

SEVENTH REPORT

STANDING COMMITTEE ON
COMMUNICATIONS
(1999-2000)

(THIRTEENTH LOK SABHA)

MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF POSTS)

[Action Taken by Government on the Recommendations/Observations
contained in the Fourteenth Report (Eleventh Lok Sabha) of
Standing Committee on Communications on 'Postal Network']

Presented to Lok Sabha on.....

Laid in Rajya Sabha on



LOK SABHA SECRETARIAT
NEW DELHI

March, 2000/Phalguna, 1921 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON
COMMUNICATIONS (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. Adv. Uttamrao Dhikale
10. Shri T. Govindan
11. Shri Jawahar Lal Jaiswal
12. Shri K.K. Kaliappan
13. Shri Shreechand Kriplani
14. Dr. C. Krishnan
15. Shri Bhartruhari Mahtab
16. Shri Simranjit Singh Mann
17. Shri G. Ram Mohan
18. Shri A.K. Moorthy
19. Shri Karia Munda
20. Shri K. Balrama Krishna Murthy
21. Shri Sheeshram Singh Ravi
22. Shri K.A. Sangtam
23. Shri Saroj Tufani
24. Sardar Buta Singh

(iv)

25. Shri Chandra Vijay Singh
26. Rajkumari Ratna Singh
27. Shri Vinay Kumar Sorake
28. Shrimati D.M. Vijaya Kumari
29. Vacant
30. Vacant

Rajya Sabha

31. