“The matter relating to rate of remuneration for saving bank and cash certificates was taken up with Ministry of Finance in the past but no reply was received from Ministry of Finance. Remuneration is being fixed by Ministry of Finance unilaterally ignoring the recommendation of the Expert Committee set up in 1993-94 by Ministry of Finance for 10% increase every year. On the recommendation of the Standing Committee, the matter will now be again taken up with Ministry of Finance.”

8. The Committee note that an Expert Committee of the Ministry of Finance set up in 1993-94 had recommended that the Department of Posts were entitled to a hike of 10 per cent per annum in the rate of remuneration for work relating to Savings Banks and Cash Certificate performed by them on behalf of the Ministry of Finance. However, the Ministry of Finance have not been honouring this recommendation of their own Expert Committee. Time and again the Standing Committee on Information Technology have been recommending in their successive reports on Demand for Grants of the Department of Posts about the urgent need for sorting out the matter and to place it before the Cabinet for their consideration, if need be. The Committee regret to note that despite their persistent exhortations the stalemate continues with neither the Ministry of Finance nor the Department of Posts having taken any effective initiative in resolving the long pending issue. This is unfortunate to say the least. The Committee desire that the authorities concerned should conclusively resolve the wrangle within a period of three months with a view to ensuring not only due remuneration to DoP for the agency functions rendered by them but also proper reflection of the overall financial performance of the Department. The Committee would like to be apprised of the precise action taken.

II. Recovery of Outstanding Dues

Recommendation (Para No. 8)

9. In their Forty-Fifth Report, the Committee had expressed concern over the Department of Post's outstanding of Rs. 246 crore during the years 2002-2003 to 2005-2006, out of which Rs. 210 crore had been pending recovery from BSNL due to non-agreement over rate of commission or handling telegrams and booking, transfer and delivery of messages. Expressing their surprise over the fact that such issues were not resolved for years together for which the outstanding amount went on compounding, and finding that a MoU has been signed with BSNL, the Committee had recommended that the DoP should devise ways to amicably resolve the disputed issues for an early recovery of dues.

10. The Department in their Action Taken Notes have stated as follows:

“(i) Share of P&T Audit Charges: Till 31/3/2002 the share of P & T Audit charge were apportioned in the ratio of 30 : 70 between DoP and DoT. After formation of Committee under the

Chairmanship of Shri Malhotra, BSNL put forth the plea that the share should be on deployment of manpower. Despite our best efforts, the DG P&T Audit never intimated the deployment position and the BSNL refused to settle the outstanding without this information. In the meanwhile, C&AG of India agreed to bear 74% of the total dues but when the claim was preferred they backtracked stating that they would reimburse 74% of the total expended from 1/4/2007 and not for earlier periods. This office had again taken up the issue with DG P&T Audit to prevail upon BSNL/DoT to clear the arrears as per old formula i.e. 30 : 70.

(ii) Commission for handling Telegrams: Nearly 50% of the outstanding is on account of this item. The sub committee formed was unable to arrive at unanimous decision. In their report dated 23/5/2007, the sub-committee suggested as an interim measure to settle the commission @6.95 from 1991-92 pending a final decision on the rate of commission which should be resolved by a Committee of Secretaries. The interim claim is being preferred."

11. In their earlier Report, the Committee had expressed concern over the pending dues of the Department of Posts for the years 2002-03 to 2005-06 amounting to Rs. 246 crore. The Committee had pointed out that out of these dues, Rs. 210 crore had been pending recovery from BSNL alone. From the action taken reply now furnished by the Departments of Posts, the Committee note that the two components that constituted the BSNL dues were, the share of P&T audit charges and the commission for handling telegrams. While the dispute over the share of P&T audit charges involving DoP, BSNL and the Director-General of P&T Audit remains unsettled, the sub-committee, which was formed for deciding the commission for handling telegrams that amounted to nearly 50 per cent of the outstandings, was unable to arrive at any decision. Thus, no headway has been made in the realisation of the BSNL dues and the impasse still continues. What has caused concern to the Committee is that the DoP are yet to prefer the interim claim as was suggested by the sub-committee in May 2007. The Committee are constrained to point out that all these are indicative of the casual attitude of the Department of Posts in realising their legitimate dues which is deplorable. The Committee, therefore, desire that the issues should be sorted out conclusively in a time-bound manner and they be apprised of the status/outcome. They would also like to be informed of the overall position regarding recovery of dues of DoP.

III. Utilisation of Plan Outlays

Recommendation (Para No. 10)

12. In their earlier Report, the Committee had been constrained to note that against the Tenth Plan outlay of Rs. 1350 crore for various projects, the Department had been able to utilise Rs. 642.91 crore only (upto December, 2006) i.e. percent utilisation was only 47.62. the Committee recognised the difficulties of the Department in utilising the Plan outlay because of the delayed approval of the Planning Commission though that happened only during the first year of the Plan period i.e. 2002-2003. The Committee also found that even before working out the extent of under utilisation of the Plan outlay for 2006-07, the Department had already surrendered an amount of Rs. 14.16 crore. Expressing concern over the state of affairs, the Committee had recommended that the Department should intensify their preparedness besides making appropriate planning well in advance to achieve the Eleventh Plan outlays in general and that of 2007-2008 in particular.

13. The Department in their Action Taken Notes have stated as under:

“During Tenth Plan period although most of the schemes got EFC/SFC approved in last quarter of Annual Plan 2002-2003 and first quarter of 2003-2004, the major two schemes i.e. computerization of POs/AOs/PAOs and Construction of Buildings got approved only in January 2004 and August 2003. Hence the speed for implementing the schemes picked up only in the third year and the expenditure level also increased proportionately in the last three years. During 2006-07 also funds to the extent of Rs. 322.19 crores has already been booked as against the BE allocation of Rs. 419 crores which amounts to 76.89% utilisation. Out of the approved Tenth Plan outlay of Rs. 1435 crores, funds to the extent of Rs. 874.47 crore has been actually spent upto 2006-07 which amounts to 60.94% utilisation of the approved outlay.

During Eleventh Plan Period, preparatory action has already been initiated by the Department for preparing draft EFC/SFC memorandums in anticipation of approval from Planning Commission. Funds are being released to circles to meet the spillover payments of the Tenth Plan from the approved outlay for 2007-08. Action has been taken for better monitoring and coordination of plan funds and also their utilisation.”

14. In their earlier Reports, the Committee had emphasized the need for the Department of Posts to take all advance measures for optimum utilisation of the Annual Plan Outlays during the Tenth Plan period. They, however, note with concern that out of the approved outlay of Rs. 1435 crore, the Department of Posts have been able to spend Rs. 874.47 crore only, which is a mere 60.94 percent of the approved outlay of the Tenth Plan. Evidently, there has been a major failure in the planning and execution process in the Department. The Department of Posts attributed the under-utilisation of resources to delayed approval of two major schemes i.e. computerization of POs/Aos/PAOs and construction of buildings at the beginning of the Tenth Plan period. This clearly shows that the Department had not taken sufficient preparatory action for meaningful utilisation of the outlays as had been recommended by the Committee, which is unfortunate. The Committee trust that the corrective action now taken by the Department of Posts for better monitoring and coordination of plan funds and also their utilisation would yield tangible results during the Eleventh Plan period.

