

FIFTEENTH REPORT
STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(1999-2000)

(THIRTEENTH LOK SABHA)

MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF POSTS)

*[Action taken by Government on the Recommendations/Observations
contained in the Ninth Report (Thirteenth Lok Sabha) on
Demands for Grants (2000-2001) relating
to Department of Posts]*

Presented to Lok Sabha on.....
Laid in Rajya Sabha on.....

13 DEC 2000



सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

November, 2000/Kartika, 1922 (Saka)

**CORRIGENDA TO THE FIFTEENTH REPORT OF
THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY (1999-2000)**

PAGE No.	PARAGRAPH No.	LINE No.	FOR	READ
2	6	3	"reworking targets"	"reworking of the targets"
2	6	2 (from below)	"favorable"	"favourable"
4	11	10	"in"	"is"
6	21	6	"to late too"	"too late to"
7	23	4	"ensuring"	"ensure"
8	23	7	<u>After</u> New Delhi <u>Add</u> could be taken up	

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COMPOSITION OF THE STANDING COMMITTEE
ON INFORMATION TECHNOLOGY
(1999-2000)

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri Ambareesha
3. Shri Mahendra Baitha
4. Shri Pawan Kumar Bansal
5. Prof. Dukha Bhagat
6. Shri Tara Chand Bhagora
7. Shri Nikhil Kumar Chaudhary
8. Shri Adhir Ranjan Chowdhary
9. Shri T. Govindan
10. Adv. Uttamrao Dhikale
11. Shri Jawahar Lal Jaiswal
12. Shri K. K. Kaliappan
13. Dr. C. Krishnan
14. Shri Bhartruhari Mahtab
15. Shri Simranjit Singh Mann
16. Shri G. Ram Mohan
17. Shri A. K. Moorthy
18. Shri Karia Munda
19. Shri K. Balrama Krishna Murthy
20. Shri Sheeshram Singh Ravi
21. Shri K. A. Sangtam
22. Shri Saroj Tufani
23. Sardar Buta Singh
24. Shri Chandra Vijay Singh
25. Rajkumari Ratna Singh

(iv)

26. Shri Vinay Kumar Sorake
27. Shrimati D.M. Vijaya Kumari
28. Shri Vinay Katiyar
29. Shri A. Krishnaswamy
30. Shri G. Ganga Reddy

Rajya Sabha

31. Dr. M. N. Das
32. Shri Balkavi Bairagi
33. Shri Shatrughan Sinha
34. Shri Narendra Mohan
35. Shri Balbir K. Punj
36. Dr. Y. Radhakrishna Murthy
37. Shri Munavvar Hasan
38. Shri P. N. Siva
39. Shri Kartar Singh Duggal
40. Miss Lata Mangeshkar
41. Shri R. N. Arya
42. Shri K. Rama Mohana Rao
43. Shrimati Kum Kum Rai
44. Dr. Dasari Narayana Rao
45. Shri Rajiv Shukla

SECRETARIAT

1. Dr. A. K. Pandey — *Additional Secretary*
2. Shri P. D. T. Achary — *Joint Secretary*
3. Shri S. K. Sharma — *Deputy Secretary*
4. Shri A. S. Chera — *Under Secretary*

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INTRODUCTION

I, the Chairman, Standing Committee on Information Technology (1999-2000) having been authorised by the Committee to submit the Report on its behalf, present this Fifteenth Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in its Ninth Report (Thirteenth Lok Sabha) on Demands for Grants (2000-2001) relating to Department of Posts.

2. The Ninth Report was presented to Lok Sabha on 17 April, 2000 and was also laid in Rajya Sabha on the same day. The Government furnished Action Taken Notes on the recommendations contained in the Report on 13 July, 2000.

3. The Report was considered and adopted by the Committee at its sitting held on 30 October, 2000.

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

5. An analysis of Action Taken by Government on the recommendations contained in the Ninth Report of Standing Committee on Information Technology (Thirteenth Lok Sabha) is given in Appendix-II.

NEW DELHI;
November, 2000
Kartika, 1922 (Saka)

SOMNATH CHATTERJEE,
Chairman,
Standing Committee on
Information Technology.

(v)

© The Standing Committee on Communications

CHAPTER I

REPORT

This Report of the Standing Committee on Information Technology (erstwhile Standing Committee on Communications) deals with the action taken by the Government on the Recommendations/Observations contained in its Ninth Report (Thirteenth Lok Sabha) on Demands for Grants (2000-2001) relating to the Ministry of Communications (Department of Posts).

2. The Ninth Report was presented to Lok Sabha on 17 April, 2000 and was also laid on the Table of Rajya Sabha the same day. It contained 29 Recommendations/Observations.

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

- (i) Recommendations/Observations which have been accepted by the Government:—
Paragraph Nos: 32, 33, 36, 37, 89, 91, 94, 96, 97, 98, 103 and 104

Total: 12
Chapter II

- (ii) Recommendations/Observations which the Committee does not desire to pursue in view of the replies of the Government:—
Paragraph Nos: 30, 31, 34, 35, 86, 87, 88, 92, 93, 99 and 100

Total: 11
Chapter III

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:—
Paragraph Nos: 84, 85, 90, 95, 101 and 102

Total: 6
Chapter IV

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

Total: NIL
Chapter V

4. The Committee trusts that utmost importance would be given to the implementation of the recommendations 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 desires that Action Taken Notes on the Recommendations/Observations contained in Chapter-I of this Report should be furnished to it at an early date.

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

Enhancement of financial powers

(Paragraph No. 35)

6. The Committee in its Ninth Report on Demands for Grants (2000-2001) relating to the Department of Posts had noted that the Department was facing problems in re-working targets and schedule of activities due to subsequent changes in the budget allotment and the matter of streamlining the procedure was taken up by the Department of Posts with other Ministries/Departments. Further, the Department was also facing other problems due to time consuming procedure involved in clearance of the projects and the matter for increasing their monetary limits had been taken up with the Ministry of Finance but had been kept pending. The Committee had desired that these matters should merit favorable consideration by the Ministry of Finance and other concerned Ministries/Departments.

7. The Department of Posts in its Action Taken Note has stated that the case for enhancement of the powers of Secretary to the Government of India in the Department of Posts had been taken up with the Ministry of Finance which did not agree to the proposal. The Ministry of Finance, Department of Expenditure has, however, been considering enhancement of powers in general in respect of all Departments.

8. The Committee notes with concern that Ministry of Finance (MoF) has rejected the proposal of the Department of Posts for enhancement of the powers of its Secretary although the Committee had recommended due consideration. However, MoF, Department of Expenditure has been considering enhancement of powers, in general,

in respect of all Departments. The Committee would like to be informed as soon as a decision is taken by the Department of Expenditure in this regard. It desires that this matter merits favourable consideration by Ministry of Finance as the Department of Posts has been facing problems due to time consuming procedure involved in clearance of projects and also in re-working of the targets and schedule of activities due to subsequent changes in the budget allotment which have been seriously affecting the functioning of the Department of Posts, catering to the needs of the common people, particularly in the rural areas.

Postal Franchise

(Paragraph Nos. 84 and 85)

9. The Committee in its Ninth Report had observed that though providing postal connectivity was recognised as a high-priority socio-economic responsibility of the Government yet opening of Extra Departmental Branch Offices (EDBOs) in villages which fulfill norms of distance and population, was none of the priorities of the Department in Ninth Five Year Plan. There are 1,11,517 Gram Panchayat Villages out of the total of 2,25,855 villages with no post office counter facility. Moreover, there are more than 5000 such villages which justify opening of Extra Departmental Branch Offices (EDBOs) on the basis of the norms of distance and population. The Committee observed that Department of Posts was in a position to open post offices in all the villages provided posts were sanctioned. The Committee had strongly recommended that the Department should lay more emphasis on the Expansion of Postal Network in rural areas and funds for the same should also be adequately enhanced at the RE stage as the whole exercise done by the Department had no meaning if the eligible rural areas as per the departmental norms were denied the minimum but basic postal facilities.

10. The Committee further noted with concern that the achievement of 273 EDBOs and 376 PSSKs against the target to open 500 EDBOs and 500 Panchayat Sanchar Sewa Kendra (PSSKs) was quite dismal for want of sanction of 442 Posts. The Committee considered it as a sheer negation of planning process as even after sanction of the annual plan, posts were not sanctioned to meet the manpower requirement. It had desired that the matter of sanctioning of required 442 posts should be taken up at the highest level with the Ministry of Finance and procedure should also be streamlined with in built provision that when annual plan schemes were sanctioned, staff sanctions would also be automatically given.

