

SIXTY-SECOND REPORT

**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2003)**

(THIRTEENTH LOK SABHA)

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

*[Action Taken by Government on the Recommendations/Observations
of the Committee contained in its Forty-eighth Report (Thirteenth
Lok Sabha) on Demands for Grants (2003-2004)]*

*Presented to Lok Sabha on 22.12.2003
Laid in Rajya Sabha on 23.12.2003*

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2003/Agrahayana, 1925 (Saka)

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COMPOSITION OF STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2003)

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

@ 2. Vacant

3. Shri Pawan Kumar Bansal
4. Prof. Dukha Bhagat
5. Shri Ajay Singh Chautala
6. Shri P.D. Elangovan
7. Shri Rama Mohan Gadde
8. Shri Jarbom Gamlin
9. Kumari Bhavana Pundlikrao Gawali
10. Shri T. Govindan
11. Shri Jawahar Lal Jaiswal
12. Shri K.K. Kaliappan
13. Shri A. Krishnaswamy
14. Shri K. Balrama Krishna Murthy
15. Shri Bhartruhari Mahtab
16. Shri Amarsinh Vasantryao Patil
17. Shri Sheeshram Singh Ravi
18. Shri Saroj Tufani
19. Shri K.A. Sangtam
20. Shri C.N. Singh
21. Rajkumari Ratna Singh
22. Shri Nikhil Kumar Chowdhary

*23. Vacant

24. Shri Vanlalzawma
25. Shri Rajesh Varma
26. Smt. Kanti Singh
27. Shri Amir Alam Khan
28. Shri Charanjit Singh
29. Shri Arun Kumar
30. Dr. Bikram Sarkar

Rajya Sabha

31. Shri Vijay J. Darda
32. Shri Dasari Narayana Rao
33. Dr. Prabha Thakur
34. Shri Suresh Pachouri
35. Shri S.S. Ahluwalia
36. Shri Balbir K. Punj
37. Shri Dina Nath Mishra
38. Smt. Sarla Maheshwari
39. Shri K. Rama Mohana Rao
40. Shri Shahid Siddiqui
41. Ms. Lata Mangeshkar
42. Shri Rajeev Shukla
43. Shri Sanjay Nirupam
- **44. Vacant
45. Shri Mukhtar Abbas Naqvi

SECRETARIAT

- | | | |
|-----------------------|---|-------------------------------------|
| 1. Shri P.D.T. Achary | — | <i>Additional Secretary</i> |
| 2. Shri S.K. Sharma | — | <i>Joint Secretary</i> |
| 3. Shri S.K. Sharma | — | <i>Officer on Special Duty (IT)</i> |
| 4. Shri B.D. Swan | — | <i>Under Secretary</i> |

@Shri Yogi Aditya Nath ceased to be Member of the Committee w.e.f. 17 July, 2003.

*Vacancy caused *vice* appointment of Shri P.C. Thomas as Minister w.e.f. 24 May, 2003.

%Shri Kartar Singh Duggal ceased to be Member of the Committee at his retirement from Rajya Sabha w.e.f. 26 August, 2003.

INTRODUCTION

I, the Chairman, Standing Committee on Information Technology (2003) having been authorised by the Committee to submit the Report on its behalf, present this Sixty-Second Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in its Forty-Eighth Report (Thirteenth Lok Sabha) on Demands for Grants (2003-2004) relating to the Department of Posts (DoP).

2. The Forty-Eighth Report was presented to Lok Sabha on 7 April, 2003 and was laid in Rajya Sabha on 8 April, 2003. The Department furnished Action Taken Notes on the recommendations/observations contained in the Report on 7 July, 2003.

3. The Report was considered and adopted by the Committee at its sitting held on 19 December, 2003.

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/observations contained in the Forty-Eighth Report (Thirteenth Lok Sabha) of the Committee is given at Annexure-II.

NEW DELHI;
19 December, 2003
28 Agrahayana, 1925 (Saka)

SOMNATH CHATTERJEE,
Chairman,
Standing Committee on
Information Technology.

CHAPTER I

REPORT

This Report of the Standing Committee on Information Technology deals with the action taken by the Government on the Recommendations/Observations of the Committee contained in its Forty-Eighth Report (Thirteenth Lok Sabha) on Demands for Grants (2003-2004) pertaining to Department of Posts.

2. The Forty-Eighth Report was presented to Lok Sabha on 7 April, 2003 and laid on the Table of Rajya Sabha on 8 April, 2003. It contained 21 Recommendations/Observations.

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

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

Paragraph Nos:— 25, 32, 40, 41 42, 43, 44, 55

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:— 23, 24, 27, 50, 54, 62, 68

Total: 5
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:— 9, 61

Total: 2
Chapter-IV

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

Paragraph Nos:— 26, 30, 31, 56

Total: 5
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 and the final Action Taken Notes on recommendations contained in Chapter V 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.