IV. Variation between Utilisation of Approved Plan Outlay and Achievements of Tenth Plan Physical Targets

Recommendation (Para No. 11)

15. In their earlier Report, the Committee had acknowledged that in most of the schemes/projects earmarked for the Tenth Plan period, the Department have achieved the physical targets. However, in the light of the fact that the tenth Plan funds utilisation was less than fifty percent, the Committee had wondered how the Department's achievement of physical targets during the period was optimal. The Committee had desired that the Department should look into the variations between utilisation of funds and achievement of physical targets and take corrective measures accordingly to project a more realistic picture.

16. The Department in their Action Taken Notes have stated as under:

“Physical targets were achieved in most of the activities as the momentum of the implementation of the activities picked up from the third year onwards, however the financial utilisation was less when compared to physical targets achieved due to the facts:

1. Although expenditure were incurred by Circles, some of the Circles could not book the expenditure before the close of the financial year.

2. Some of the pending bills with DGS&D could not be adjusted well within stipulated time and in some cases vendors did not present the bills in time.
3. There were also some misclassifications made by circles under non-plan, which could not be rectified by transfer entry before the close of the books for the financial year.

However, the recommendations of the Committee have been noted.

The physical target and achievement of building projects during the Xth Five Year Plan was reconciled by the Department by taking into consideration of physical achievement of Spill over projects of IXth Five Year Plan pertaining to Post offices/Mail Offices, Administrative Officers and Staff Quarters. Hence, a revised report showing the number of approved building projects of IXth Plan completed during the Xth Five Year Plan period is enclosed as Annexure "A".

As regards financial targets and achievement is concerned, an outlay of Rs. 115.40 crores had been approved for the scheme "construction of Buildings" for the Xth Five Year Plan and against this outlay, actual funds of Rs. 98.40 crores were earmarked at the Final grant Stage. The financial targets and achievements of the Department during Xth Five Year Plan is given as under:

Year	Budget allocation (Final Grant)	Achievement
2002-03	Rs. 15.36 crores	Rs. 13.90 crores
2003-04	Rs. 17.35 crores	Rs. 15.01 crores
2004-05	Rs. 17.29 crores	Rs. 15.72 crores
2005-06	Rs. 24.00 crores	Rs. 21.63 crores
2006-07	Rs. 24.40 crores	Rs. 17.39 crores"

17. In their earlier Report, the Committee had drawn attention to the mismatch between utilisation of funds by the Department of Posts and achievement of physical targets during the Tenth Plan period. The Department of Posts have now stated in their action taken reply that the anomalies occurred because, some of the circles could not book the expenditure, despite incurring it, before the close of the financial year. Further, some of the pending bills with DGS&D could not be adjusted well within the stipulated time and in some

cases the vendors did not submit the bills in time. Moreover, there were also some misclassifications made by the Circles under Non-Plan, which could not be rectified by transfer entry before the close of the books for the financial year. The Committee note with unhappiness that the above reasons depict nothing but an inept and unrealistic financial management by the Department of Posts during the Tenth Plan Period. The Committee, therefore, recommends that the Department should impress upon the Circles to rectify the shortcomings displayed during the Tenth Plan Period so that there are no mismatches between the utilisation of funds and the achievement of physical targets during the Eleventh Plan period.

V. Budgetary Allocation for North-East

Recommendation (Para No. 16)

18. The Committee had in their earlier Report noted with deep concern the recurrent under utilisation of Budget outlay during each year of the Tenth Plan Period for the North-East Region. Out of the total allocation of Rs. 71.87 crore a mere Rs. 18.01 crore was spent upto January 2007 *i.e.* virtually the end of Tenth Five Year Plan. Pointing out that the percentage of Plan expenditure being 5.51 percent in 2002-03, 6.18 in 2003-04, 2.98 in 2004-05, 1.60 in 2005-06 and astonishingly nil in 2006-07 (upto January 07) was much below the mandatory ten per cent of the total expenditure and keeping in mind the unlimited scope of technological innovations and induction in the Region, the Committee had desired that the Department should ensure optimum budgetary allocation and at least the mandated ten per cent of total Plan expenditure, to be allocated to the North-East Region during the coming years.

19. The Department in their Action Taken Notes have stated as under:

“Although the funds utilized under North-East Region is less than the 10% mandatory efforts are being made by the Department for allocation and utilization of funds in North-East in all possible areas through relaxation of some norms *e.g.* Computerization of double handed post offices in North-East, Improving Ergonomics of post offices, mail offices and speed post centers, providing support for all Non-Returnable Contribution (NRC) post offices in North-East. During the Annual Plan 2007-08 Rs. 31.34 crores has been earmarked for North-Eastern region out of the BE outlay of Rs. 315 crores which amounts to 9.95% of the total outlay.”

20. The Committee regret to point out that the Department of Posts have not offered any convincing explanation for the gross under-utilisation of funds *i.e.* below the mandatory 10% stipulation earmarked for the North-East Region during the Tenth Plan Period. The Department's contention that efforts were being made for allocation and utilisation of funds in the Region through relaxation of some norms is not sustainable at all in view of the low percentage of utilisation ranging from 0 to 6.18 per cent during the financial years from 2002-2003 to 2006-2007. Clearly, the Department's approach towards North-East leaves a lot to be desired. The Committee fervently hope that in the year 2007 which the Government of India has declared as the year of North-East and when the Department have claimed to have initiated several measures for optimum utilisation of allocated funds, the trend would finally be reversed and Rs. 31.34 crore allocated for North-East Region for the current year would be utilised fully.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

I. Budgetary Analysis

Revenue Deficit

Recommendation (No. 1)

The Committee observe that the revenue deficit of the Department of Posts was Rs. 1364.40 in 2003-04, Rs. 1375.22 in 2003-04, Rs. 1381.84 in 2004-05 and Rs. 1209.88 crore in 2005-06. The Committee also find that the revenue deficit for the year 2006-07 (upto January, 2007) is Rs. 3052.58 crore although the final projection *i.e.* by 31st March, 2007 is Rs. 1317.66 crore. As projected, the expected deficit for the year 2007-08 would be Rs. 1482.61 crore. The increase in the revenue deficit has been attributed to the increase in Pay, Dearness Allowances and other establishment cost and operational charges besides heavy load of pensionary charges included in the working expenditure of the Department. Although a number of measures like induction of better technology, introduction of new products/services were reportedly being taken by the Department, yet the Committee are concerned to note the alarmingly growing trend of the revenue deficit over the years. The Committee feel that among other measures, intensifying the technology induction at various levels coupled with redeployment of staff would help the Department to cut down their establishment and operational cost which would ultimately help in containing the revenue deficit. The Committee also desire that the department should seriously endeavor to launch and popularize their products/services like disbursement of wages to the beneficiaries under the National Rural Employment Guarantee Scheme (NREGS), old age pension in the rural areas, and other premium products in view of their immense potential, so that more revenues are generated to neutralize the impact of the deficit. A definite time frame for the above measures should be kept in mind in order to prevent the revenue deficit from taking a menacing proportion.

Action Taken by the Government

Sincere efforts are being made to expand the network of distribution of benefits to the beneficiaries under National Rural Employment Guarantee Scheme (NREGS), old age pension scheme in rural areas

through post offices. The matter is also being pursued with Ministry of Rural Development for disbursement of NREGS benefits across the country through Post Office savings account.

The Department has evolved various schemes to garner revenue like collection of Utility service payments and other business packages in many Circles. It has taken efforts to further extend the sale and acceptance of Passport Application forms through many more Post Offices in consultation with the Ministry of External Affairs.

The Department has entered in a tie up with State Bank of India for sale of their liability and asset products, as a pilot project in five Circles.

Revenue Receipts

Recommendation (No. 3)

The Committee observe that the Revenue receipts of the DoP were Rs. 4009.65 crore in 2003-04, Rs. 4256.93 crore in 2003-04, Rs. 4431.85 crore in 2004-05 and Rs. 5023.49 crore in 2005-06. The anticipated revenue receipts for the year 2006-07 is 5350.45 crore whereas the actuals upto January, 2007 is Rs. 2277.33 crore only. The slow growth in revenue receipts is reportedly due to decline in traditional mail traffic, money order traffic etc. for which efforts are being made by the Department to introduce innovative products and services like passport services, Business post, Bill Mail Service etc. for generation of more revenue. The Committee feel that with the fast changing technological advancements, traditional mail traffic is bound to decline sooner than later. The Department have, therefore, to take advantage of the new avenues that are surfacing as a result of the advancement of technology and introduce innovative products commensurate with the market requirements so that their revenue receipts get a boost.

Action taken by the Government

The Department has developed e-enabled services to cater to the needs of its customers. E-post service has been launched to bridge the digital divide and provide services to the customers with the use of Internet.

Recommendation (No. 4)

In this context, the Committee find that the revenue receipts of the Department through sale of stamps have reduced from

Rs. 981.04 crore in 2002-03 to Rs. 758.66 crore in 2005-06 due to the Department's active encouragement of use of Franking Machines and Multi Purpose Counter Machines. But the Committee are glad to observe that such a move by the Department, although resulted in decline in the sale of stamps and revenue thereof, has caused revenue in 'postage realized in cash' to the extent of Rs. 1469.99 crore in 2005-06 *vis-a-vis* Rs. 1017.35 crore in 2002-03. That is why precisely the Committee are emphasizing the advantages of the technological advancements and recommend that the Department should continue exploring innovative measures.

Action Taken by the Government

Department of Posts has been encouraging the use of High Speed Franking machines in its Business Post Offices for speedier disposal of corporate mails. Business Post has been contributing significantly to the revenues of the department.

Rate of remuneration for Savings Bank and Cash Certificates

Recommendation (No. 6)

The Committee note that the rate of remuneration for the Savings Bank and Cash Certificates work performed by the Department entails them a hike of 10 per cent every year pursuant to the recommendations of an expert Committee set up on 1993-1994 by the Ministry of Finance. But they are constrained to observe that it never touched even four per cent between the years 2004-05 and 2007-08. In view of the alarming revenue deficit position of the Department and keeping in mind the services rendered by the department below the cost margin under social obligation, the Committee are of the view that the enhancement of 10% hike in the rate of remuneration as agreed to by the Ministry of Finance merit compliance. They, therefore, trust that the Ministry of Finance will look into the matter favourably, more so when the Postal department have been rendering a number of agency functions for the Ministry of Finance. The department of Posts, on their part, should follow up the matter with the Ministry of Finance to do the needful failing, which the matter may be placed before the Union cabinet for their consideration.

Action taken by the Government

The matter relating to rate of remuneration for savings bank and cash certificates was taken up with Ministry of Finance in the past but no reply was received from Ministry of Finance. Remuneration is being fixed by Ministry of Finance unilaterally ignoring the recommendation of the Expert Committee set up in 1993-94 by Ministry of Finance for

10% increase every year. On the recommendation of the Standing Committee, the matter will now be again taken up with Ministry of Finance.

Comments of the Committee

Please *see* paragraph No. 8 of the Chapter-I.

Recoveries

Recommendation (No. 7)

The Committee note that the Department of Posts are paid agency charges for the services rendered by them to various Ministries/ Departments and other Government organizations. In this context, the Committee find that the Department of Posts received agency charges of Rs. 102 crore in 2002-03, Rs. 103.91 crore in 2003-04, Rs. 150.85 crore in 2004-05 and Rs. 195.78 crore in 2005-06. For the year 2006-07, the projection has been Rs. 231 crore, but upto January, 2007 the receipt has been Rs. 12.81 crore only. The Committee are concerned to note that the receipts/recoveries of the agency charges by the department during the Tenth Plan period are not commensurate with the services rendered and the amount raised thereof. The Department's contention that from the year 2004-05, recoveries of the agency charges marked a steady growth does not convince the Committee in view of the huge amount *i.e.*, Rs. 246.65 crore that has been pending recovery during the first four years of the Tenth Plan period. The Committee feel that when the Department are straddled with so many financial constraints, they can least afford to ignore such a noticeable outstanding amount. The Committee, therefore, recommend the department to take all appropriate measures including regular monitoring in their own interest, to recover the amount pending against various organizations. The Committee also desire that the Department should ensure recovery of Rs. 231 crore, as projected for the year 2006-07 by the end of that fiscal, besides appropriately expanding and diversifying the agency services to generate additional revenue in the coming years.

Action Taken by the Government

The Department of Posts is taking various innovative measures to diversify its service base and increase the No. of agency services keeping in view of customers and market requirement. In the year 2006-07, the Department received Rs. 207.16 crores from various organizations and a suitable mechanism has been evolved for each agency services in order to ensure timely recovery of dues.

Recommendation (No. 9)

The Committee are happy to note that the Ministry of Rural Development and various other State Government are interested in tie-up with the Department of Posts for the disbursement of National Employment Guarantee Scheme (NREGS) through Post Offices. The Committee also appreciate that in Andhra Pradesh alone, 32 lakh Savings accounts have been opened for disbursement of NREGS. The Committee desire that similar business avenues should be explored in other States also in view of their reported interest for disbursement of NREGS through Post Offices.

Action Taken by the Government

Presently, the benefits to the beneficiaries under NREGS is being disbursed in Andhra Pradesh, Madhya Pradesh, Karnataka, Jharkhand and West Bengal Circles. The matter is being pursued with Ministry of Rural Development to start NREGS disbursement through post office across the country.

Expansion of Postal Network

Recommendation (No. 12)

The Committee note that 377 requests from various circles for opening up of post offices have been pending with the Department since 2004-05. They also observe that during the years 2004-05 and 2005-06, no new post offices were opened and the requirement for post offices in various areas in the country was met by relocation of POs from areas where they were no longer justified as per the prescribed norms. The Committee are informed that as per the decision taken by the Expenditure Finance Committee, in future only non-recurring cost will be taken into account for calculating unit cost to open Branch Post Offices and Sub-Post Offices and the manpower for new Post Offices is to be met only by redeployment of the existing personnel. The Committee, thus, find that while the Department face the challenges of demand for opening up of new Post offices, the funding pattern and manpower provisions remain the same, thereby posing a greater challenge for the Department. In such a complex scenario, the Committee would like the Department to see how best they can prudently re-deploy the existing manpower and judiciously utilize the available resources so that the demand for opening up of new post offices are appropriately catered to.