11. The Department of Posts in its Action Taken Notes has stated that due to reluctance on the part of Ministry of Finance to sanction new posts, the Department was left with no other option but to open post offices by redeployment only. During 1999-2000, 38 Departmental Sub-Offices (DSOs) and 142 EDBOs were opened by redeployment. During the current year, if no posts are sanctioned by Ministry of Finance, the Department will have to open post offices by redeployment only and it may not be possible to achieve the targets of opening of post-offices by such method. The shortfall in opening of Branch Post Offices is solely because of non-sanctioning of 442 posts of Extra Departmental Agents (EDAs) by the Ministry of Finance. The matter of sanctioning of 442 posts of EDAs is stated to have been taken up by the Department with the Ministry of Finance at the Minister's level. The Department has also stated that it is in a position to cover about 5000 such villages which justify opening of EDBOs on the two norms of distance and population by the end of 10th Plan only, provided required number of posts are sanctioned and the financial norms are also met.

12. The Committee is not satisfied with the reply of the Department. It regrets to note that 5000 villages though they qualify as per norms for opening of Extra Departmental Branch Offices (EDBOs) will have to wait for many more years to get the postal facilities and that to on the condition that required number of posts will be sanctioned by the Ministry of Finance and the financial norms are met. The reason, namely, the reluctance on the part of the Ministry of Finance to sanction 442 posts is no consolation to the large number of rural people who are deprived of postal facilities. The Committee, therefore, reiterates that the Department of Posts should pursue the matter with Ministry of Finance at the highest level and also streamline the procedure with in-built provisions that when annual plan schemes are sanctioned, staff sanctions are automatically given.

Panchayat Sanchar Sewa Kendras (PSSKs)

(Paragraph No. 87)

13. The Committee in its Ninth Report had observed that Department of Posts had opted for opening of Panchayat Sanchar Sewa Kendras (PSSKs) as an alternative to Extra Departmental Branch Offices (EDBOs) as it was facing problems in sanctioning of the posts. The scheme did not appear to be successful as during 1999-2000, 376 PSSKs were likely to be opened against the target of 500. The Committee had therefore desired that the Department should take adequate steps to make the scheme successful as the Ninth Plan target for opening of 2700 PSSKs itself was quite modest.

14. The Department of Posts in its Action Taken Note has stated that against the target to open 500 PSSKs during 1999-2000, 418 PSSKs were opened upto 27.3.2000 and the Department was making best possible efforts to achieve the Plan targets for the Ninth Plan.

15. The Committee notes that during 1999-2000, the Department could open 418 Panchayat Sanchar Sewa Kendras (PSSKs) against the target of 500. The Committee doubts whether at this pace the Department of Posts would be able to achieve Ninth Plan target of opening of 2700 PSSKs, which itself is quite modest and needs to be enhanced in the light of the fact that there are more than 5000 villages which qualify as per the norms for opening of Extra Departmental Branch Post Offices (EDBOs). The Committee would like to be apprised of the efforts being made by the Department to make the Panchayat Sanchar Sewa Yojana successful.

Panchayat Sanchar Sewa Kendras

(Paragraph No. 88)

16. The Committee in its Ninth Report had expressed its unhappiness over the fact that the Department had not finalised the target for opening of Panchayat Sanchar Sewa Kendras (PSSKs) for the year 2000-2001 and desired to know the reasons for delay in fixing the targets and the steps taken to remove the constraints.

17. The Department of Posts in its Action Taken Note has stated that the Department had already finalised the target for opening of 1000 PSSKs during 2000-2001.

18. The Committee notes that the Department has now finalised the target of 1000 Panchayat Sanchar Sewa Kendras (PSSKs) for the year 2000-01. The Committee has not been informed of the reasons for delay in fixing the target. The Committee is of the opinion that the delay in fixing the targets could have been avoided. As any delay in fixing of the targets is likely to adversely affect execution of the scheme, the Committee would like to be assured that in future utmost care would be taken by the Department to see that the targets are fixed right in the beginning of the year so that action can be initiated well in time.

Tardy Progress in Implementation of Projects**(Paragraph No. 90)**

19. The Committee in its earlier report took a serious note of the fact that the achievement in the first three years of the Ninth Plan in respect of instalment of Extended Satellite Money Orders (ESMOs) and Very Small Aperture Terminals (VSATs) was 40.28% and 41.33%, respectively. Besides, only 21 VSATs could be upgraded out of the targeted 30 VSATs during 1998-99. Again, not a single ESMO was installed against the target of 250 ESMOs and VSATs. The Committee had desired that the Department should implement the scheme with all seriousness.

20. The Department of Posts in its Action Taken Note has stated that during 1998-99, only 21 VSATs could be upgraded out of the target of 30 as the hub of Department of Telecom (DoT) did not have the requisite capacity to upgrade more than 21 VSATs and there was no other solution to upgrade the remaining 9 VSATs. Further, target of installing 20 VSATs and 250 ESMOs could not be achieved as it took some time to select the latest technology for Phase-II of VSATs. The Expenditure Finance Committee (EFC) was approved by the Finance Minister and papers received back only on 29th January, 2000 and it was too late to complete the project by 31st March, 2000. It has further been stated that due to reduction in the Ninth Plan, the target of VSATs has been reduced to 150. The equipment of 62 VSATs have been supplied and are in the process of installation and remaining 88 VSATs will be installed during 2000-2001. Further, ESMO as a part of VSAT would be installed alongwith the VSATs.

21. The Committee is not convinced by the reply of the Department that target of installing 20 VSATs and 250 ESMOs could not be achieved as it took some time to select the latest technology for Phase-II of VSATs and that the Expenditure Finance Committee (EFC) was approved by the Finance Minister and papers received back only on 29th January, 2000 and it was too late to complete the project by 31st March, 2000. The Committee is of the opinion that had the matter of selection of latest technology been taken on time, the delay in implementation of projects could have been avoided. Further, the reason for not upgrading 9 VSATs as the hub of DoT did not have the capacity to upgrade more than 21 VSATs does not convince the Committee. It desires to know whether the Department

was aware of it before fixing the targets that hub of DoT did not have the required capacity to upgrade more than 21 VSATs and whether the matter of increasing the capacity of the hub was timely taken up with Department of Telecommunications and if so what was the response of the Department. The Committee would further like to know the target and achievement in respect of upgradation of the VSATs during 1999-2000 and the target for the year 2000-2001 and also the steps being taken by the Department to achieve the targets. The Committee strongly recommends that the reduced target of installing 150 VSATs should be achieved with all seriousness.

Setting up of Automatic Mail Processing Centres (AMPCs)

(Paragraph No. 95)

22. The Committee in its earlier Report had expressed concern at curtailing the target from 3 to 2 of Automatic Mail Processing Centres (AMPCs). The Committee had pointed out that the estimate were not made realistically as only Rs. 5 lakh were spent out of Rs. 5 crore provided in the estimates. The Committee had desired that realistic financial estimates should be made for better utilisation of funds and hoped that an amount of Rs. 27.17 crore fixed for setting up of AMPC at Calcutta during 2000-2001 would be fully utilised.

23. The Department of Posts in its Action Taken Note has clarified that during 1999-2000 out of the allocation of Rs. 5 crore, Rs. 50 lakh and not Rs. 5 lakh were spent, Rs. 5 crore had been allocated with a view to ensuring that the activities pertaining to the modification to the existing building at Calcutta, where the AMPC is to be housed and preliminary work pertaining to construction of the building for AMPC, New Delhi and there was a delay in this regard. Steps have now stated to have been taken to ensure that an amount of Rs. 27.17 crore allocated for setting up of AMPC at Calcutta during 2000-2001 is fully utilised.

24. The Committee notes that during 1999-2000 there was a delay on the part of the Department of Posts in the proposed activities pertaining to modification to the existing building at Calcutta, where the Automatic Mail Processing Centre (AMPC) is to be housed and preliminary work pertaining to construction of the building for AMPC at New Delhi. As a result, out of the allocated amount of Rs. 5 crore, only Rs. 50 lakh could be spent. The Department of Posts has assured that steps have been taken to ensure that amount of Rs. 27.17 crore allocated during 2000-2001 for setting up of AMPC at Calcutta is fully utilised. The Committee will like to be apprised of the specific steps taken to ensure full utilisation of allocated funds. It will also like to be informed of the progress in respect of the preliminary work for construction of building for AMPC, New Delhi as was proposed in the year 1999-2000.