Plan Outlay

(Para No. 9)

6. The Committee in its 48th Report had observed that out of the X Plan outlay of Rs. 1350 crore, Rs. 150 crore was earmarked for the first year of the plan period i.e. 2002-2003 which was reduced to Rs. 95 crore by the Planning Commission at the RE stage. This resulted in reduction of outlay of various schemes including Expansion of Postal Network and others. The Committee further observed that there was delay on the part of the Department due to pending approvals from the Competent authority or non-implementation of plan schemes. The Committee had also noted that out of 20 schemes, 9 schemes were pending and the Department could not make much headway. The Committee had, therefore, recommended the Department to take effective steps to get approval for 9 pending schemes at the earliest. The Committee further observed that Planning Commission should also give top priority to sanction the proposals projected by the Department so that the schemes did not get hampered.

7. In the Action Taken Note, the Department of Posts has stated that although Annual Plan was approved earlier, yet the schematic breakup for the Tenth Five Year Plan as a whole could be obtained only in the month of September 2002 due to certain technical reasons.

This delayed the initiation of the process of obtaining necessary approvals from the competent authority for all the planned schemes. Focused efforts were made from October, 2002 to complete the formalities required for securing approvals from Cabinet Committee on Economic Affairs for projects above Rs. 100 crores and inter-ministerial consultations for all projects beyond Rs. 5 crore. The Department could secure approvals for 11 schemes till 30 June, 2003. Approvals for the remaining 4 schemes mentioned below was stated to be still pending:—

- (a) Computerization of Post Offices, Postal Accounts Offices & Administrative Offices
- (b) Automatic Mail Processing Centres.
- (c) Construction of Buildings.
- (d) National Data Centre.

Since planned funds could not be utilized before the schemes were approved by the competent authority, allocation was pruned at the Revised Estimates stage to Rs 95 crore in consonance with the anticipated utilization of fund level at the end of the financial year.

8. The Committee is concerned to note that approvals for 4 major schemes namely, Computerization of Post Offices, Automatic Mail Processing Centres, Construction of buildings and National Data Centre are yet to come, even though 1½ years have elapsed of the 10th Five Year Plan. The Process of approvals has taken unduly long time which in turn necessitated reduction in the Plan outlay of the Department of Posts in the first year of the 10th Five Year Plan. The Committee is of the opinion that such formalities should be completed expeditiously so that the plan targets — physical as well as financial — are strictly adhered to.

North-East

(Para No. 61)

9. The Committee in its earlier report had pointed out that North East has been served by two Postal Circles, one located at Assam which is Co-terminus with the geographical boundaries of the State of Assam and the other located at Shillong looking after the States of Meghalaya, Manipur, Arunachal Pradesh, Mizoram, Tripura and Nagaland. The Committee found it to be very cumbersome to administer mail management in difficult terrains from Shillong. The Committee had also observed that a proposal to set up another Circle with Headquarter at Dimapur for the States of Nagaland, Manipur and Arunachal Pradesh to improve mail management in the entire North-Eastern States had been pending with the Ministry of Finance since long. The Committee, therefore, desired that the matter be pursued with the Ministry of Finance vigorously with a view to relax the prescribed norms for bifurcation of existing North-East Circle.

10. The DoP in its Action Taken Note has stated that the matter has been referred to Ministry of Finance since 18.01.2002 for the consideration of relaxation of the prescribed norms for North-Eastern Circle. The response of the Ministry of Finance is stated to be awaited despite repeated reminders dated 05.12.2002, 10.01.2003, 05.02.2003, 07.03.2003, 01.4.2003 and 13.05.2003 from the Department of Posts.

11. The Committee is concerned to note that the Department of Posts has referred the proposal of setting up of another Circle with Headquarters at Dimapur for the States of Nagaland, Manipur and Arunachal to the Ministry of Finance on 18 January, 2002 and has been vigorously pursuing the same. However, Ministry of Finance on its part has taken unusually long time in processing the proposals. The Committee therefore, urges the Department of Posts to pursue the matter at the highest level with the Ministry of Finance in the interest of providing better postal facilities to North-Eastern States.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation/Observation (Para No. 25)

The Committee is concerned to note that the outlay was reduced in Tenth Five Year Plan to Rs.37.07 crore from Rs.42.70 crore during the Ninth Plan under the scheme 'Expansion of Postal Network'. The reason for the sanction of lower amount was stated to be due to the non-recurring component which was taken into account while calculating the cost of opening an EDBOs or DSOs and the fact that the EDBOs and DSOs can be opened only by re-deployment. The Committee feels that it is hampering not only the newly open EDBOs but also the work of existing EDBOs. The policy of opening new Post Offices coupled with the other post policy directive of further expansion of Postal Network' through outsourcing agency by revenue sharing amounts to privatization of postal network which will have very adverse impact on rural postal network. The Committee, in its earlier reports has time and again suggested that non-sanctioning of new post offices has retarded the expansion of Postal Network which is a matter of grave concern. The Committee therefore again reiterates that Planning Commission and Ministry of Finance should look into the matter and due importance should be given to DoP so that it achieves financial as well as physical targets of opening EDBOs and DSOs and of strengthening postal network. The Committee, therefore, strongly recommends that the Department should lay more emphasis on Expansion of Postal Network in rural areas and the funds for this scheme should be adequately enhanced at the RE stage.

Action taken by the Government

The Department has received approval from the competent authority for implementing the Plan scheme "Expansion of Postal Network" for the first 2 years of the Plan period. Approval for remaining three years will be subject to the outcome of the independent study commissioned by the Planning Commission on the entire rural postal network including the Panchayat Sanchar Sewa Yojana. The study will look into the efficacy of the existing rural postal network and also into future possibilities for expansion of postal network. The study is expected to be completed this year; after the outcome of this study is available, proposal will be formulated for implementing the scheme for Expansion of Postal Network. The concerns expressed by the Committee will be taken into consideration when formulating the proposal for consideration of the competent authority in which representatives of Ministry of Finance and Planning Commission are also included.

Recommendation/Observation (Para No. 32)

The Committee, further notes that there is an utmost need for making the functioning of PSSKs smooth for enhancing the existing level of business. It is also stated by Department of Posts that suggestions to improve the functioning are being processed

for taking policy decision and efforts are being made through the Circles to enlist the support of Panchayats in improving the services of PSSKs. The Committee, is happy to know that the Department is making efforts to revive PSSKs and trusts that the DoP will keep it assured. The Committee would like to be informed of the findings and decisions taken in this regard.

Action taken by the Government

The Department takes note of the observations of the Committee on the issue of revamping PSSKs and will take action to ensure that the Committee is kept informed about the findings and decisions taken in this regard.

Recommendation/Observation (Para No. 40)

The Committee is happy to note that the revenue generated by the Speed Post, Business Post and Express Post which was Rs. 151.44 crore, 111.66 crore and 10.52 crore in the year 2000-01 has substantially increased to Rs. 196.53 crore, Rs. 166.26 crore and Rs. 19.31 crore in 2001-02 respectively. The revenue from Greeting Post has also increased from Rs. 72 lakh to Rs. 1.08 crore in the year 2000-2001. The Committee, therefore, notes that there was a quantum jump as per the revenue generation of the Department as far as Speed Post, Business Post and Express Post is concerned. The Committee finds that there is ample scope for generating more revenue through aggressive marketing. The Committee is of the view that the effective marketing coupled with efficient handling will immensely help in growth of revenue in the premium segment. The Committee, further desires that the Department of Posts will also gear itself to face competition and will play an important role in further strengthening premium services.

Action taken by the Government

The observations of the Committee that there is ample scope for generating more revenue through aggressive marketing is noted. The view of the Committee that effective marketing, coupled with efficient handling, will immensely help in growth of revenue in the premium segment is noted. The desire of the Committee that Department of Posts should gear itself to face competition and play an important role in further strengthening premium services is noted.

Recommendation/Observation (Para No. 41)

The Committee further notes that Business Development Directorate has fixed a target of Rs. 586 crore to Business Development Groups and Circles for the year 2002-03. In the first 10 months up to January, 2003 the revenue generated from Speed Post, Business Post, Express Post and Greeting Post is stated to be Rs. 196.95 crore, Rs. 228.62 crore, Rs. 20.87 crore and Rs. 0.35 crore respectively which comes to Rs. 446.79 crore. The Department has targeted an amount of Rs. 670 crore for the year 2003-2004. The Committee, is happy to note that it is a very healthy growth during the years which needs

to be further promoted. The Committee, therefore, recommends that higher allocation be made for the promotion of premium products.

Action taken by the Government

The observation of the Committee that it is happy to note the very healthy growth in premium products during the years, which needs to be further promoted, is noted. The Committee's recommendation that higher allocation be made for promotion of Premium Products is noted.

Recommendation/Observation (Para No. 42)

The Committee, further notes that the Department of Posts has formulated a Business Plan for the Tenth Five Year Plan for marketing and promotion of premium products, operations, corporate perspectives and implementation programme. It proposes to upgrade Speed Post Centres, Computerise Booking Offices and conduct market services. The Committee apprehends, that these programmes could suffer a set back due to the reduced allocations for the Tenth Five Plan. The Department of Posts is already starved of the funds. Reduction in outlay and that too for premium and profitable schemes will have crippling effect on it. The Committee, therefore, strongly recommends that the matter be examined dispassionately as it can hamper the ongoing good work done by the Department of Posts. The Committee further recommends that the Budgetary allocation be enhanced at RE stage so that the revenue earnings of the Department are strengthened.

Action taken by the Government

The apprehension of the Committee that the programmes could suffer a set back due to reduced allocation for the 10th Plan is noted. The recommendation of the Committee that the matter be examined dispassionately and the recommendation that the budgetary allocation be enhanced at RE stage so that the revenue earnings of the Department are strengthened is noted.

Recommendation/Observation (Para No. 43)

The Committee further notes that the Department has evolved a mechanism to interact with the public through print media/ electronic media/ direct mailing, exhibitions and conferences. The Committee therefore, stresses on the need for such interaction as it helps in knowing the reaction of the public and enhancing the marketing strategies for improving the services.

Action taken by the Government

The Committee's observation that stress should be on the need for interaction with public as it helps in noting the reaction of public and enhancing the market strategies for improving the services is noted.

Recommendation/Observation (Para No. 44)

The Committee notes that according to a reliable estimate of Rs. 1800 crore and Rs. 2115 crore respectively in the years 2000-01 and 2001-02, the share of Speed Post service was merely Rs. 151.44 crore and Rs. 196.53 crore respectively, *i.e.* 8.41% and 9.29% for the said financial years. The Committee is extremely unhappy to note that the Department of Posts in spite of its vast infrastructure and existence for more than a century and goodwill earned on this account has only a marginal presence in Speed Post service. Further, the Committee is not satisfied with the projected growth of 'Speed Post' *i.e.*, 13.30% by the end of Tenth Five Year Plan. The Committee feels that there is tremendous potential and scope in this sector. The Committee, therefore, strongly recommends that the DoP should revise its target upwards for Tenth Plan and explore the ways and means for quantum jump and should also make sincere efforts to fully utilize yearly allocation which, if needed, should be enhanced at RE stage.

Action taken by the Government

The observation of the Committee that there is tremendous potential and scope in the projected growth of Speed Post during the 10th Five Year Plan is noted. The recommendation of the Committee that DoP should revise its target upwards for 10th Plan and explore ways and means for quantum jump and make sincere attempt to utilize yearly allocation is noted.

Recommendation/Observation (Para No. 55)

The Committee further notes that the Department has taken up of construction of boundary walls in a phased manner in order to avoid encroachment which is subject to availability of funds. The Committee therefore, recommends that sufficient amount be allocated for the construction of boundary walls so that further encroachment can be checked. Other alternatives/possibilities should also be explored to utilize these plots profitably.

Action taken by the Government

Funds for construction of 18 Post Office plots and 10 Staff Quarter plots have been earmarked in the 10th Plan, subject to availability of funds. Also in case of any threat of encroachment to any plot, action for its security is being taken at the highest level.

CHAPTER III

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

Recommendation/Observation (Para No. 23)

The Committee notes that the Department of Posts has emphasized on computerization, upgradation of technology and modernization in the Tenth Five Year Plan. These activities have also been kept in the thrust area of the plan schemes. Accordingly, out of a total plan outlay of Rs.1350 crore for Tenth Five Year Plan, Rs.1070.22 crore (79%) has been earmarked for these activities. Under the head computerization of Post Offices, Postal Accounts and Administrative Offices an outlay of Rs. 827.64 crore has been kept for Tenth Plan. In the first year of the Tenth plan, the Department of Posts proposed an amount of Rs.261.04 crore which was substantially reduced to Rs.38.86 crore by the Planning Commission. It was further, downsized to 19.08 crore at RE stage. The Committee also notes that Department has proposed an amount of Rs. 236.41 crore for 2003-04 which has been reduced to Rs. 59.32 crore by Planning Commission. This is nothing but negation of Planning process which has become a practice rather than exception year after year. The Committee is perturbed as with the reduced allocation the Department cannot move ahead with the computerization & modernisation work. The Committee, therefore, notes with concern that substantial reduction in the plan schemes and desires that the Planning Commission to re-look into the matter so that the amount of outlay for computerization and modernization is enhanced.

Action taken by the Government

The committee has primarily noted non-achieving of physical/financial targets with respect to the Tenth Five Year Plan project of “Computerisation of Post Offices, Postal Accounts Offices and Administrative offices”.

2. In the above context, it is mentioned that the Committee’s observations are primarily directed towards the Planning Commission to ensure that the amount of outlay for computerization and modernization is enhanced. In the above context, it is mentioned that during the first year (2002-03) of the 10th Plan, the Department had moved the case for seeking approval for the above project. However, it was desired by the Planning Commission that the entire project of computerization by the Department should include not only the Post Offices but also Postal Accounts Offices, Administrative Offices and the entire scope should be handled as one project. Accordingly, the Department was advised to seek expenditure approval by moving the proposal to main Expenditure Finance Committee since the overall value of the project exceeded Rs. 200 crores. The Department circulated the EFC note for the purpose in Nov. 2002 and after the appraisals were received from Ministry of Finance and Planning Commission, the observations were taken into account and replied. The revised EFC note was

circulated in Feb. 2003, which was considered by the EFC chaired by Secretary (Expenditure), on 26th June, 03. The recommendations of the EFC are to be now placed before the CEA for approval.

3. In the light of the above developments, since the project approval could not be obtained, there was no physical/financial achievement in the first year (2002-03) as per the envisaged targets except that the Department was able to clear the pending liabilities of the 9th plan. Accordingly, the plan allocations for this project in the first two years of the 10th plan were reduced. Once the main EFC clears the proposal and expenditure sanction accorded, the Department intends to complete the envisaged targets from 2nd year onwards subject to availability of outlays in the subsequent Annual Plans as pointed out by the Standing Committee in the above para.

4. Hence, as explained above, some procedural delay resulted in reduction of the proposed physical/financial targets during the first two years of the Tenth Five Year Plan. The department will approach the Planning Commission and the Ministry of Finance for suitable allocation of budget from second year of the 10th plan for achieving the overall proposed physical/financial targets.

Recommendation/Observation (Para No. 24)

The Committee also observes that upto the end of Ninth plan *i.e.* 2001-02, a total of 506 Head Post Offices, 1266 Sub-Post Offices and 19 Circle Offices were computerised. However, there were still 339 Head Post Offices, 24798 Departmental Sub Post Offices, 3 Circle Offices, 37 Regional Offices and 507 Divisional Offices (As on March, 2002) yet to be computerised. The Committee also notes that for the entire Tenth Plan the Department of Posts has covered 7117 Post Offices out of total 26064 Departmental Sub-Post Offices which is 27.30%. It is distressing to note that with this slow pace computerisation process will take decades to cover the entire postal network. Evidently, Postal Department is not getting the desired attention from the Planning Commission/Ministry of Finance which is necessary in the interest of the nation, specially in the context of the changing Global scenario. The Committee therefore, again stresses on the necessity that the Tenth Plan allocation as proposed by the Department be restored failing which the schemes/projects relating to computerisation & modernisation will be seriously affected.

Action taken by the Government

Para 24 of the report further emphasizes the observation made in para 23. As per the Working Report of the posts for the 10th Plan it was proposed to cover all the Circles/Regional Administrative offices. Accordingly, the outlay of Rs. 827 crore was proposed by the Department. It is a fact that even after achieving the entire physical targets as proposed by the Department for the 10th plan there would be large number of Sub Post Offices (about 18943) which would remain to be computerised in subsequent plans. As directed by the Committee, the Department will make necessary efforts to

convince Planning Commission/Ministry of Finance for increased allocation of funds for the 10th plan and also subsequently for the 11th plan so that the observations of the Standing Committee are fulfilled.

Recommendation/Observation (Para No. 27)

The Committee further notes that the demand for opening of Post Offices are on the rise. The DoP strangely could not furnish the demands pending for opening of EDBOs and DSOs for the year 2001-02 and 2002-03. The Committee will like to be apprised in the matter. The Department, has further stated that the opening an EDBOs is done strictly on the basis of norms relating to population, distance, income and availability of manpower for re-deployment. The Committee believes the Department of posts will take suitable measures to fulfil demands for opening of Post Offices at the earliest.

Action taken by the Government

The demands pending for opening of Post Offices for the year 2001-02 and 2002-03, which fulfil the distance, population and income has been compiled and is as below:—

Sl.No.	Circles	2001-2002		2002-2003	
		EDBOs	DSOs	EDBOs	DSOs
1	2	3	4	5	6
1.	Andhra Pradesh	2	3	9	11
2.	Assam	Nil	Nil	19	1
3.	Bihar	45	1	74	1
4.	Chhattisgarh	47	35	62	39
5.	Delhi	Nil	Nil	Nil	4
6.	Gujarat	2	1	5	5
7.	Haryana	Nil	Nil	3	Nil
8.	Himachal Pradesh	Nil	Nil	2	Nil
9.	J&K	9	Nil	16	
10.	Jharkhand	18	Nil	14	1
11.	Karnataka	Nil	2	2	2

1	2	3	4	5	6
12.	Kerala	Nil	Nil	5	Nil
13.	M.P.	Nil	Nil	Nil	Nil
14.	Maharashtra	4	16	14	12
15.	North East	Nil	Nil	5	Nil
16.	Orissa	31	6	32	2
17.	Punjab	5	Nil	4	3
18.	Rajasthan	1	Nil	1	4
19.	Tamilnadu	Nil	1	14	8
20.	U.P.	Nil	Nil	Nil	Nil
21.	Uttranchal	Nil	Nil	Nil	2
22.	W. Bengal*				
Total		164	65	281	95

*Information will be collected and supplied later.

Efforts will be made by Department to devise an effective means of meeting the unmet needs for Post Offices, subject to fulfillment of norms and availability of resources.

Recommendation/Observation (Para No. 50)

The Committee notes the Department's revenue from Philately had a substantial increase in the Ninth Plan from Rs. 9 crore (approx.) from the beginning of the plan to Rs. 20 crore (approx.) in 1999-2000. However, an amount of Rs. 1.20 crore provided under upgradation of Philately in 2001-2002 could not be fully utilised, the actual expenditure being Rs. 0.72 crore. Further in the year 2002-2003 the amount of Rs. 0.84 crore was kept which was enhanced to Rs. 1.32 crores. For the annual plan of 2003-2004, the amount has been reduced to Rs. 1 crore. The Committee apprehends that with the reduced allocation the schemes of promotion of Philately will suffer a setback. The Committee, therefore, recommends that the sufficient amount be allocated so that the Department can boost up the work relating to upgradation of Philately.

Action taken by the Government

During 2001-02, though computers were procured, some delay occurred in settlement of bills with DGS&D. Payment to the tune of Rs. 0.48 crore has spilled over to 2002-03, resulting in shortfall in achieving financial targets of the Annual Plan 2001-2002. Accordingly, this spill over amount has enhanced the financial target of the Annual Plan 2002-2003 from Rs. 0.84 crore to Rs. 1.32 crore. Though estimated expenditure for the Annual Plan 2003-2004 was Rs. 1.247 crores and it has the approval of the Standing Finance Committee (SFC) of the Department of Posts in its meeting held on 28.11.2002, the amount finally allocated at the BE stage is only Rs. 1.0 crore, resulting in the pruning of Rs. 0.247 crore. The matter has been taken up, to make necessary additional allocations at the RE stage, as per the estimated expenditure approved by the SFC.

Recommendation/Observation (Para No. 54)

The Committee notes that out of 2000 plots owned by the Department of Posts all over the country, 797 plots are lying vacant in urban areas. 160 plots out of them are under encroachment and 48 plots are having legal cases pending with various State Government/Local administrative authorities / police stations. The Committee finds that the number of plots lying vacant is quite large and are not put to any use. In fact valuable real estate resources of the Department are being flittered away in the shape of encroachment. Department has no resources to even protect them from encroachment not to speak of building Post Offices in them. The Committee, therefore, recommends that the possibility of commercial utilization of these plots which will earn some non-tariff revenue for the Department be explored. The Committee would like to be apprised in this regard.

Action taken by the Government

Department had acquired / purchased most of the plots at a nominal reserved price through State Governments for public purpose *i.e.* construction of Post Offices / Administrative Offices and Staff Quarters. Many plots are gifted by village Panchayats for Post Offices. In case of use of these plots commercially, department will have to face public resentment, legal hurdles and also pay huge amount in the shape of change of land use charges to State Governments.

Recommendation/Observation (Para No. 62)

The Committee notes with satisfaction that the Department has supplied 24 new additional vehicles during Plan period and 2 new additional vehicle in 2002-2003 for introduction of cash cum mail schedule on Kohima-Dimapur routes. For the Tenth Plan, the Department intends to introduce 5 new additional vehicles subject to justification and approval of the Ministry of Finance. The Committee therefore, urges the Department of Posts to apprise the Ministry of Finance of the prevailing situation in a convincing manner so that vehicles are provided in time to make the functioning of postal network ore smooth in NE Region.

Action taken by the Government

Keeping in view the transport problems in the North Eastern Region, proposals for supply of seven(7) new additional vehicles have been included in the 10th Five Year Plan. Efforts will be made to obtain the approval of the Ministry of Finance.

Recommendations/Observations (Para No. 68)

The Committee notes that an outlay of Rs. 71.05 crore has been approved under Tenth Five Year Plan for setting up of Automatic Mail Processing Centres (AMPC). The Department had proposed an amount of Rs. 55 crore for 2001-2002 for the same which was reduced to Rs. 45.90 crore by the Planning Commission, this was further reduced to Rs. 1.04 crore at RE stage. The actual expenditure by the Department for the year 2001-02 was only Rs. 0.83 crore. The Committee would like to be apprised of the reasons for underutilization of funds. For the year 2002-2003, the amount proposed by the department was Rs. 43.92 crore, this was again reduced to Rs. 24.00 crore by the Planning Commission, the same amount was again slashed to Rs. 15 crore at RE stage. The amount projected for 2003-2004 was Rs. 30 crore whereas the amount approved by the Planning Commission is stated to be Rs. 0.05 crore, the reason forwarded by the Department for the same is that due to the non-completion of the process of obtaining approval of Revised Cost Estimates (RCE) from the EFC. The Committee in this regard, is not at all impressed by the reasons forwarded by the Ministry, The Committee, therefore, strongly feels that these procedural matters like getting up of approval from EFC should be resolved at the department level at the earliest. Every year the department has given the same reply to the Committee but the fact remains that the project of opening of AMPC at Kolkata has further been shifted to 2004-2005 denying benefit of speed mail movement to the people. The Committee is also constrained to take the view that the Planning Commission is not giving due importance to the Department's projections of setting up of AMPC. The Committee, therefore, strongly desires the Department of Posts to convince the Planning Commission to understand the importance of opening of AMPC at the earliest. The Committee, further desires that the process for obtaining approval of EFC be accelerated so that the opening of AMPC at Kolkata and Delhi could materialize at the earliest.

Action taken by the Government

The thrust of this para is on the delay in installation and commissioning of AMPC Kolkata. In this case, the original EFC was approved by Ministry of Finance. However, since the negotiated price obtained after the tendering exercise for given set of equipment was found to be more than 20% of the outlay approved by the EFC, there is need to obtain approval of EFC for the Revised Cost Estimates. The Department moved revised Cost estimate proposal for circulation in Oct. 2002. The appraisal notes and observations thereon was received by the Department from Planning Commission and Ministry of Finance

by

Dec. 02. Based on their observations the RCE proposal was further modified. It was further decided that in the light of the developments taking place in the profile of mails at Kolkata over the years the entire proposal, should be re-examined afresh. The Department is moving the revised cost estimate proposal and shall seek the approval of the Departmental EFC for the Kolkata Project as per the recent mail profile of the Circle.

In so far as the AMPC project at Delhi is concerned, exercise is underway to formulate the proposal for consideration of EFC during the Current Year.

CHAPTER IV

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

Recommendation/Observation (Para No. 9)

The Committee notes that out of the total Tenth Plan outlay of Rs. 1350 crore, Rs. 150 crore was earmarked in the first year of plan *i.e.* 2002-2003 which was reduced to 95 crore by the Planning Commission at the RE stage. Due to such reduction, there was a drastic financial curtailment in various schemes. It effected the schemes like expansion of Postal Network and others. The Committee, further notes that there were delays on the part of the Department which were due to pending approvals from the Competent authority or non-implementation of plan schemes. The Committee is surprised to know that out of 20 schemes, 9 schemes are still in pipeline and the DoP could not make much headway. The Committee, therefore, strongly recommends that the Department should take effective steps to get the approval of pending 9 schemes at the earliest which can facilitate the Department to focus solely on the implementation process and make good shortfalls that occurred in 2002-2003. The Committee, further believes that the Planning Commission will also give top priority in sanctioning the proposals projected by the Department so that the schemes do not get hampered. The Committee trusts the DoP will make every efforts to get the approval of the Cabinet at the earliest and hopes that allocation will be fully utilised within the financial year.