Action Taken by the Government

The Expenditure Finance Committee (EFC) for the Tenth Five Year Plan had approved implementation of the scheme for expansion of Postal Network for the first two years of the Tenth Five Year Plan, *viz.* 2002-2003 and 2003-04, with the stipulation that no new posts should be created and that expansion should be restricted to providing basic infrastructure only. Resultantly, 440 EDBOs and 45 DSOs were opened in various Circles through redeployment of staff. Similarly, Standing Finance Committee (SFC) approved a target of 10 DSOs to be opened in some of the Circles during the financial year 2006-07. These 10 DSOs also were opened through redeployment of staff.

During the year 2007-08, it is proposed to open 500 DSOs and 250 EDBOs through redeployment of staff. The Department will strive to ensure 100% achievement of targets by redeployment of staff from those offices where work can be managed by lesser number of employees without affecting the access to postal services in anyway.

Mail Business Centres (MBCs)

Recommendation (No. 15)

The Committee observe that in view of the decline in the mail traffic and as a part of rationalization of the mail network, the Department propose to converge the existing 487 mail offices across the country into 300 Mail Business Centres which will function as a hub for mail related activities and will be equipped with latest technology and state of the art equipment for assembly line processing, warehousing, packaging, conveyance etc. The Committee also find that 85 Mail Business Centres have so far been set up across the country. The Committee would like to encourage the Department to set up more such centres in the country, in line with international phenomenon, during the Eleventh Plan period by optimally utilizing Rs. 388.60 crore earmarked towards the objective. The Committee are hopeful that once such rationalization of mail network is accomplished on a large scale, it will ensure quality service to the customers besides reducing cost of operations and generating additional revenue.

Action Taken by the Government

1. Sixty four (64) transit sections have so far been abolished resulting in an approximate saving of Rs. 13.00 crores.
2. Fifty five (55) Mail Offices have been closed/merged and the projected saving is approximately Rs. 5.00 crores.

3. Eighty five (85) Mail Business Centres have been established across the country.
4. Under the XIth Five Year Plan 300 MBCs would be established equipped with state-of-the-art technology. These MBCs would function "One Stop Shop" offering total mailing solution to bulk customers.

Community Service Centres

Recommendation (No. 18)

The Committee notes that there is a proposal for setting up one lakh Community Service Centres (CSCs) with public-private partnerships or NGOs or corporate organizations throughout the country. The objective of the CSCs is to provide information and the day-to-day service to the villagers using Information Technology. In this context, the Committee find that the DoP with its vast network of 1,55,516 Post Offices in the country have been considered suitable for facilitating the establishment of Community Service Centres with a role of providing necessary accommodation, manpower, electricity connection, advertising etc. As the CSCs will be of great help in providing day-to-day information and basic services to the rural people, the Committee hope that the Department, commensurate with the role and responsibility assigned, will facilitate setting up of CSCs.

Action Taken by the Government

The Department of Posts has set up CSCs in collaboration with NGOs in different Postal Circles as detailed below:—

(i) in Collaboration with Kisan Soochna Kendra:

1. Uttarakhand : 1
2. Rajasthan : 1
3. Assam : 1

In addition to above, the Postal Circles are coordinating with the State Governments and their facilitating agencies for participating in the setting up of CSCs.

The Department has been creating the necessary infrastructure for setting up CSCs in post offices. Business Development Directorate of the Department has been made the nodal division for setting up CSCs.

Postal Delivery System

Recommendation (No. 19)

The Committee note that the instances of delay in delivery of money orders was 157816 in 2003-04, 217434 in 2004-05 and 173347 in 2005-06. Similarly, the number of complaints about delay in delivery of Registered letters was 40179 in 2003-04, 53035 in 2004-05 and 53348 in 2005-06. The reasons for such delays are stated to be cancellation of trains/airlines/buses, incomplete and wrong address on money orders/ letters, non use of Postal Index Number (PIN) Code growth of unplanned colonies etc. Although the Department have initiated various steps like regular monitoring of mail delivery, surprise checks, regular co-ordination with airlines, railways and state route transport authority, yet the instances of delay in delivery of money orders and registered letters are still on higher side. The Secretary DOP's statement that the figures of delay are not too high looking at the volume handled does not impress the Committee as there should not be slightest scope of aberration in pursuit of excellence. The Committee, therefore, urge that the Department should further strengthen their monitoring mechanism besides appropriately rationalizing their mail processing network so that instances in delivery of postal articles, especially money orders are reduced to a greater extent for the benefit of the common man. The Committee also hope that the electronic based money order, which is on the anvil, will largely eliminate delays in the delivery system, as also assured by the Secretary, DOP.

Action Taken by the Government

1. In order to rationalize the mail network and ensure optimal utilization of resources smaller mail units are being consolidated and merged with bigger units. This has already resulted in better and more effective monitoring.

2. Under the New Paradigm for mail management, Mail Business Centres are being set up across the country. Delivery of bulk mail will be carried out directly from Mail Business Centres. This would ease the pressure on delivery post offices, which in turn, would expedite delivery of individual mail as well.

3. Daily e-mail monitoring: A new system of Daily Mail Monitoring has been introduced, wherein all circles are required to send a daily mail monitoring report containing information on delivery performance of post offices, functioning of mail offices, delay/detention, if any, etc. Thus, performance of each circle is being monitored at the Directorate on a daily basis. This has already resulted in significant improvement in delivery of mail.

4. To reduce dependency on Railways and Airlines, the Department has initiated a multi-modal transport conveyance of mail. Short beat RMS sections are being replaced by road transport, wherever feasible to ensure guaranteed delivery. In order to improve quality of mail transmission and delivery in the North-East Region, Department has leased a freighter from Indian Airlines. This is to ensure guaranteed delivery of mail in the North East Sector.

Recommendation (No. 20)

The Committee appreciate to note that during the year 2003-04, 203 postal employees have been proceeded against/punished for being at fault in prompt delivery of mails. The Committee are of the opinion that when there are so many reasons, beyond the Department's control, which cause inordinate delay in the delivery of postal items, the involvement of the Department employees for such delay should be continued to be dealt with a firm hand.

Action Taken by the Government

The recommendation of the Committee has been noted for compliance. All the Postal Circles have been informed *vide* letter No. 3-35/2007-PG dated 17.7.2007 to take strict action against the officials found responsible for delay in the delivery of postal articles.

Recommendation (No. 21)

The Committee note that there was a decline of mail traffic in unregistered letters from 214.18 million in 2004-2005 to 208.56 million in 2005-06 whereas such decline in registered letters were to 6492.16 million in 2005-06 as compared to 7146.18 million in 2004-05. Reasons for decline in both registered and unregistered mails are attributed to decline in personal mail. However, the Committee are informed that although there has been a decline in personal mail. Yet bulk mail is picking up. The Committee therefore, recommend that as there is huge potential in bulk mail business, it should be encouraged and incentivised in order to generate more revenue.