Augmentation of International EMS Service

(Paragraph Nos. 101 and 102)

25. The Committee in its Ninth Report noted with regret that though International EMS service was introduced in India way back in 1998-99, Indian Postal System (IPS) was not operationalised in the four offices of exchanges in India namely New Delhi, Mumbai, Calcutta and Chennai. Further, only in 1998-99, Indian Postal System was started on an experimental basis at New Delhi and the site for the same was got prepared at Mumbai. Also, the net revenue receipt in foreign currency was Rs. 20.67 crore during 1998-99. The Committee was distressed at this slow progress made in an important area of International EMS service where there had been substantial growth. The Committee hoped that the Department would fully achieve the targets fixed for the year 2000-2001 to operationalise Indian Postal System in four offices of exchanges in India, namely, New Delhi, Mumbai, Calcutta and Chennai. It desired that the possibilities of expanding the track and trace arrangements to other cities in addition to four metros should also be explored.

26. The Department of Posts in its Action Taken Note has stated that International EMS service was introduced in India in 1986 to five countries and has now been extended to 97 countries and constant efforts are being made to improve the quality of International EMS service. Further, International Postal System (IPS) is stated to be only a system, which provides for computerised tracking and tracing of International EMS items. The International Bureau of the Universal Postal Union developed this system in 1996 only and prior to that the system of computerised tracking and tracing was available in a few industrialised countries only.

27. The Department has further stated that EMS articles are also being bar-coded to facilitate track and trace. IPS-96 was also introduced to provide for computerised tracking and tracing of International EMS articles. India is stated to be among the first few to implement this system. The system has already been put in place in Delhi and Mumbai and it is proposed to install it in Chennai and Calcutta during 2000-2001. In so far as expanding the track and trace arrangement to other cities is concerned, it is added that all the International EMS articles are first brought to the four metros at Delhi, Mumbai, Calcutta and Chennai and then bar-coded. Hence, the expansion of track and trace arrangement to other cities is not required.

28. The Committee note with some satisfaction that the Department has already put in place the Indian Postal System (IPS-96) in Delhi and Mumbai and its installation in Chennai and Calcutta is proposed during the year 2000-2001. The Committee hopes that IPS would be installed in Chennai and Calcutta during the year 2000-2001 as proposed. However, it is not satisfied with the reply of the Department that expansion of track and trace arrangement to other cities is not required as all the International EMS articles are brought to the four metros at Delhi, Mumbai, Calcutta and Chennai and then bar-coded. The Committee feels that International EMS articles are brought to four metros only for the reason that bar-coding facility is not available elsewhere. If such facility is extended to other important Centres, International EMS articles can be brought there for bar-coding which will certainly help in activating the EMS service. The Committee, therefore, reiterates that the possibilities to expand the track and trace arrangements to cities other than four metros should be explored.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Paragraph No. 32)

The Committee regrets to note that the Department of Posts is not able to utilise even the reduced allocation during the first three years of the Ninth Five Year Plan. Out of the Plan Outlay of Rs. 507.25 crore, the anticipated expenditure during first three years of the Ninth Plan was Rs. 220.85 crore *i.e.* the financial achievement is 43.53 per cent. The Committee notes with concern that the shortfall is there in each of the three years of the Ninth Five Year Plan. Moreover, the shortfall has increased in the year 1998-99 as compared to 1997-98. During the years 1997-98 and 1998-99, out of the Annual Plan allocation of Rs. 80 crore and Rs. 84.11 crore, the Department could utilise Rs. 72.27 crore and Rs. 73.69 crore respectively. Further during the year 1999-2000, out of the allocation of Rs. 100 crore, Actual expenditure is Rs. 74.89 crore upto 23 March 2000.

Action Taken Note

The Department admits that it has not been able to spend the allocated amount to its full extent due to various reasons. However, the Department will ensure that in future the allocated sum is fully utilised through regular and sustained monitoring and assessment of the progress made in respect of the plan activities.

Recommendation (Paragraph No. 33)

The shortfall in achievement of targets is attributed to constraints like dependence of the Department on the response of other Ministries like Railways for Fabrication of Air Brake Mail Vans; adverse climatic conditions such as heavy rains and snowfalls in hilly areas and natural calamities like floods and cyclone in coastal areas etc. delayed approval from Municipality and other local bodies and problems with the contractors which are hardly convincing. The Committee finds that

except natural calamities which cannot be predicted, these problems are not new to the Department and are being faced by them year after year. The Committee deprecates such a casual and callous approach in implementation of the schemes as these problems could be overcome with foresight and co-ordinated efforts. After all, every aspect is considered at the sanction stage of a scheme. The Committee would like to be assured that the Department would take all necessary steps to resolve these problems.

Action Taken Note

All targets pertaining to Building Branch have been achieved despite such problems as delayed approval from Municipality and other local bodies, problems with Contractors and natural calamities.

Recommendation (Paragraph No. 36)

The Committee is concerned to note that deficit of the Department has increased to Rs. 1740.53 crore (RE 1999-2000) as compared to Rs. 1590.97 crore Actuals 1998-99. The deficit is expected to further go up in the year 2000-2001 to Rs. 1982.47 crore. The main reasons for increase in deficit is stated to be fixing of the targets by the Ministry of Finance on the higher side and also less realisation of revenue and recoveries. The Committee is of the opinion that higher revenue realisation is the ultimate solution to reduced deficit in the coming years. The Committee hopes that the Department would make concerted efforts to strengthen its Business Development activities especially Speed Service and also introduce the Greetings Post, Data Based Post and Media Post to improve the revenue receipt position.

Action Taken Note

Department agrees with the recommendations of the Committee and is making concerted efforts to increase revenue realisation. The net increase in deficit in (R.E. 1999-2000, Rs. 1740.53 crore) over (Actuals 1998-99, Rs. 1590.97 crore) is Rs. 149.56 crore. This is mainly on account of increase in salaries, pension, wages etc. of Rs. 484.24 crore offset by increase in Recoveries and Revenue Receipts (Rs. 334.68 crore). The net increase in deficit (B.E. 2000-2001 Rs. 1982.47 crore over R.E. 1999-2000 Rs. 1740.53 crore) is Rs. 241.94 crore. This is mainly on account of normal increase in salaries, pensions etc. (Rs. 406.94 crore) offset by increases under Recoveries and revenue receipts (Rs. 165.00 crore).

The Department has taken certain initiative to strengthen business development activities especially, Speed Post. As a result of these initiatives, the revenue of Speed Post has increased from Rs. 69.95 crore in 1996-97 to Rs. 91.36 crore in 1998-99 and it is Rs. 126.17 crore in 1999-2000. As mentioned by the Committee the Department is proposing to introduce new schemes such as Greeting Post, Data Based Post and Media Post etc.

Recommendation (Paragraph No. 37)

The Committee finds that the Revenue Receipt for the year 2000-2001 has been kept at Rs. 2000 crore *i.e.* only 2.56 per cent higher than the RE 1999-2000 of Rs. 1950 crore which in the light of actual realisation of Rs. 1812.41 crore upto February, 2000 is likely to be very close of the reality. However, the projections had been 8.42 per cent, 10.04 per cent and 7.91 per cent higher in the year 1997-98, 1998-99, 1999-2000 over the previous years actual and were not realised. The Committee desires that utmost care should be taken to prepare the estimate.

Action Taken Note

Department of Posts projects the revenue receipt based on the factual position of revenue realised during the previous year, expected revenue from tariff revision, if any, during the year and expected normal increase in traffic during the year. However, finally Ministry of Finance fixes the target of revenue realisation for the Department both at Budget Estimate and Revised Estimate stage after reviewing the position as per details given below:

Revenue Receipts

(Rs. in crore)

Year	R.E. proposed by Department	R.E. approved by MOF	Actuals
1997-98	1550.00	1625.00	1566.52
1998-99	1750.00	1920.00	1722.87
1999-2000	1950.00	1950.00	1997.15*

*Data is upto March 2000 progressive. Revenue is likely to increase by Rs. 20-25 crore in March Final Accounts.

As directed by the Committee, utmost care would be taken to prepare the revenue estimates on a realistic basis.