Action taken by the Government

Implementation of Plan schemes is initiated after approval of the competent authority is obtained for each plan scheme during the period of the Five Year Plan, including its phasing and outlay. In 2002-03, though the Annual Plan was approved early, the schematic breakup for the Tenth Five Year Plan as a whole could be obtained only in the month of Sept. 2002 due to certain technical reasons. This delayed the initiation of the process of obtaining necessary approvals from the competent authority for all the plan schemes. Schemes involving outlays exceeding Rs. 5 crores, require inter ministerial consultations, and projects beyond Rs. 50 crores have to be approved by the Finance Minister, and above Rs. 100 crores by the CCEA. Focused efforts were made from October 2002 to complete the formalities required for securing approvals. By 31.03.03, the Department was in a position to secure approvals for around 11 schemes. As on 30.06.2003, approvals have been obtained for all schemes barring the 4 schemes indicated below :—

1. Computerization of Post Offices, Postal accounts offices & Administrative Offices

2. Automatic Mail Processing Centres
3. Construction of Buildings
4. National Data Centre

In the cases of the schemes relating to Computerisation of Post Offices, Postal Accounts Offices and Administrative Offices and Construction of Buildings, EFC has already scrutinized the proposals and recommended them for consideration of CCEA, which is the competent authority.

Since plan funds cannot be utilised before the schemes are approved by the competent authority, allocation was pruned at the Revised Estimate level to Rs. 95 crore in consonance with the anticipated level of fund utilisation by the end of the financial year. In the Plan scheme 'Expansion of Postal Network', for example, which was approved by the competent authority on 18.11.2002, the Department, due to its focused efforts, was able to open 241 Extra Departmental Branch Post Offices, 25 Sub Post Offices and 1482 Panchayat Sanchar Sewa Kendras out of the overall target of 250 Extra Departmental Branch Post Offices, 25 Sub Post Offices and 1500 Panchayat Sanchar Sewa Kendras. During the current year, efforts are under way to ensure that plan schemes are implemented as per phasing approved by the competent authority, which will enable the Department to make up for lost time.

Comments of the Committee

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

Recommendation/Observation (Para No. 61)

The Committee notes that North-Eastern region is served by two Postal Circles one located at Assam which is Co-terminous with the geographical boundaries of the Assam State and the other located at Shillong looking after the States of Meghalaya, Manipur, Arunachal Pradesh, Mizoram, Tripura and Nagaland. Because of the difficult terrain's of these States, it is very cumbersome to administer mail management from Shillong. Setting up of another Circle with Headquarters at Dimapur for the States of Nagaland, Manipur and Arunachal will help improve mail management in the entire North-Eastern States. A proposal to that effect is pending with the Ministry of Finance. The Committee desires that the matter may be pursued vigorously with a view to relax the prescribed norms for bifurcation of existing North-East Circle.

Action taken by the Government

The matter stands referred to Ministry of Finance since 18-1-2002 to consider relaxation of the prescribed norms for bifurcation of North-Eastern Circle. Their response is still awaited despite repeated, periodical reminders on 5.12.2002, 10.1.2003, 5.2.2003, 7.3.2003, 01.04.2003 and 13.05.2003.

Comments of the Committee

(Please *see* Para No. 11 of Chapter I)

CHAPTER V

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

Recommendation/Observation (Para No. 26)

The Committee is disturbed to note that in Ninth Plan physical targets for opening EDBOs and DSOs was 2500 and 250 respectively and which was reduced to 1000 EDBOs and 100 DSOs in Tenth Five Year Plan *i.e.* more than 50% reduction in Expansion. The reason for the same is stated to be opening of EDBOs purely on re-deployment basis. The Department also admitted the fact that with the each successive year, it will become difficult to open EDBOs solely by re-deployment as it involves removing of one person from an existing double handed or triple handed branch office and utilising his services for opening EDBOs in a new area. The Committee also notes that a study is being conducted by the Planning Commission on the Rural Postal Network. The Committee therefore, will like to be apprised of the findings of the study. At the same time it strongly urges that the Department of Posts should take up the matter with the Ministry of Finance at the highest level apprising them of the problems occurred due to re-deployment and reduction in the number of EDBOs, DSOs which is hampering the Expansion of Postal Network in rural areas. At the same time it strongly urges the Department to enhance the targets in consonance with the demand.

Action taken by the Government

The fact that the strategy of opening Branch Offices through re-deployment has limitation cannot be denied because there is a limit to re-deploying manpower without affecting the work in these offices. The independent study on “Rural Postal Network including the Panchayat Sanchar Sewa Yojana” commissioned by the Planning Commission is in progress and the report is due shortly. After the receipt of the report, its findings will be intimated to the Committee. A decision on the modes of increasing access to postal facilities will be taken keeping in view the findings of the study. The concerns of the Committee will also be kept in mind while processing the proposal.

Recommendation/Observation (Para No. 30)

The Committee observes that for the Tenth Five Year Plan the Department has proposed for opening of 7500 PSSKs which was reduced to 5000 by the Planning Commission due to which there was proportionate reduction in the number of allocations in first two years *i.e.* 1500 and 900. The Committee is of the view that the downsizing of number of PSSKs by the Planning Commission will hamper the Department’s work of providing basic postal facilities in rural areas. The Committee therefore, recommends that matter may be looked into again so that sufficient number of PSSKs are opened at the rural level.