Action taken by the Government

Department of Posts has already incentivized the processing of bulk mail through providing discounts on pre-sorted and franked mail. Bill Mail service is currently undergoing price revision in order to make it more competitive and attractive. The revised product is likely to give substantial fillip to traffic and revenue of Bill Mail.

Business Development Activities

Recommendation (No. 22)

While the Committee appreciate to note that Media Posts, Business Posts and Retail Posts are doing quite well in terms of revenue generation, they are constrained to observe that the Greeting Post has been exhibiting a declining trend due to discontinuation of the printing of new Greeting Cards as a premium cost product. The Committee further note that in spite of vast infrastructure created for Speed Post, its revenue generation could be enhanced by 15% only in 2005-2006 as compared to the previous year. In order to encourage Speed Post business 'One India, One Rate' was introduced in August 2006 and numerous other measures are also reportedly being taken to give publicity to Speed Post. The Committee are of the opinion that the Department should focus on their core business and evolve other innovative strategies encompassing value additions for the customers so that growth in the Speed Post business is accelerated.

Action Taken by the Government

Department of Posts in order to encourage Speed Post keeping up with the momentum generated by the 'One India One Rate' has further revised tariff of Speed Post local rates. Speed Post local rates has been reduced from Rs. 20 to Rs. 12 with effect from 11.6.2007. Same day Speed Post Service has now been introduced in many towns and cities across the country. In order to provide service of international standards establishment of Speed Post call centres in metro cities has been envisaged during the Eleventh Five Year Plan.

Recommendation (No. 23)

The Committee are happy to note that market surveys are being conducted by the Department of Posts to assess the customers expectations and requirements. Structured customer meets are also being conducted at various levels in order to have the feedback about various services introduced by the Postal Department. the Committee, therefore, recommend that more and more such surveys and customer interactive measures should be undertaken to get the response of the public towards the quality of service provided by the Department of Posts and based on such feed back corrective measures be taken accordingly.

Action Taken by the Government

Department of Posts in its endeavour to fulfil customer expectations and requirements has envisaged broad spectrum of market surveys during the Eleventh Five Year Plan. Product designing and delivery would be broadly based on the results of such surveys.

Postal Finance Marts

Recommendation (No. 24)

The Committee observe that 142 Postal Finance Marts have already been set up in the country for providing specialized value added financial services like Management Information System (MIS), Term Deposit (TD), Senior Citizen Saving Scheme (SCSS), Kisan Vikas Patra (KVP) in conformity with market standards and in a customer friendly environment. As the Postal Finance Mart is a brand positioning exercise of financial services offered by the banks to customers, the Committee desire that more and more such 'One Stop Shop' for Financial Services should be opened up, including the targeted 34 such Marts for 2007-08. The Committee also desire that feasibility of opening of such Postal Finance Marts in the rural areas should also be explored in view of the Department's vast rural customer base.

Action taken by the Government

Till now 290 Postal Finance Marts have been set up across the country. It has been proposed to set up another 715 Postal Finance Marts during the 11th Five Year Plan. The observations of the Committee about feasibility of opening of such Postal Finance Marts in rural areas will be looked into while selecting locations for Postal Finance Marts.

Philately

Recommendation (No. 26)

The Committee observe that philatelic exhibitions are periodically being organized at the Divisional, Circle and National levels for the promotion of philately. Further, philatelic festivals, workshops, seminars, promotional literature and publications have been initiated for the upgradation and promotion of philately in the country. The Committee appreciates the steps taken by the Department of Posts for the promotion and upgradation of philately and recommend that the Department should maintain the momentum in this regard in the coming years also.

Action Taken by the Government

Philately Division of the Department will hold circle, National and International levels philatelic exhibitions for the promotion of Philately. It will organize festivals, workshops seminars and will initiate promotional literature and publication for the upgradation and promotion of philately in the coming years and will keep the momentum up in this regard.

Advertising and Publicity of various schemes

Recommendation (No. 27)

The Committee appreciate to note the Secretary's statement that the department has been coming out with periodical and attractive advertising products to endorse various products/schemes. The Committee feel that this aspect of business acumen should never be lost sight of, for the Department to remain in contention. In this context, the Committee also desire that while subletting their premises to other Private/Multi-National Companies/the DoP should appropriately negotiate with them to advertise/publicise various postal products/schemes.

Action Taken by the Government

During the tenth five-year plan 2002-07, out of the allocation of Rs. 25 crores, made to Department of Posts for promotion and publicity of Premium products, Department of Posts spent Rs. 18 crores. In addition customer meets at different levels, workshops, seminars, Press Conferences etc. were organized. The activities would also continue in Eleventh Five Year Plan.

Recommendation (No. 28)

The Committee note that the Department has huge savings account deposit to the tune of Rs. 3,23,780.37 crore by virtue of work performed on behalf of the Ministry of Finance. The Committee also note that the Department have absolutely no access to such funds to utilise a part of the same for advertising/publicity campaign. However, after required negotiation, the Department may consider increasing the commission rate for the work they are performing for the Ministry of Finance. The additional fund, thus, generated can be utilized for advertising purposes. The Committee also desire that the DoP should request the Government for separate funds for the purpose, as also agreed to by the Secretary, DoP.

Action Taken by the Government

During the Tenth Five Year Plan an amount of Rs. 0.75 crore for the year 2004-05 and Rs. 2 crore each for 2005-06 and 2006-07 have been provided for publicity of Post Office Saving Bank products/ Financial Services and Instant Money Order (IMO) service to create awareness among the people.

Several programmes for promotion, publicity, marketing and business expansion in the area of premium products and a programme for developing a media plan for the entire department including marketing plan for financial services are envisaged in the 11th Plan.

CHAPTER III

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

Recommendation (No. 13)

The Committee are concerned to note that out of the 2,34,755 Gram Panchayat villages in the country there are still 1,18,874 Gram Panchayat villages without post offices. The Committee are informed that post offices can be opened only in those Gram Panchayat villages where the norms for opening of Branch Post Offices with regard to distance, population and income are fulfilled and thus every Gram Panchayat village cannot have a post office though postal facilities are provided to all the villages. In this content, the Committee find that there are proposals to open 250 Branch Post Offices in rural areas during the year 2007-08. In view of the fact that such a large number of Gram Panchayat villages do not have any post offices, the Committee would like to impress upon the Department to take all effective measures to achieve the 2007-08 target of Branch Post Offices which will also cover those Gram Panchayat villages where a post office is justified as per norms. As every Gram Panchayat village cannot have a post office due to the prevalent norms, the Committee desire that continuous and uninterrupted basic postal facilities should be provided to those Gram Panchayat villages which are deprived of the advantages of post office.

Action Taken by the Government

Out of a total of 2,34,755 Gram Panchayat villages in the country, 1,15,881 Gram Panchayat Villages have already been provided with post offices, while 1,18,874 Gram Panchayat villages do not have the physical existence of a post office. Non-existence of a post office does not imply denial of postal facilities. Postal facilities in terms of daily delivery of dak, sale of stamps/stationery at the doorstep of customers and reception of mail through letterboxes is ensured in every nook and corner of the country.

