

CHAPTER-I
REPORT

This Report of the Standing Committee on Information Technology deals with the action taken by the Government on the recommendations contained in the Twenty-First Report (Thirteenth Lok Sabha) on Demands for Grants(2001-02) relating to Ministry of Communications(Department of Posts).

2. The Twenty-First Report was presented to Lok Sabha on 17.4.2001 and was laid on the table of Rajya Sabha on 18.4.2001. It contained 26 recommendations.

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. 19, 21, 64, 66, 68, 72, 73, 75, 78

Total : 9

Chapter-II

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

Paragraph Nos. 16, 17, 18, 20, 22, 60, 61, 62, 63, 67, 71, 74, 77

Total : 13

Chapter-III

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

Paragraph Nos. 65, 69, 70, 76

Total : 4

Chapter-IV

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

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 any reason for the Department to implement the recommendations in letter and spirit, 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 at an early date.**

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

REDUCTION IN ANNUAL PLAN OUTLAY
(PARAGRAPH NOS. 16 & 17)

6. The Committee had noted in its Twenty-First Report on Demands for Grants (2001-02) that the Department of Post (DoP) during the Ninth Five Year Plan had projected an outlay of Rs. 756.76 crores in order to expand the programmes of modernisation through induction of new technology initiatives which were taken during the Eighth Plan period along with the provision of basic postal facilities but the Planning Commission downsized the same to Rs. 507.25 crore. Further DoP had projected an outlay of Rs. 152.52 crore for the year 2001-02 so that the Ninth Plan targets could be achieved but the Planning Commission had reduced that also to Rs. 135 crore. The Committee had desired that annual outlay of Rs.152.25 crore for 2001-2002 as proposed by DoP should be restored keeping in view the slow progress made by the Department in first 3 years of the Plan .

7. In its action taken notes, Department of Post has furnished the comments of the Planning Commission. The Planning Commission has pointed out that the sectoral allocation of Plan outlay for Five Year and Annual Plans are determined on the basis of overall availability of resources with the Govt., the Plan objectives, inter-sectoral priorities, Plan performance and the progress in various sectors. The Ninth Plan(1997-2002), though was initiated as per schedule on 1.4.1997, the National Developmental Council could endorse the detailed Plan only on 19th February, 1999. The Plan had to be revised to reflect the altered priorities of the Govt. that took over in March, 1998, in general, and the

directions of the 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 resource mobilisation of the Govt. in the first two years of the Plan. Further reduction in these outlays related to the revised estimates, which were approved by the Ministry of Finance (MoF). It has been mentioned that the actual utilisation by the Department of Posts has been lower than approved outlay (BE) and Revised Estimates and that the possibility of increase in the outlay may have to be considered and decided in consultation with the Ministry of Finance at the RE stage.

8. The Committee notes that the Planning Commission has pointed out that the actual utilisation of funds allotted to the Department of Posts has been lower than the approved outlay (BE) and Revised Estimates. According to the information provided by them, the Revised Estimates during 1997-98, 1998-99 and 1999-2000 were Rs. 80.00 crore, Rs. 84.11 crore and Rs. 100.00 crore respectively, whereas the actual utilisation was only Rs. 72.27 crore, Rs.73.69 crore and Rs. 88.28 crore respectively. The Committee has been emphasising time and again that DoP should make genuine efforts to fully utilise the meagre funds allocated to it. The Committee trusts that Planning Commission might consider an increase in the outlay as desired by the Committee, in consultation with the Ministry of Finance if the Department of Posts is able to fully utilise the funds allocated to it. The Committee, therefore, urges the Department of Posts to devise appropriate steps for fuller utilisation of funds in the light of observations made by the Planning Commission that the actual utilisation by the Department was lower than the approved outlay during the first 3 years of the IX plan.

PROCEDURAL DELAYS IN PROJECTS APPROVAL

(PARAGRAPH NO.22)

9. The Committee in its earlier Report had noted that all the projects involving expenditure of more than Rs.5 crore had to be referred to the Department of Expenditure even though already approved by the Expenditure Finance Committee and after the

acceptance of its findings by the Ministers of Communications and the Minister of Finance. The Committee had desired that the matter should be taken up with the Minister of Finance to resolve such procedural delays.

10. Department of Posts (DoP) in its action taken notes has stated that the matter was referred to the Department of Expenditure in February, 2000 for enhancement of powers of the DoP under Para 21(a) & (b) of Delegation of Financial Power Rules in order to accelerate the process of implementation of Plan Projects . The Department of Expenditure informed in June, 2000 that a general proposal for enhancement of powers under Rule 21 of DFPR was under consideration of the Department of Expenditure.

11. The Department has further stated that the Secretary (Posts) has also taken up the matter Demi-officially with the Secretary (Expenditure) in May, 2001 conveying the recommendation of the Standing Committee on Information Technology over the procedural delays relating to procurement being made by the DoP.

12. The Committee notes that a general proposal for enhancement of powers under Rule 21 of Delegation of Financial Power Rules (DFPR) has been under consideration of the Department of Expenditure. The Committee desires that the matter may be pursued at the highest level for expeditious clearance of the proposal so that the procedural delays relating to procurement of materials are obviated and that projects can be completed in the given time frame.

NON-SANCTION OF POSTS

(PARAGRAPH NO. 61, 62 & 63)

13. In its Twenty-First Report, the Committee had noted that Ministry of Finance had not been sanctioning new posts to the Department of Posts for opening of post offices on account of Cabinet Secretariat instruction issued in Feb. 1992 imposing 10% cut on the establishment in order to reduce administrative expenditure of the Govt. On the other hand, the Committee noted that demand of postal services has been increasing with the growth of urban agglomeration and population. While there has been lack of postal counter facilities particularly in the rural areas, there has been an overall increase in the volume of mail handled by the Department and in the area of agency function. The Committee, therefore,

apprehended that MoF insistence on reduction of manpower would lead to collapse of the postal services and the expansion would come to an halt.

14. Department of Posts in its action taken notes has stated that a 10% cut in the sanctioned establishment of various Ministries and Departments was imposed vide D.O.No. 7(7)E. Coord/92, dated 1.2.92 from the then Cabinet Secretary. Despite the staff constraint, the DoP abolished 20 Group 'A' posts and downgraded 9 posts at the same level. Department has also kept 600 posts in Group 'B', 'C' & 'D' taken together, in abeyance. The Department has further stated that annual plan programme envisages opening of Branch Post Offices and Department Sub Post Offices for which they would be needing additional posts. However, Minister of Finance have been insisting on 10% cut in the sanctioned establishment of the Department of Posts. Further a comprehensive note was prepared for consideration of the Committee of Secretaries and sent to the Cabinet Secretariat. On their advice, a note has been submitted to Department of Expenditure for seeking orders of the Prime Minister for proposed exemption through the Cabinet Secretary.

15. Further Secretary(P) had discussions with Finance Minister in February, 2000 and requested Finance Minister not to insist on this cut as DoP had already reduced certain Group 'A' and surrendered Group 'C' and 'D' posts and any further reduction would adversely affect the operational functions of this Department. Subsequently, Minister of Communication had addressed Prime Minister on the same issue vide D.No. 17.4.2000. The difficulties encountered by the Department of Posts in fully implementing the instructions of 10% were emphasised.

16. Department of Posts has further stated that the Postal network which comprised 1,50,346 Post Offices in 1991-92, has now reached 1,54,551 as on 31.3.2000. With a nearly 16% increase during the same period in the volume of unregistered mail in addition to the increased volume of Parcel Posts, Saving Bank, Postal Life Insurance and Business Development activities. The work force has however remained almost at the same level.

17. The Committee notes that Postal Network which comprised 1,50,346 Post Offices in 1991-92, has now reached 1,54,551 as on 31.3.2000. There has been nearly 16% increase during the same period in the volume of unregistered mail in addition to the increased volume of Parcel Posts, Saving Bank, Postal Life Insurance and

Business Development activities. The work force has however, remained almost at the same level. The issue of exempting Department of Posts from the general reduction of 10 percent of staff is under consideration at the highest level in the Government. The Committee trusts that keeping in view the social service objectives of the Department of Posts and the labour intensive nature of job in post offices, the Prime Minister will consider the request of the Department sympathetically.

EDBOs IN VILLAGES SATISFYING NORMS

(PARAGRAPH NO. 65)

18. In its earlier Report, the Committee had expressed its concern over the fact that there were 5446 villages at the end of March, 2000 which satisfy norms of population and distance for opening of Extra Departmental Branch Offices(EDBOs) but have not been provided postal facilities. Further in view of the lower targets kept by DoP for opening of post offices in the Ninth Plan, the Committee found covering 5446 villages to be a distant reality. The Committee, therefore, recommended that a definite time frame should be fixed for opening of EDBOs in villages satisfying norms for opening of post offices.

19. Department of Posts in its action taken note has stated that the Ninth Plan target for opening of EDBOs is 2500, out of which 1749 Branch Offices have been opened so far. Non sanctioning of new posts by the Government is a major constraint in the way of achieving plan targets, although an all out efforts is made to open as many extra Departmental Branch Post Offices as possible by way of redeployment. The Department has further stated to have provided postal counter facilities to the villages where it is not possible to open post offices by setting up Panchayat Sanchar Sewa Kendra(PSSKs). So far they have set up 2716 PSSKs in the country in the 9th Plan.

20. The Committee regrets to note that out of the Ninth Plan target of opening of 2500 post offices, the Department could open only 1749 post offices upto July, 2001. The reason for shortfall in target is stated to be non-sanctioning of new posts by the Govt. Whatever be the constraints, the Committee desires that providing post offices to 5446 villages satisfying post office norms should be the Department's priority and it should find some way out as these people should not be left deprived of the basic postal needs even after five decades of Independence. The Committee, therefore,

reiterates its earlier recommendation that a definite time frame should be fixed for opening of EDBOs in villages satisfying norms for opening of post offices. The Committee desires that Ministry of Finance should continuously be pursued for early sanction of posts.