Recommendation (Paragraph No. 89)

The Committee further notes that in some States the scheme is getting a good response, while in other States the response is poor. The Committee desires that in order to provide postal facilities evenly in all States and UTs, utmost care should be taken in fixing the targets.

Action Taken Note

The Committee's observations shall be kept in view to provide postal facilities evenly in all States and Union Territories, while fixing targets.

Recommendation (Paragraph No. 91)

The Committee further notes that out of the target of providing 10,000 Machine Engraved Hand Cancellor, only 3285 could be provided so far. Besides the Department has kept no target for the year 2000-2001. The Department has given no reason for this. The Committee expresses its deep concern at the tardy progress of such an important scheme. It desires that this scheme under upgradation of Technology should be expedited to improve the conventional look of the Department besides its technological development.

Action Taken Note

There was a target to procure & supply 10,000 Hand Cancellors in the Ninth Five Year Plan (1997-2002).

The details of orders placed with and supply received from Indian Ordnance factories is detailed as under:

Year	Order Placed	Supply Received
1997-98	2,436	—
1998-99	7,848	3285
1999-2000	4,134	5705
2000-2001	274	3,490*
Total	14,692	12,480

* 3,490 hand cancellors are ready for inspection with Gun & Shell factory. Deputy Director (Tech.) has already been directed to carry out necessary inspection. He is scheduled to visit Gun & Shell factory, Cossipore, Calcutta on 13.6.2000.

2. We have entered into a fresh rate contract with Indian Ordnance factories for procurement of 20,000 hand cancellors. To achieve this target, we have addressed circles on 31.5.99, 17.2.2000 & 23.5.2000 to conduct special drive to identify worn out hand cancellors and submit the indents for their replacement. We intend to place the major portion of the order on the Ordnance factories in the year 2000-2001 and 2001-2002. Hence, the Department of Posts is striving hard to replace every worn out cancelling stamp.

Recommendation (Paragraph No. 94)

This is a poor commentary on the functioning of the Department of Posts. The Committee desires that the Department should make every effort to remove the bottlenecks in the expeditious implementation of these schemes. The already meagre plan allocations spread so thinly over a number of schemes must be utilised to the full extent.

Action Taken Note

The Department respects the concern of the Standing Committee about non full-utilisation of funds and will try to ensure that the allocated sum is fully utilised through regular monitoring and assessment of the progress made in respect of plan activities. It will also work towards removal of the bottlenecks to the extent possible.

Recommendation (Paragraph No. 96)

The Committee is constrained to note that the Department is unable to utilise Revised Estimates of Rs. 5.15 crore in Business Development activities more so when the BE (1998-99) of Rs. 3.55 crore was increased at RE stage to Rs. 5.15 crore to give focussed attention to promotional activities in Business Development so as to ensure higher revenue generation. The actual expenditure incurred is Rs. 3.64 crore. It is highly deplorable. The reason for under utilisation of funds like, proposed survey for small cards could not be conducted; Mass Mailing, inserting our sealing equipment offered by vendors in response to open tenders were not found compatible by Tender Evaluation Committee; adverting agency entrusted with the publicity of Express Parcel Post failing to submit their bills in time does not convince the Committee. The Committee feels that adequate attention has not been paid to the scheme. Since the schemes included in Business Development activities like Speed Post, Business Post, Corporate Publicity, Satellite Post etc. are promising services, the Committee recommends that the Department should pay focussed attention to these activities under Business Development so that enough resources are generated by the Department for its future growth.

Action Taken Note

Due note has been taken of the concern expressed by the Standing Committee regarding non-utilisation of revised estimates of Rs. 5.15 crore for the Business Development activities during 1998-99. One of the main reasons for the inability to utilise funds allotted to the fullest extent was the fact that the allocation of Rs. 5.15 crores included a projection of Rs. 1.7 crores for procurement of Inserting Systems for Business Post centres. However, the Tender Evaluation Committee constituted to assess suitability of the equipment(s) offered in response to the tender notice found that the equipment offered by the tenders was not suitable for our requirements.

Taking due note of the Committee's observations, Business Development Directorate has utilised the revised estimate of Rs. 7.20 crores to the maximum extent as detailed below in the year 1999-2000.

	(Rs. in crores)
In-house computerisation	2.690
Modernisation of Business Office	0.400
Mechanisation of pick-up and delivery	0.090
Payment for professional services	0.065
Mass Mailing & Inserting	0.708
Promotion of Premium Products	2.638
Refresher Training	0.090
	6.681

On account of the various measures to streamline the various activities under Business Development Directorate, during the financial year 1999-2000 growth of revenue earned on the Premium Products has shown a very encouraging trend and has been 57%.

Recommendation (Paragraph No. 97)

The Committee notes that the courier industry comprised the organised and un-organised sectors with an estimated market size of Rs. 1,300 crore in 1997-98. Out of this the organised sector is estimated to account for Rs. 650 crore. The Committee is extremely unhappy to learn that the Speed Post share in the organised sector amounts to meagre 10 percent. Even though the growth of 'Speed Post' at 35 percent during 1999-2000 looks quite impressive the total volume of Rs. 1300 crore market continues to be very small and requires further streamlining and strengthening of this service.

Action Taken Note

Action has been taken to strengthen and streamline the Speed Post as per instructions of the Standing Committee. Some of these are:—

- Restructuring Speed Post operationally in the field to make it more effective and accountable, like introduction of nodal delivery offices, dedicated delivery staff, daily monitoring of delivery of articles, instant complaint handling.
- Conducting surveys in major cities on delivery efficiency of Speed Post.
- Training of Marketing Executives in Premier Training Institutes on techniques of sales and marketing in order to make them more skillful and productive.
- Identification of Very Important Customers in order to offer them customised and tailor made solutions.

Recommendation (Paragraph No. 98)

Keeping in view the tremendous potential and scope in Speed Post sector, the Department should make serious efforts to remove the shortcomings identified already and provide a qualitatively better service to the public. The Speed Post must acquire the competitive edge over the privately operated courier service. The Committee recommends that DOP should also aim at quantum jump and fix higher or more ambitious targets every year. As this is one of the few lucrative value added services, the Department should give focussed attention to fulfil these targets.

Action Taken Note

The Department is seized of the fact that Speed Post has far more to offer the public than any private player in the market. For this reason the following action has been taken during this year:—

During the last year the number of National Centres has been increased to 100. The number has since gone up to 103. Publicity efforts have been made to create awareness about Speed Post by bringing out high grade brochures and advertisements in newspapers. A system of outsourcing of collection of Speed Post was introduced on an experimental basis in Mumbai and Delhi so as to facilitate the customer. This experiment has proven very successful and has now been extended to 26 more cities. Special training programmes have been developed for the Marketing Executives in the field to fine-tune their marketing skills. All Speed Post Concentration Centres have been computerised and have been provided with e-mail accounts so that they can interact with Foreign Postal Administrations to track down EMS articles on which complaints were received.

—No. 3-28/99-PG dated 30.6.99

The Circles have been instructed to ascertain the cause of loss of money orders, fix responsibility and if needed, review mail arrangements to cut transmission delays. Lack of response from the paying office is required to be taken seriously and such cases ought to be sorted out with more energetic and personalised efforts to be made to contact the counterparts for prompt response.

—No. 3-46/99-PG dated 21.10.99

1. The Circles have been instructed to review the results of the prescribed checks carried out in the Circles and satisfy themselves that the instructions and the rules regarding sample checking of money orders paid are strictly and meticulously observed.

2. A special drive is also proposed to be held for the settlement of money order complaints during the Annual Action Plan for 2000-2001.
3. In order to rationalise and customise Public Grievance handling promptly, computerised customer Care Centres are being set up. So far, 182 such centres have been set up throughout the country.
4. To improve the transmission of money orders through VSAT, a new software was installed on 12.11.99 which operates through a host computer installed at the hub of the RABMAN network, now monitors state of health of each VSAT round the clock and has special features like codification as in the case of greeting telegrams thus reducing the 'keying-in' time, facility for bulk delivery of money orders as well as bulk receipt. The information relating to payment of money orders can be provided as data-base in the host computer.
5. In order to ensure more effective financing of the post offices, the limits of cash conveyance through different modes have been revised and similar revision of the existing limits in respect of individual delivery staff is also under examination.

Recommendation (Paragraph No. 103)

The Committee further notes that Foreign Air Parcel Traffic and Foreign Surface Parcel Traffic have been declining constantly since 1995-96. The Committee desires that the factors responsible for the decrease in traffic are required to be looked into and remedial measures should be taken to contain the decline.