Of the 1,18,874 Gram Panchayat villages, there are only 3752 Gram Panchayat villages (September, 2030) which fulfil distance and population norms but not the income norms. Only these villages fall under the zone of consideration for opening of post office if they fulfil

income norms. Target of 250 EDBOs (in rural areas) allotted during the year 2007-08 (subject to final approval by the competent authority) will be utilized for opening post offices in equal number of villages including GP village. Opening of post offices can be considered in those Gram Panchayat villages which fulfil the prescribed norms for opening of post offices with regard to distance, population and income. It may not be possible to provide a post office in every GP village because the Department has already ensured 100% access to postal services.

CHAPTER IV

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

Recommendation (No. 8)

The Committee are concerned to observe that out of the outstanding amount of Rs. 246 crore during the years 2002-2003 to 200-2006, as much as Rs. 210 crore has been pending recovery from BSNL due to non-agreement over rate of commission for handling telegrams and booking, transfer and deliver of messages. The Committee are surprised that such issues could not be resolved for years together and the outstanding amount went on compounding. However, now that a MOU has been signed with BSNL, the Committee desire that there should be synergy between the sister Departments, disputed issues resolved amicably and the Department of Posts get their outstanding dues.

Action taken by the Government

(i) **Share of P&T Audit Charges:** Till 31/3/2002 the share of P & T Audit charges were apportioned in the ratio of 30:70 between DoP and DoT. After formation of Committee under the Chairmanship of Shri Malhotra, BSNL put forth the plea that the share should be on deployment of manpower. Despite our best efforts, the DG P&T Audit never intimated the deployment position and the BSNL refused to settle the outstanding without this information. In the meanwhile, C&AG of India agreed to bear 74% of the total dues but when the claim was preferred they backtracked stating that they would reimburse 74% of the total expenses from 1/4/2007 and not for earlier periods. This office had again taken up the issue with DG P&T Audit to prevail upon BSNL/DoT to clear the arrears as per old formula *i.e.* 30:70.

(ii) **Commission for handling Telegrams:** Nearly 50% of the outstanding is on account of this item. The sub committee formed was unable to arrive at unanimous decision. In their report dated 23/5/2007, the sub-committee suggested as an interim measure to settle the commission @ 6.95 from 1991-92 pending a final decision on the rate of commission which should be resolved by a Committee of Secretaries. The interim claim is being preferred.

Comments of the Committee

(Please see paragraph No. 11 of the Chapter-I)

Utilisation of Plan Outlays

Recommendation (No. 10)

The Committee are constrained to note that against the Tenth Plan Outlay of Rs. 1350 crore for various projects, the Department have been able to utilise Rs. 642.91 crore only (upto December, 2006) which constitutes 47.62 percent utilisation of the plan outlay. The under utilisation of the Plan Outlay was attributed to the delayed approval of the scheme-wise outlays by the Planning Commission and the resultant delay by the Department in taking further action. The Committee recognise the difficulties of the Department in utilising the Plan outlay because of the delayed approval of the Planning Commission. But that happened only during the first year of the plan period i.e. 2002-03, as has been observed from the Department's reply. In the subsequent years, the Department should have taken all advance measures for optimum utilisation of Annual Plan Outlays, instead of justifying that the expenditure increased to 71.08 percent in 2004-05 and further to 74.08 in 2005-2006. Although the extent of under utilisation of the Plan outlay for the year 2006-2007 has not yet been worked out, the Committee find that an amount of Rs 14.16 crore has already been surrendered by the Department. The Committee are of the view that less than fifty percent utilisation of the total plan outlay cannot be condoned, regardless of the reasons. They, therefore, recommend that the Department, instead of leaving things to take their own course, should intensify the preparedness, make all appropriate planings well in advance and thrive to achieve the Eleventh plan outlays in general and that of 2007-2008 in particular to the optimum extent.

Action taken by the Government

During Tenth Plan period although most of the schemes got EFC/ SFC approved in last quarter of Annual Plan 2002-2003 and first quarter of 2003-2004, the major two schemes i.e. computerization of Pos/Aos/PAOs and Construction of Buildings got approved only in January 2004 and August 2003. Hence the speed for implementing the schemes picked up only in the third year and the expenditure level also increased proportionately in the last three years. During 2006-07

also funds to the extent of Rs. 322.19 crores has already been booked as against the BE allocation of Rs. 419 crores which amounts to 76.89% utilisation. Out of the approved Tenth Plan outlay of Rs. 1435 crores, funds to the extent of Rs. 874.47 crore has been actually spent upto 2006-07 which amounts to 60.94% utilisation of the approved outlay.

During Eleventh Plan Period, preparatory action has already been initiated by the Department for preparing draft EFC/SFC memorandums in anticipation of approval from Planning Commission. Funds are being released to circles to meet the spillover payments of the Tenth Plan from the approved outlay for 2007-08. Action has been taken for better monitoring and coordination of plan funds and also their utilisation.

Comments of the Committee

(Please see paragraph No. 14 of the Chapter-I)

Tenth Plan Physical Targets and Achievements

Recommendation (No. 11)

The Committee appreciate to note that in most of the schemes/ projects earmarked for the Tenth Plan period, the Department have achieved the physical targets. But the Committee fail to understand that when the Tenth Plan financial utilization is less than fifty percent, how the achievement of physical targets during the period is optimal. It implies that either the physical targets originally proposed to be accomplished during the Tenth Plan period have drastically been reduced or the financial projections to achieve the targets have been unrealistic. The, Committee, desire that such variations between utilisation of funds and achievement of physical targets should be looked into and corrective measures taken accordingly to project a realistic picture.

Action taken by the Government

Physical targets were achieved in most of the activities as the momentum of the implementation of the activities picked up from the third year onwards, however the financial utilisation was less when compared to physical targets achieved due to the facts:

1. Although expenditure were incurred by Circles, some of the Circles could not book the expenditure before the close of the financial year.

2. Some of the pending bills with DGS&D could not be adjusted well within stipulated time and in some cases vendors did not present the bills in time.
3. There were also some misclassifications made by circles under non-plan, which could not be rectified by transfer entry before the close of the books for the financial year.

However the recommendations of the Committee have been noted.

The physical target and achievement of building projects during the X Five Year Plan was reconciled by the Department by taking into consideration of physical achievement of Spill over projects of IX Five Year Plan pertaining to Post offices/Mail Offices, Administrative Officers and Staff Quarters. Hence, a revised report showing the number of approved building projects of IX Plan completed during the X Five Year Plan period is enclosed as Annexure "A".