SLOW IMPLEMENTATION OF AMPCs

(PARAGRAPH NO. 69 & 70)

21. The Committee in its earlier Report had mentioned that the Department had to reduce the target for setting up of 3 Automatic Mail Processing Centres (AMPCs) to 2 due to reduced Ninth Plan allocations. The Committee further noted that implementation in respect of these two projects had been tardy. The Committee opined that the measures which had been taken lately for completion should have been taken earlier. The Committee had desired that Ninth Plan targets of setting up of 2 AMPCs one at Kolkata and other at Delhi should be accomplished without any further delay. The Committee had also noted that during 2000-2001 Rs. 28.31 crores allocated for setting up of AMPC at Kolkata remained unutilised as purchase of the machine could not be done.

22. Department of Posts in its action taken notes has stated that all out efforts were made to ensure installation of AMPC at Kolkata during the current financial year which is within the 9th Five Year Plan. It has simultaneously been stated that as far AMPC for Delhi is concerned , the Administrative approval and expenditure sanction has already been issued and hence this project is not likely to be completed in all respects during 9th Plan period. Department has further informed that out of total allotment of Rs. 61 crores for the year 2001-02, Rs.45.90 crore is for AMPCs and the allocations for culling, facing and cancelling machines is Rs. 11.13 crore. It has been stated that these funds will be utilised during the current financial year which is within the 9th Five Year Plan.

23. **The Committee notes that AMPC at Kolkata will be functional during the current financial year. It further notes that as far as AMPC at Delhi is concerned, the administrative approval and expenditure has been approved but the project is not likely to be completed in all respects during the 9th Plan period. The Committee regrets slippage of targets for such an important scheme. Apparently, no serious efforts were made in the early years of the Plan for this scheme. Even though the**

scheme of setting up of AMPC at Delhi has not been implemented during IX Plan target, it should be completed as early as possible, preferably in the first year of X Plan.

PROMOTING PHILATELY

(PARAGRAPH NO. 74)

24. Keeping in view the increase in Philatelic revenue from Rs. 9 crore in the beginning of the Ninth Five Year Plan to Rs. 20 crore in 1999-2001, the Committee in its earlier Report had desired that DoP should make higher allocation for this scheme in the coming year and as was also assured by the Secretary (Posts) to promote and develop philately, DoP should also hold more exhibitions particularly in schools and colleges.

25. Department of Posts in its action taken notes has stated that continuous steps are being taken for promotion and development of philately. Also the expected revenue for the year ending 31st March, 2001 is Rs.30 crore. The Department has further stated that the plan allocation for Modernisation and Development of philately for 9th Five year plan was Rs. 5.12 crores, out of which Rs. 3.51 crore were spent upto 31st March, 2001. For the year 2001-02 the financial outlay provided is Rs.1.20 crores. Focus during the year is on new strategies for promotion and development of philately which include direct interactions with schools and colleges through exhibition, training sessions.

26. The Committee notes that Rs. 5.12 crore has been allocated for the development of philately in the 9th Plan and Rs. 3.51 crore has been spent upto 31.3.2001. The Committee trusts that allocation of Rs.1.12 crore provided for year 2001-02 would be fully utilised to develop philately.

MONEY ORDERS COMPLAINTS

(PARAGRAPH NO.76)

27. The Committee in its Twenty-First Report had expressed concern over substantial increase in the number of money order complaints during the last three years as 3,33,966, 3,88,091, 4,22,408 and 3,20,201 complaints were received during 1997-98, 1998-99, 1999-2000 and upto December, 2000 respectively. Though the Committee was assured

by the Department that they have taken several measures to deal with such complaints yet no impact could be noticed. The Committee desired that if there is some inherent lacunae in the money order system, the same should be identified with a view to take suitable remedial steps.

28. Department of Posts has stated in its action taken notes that it handled a traffic of 11 crores money orders annually and the complaints received are 4.5 lakhs which account for 0.380 per cent of the total money order traffic. Besides other steps the Department has stated to have launched special drives for the settlement of complaints. The last drive was from 20.3.2001 to 19.4.2001 and the level of satisfaction was nearly 67 per cent.

29. The Committee notes that the Department is launching special drives for the settlement of money order complaints. The last drive was launched from 20 March, 2001 to 19 April, 2001 and the level of satisfaction remained nearly 67 per cent. Another drive has been carried out from 1 June, 2001 to 30 June, 2001. The Committee would like to know the number of such drives undertaken in a year and the places where they have been carried out. The Committee is not all impressed by the statement that number of complaints is only 4.5 lakh annually. Since it involves the hard earned money of comparatively poor people who remit money through money orders to their families/relatives in far flung and remote areas, their faith in postal system gets eroded because of a few delinquent postal employees. The 67 percent satisfaction level achieved in March-April, 2001 special money order complaint settlement drive cannot be termed as satisfactory. The Committee, therefore, urges the Department of Posts to deal severely with those indulging in malpractices in this regard.