Action Taken Note

No doubt, the traffic of foreign parcel in India is declining, however, this is in line with the international trend where the world over the share of the postal administrations in parcel traffic is declining due to the stiff competition by the private express couriers.

The transmission cost of foreign surface parcels is very high, as they have to be forwarded to the destination through other intermediary administrations. This results in payment of transit charges to all the administrations involved. The high Transit costs incurred by India in forwarding surface parcels to other administrations is one of the factors contributing to the decline in surface parcel traffic.

Another reason for the low parcel traffic is that the parcels weighing up to 2 kg can be sent as small packets in Letter Post category, the charges for which are cheaper than that of parcels. Customers sending parcels up to this weight limit often make use of the small packet service resulting in very less traffic in parcel segment in the initial weight slab of up to 2 kg.

The advent of courier companies has also resulted in the loss of market share of the Department in the parcel segment.

With a view to increasing the parcel traffic, department had introduced Surface Airlifted (SAL) service which aims to provide speedier transmission of parcels at a price marginally higher than that of surface parcel. There has been a steady rise in parcel traffic to countries where SAL parcel service has been introduced.

Recommendation (Paragraph No. 104)

The Committee notes that the Department has doubled the assistance to the Super Cyclone affected postal employees in Orissa State. However, the Committee finds that in rural areas Post Offices are housed in the private premises of respective Post Masters. These buildings were badly damaged by the Super Cyclone and the poor employees can hardly afford to undertake necessary repairs/renovation. The Department itself could not undertake repairs/assist as the buildings are not owned by it. The Committee, therefore, strongly recommends that in such natural calamities the department strongly recommends that in such natural calamities the Department should make Institutional arrangements to provide assistance to the needy postal staff for repair of building etc., including in the case of those who have been affected by the Super Cyclone in Orissa.

Action Taken Note

In line with the recommendation contained in para no. 104, the Department of Posts has already processed a proposal received from CPMG, Orissa circle, for providing cheap housing loans to affected ED Branch Postmasters through a proposal for housing scheme initiated by HDFC. The proposal envisages reconstruction of approximately 2,500 houses of ED Branch Postmasters in the coastal area of Orissa affected by the super cyclone. While the financial assistance by the HDFC will be provided to the individual Branch Postmasters, the Department of Posts has undertaken to facilitate the transaction by taking on the responsibility of ensuring the monthly loan repayment by the respective Branch Postmasters from their respective monthly allowances (TRCA). The Department will act as facilitator for recovery of amount from the Extra Departmental Agents and ensure payment to the HDFC. The necessary details of the scheme involving a tripartite arrangement between the HDFC, the individual Branch Postmaster and the Department are being finalised by the CPMG, Orissa Circle.

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DOES NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENTS REPLIES

Ninth Plan Targets and Achievements

Recommendation (Paragraph No. 30)

The Committee notes that the Ninth Five Year Plan priorities of the Department of Posts are modernisation of postal network, higher revenue generation by development and marketing of new services especially for the business/professional sectors and modernisation of specific agency functions. Human Resource Development through appropriate training for skill upgradation, streamlining of management functions, development and maintenance of appropriate training for skill upgradation, of appropriate buildings for the modernised systems and provision of staff quarters for employees are also among the identified priorities. To achieve these objectives, the Department had proposed an outlay of Rs. 754.76 crore. However, it was progressively downsized to Rs. 580 crores, Rs. 550 crore and finally to Rs. 507.25 crore. The frequent downward revision of plan allocations require reworking of priorities and schedule of activities which ultimately leads to tardy progress. The Committee strongly feels that frequent reduction in Plan allocation puts the Plan priorities of the department out of gear which leads to non-achievement of plan targets. This must be avoided.

Action Taken Note

"The sectoral allocations of Plan outlay for Five year and Annual Plans are determined on the basis of overall availability of resources with the Government, the Plan objectives, inter-sectoral priorities, Plan performance and progress in various sectors. In case of the Ninth Plan (1997-2002), even though it was initiated on 01.04.1997, as per schedule, the detailed Plan could be endorsed by the National Development Council only on the 19th February, 1999. The Plan had to be revised to reflect the altered priorities of the Government that took over in March, 1998 in general and the direction of Prime Minister on Special Action Plans focussing on a few areas in particular. In addition, the revision in the plan size and its sectoral allocation was also necessitated by the performance of the economy, including revenue mobilization of the Government, in the first two years of the Plan."

Recommendation (Paragraph No. 31)

The Committee notes with concern that the reduced Plan allocation has resulted in downsizing of all major schemes. Allocation for 'Upgradation of Technology' is reduced by Rs. 83.14 crore, 'Modernisation of Mail Processing' by Rs. 81.09 crore, 'Postal Buildings and Staff Quarters' by Rs. 56.38 crore, streamlining of Administrative and Financial Management by Rs. 15.37 crore, Postal Life Insurance by Rs. 8.27 crore, Business Development and Marketing by Rs. 7.45 crore, Human Resource Development by Rs. 3.87 crore and Material management by Rs. 1.72 crore. The small increase of Rs. 8.43 crore for Plan scheme 'Expansion of Postal Network' is no consolation as most part of it would go for cost escalation and a meagre sum would be left for opening of new post offices. The Committee is of the view that the reduced Plan Outlay will adversely affect the progress and growth of various schemes undertaken by the Department. The Committee, therefore, strongly recommends that Plan allocations be stepped up and the size of the plan should be maintained at least at the previous level of Rs. 580 crore.

Action Taken Note

'The Ninth Plan outlay has been endorsed by the National Development Council and hence there is no scope for enhancing the Plan outlay of the Department of Posts. However, since the outlay, as given in the Ninth Plan document, is only indicative and the Plan outlay for the period (1997-2002) is operationalised through the Annual Plan allocations, the observation of the Standing Committee on the Plan size of the Department of Posts would be kept in view while finalising the Annual Plan of the Department. In the remaining years of the Ninth Plan, subject to the availability of resources.'

Recommendation (Paragraph No. 34)

The Committee is not at all impressed by the statement made by the Department that as the software required for the Plan activities like International Postal System Projects and computerisation of International Main Accounting is released by the Universal Postal Union (UPU), their implementation is beyond Department's control. The Committee, therefore, recommends that India now being recognised as a world leader in software development, the Department should take-up the matter for development of the required software in India with UPU for speedy implementation of these projects.

Action Taken Note

Department of Posts has been regularly corresponding and requesting Universal Postal Union for the early release of the International Mail Accounting Software. Recently, a reply has been received from UPU stating that they are currently evaluating the software from a technical point of view. As soon as the technical evaluation of the software is completed, they will conduct the functional evaluation of the software. UPU has informed that if no major problems are detected, the software will be available in July. However, the necessary documentation, installation guide or user guide will be completed later on. Initially, Department had made efforts to develop this software indigenously. However, the response from the Indian software companies to develop this software was lukewarm. In the meanwhile, it was learnt that International Bureau of the Universal Postal Union was developing a software for International Mail Accounting for the members of postal administrations. The International Mail Accounting in all countries is carried out in a uniform manner all over the world as per the Regulations of the Universal Postal Union. In view of this, it was felt that instead of developing our own software for International Mail Accounting, it would be prudent to use the software being developed by the UPU. The software developed by UPU will be standardised software, which will help to bring uniformity among the member countries in the International Mail Accounting procedures. This common software will also provide networking of the International Airmail Accounting Divisions of the countries using this software. This will also help to improve the Airmail Accounting operations by making them speedier and simpler.

Recommendation (Paragraph No. 35)

The Committee notes that the Department is facing problems in re-working of the targets and schedule of activities due to subsequent changes in the budget allotment and the matter in regard to streamlining this procedure has been taken up by the Department of Posts with other Ministries/Departments. The other problem being faced by Department is the time consuming procedure involved in clearance of projects and Department has stated to have taken up the matter of increasing their monetary limits with the Ministry of Finance. The Committee desires that these matters merit favourable consideration by Ministry of Finance and other concerned Ministries/Departments.

Action Taken Note

The case for enhancement of the powers of the Secretary to the Government of India in the Department of Posts has been taken up with the Ministry of Finance vide UO No. 7 (58)/91-FC (Posts) dated 16.2.2000. They have not agreed to the proposal. The Department of expenditure in the Ministry of Finance is, however considering enhancement of powers in general in respect of all Departments.