As regards financial targets and achievement is concerned, an outlay of Rs. 115.40 crores had been approved for the scheme "construction of Buildings" for the X Five Year Plan and against this outlay, actual funds of Rs. 98.40 crores were earmarked at the Final Grant Stage. The financial targets and achievements of the Department during X Five Year Plan is given as under:

Year	Budget allocation (Final Grant)	Achievement
2002-03	Rs. 15.36 crores	Rs. 13.90 crores
2003-04	Rs. 17.35 crores	Rs. 15.01 crores
2004-05	Rs. 17.29 crores	Rs. 15.72 crores
2005-06	Rs. 24.00 crores	Rs. 21.63 crores
2006-07	Rs. 24.40 crores	Rs. 17.39 crores

Comments of the Committee

(Please *see* paragraph No. 17 of the Chapter-I)

Budgetary allocation for North East

Recommendation (No. 16)

The Committee note that the budgetary allocation for the North East Region during the Tenth Plan period was Rs. 71.87 crore whereas

the actual utilisation (upto Jan. 2007) has been Rs. 18.01 crore only, each year witnessing shortfalls. The Committee also find that the percentage of Plan expenditure has been 5.51 percent in 2002-03, 6.18 in 2003-04, 2.98 in 2004-05, 1.60 in 2005-06 and astonishingly nil in 2006-2007 (upto January, 2007). Needless to say, the Plan Expenditure in the North East Region has been much below the mandatory ten percent of the total expenditure during each year of the Tenth Plan period. No scope for further investment under the plan scheme consequent upon induction of technology in almost all operative and administrative offices in the North East Region, the reason as advanced by the Department for the under utilisation of plan expenditure, does not convince the Committee in view of the unlimited scope of technological innovations and induction there. Similarly, the other reason that the level of investment in other Plan Schemes was very low due to their non-capital intensive nature fail to impress the Committee as the Department have to keep their social commitment in mind. In the opinion of the Committee, merely by stating that regular monitoring of plan activities and coordination with the Circles in the North East region will fetch the desired result, the Department cannot absolve themselves of the responsibilities towards that Region. The Committee, therefore, impress upon the Department to take a firm resolve and ensure optimum budgetary allocation and at least ten percent plan expenditure, as mandated, in the North East region during the coming years so that the people of that region remain well connected with the mainstream.

Action taken by the Government

Although the funds utilized under North-East Region is less than the 10% mandatory, efforts are being made by the Department for allocation and utilization of funds in North-East in all possible areas through relaxation of some norms *e.g.* Computerization of double handed post offices in North-East, Improving Ergonomics of post offices, mail offices and speed post centers, providing support for all Non-Returnable Contribution (NRC) post offices in North-East. During the Annual Plan 2007-08 Rs. 31.34 crores has been earmarked for North-Eastern region out of the BE outlay of Rs. 315 crores which amounts to 9.95% of the total outlay.

Comments of the Committee

(Please *see* paragraph No. 20 of Chapter-I)

CHAPTER V

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

Recommendation (No. 2)

The Committee note that one of the foremost reasons for the growing revenue deficit of the Department of Posts is heavy load of pensionary charges included in the working expenditure of the Department whereas in the case of most of the central Government Ministries/Departments, the pension payments made are booked to a common head of account. This has been done because of the DoP is considered as a commercial Department and their services are supposed to have a tariff, which not only would pay for the salaries, but also for the pensionary liabilities. The Committee find it difficult to be in agreement with the viewing of the Department of Posts as a purely commercial entity. In fact, the social obligation enforced upon the DoP is enormous in view of the affordable services rendered by them throughout the country. In line with the recommendations made by them in their earlier Reports, the Committee once again recommend that the Government should consider absolving the Department of the "commercial" tag and charge the pensionary cost to the common head of accounts, as is being done in the case of most of the Ministries/Departments. The Department of Posts, on their part, should again pursue the matter with the Finance in this regard for a noticeable reduction of their revenue deficit.

Action taken by the Government

The matter of charging expenditure on payments of Pension and Pensionary benefits in respect of Department of Posts to the common head of account at par with other Ministries/Departments was taken up with the Ministry of Finance and Planning Commission as and when recommended by the Standing Committee in their various Reports. In reply ministry of Finance has always rejected the request with the contention that as per rule 54 of the Government Accounting Rules 1970, the Department of Posts continues function on commercial principles. However the Department of posts is pursuing the matter at highest level with ministry of Finance for shifting the burden of pension liability of the department to central exchequer.

Revenue Expenditure

Recommendation (No. 5)

The Committee noted that the Gross Expenditure under the Revenue Section has been increasing year after year, *viz.* Rs. 5736.06 crore in 2003-04, Rs. 5964.54 crore in 2004-05, Rs. 6429.1 crore in 2005-06, Rs. 6899.11 crore (RE) in 2006-07 and projected at Rs. 7237.39 crore in 2007-08. Such rise in expenditure has reportedly been mainly due to the expenditure incurred on mandatory items such as salaries, wages, pensionary charges, medical expenses that amounts 85% of expenditure of the total gross expenditure of the Department. The Committee are informed that despite making concerted efforts to control expenditure by observing economy measures strictly on the basis of guidelines issued by the Ministry of Finance from time to time, the Department have very limited scope for curtailing expenditure in view of the reason explained above. The Committee acknowledges the constraints of the Department in this regard. But, they are of the view that induction of technology being identified, as a thrust area of the Department should result in reduction of manpower and cost of operations in many areas leading to reduction in gross expenditure. The Committee would, therefore, like the Department to make a detailed study as to how the induction of technology would bring down the working expenses of the Department once the process of computerization of post offices is over. The outcome of the study should be made available to the Committee.

Action taken by the Government

Manpower costs are the major working expenses in post offices. The Department needs to revise the norms for various front and back office operations of computerized post offices and implement them. Only after that the benefits in terms of reduction in working expenses will be clear. The matter is under examination in the Department.

Computerisation of Post Offices/Postal Accounts Offices/ Administrative Offices

Recommendation (No. 14)

The Committee are happy to note that the Tenth Plan physical targets of computerization of Post Offices, Postal Account Offices and Administrative Offices are almost achieved. The Committee further note that the Department have proposed to computerize the remaining POs/PAOs/AOs alongwith the Branch Post Offices during the Eleventh

Plan period. The proposal is said to be under consideration of the Planning Commission. The Committee desire that once the proposal to computerize the remaining Post Offices including Postal Accounts Offices (PAOs), Account Office (AOs) and Branch Offices is finalized, the Department should carry the commendable performances exhibited during the Tenth Plan period into the Eleventh one."

Action taken by the Government

The Standing Committee has appreciated the Departments' performance in achieving the targets in respect of computerization of POs/PAOs/Aos in the Tenth Plan period. The Department has submitted a proposal to computerize remaining Departmental Post Offices/Administrative and Accounts Offices and also for computerization of Branch Post Offices to the Planning Commission. The proposal has not yet been finalized.

Recommendation (No. 17)

The Committee feel that relaxing the norms to open Post Offices in the North East Region, computerization of Mail Offices/Registration Centres and leasing of Aircraft for carriage of mails are steps in the right direction for facilitation of adequate postal services in those areas by overcoming the constraints of inordinate delay in delivery of postal articles. The Committee desire that such measures should be persisted with besides exploring other possible ways to provide better postal services to the North East region.

Action taken by the Government

Steps are being initiated for releasing the funds earmarked for North Eastern region once the Eleventh Five Year Plan outlay is approved by Planning Commission and EFC/SFC approvals for the schemes are obtained. A separate sub-plan for North Eastern Region has also been proposed during the Eleventh Plan and the approval of the Planning Commission in this regard is awaited. Efforts are being made by the department to provide all postal services in this region.