Action taken by the Government

Once the findings of the study on “Rural Postal Network including Panchayat Sanchar Sewa Yojana” are available with the Department, a view could be taken on whether to enhance the targets for opening of PSSKs. The Department has been making every possible endeavour to open the required number of PSSKs as per targets. However, opening of a PSSK is subject to the Panchayat indicating its willingness to provide the requisite infrastructure and undertaking the responsibility of monitoring the services provided through it.

Recommendation/Observation (Para No. 31)

The Committee further notes that the Planning Commission is conducting a study on the rural network, including PSSKs. The Department of Posts has also stated that once the result of the study is received it will look into the question of revising the overall targets for opening PSSKs. The Committee trusts that the Planning Commission will take into the consideration the necessity of opening up of PSSKs in the rural level and will come to a conclusion accordingly. The Committee would like to be informed of the findings of the study. The Committee further expects that the Department of Posts will also re-look into the question of downward revision of overall targets of PSSKs and make formulation at the earliest as the PSSKs appear to be the only prospect available to rural people for postal facilities.

Action taken by the Government

A decision on what the most effective mode of delivery for providing postal services in rural areas will be taken once the findings of the independent study and the feedback available with the Department are both taken into consideration. The Committee's observations will also be taken into consideration when formulating the strategy for increasing access to postal services.

Recommendation/Observation (Para No. 56)

The Committee further finds that the Ministry of Urban Development and Poverty Alleviation has come with the proposal of public-private partnership for construction of houses for economically weaker sections wherein it is proposed to permit commercial exploitation of surplus land with Government Departments with the dual aim of revenue generation and utilizing a part of the proceeds for economically weaker sections housing. The proposal is stated to have been examined by a task force. The Committee is happy to note the said proposal. The Department is said to be waiting for the final recommendation of the Ministry of Urban Development & Poverty Alleviation. The Committee would like to be informed of the findings of the Ministry of Urban Development and Poverty Alleviation in this regard.

Action taken by the Government

Ministry of Urban Development and Poverty Alleviation has not yet finalized its proposal for public-private partnership.

NEW DELHI;

December 19, 2003

Agrahayana 28, 1925 (Saka)
Committee on

Information Technology.

SOMNATH
CHATTERJEE,

Chairman,
Standing

MINUTES OF THE THIRTY-FOURTH SITTING OF THE STANDING COMMITTEE
ON INFORMATION TECHNOLOGY
(2003)

The Committee sat on Friday, 19 December, 2003 from 15.00 hrs. to 16.00 hrs. in Committee Room No. 070, Parliament Library Building, Parliament House, New Delhi

PRESENT

Shri Somnath Chatterjee—*Chairman*

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Prof. Dukha Bhagat
4. Shri Rama Mohan Gadde
5. Shri K.K. Kaliappan
6. Shri A. Krishnaswamy
7. Shri Bhartruhari Mahtab
8. Shri Saroj Tufani
9. Shri K.A. Sangtam
10. Shri Nikhil Kumar Chowdhary
11. Shri Vanlalawma
12. Shri Charanjit Singh
13. Dr. Bikram Sarkar

Rajya Sabha

14. Shri Balbir K. Punj
15. Shri Rajeev Shukla

SECRETARIAT

1. Shri S.K. Sharma — *Joint Secretary*
2. Shri S.K. Sharma — *Officer on Special Duty (IT)*
3. Shri B.D. Swan — *Under Secretary*
4. Shri D.R. Shekhar — *Assistant Director*

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

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|-------|-----|-----|-----|-----|-----|
| (i) | *** | *** | *** | *** | *** |
| | *** | *** | *** | *** | *** |
| (ii) | *** | *** | *** | *** | *** |
| | *** | *** | *** | *** | *** |
| (iii) | *** | *** | *** | *** | *** |
| | *** | *** | *** | *** | *** |

- (iv) Draft Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in its Forty-Eighth Report on Demands for Grants (2003-2004) relating to the Department of Posts.

- | | | | | | |
|-----|-----|-----|-----|-----|-----|
| (v) | *** | *** | *** | *** | *** |
| | *** | *** | *** | *** | *** |

3. The Committee, then, authorized the Chairman to finalise and present the above mentioned Reports to the House in light of the factual verifications received from the concerned Departments/Ministries.

The Committee then adjourned.

ANNEXURE II
[Vide Para No. 5 Introduction of the Report]

*Analysis of Action Taken by Government of the Forty-Eighth Report (Thirteenth Lok Sabha) of the
Committee*

(i)	Total No. of Recommendations/Observations:	21	
(ii)	Recommendations/Observations which have been accepted by the Government: (Paragraph Nos. 25, 32, 40, 41, 42, 43, 44, 55)		Total : 9 Percentage : 42.86
(iii)	Recommendations/Observations which the Committee does not desire to pursue in view of the reply of the Government: (Paragraph Nos. 23, 24, 27, 50, 54, 62, 68)		Total : 5 Percentage : 23.81
(iv)	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration: (Paragraph Nos. 9, 61)		Total : 2 Percentage : 9.52
(v)	Recommendations/Observations in respect of which replies are of interim nature: (Paragraph Nos. 26, 30, 31, 56)		Total : 5 Percentage : 23.81