Comments of the Committee

(Please see Para No. 8 of Chapter-I)

Recommendation (Paragraph No. 86)

The Committee is deeply concerned to note that during the first three years of the Ninth Five Year Plan the Department has been able to open 1273 EDBOs, 139 DSOs and 576 PSSKs against the target of 2500 EDBOs, 250 DSOs and 2700 PSSKs i.e. physical achievement is 50.92 percent, 55.60 percent and 21.33 percent respectively. Moreover, during 1999-2000 against the target of opening of 500 EDBOs, 50 DSOs and 500 PSSKs, the Department is likely to open 273 EDBOs, 37 DSOs and 376 PSSKs which is highly deplorable. The Committee finds that the Ninth Plan targets have already been kept on a lower scale if postal facilities are to be provided to 1,11,517 Gram Panchayat Villages and when 5191 such villages justify opening of post office on two norms of distance and population. The Committee would like to be assured that opening of post offices in rural and extended urban areas would be accorded top priority and whatever might be the constraints, serious efforts will be made to fully achieve the targets.

Action Taken Note

The Department is according topmost priority to opening of Post Offices in rural and extending urban areas wherever such Post Offices are found to be justified. The Department shall put in its best endeavour to obtain necessary sanction of posts from Ministry of Finance.

Recommendation (Paragraph No. 87)

The Committee finds that the Department is facing problems in getting the posts sanctioned for opening of post offices and, therefore, they have opted to open Panchayat Sanchar Sewa Kendras as an alternative to EDBOs. The Scheme does not seem to be much successful as during 1999-2000, the Department is likely to open 376 PSSKs out of the target of 500. The Committee feels that at this pace the Department will not be able to achieve the Ninth Plan target for opening of 2700 PSSKs which itself is quite modest. Though certain steps have been taken by the Department to make the scheme successful yet they cannot be termed as adequate keeping in view the gigantic task of providing universal postal service all over the country.

Action Taken Note

Against the target of opening of 500 PSSKs during the year 1999-2000, a total of 418 PSSKs have been opened upto 27.3.2000. The Department is making best possible efforts to achieve the Plan targets for the 9th Plan.

Comments of the Committee

(Please see Para No. 15 of Chapter I)

Recommendation (Paragraph No. 88)

The Committee is disturbed to note that the Department could not finalise the target for the year 2000-2001 for opening of PSSKs even after commencement of the annual plan year. The Committee would like to know the reasons for delay in fixing the targets and the steps being taken to remove the constraints in this regard.

Action Taken Note

The Department has already finalised a target of opening of 1000 PSSKs during the current year *i.e.* 2000-2001.

Comments of the Committee

(Please see Para No. 18 of Chapter I)

Recommendation (Paragraph No. 92)

The Committee notes with concern that for such an important scheme of the Department of Posts like 'Modernisation of Mail Processing', the utilisation of funds during first 3 years of the Ninth Plan is just 20% i.e. out of an allocation of Rs. 141.30 crore, only Rs. 28.21 crore has been utilised so far. The Committee finds that there is no use of fixing the targets when they are not taken seriously. During 1997-98 also out of Revised Estimates of Rs. 9.93 crores, only Rs. 7.28 crores was spent. The under utilisation of funds is stated to be due to delays in software development for computerising 10 Head Record Offices, upgradations of 15 Mail Net and modernisations of registration delivery in 10 offices and therefore all these plan programmes had to be dropped. It is strange that such schemes have been got sanctioned and budgetary provision made even though the basic requirements like computer software was nowhere in sight. It can simply be termed bad planning. The Committee does not approve of such a unproductive budgetary exercise.

Action Taken Note

During the first three years of the 9th Plan, an amount of Rs. 31.09 crores was allotted to the Mails Division for projects relating to Modernisation of Mail Processing. Out of this allocation, an amount of Rs. 26.12 crores was utilised leaving an amount of Rs. 4.97 crores unspent. The main reason for under-utilisation of funds is that during the financial year 1998-99, an amount of Rs. 5.56 crores was allotted for fabrication of new Railway Mail Services (RMS) Vans which was to be executed through the Indian Railways. However, the Railways could not undertake this work during this period due to non-finalisation of the rates with M/s. Bharat Earth Movers Ltd. (BEML) and advised the Department to surrender the funds. Accordingly, this amount had to be surrendered. Again, in the year 1997-98, an amount of Rs. 1.40 crores was allotted for Fabrication of new RMS Vans.

This amount was also surrendered as the Railway Board could not finalise the rates for the fabrication work.

However, the physical target of Fabrication of 28 new RMS Vans during the 9th Five Year Plan has been fully achieved in the third year of the 9th Plan, i.e. 1999-2000.

There were also under achievements in respect of certain other projects such as computerisation of Head Record Offices for which an allocation of Rs. 1.05 crores was made during the first three years of the 9th plan. The expenditure on this project during the corresponding period was Rs. 0.80 crores. This shortfall was because of the fact that the application software for this project was not ready and as such the project could not be taken up during the first two years of the 9th Plan. The application software for this project has been now developed in-house and the physical and financial target for 5 sites with an allocation of Rs. 70 lakhs in respect of this project during 1999-2000 was fully achieved. During the financial year 2000-2001, it is proposed to take up computerisation of 7 HROs. If funds are made available, it should be possible to fully achieve the target of computerisation of 20 HROs during the Ninth Plan.

Similar is the case with the project relating to upgradation and expansion of Mailnet. An allocation of Rs. 1.25 crores was made for this project during the first three years of the 9th Plan. Out of this, the expenditure was Rs. 0.25 crores only during the first three years of the Plan. This is again because of delay in development of the application software. The application software for this project has since been developed and the per site cost of the software is being negotiated with the vendor.

Another area of shortfall is the project relating to upgradation of operational equipments for delivery. During the first three years of the 9th Plan an allocation of Rs. 0.80 crores was made for this project. Out of this we could spend Rs. 0.172 crores only. This amount of Rs. 0.60 crores allotted for this project during 1999-2000 could not be utilised due to the ban imposed by the Ministry of Finance on purchase of new vehicles.

Regarding the project relating to computerisation of registration delivery, this project has been dropped altogether as the new Meghdoot software developed by the Department takes care of registration delivery also.

In other projects, we have exceeded both the physical and financial targets set for these projects by re-appropriation of funds with the approval of the competent authority.

Recommendation (Paragraph No. 93)

The Committee further notes that RE of Rs. 5.56 crore for RMS Van fabrication could not be spent as the Railway Board could not intimate the exact cost of fabrication of Air Break Mail Vans. Further, in respect of Transit Mail Office computerisation and registration sorting office computerisation since installation did not take place, the amount to be paid for installation could not be utilised.

Action Taken Note

The allocation of Rs. 5.56 crores made for fabrication of new RMS Vans during the financial year 1998-99 had to be surrendered on the advice of the Railways through whom the project is being executed. The Railways could not undertake this work during that financial year as they could not furnish the estimated cost of fabrication of a mail van as the negotiations with M/s. BEML could not be finalised. However, after vigorous efforts on the part of the Department of Posts at the highest level, we could make the Railway Board agree to manufacture these mail vans by the Rail Coach Factory Kapurthala. Thus the entire lot of 28 new RMS vans was manufactured in one go by the RCF, Kapurthala. We have, thus, fully achieved the target in respect of his project during the third year of the financial year itself.

As regards non-payment of the installation charges in respect of computerisation of Transit Mail Offices and Registration Sorting Offices, 10% of the amount was to be paid to the vendor after receipt of satisfactory installation and performance of the computerised TMOs and registration Sorting Offices. However, due to delay in finalization of the contract and also paucity of time for receiving the reports from the Circles regarding satisfactory installation and commissioning of these projects, the remaining 10% amount could not be paid to the vendors.

Recommendation (Paragraph No. 99)

The Committee is disturbed to note that the number of complaints in respect of money orders has been increasing every year. The number of complaints were 2,94,636; 3,33,966 and 3,88,091 during 1996-97, 1997-98 and 1998-99, respectively even though the Money Order traffic which was 11.08 crore in 1997-98 has decreased to 10.91 crore in 1998-99. The Committee takes a serious note of it and desires that with effective

monitoring and surprise inspection, fraudulent practices of unscrupulous postal staff should be curbed. The number of complaints relating to non-receipt of money orders must be brought down. The payment should be ensured quickly to make the money order service fault free in the interest of people who are helpless and cannot opt for any other system of money transfer except money order service. The Committee trusts that technological innovations being introduced in this respect will help curb growing money order complaints.