Shortage of Staff

Recommendation (No. 25)

The Committee are constrained to note that quite a large number of posts in the Department are lying vacant in various categories, i.e., 76 in Group A, 877 in Group B, 25,200 in Group C and 5,497 in Group D due to the directions by the DO P&T according to which one-third of the direct recruitment vacancies subject to a further ceiling

of 1% of the sanctioned strength of the Department can be filled after getting clearance from the Screening Committee. However, the Committee observe that there is no restriction on filling up posts in the promotional category. As the postal business is growing and a large number of post offices are being opened in the Eleventh Plan period, the Committee desire that the shortage in the number of posts in various categories should be taken up with the DOP&T at the highest level for relaxation of norms in filling up the vacancies so that the Department are adequate able to cater to the postal needs of the country, especially the rural areas.

Action taken by the Government

As per DOP&T O.M. No. 2/8/2001-PIC dated 16.5.2001 1/3 of the direct recruitment vacancies subject to a further ceiling of 1% of the sanctioned strength of the Department can be filled after getting clearance from the Screening Committee.

The validity of the Optimization scheme has been extended upto 31.3.2009 *vide* DOP&T O.M. No. 2/8/2001-PIC dated 30.8.2006.

The total 31,650 (76+877+25200+5497) vacancies indicated above included both promotional and direct recruitment vacancies lying vacant as on 1.8.2006. It comprises 11% of the total strength. However, the direct recruitment vacancies for the year 2005 were only 7,564 of which the Screening Committee had cleared 2521 for filling up. This the bulk of the vacancies were to be filled up by promotion. There is no restriction on filing up of promotional vacancies and these vacancies are filled up in normal course by holding the DPCs regularly as per relevant recruitment rules and the procedure prescribed by the Department from time to time.

A proposal is under active consideration for seeking exemption from the purview of the optimization Scheme/subjecting the vacancies to Screening Committee and to fill up the existing as well as direct recruitment vacancies may occur in future.

NEW DELHI;
3 December, 2007
12 Agrahayana, 1929 (Saka)

NIKHIL KUMAR,
Chairman,
Standing Committee on
Information Technology.

TENTH PLAN PHYSICAL TARGETS AND ACHIEVEMENTS

Construction of Buildings

Sl. No.	Particulars	Tenth Plan Outlays	Total upto 2005-07		Achieved during 2006-07		Total from 2002-03 to 2006-07		Grand Total	Percentage of achievement	Reasons for variations
			Approved Projects of Xth Plan	Spill over projects of IXth Plan	Approved Projects of Xth Plan	Spill over projects of IXth Plan	Approved projects of Xth Plan	Spill over projects of IXth Plan			
(a)	Construction of post offices/mail offices	84	43	48	15	0	58	48	106	126%	No Variations
(b)	Construction of administrative office	12	9	10	02	0	11	10	21	175%	No Variations
(c)	Construction of staff quarters	181	6 projects (19 quarters)	29 projects (248 quarters)	6 projects (18 quarters)	0	12 Projects (37 quarters)	29 projects (248 quarters)	41 projects (285 quarters)	157%	No Variations

APPENDIX II

[Vide Paragraph No. 5 of Introduction)

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS/OBSERVATIONS CONTAINED IN FORTY-FIFTH REPORT (FOURTEENTH LOK SABHA) OF THE COMMITTEE

- (i) Recommendations/Observations which have been accepted by the Government:
Sl. Nos. 1, 3, 4, 6, 7, 9, 12, 15, 18, 19, 20, 21, 22, 23, 24, 26, 27 and 28
- Total: 18
Percentage: 64.28%
- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the replies of the Government:
Sl. No. 13
- Total : 01
Percentage : 3.57%
- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:
Sl. Nos. 8, 10, 11 and 16
- Total: 4
Percentage: 14.28%
- (iv) Recommendations/Observations in respect of which replies are of interim nature:
Sl. Nos. 2, 5, 14, 17 and 25
- Total: 05
Percentage: 17.85%

FIFTY-THIRD REPORT
STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2007-2008)

(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 Forty-Fifth Report (Fourteenth Lok Sabha)
on Demands for Grants (2007-2008)]*

Presented to Lok Sabha on 4.12.2007

Laid in Rajya Sabha on 5.12.2007



LOK SABHA SECRETARIAT
NEW DELHI

December, 2007/Agrahayana, 1929 (Saka)

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CONTENTS

	PAGE No.
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I Report	1
CHAPTER II Recommendations/Observations which have been accepted by the Government	10
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in view of replies of the Government	22
CHAPTER IV Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration	24
CHAPTER V Recommendations/Observations in respect of which replies are interim in nature	29
ANNEXURE	
I. Tenth Plan Physical Targets and Achievements..	33
APPENDICES	
I. Minutes of the Seventh sitting of the Standing Committee on Information Technology (2007-08) held on 30.11.2007	34
II. Analysis of Action Taken by the Government on the Recommendations/Observations contained in the Forty-Fifth Report (Fourteenth Lok Sabha) of the Committee	36

COMPOSITION OF THE STANDING COMMITTEE
ON INFORMATION TECHNOLOGY
(2007-2008)

Shri Nikhil Kumar — *Chairman*

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Lok Sabha

2. Shri Abdullakutty
3. Shri Ramesh Dube
4. Shri Nikhil Kumar Choudhary
5. Shri Sanjay Shamrao Dhotre
6. Smt. Jayaprada
7. Shri Narahari Mahato
8. Shri Bhubaneshwar Prasad Mehta
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16. Shri Tufani Saroj
17. Shri Tathagata Satpathy
18. Smt. Rubab Sayeda
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Rajya Sabha

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29. Shri Shyam Benegal
30. Shri Rajeev Chandrasekhar
31. Shri Gireesh Kumar Sanghi*

SECRETARIAT

1. Shri M. Rajagopalan Nair — *Additional Secretary*
2. Shri P. Sreedharan — *Joint Secretary*
3. Shri P.C. Koul — *Deputy Secretary*
4. Shri D.R. Mohanty — *Under Secretary*

* Nominated w.e.f. 24 August, 2007.

** Nominated w.e.f. 5 October, 2007 *vice* Vishnu Deo Sai ceased to be member of this Committee w.e.f. 30 August, 2007.

INTRODUCTION

I, the Chairman, Standing Committee on Information Technology, (2007-2008) having been authorised by the Committee to submit the Report on their behalf, present this Fifty-Third Report on Action taken by Government on the Recommendations/Observations of the Committee contained in their Forty-Fifth Report (Fourteenth Lok Sabha) on 'Demands for Grants (2007-2008)' relating to the Ministry of Communications and Information Technology (Department of Posts.)

2. The Forty-Fifth report was presented to Lok Sabha on 27 April, 2007 and laid on the Table of Rajya Sabha on the same day. The Department furnished Action taken Notes on the Recommendations/Observations contained in the Report on 27 July, 2007.

3. The Report was considered and adopted by the Committee at their sitting held on 30 November, 2007.

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 Forty-Fifth Report (Fourteenth Lok Sabha) of the Committee is given at Appendix-II.

NEW DELHI;
3 December, 2007

12 Agrahayana, 1929 (Saka)

NIKHIL KUMAR,
Chairman,
Standing Committee on
Information Technology.

53

**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2007-2008)**

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 Forty-Fifth Report (Fourteenth Lok Sabha)
on Demands for Grants (2007-2008)]*

FIFTY-THIRD REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2007/Agrahayana, 1929 (Saka)