Action Taken Note

Besides the steps taken to detect and effectively deal with instances of inefficiency and failures on the part of the departmental staff, the Department has issued the following instructions;

—No. 3-13/99-PG dated 7.6.1999

The Circles have been directed to take strict disciplinary action against the staff found responsible for the loss or delay in payment of money orders. They have also been advised to give wide publicity and educate its customers regarding the procedure to be followed for filing complaints and also to attend to all complaints with highest priority. The need to adhere to the time limit prescribed for handling such complaints has been re-emphasised. The Circles also designated a Senior officer to ensure compliance and monitoring in this regard.

Recommendation (Paragraph No. 100)

The Committee is unhappy to note that number of complaints for late delivery of mails in 1998-99 has increased to 1,13,963 as compared to 1,00,146 in 1997-98. No doubt the Department has to depend on various agencies, a time bound system should be evolved for sorting offices to expedite delivery and transmission of mail so as to reduce the number of complaints.

Action Taken Note

There has been a marginal increase in the number of complaints relating to late delivery of mails in 1998-99 as compared to 1997-98. The Department has taken the following steps to expedite transmission and delivery of mails so as to reduce the number of complaints:—

- (i) Segmentation of mails into various channels called Green Channel, Metro channel, Rajdhani Channel, Business Channel etc.

- (ii) Regular monitoring of transmission, sorting and delivery of mail.
- (iii) Publication of beat Directory for important cities/towns in the country.
- (iv) Live Mail Survey at regular intervals both in rural and urban areas to streamline mail transmission and delivery system.
- (v) Strengthening and Rationalisation of Mail Motor Service between Post Offices and Mail Offices.
- (vi) Installation of automatic mail processing machines at Mumbai and Chennai and to have similar machines in Calcutta and Delhi during the 9th Plan period.
- (vii) Computerisation of Registration Sorting work in the mail offices and computerisation of transit Mail Offices and Head Record Offices in a phased manner.
- (viii) Strengthening of inter-departmental co-ordination with Railways, Roadways and Airlines authorities.

CHAPTER IV

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

Postal Franchise

Recommendation (Paragraph No. 84)

The Committee notes that providing postal connectivity has been acknowledged as a high-priority socio-economic responsibility of the Government. Yet opening of Extra Departmental Branch Offices (EDBOs) in villages preferably Gram Panchayat villages where such post offices justify norms of distance and population is none of the priorities of the Department of Posts in Ninth Five year Plan. The Committee regrets to note that there are still 1,11,517 Gram Panchayat Villages out of the total of 2,25,855 villages with no post office counter facility. Moreover, there are more than 5000 such villages which justify opening of Extra Departmental Branch Offices (EDBOs) on the basis of two norms of distance and population.

Action Taken Note

During the first three years of the 9th Plan upto 27th March, 2000, a total of 1301 EDBOs, 140 DSOs and 618 PSSKs had been opened therefore, the achievement is 52.04 per cent, 56 percent and 22.88 percent respectively. During 1999-2000 against the target to open 500 EDBOs, 50 DSOs and 500 PSSKs, the achievement upto 27.3.2000 is 301 EDBOs, 38 DSOs and 418 PSSKs. Due to the reluctance of Ministry of Finance to sanction new posts, the Department is left with no other option but to open post offices by redeployment only. During the year 1999-2000, the figures of which upto 27.3.2000 are available, 38 DSOs and 142 EDBOs were opened by redeployment. During the current year, if no posts are sanctioned by Ministry of Finance, the Department will have to open Post Offices by redeployment only. However, it may not be possible to redeploy as many posts to complete the target. The achievement of targets mainly depends upon the sanctioning of posts by Ministry of Finance. The shortfall in opening

of Branch Post Offices is solely because of non-sanctioning of 442 posts of EDAs by the Ministry of Finance. The matter has been taken up at the Minister's level. The Department shall be in position to cover about 5000 such villages which justify opening of EDBOs on the two norms of distance and population at the end of the 10th Plan only, provided required number of posts are sanctioned and the financial norm is also met.

Comments of the Committee

(Please see Para No. 12 of Chapter I)

Recommendation (Paragraph No. 85)

The Committee further notes that the Department of Posts is in a position to open post offices in all these villages provided it get posts sanctioned. The Department has stated that they have taken up the matter with the Ministry of Finance. The Committee is of the opinion that the whole exercise done by the Department has no meaning if the eligible rural areas as per the departmental norms are denied the basic postal facilities. The Committee, therefore, strongly recommends that the Department should lay more emphasis on Expansion of Postal Network in rural areas and funds for this scheme should be adequately enhanced at the RE stage. It is unfortunate that even the modest target of opening of 500 EDBOs and 500 Panchayat Sanchar Sewa Kendras could not be achieved for want of sanction of 442 posts required to man these post-offices. The achievements in this regard are quite dismal at 273 EDBOs and 376 PSSKs. It is sheer negation of planning process if even after sanction of the annual plan, posts are not sanctioned to meet the manpower requirement. The Committee desires that the matter of sanctioning of the required 442 posts should be taken up at the highest level with the Ministry of Finance. The procedure should also be streamlined with in-built provisions that when annual plan schemes are sanctioned, staff sanctions are automatically given.

Action Taken Note

The matter of sanctioning of 442 posts of EDAs has been taken up by MoC with MoF. The Department shall make its best efforts to get the posts sanctioned from Ministry of Finance by taking it up at the highest levels and coordinating with Ministry of Finance.

Comments of the Committee

(Please see Para No. 12 of Chapter I)

Recommendation (Paragraph No. 90)

The Committee is distressed to note that out of the target to upgrade 30 Very Small Aperture Terminals (VSATs) only 21 VSATs could be upgraded during 1998-99. Besides, against the target of 250 extended Satellite Money Orders (ESMOs) and 20 VSATs, the achievement was nil. The reasons given for this state of affairs that certain constraints of the DoT network and evaluation of Phase-I took time and meeting of Expenditure Finance Committee (EFC) could be held only in March 1999, are not acceptable to the Committee. The Committee takes a serious note of the fact that overall achievement in the first 3 years of the Ninth Plan in respect of installation of ESMOs is 40.28 percent and VSATs is 41.33 percent. The Committee is unhappy to note this tardy progress in implementation of the scheme and urges the Department that the scheme should be implemented with all seriousness.

Action Taken Note

It has been pointed out in the para that against a target to upgrade 30 Very Small Aperture Terminals (VSATs) only 21 VSATs could be upgraded during 1998-99 and the target of installation of 250 Extended Satellite Money Orders (ESMOs) and 20 VSATs, was not achieved. It is intimated that the hub of the DoT did not have the requisite capacity to upgrade more than 21 VSATs. This being so, DoP could not find any other solution to upgrade the remaining 9 VSATs. Regarding targets of 20 VSATs & 250 ESMOs, it took some time to select the latest technology for Phase-II of VSATs. The EFC was approved by the Finance Minister and papers received back only on 29th January, 2000 and it was too late to complete the project by 31st March 2000. However, the project is now being completed in two years viz. 1999-2000 & 2000-2001.

2. Due to reduction in Ninth Plan, the target of VSATs has been reduced to 150. The equipment of 62 VSATs have been supplied and are in the process of installation. The remaining 88 VSATs will be installed during 2000-2001. The activity relating to ESMOs, was a part of the VSAT project. These would be installed alongwith the VSATs. Due to delay in installation of VSATs, the ESMO has also been delayed. 318 ESMOs have been installed during 1997-98 and during 1999-2000 equipment of 266 ESMOs have been supplied and are in the process of being installed. 466 ESMOs are being installed during the year 2000-2001.

Comments of the Committee

(Please See Para No. 21 of Chapter I)

Recommendation (Paragraph No. 95)

The Committee notes that the target of setting up of 3 Automatic Mail Processing Centres (AMPCs) during the Ninth Plan has been reduced to 2 AMPCs with the reduction of total Ninth Plan allocation of Rs. 150 crore to Rs. 80 crore. It regrets to note that out of the allocation of Rs. 5 crore during 1999-2000 for the scheme only Rs. 5 lakh has been spent. The plea of the Department that during this period they completed the ground work for installation of AMPCs is hardly convincing. The Committee fails to understand why an amount of Rs. 5 crore was kept when Rs. 5 lakh was required for completing the ground work for setting up of AMPCs and desires that realistic financial estimates should be made for better utilisation of funds. The Committee hopes that an amount of Rs. 27.17 crore fixed for setting up of AMPC at Calcutta during 2000-2001 would be fully utilised.

Action Taken Note

It has been pointed that the target of setting up of three Automatic Mail Processing Centres during the 9th Plan has been reduced to two due to reduction of allocation from Rs. 150 crores to Rs. 80 crores. This reduction was a result of reduction in the total outlays in the 9th Plan to only Rs. 507.25 crores. In so far as the expenditure out of the allocation of Rs. 5 crores is concerned, it is clarified that Rs. 50 lakhs have been spent and not Rs. 5 lakhs as indicated in the para. Rs. 5 crores had been allocated with a view to ensuring that the activities pertaining to the modification to the existing building in Calcutta, where the AMPC is to be housed, and preliminary work pertaining to construction of the building for AMPC, New Delhi could be taken up. There was delay in this regard. Steps have been taken to ensure that an amount of Rs. 27.17 crores allocated for setting up of AMPC at Calcutta during 2000-2001, is fully utilised.

Comments of the Committee

(Please see Para No. 24 of Chapter I)

Recommendation (Paragraph No. 101)

The Committee is anguished to note that though International EMS service was introduced in India way back in 1986, Indian Postal System (IPS) is still expecting to operationalise all the four offices of exchanges in India viz. New Delhi, Mumbai, Calcutta and Chennai. Further only in 1998-99, Indian Postal System was started on an experimental basis at New Delhi and the site for the same was got prepared at Mumbai. The Committee is distressed to note such a slow progress made in the area of International EMS service during all these years.

Action Taken Note

International EMS service was introduced in India during the year 1986 to 5 countries. The EMS network has been widely extended since then and it now covers as many as 97 countries. There has been a steady growth in traffic of International EMS since 1986. In 1986, the traffic of international EMS was 4000 articles only. The EMS traffic increased to 16000, 35,000 and 59000 articles during the years 1987, 1988 and 1989 respectively. Though the growth rate during 1998 was 3.52%, the growth rate during the year 1999 increased to 11%. During 1999, as many as 4.39 lakh items were sent out from India. As per one circular from International Bureau, UPU, in respect of EMS traffic, India is among the top 18 countries of the world. Constant efforts are being made by the Department to improve the quality of International EMS service.

International Postal System (IPS) is only a system, which provides for computerised tracking and tracing of international EMS items. The international bureau of the Universal Postal Union developed this system in 1996 only. Prior to 1996, the system of computerised tracking and tracing system was available in a few industrialised countries only. After the International Bureau of the Universal Postal Union developed the system in 1996, India was among the first few countries in which it was decided to implement the system. The system has already been put in place in Delhi and Mumbai and it is proposed to install it in Chennai and Calcutta during the year 2000-2001.

Comments of the Committee

(Please see Para No. 28 of Chapter I)

Recommendation (Paragraph No. 102)

The Committee notes with some satisfaction that the net revenue receipt in foreign currency was Rs. 20.67 crore during the year 1998-99. At the same time the Committee is unhappy to note that since its inception in 1986, not much has been done to improve International EMS service. The Committee desires that since this is an area where there has been a substantial growth over the past years, the Department of Posts should accord top priority for its improvement. The Committee hopes that the Department will fully achieve the targets fixed for the year 2000-2001 to operationalise Indian Postal System in four offices of exchanges in India viz New Delhi, Mumbai, Calcutta and Chennai and desires that the possibilities of expanding the track and trace arrangements to other cities in addition to four metros should immediately be explored.

Action Taken Note

Department is giving top priority to the improvement of International EMS service. The EMS network of India Post has been widely expanded to 97 countries. In order to improve the service, the EMS delivery standards have been prepared and regular End-to-end standard tests are conducted to check the quality of EMS service. EMS articles are also being bar-coded to facilitate track and trace. IPS-96 was also introduced to provide for computerised tracking and tracing of international EMS articles. Point to point service has been introduced with USA and Hong Kong in order to speed up the EMS articles to these countries. In order to increase the EMS traffic between India and Bhutan, the EMS tariff between India and Bhutan has been substantially reduced by reducing the imbalance rate which is to be paid by both administrations to each other for the delivery of EMS articles.

Operationalisation of IPS-96 at all the four offices at New Delhi, Mumbai, Calcutta and Chennai will be achieved during the year 2000-2001. In so far as expanding the track and trace arrangement to other cities is concerned, it is added here that all the International EMS articles are brought to the four Metros at Delhi, Mumbai, Calcutta and Chennai and then bar-coded. Hence the expansion of track and trace arrangement to other cities is not required.

Comments of the Committee

(Please see Para No. 28 of Chapter I)

CHAPTER V

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH
GOVERNMENT HAVE FURNISHED INTERIM REPLIES**

—NIL—

**NEW DELHI;
November, 2000**

Kartika, 1922 (Saka)

SOMNATH CHATTERJEE,
Chairman,
Standing Committee on
Information Technology.

APPENDIX I

MINUTES OF THE THIRTY-THIRD SITTING OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY (1999-2000)

The Committee sat on Monday, 30 October, 2000 from 1100 hours to 1240 hours in Committee Room No. 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri Mahendra Baitha
3. Prof. Dukha Bhagat
4. Shri Tara Chand Bhagora
5. Shri Nikhil Kumar Chaudhary
6. Shri T. Govindan
7. Adv. Uttamrao Dhikale
8. Dr. C. Krishnan
9. Shri Bhartruhari Mahtab
10. Shri G. Ram Mohan
11. Shri K.A. Sangtam
12. Shri Saroj Tufani
13. Rajkumari Ratna Singh
14. Shri Vinay Kumar Sorake
15. Shri G. Ganga Reddy
16. Shri K.K. Kaliappan

Rajya Sabha

17. Shri Balkavi Bairagi
18. Shri Narendra Mohan
19. Dr. Y Radhakrishna Murthy
20. Shri P.N. Siva
21. Shri Kartar Singh Duggal
22. Shri K. Rama Mohana Rao
23. Shrimati Kum Kum Rai
24. Shri Shatrughan Sinha
25. Shri Rajiv Shukla

SECRETARIAT

1. Shri S.K. Sharma — *Deputy Secretary*
2. Shri A.S. Chera — *Under Secretary*

Representatives of Cellular Operators Association of India (COAI)

1. Shri T.V. Ramachandran — *Director General, COAP*
2. Shri Manoj Kohli — *CEO, Escoted Mobile*
3. Shri T.R. Dua — *Director, Bharti Enterprises*
4. Shri Umang Das — *Spice Communications*
5. Shri R.C. Rastogi — *Birla AT & T*
6. Shri Jogesh Nayar — *MD, Koshika Delcon Ltd.*
7. Ms. Anjili Hans — *Mgr, COAI*
8. Shri K.R. Gopakumar — *COAI*

2. At the outset, the chairman welcomed the representatives of cellular operator, Association of India (COAI) to the sitting of the Committee.

3. ***
4. ***
5. ***

6. The Committee then took up for consideration the following Draft Reports and adopted the same without any modifications/ amendments.

- (i) Draft Fifteenth Report on Action Taken by Government on the Recommendations/observations of the Committee contained in its Ninth Report (Thirteenth Lok Sabha) on "Demands for Grants (2000-2001) relating to the Department of Posts.

- (ii) ***

The Committee then adjourned.

APPENDIX II

(Vide Introduction of Report)

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE NINTH REPORT ON STANDING COMMITTEE ON INFORMATION TECHNOLOGY (THIRTEENTH LOK SABHA)

- I. Total number of Recommendations 29
- II. Recommendations/observations which have been accepted by the Government:
Para Nos. 32, 33, 36, 37, 89, 91, 94, 96, 97, 98, 103 and 104
Total 12
Percentage 41.37%
- III. Recommendations/observations which the Committee does not desire to pursue in view of the reply of the Government:
Para Nos. 30, 31, 34, 35, 86, 87, 88, 92, 93, 99 and 100
Total 11
Percentage 37.93%
- IV. Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:
Para Nos. 84, 85, 90, 95, 101 and 102
Total 06
Percent 20.68%
- V. Recommendations/observations in respect of which replies are of the interim nature:
Para Nos.-Nil

Chapter V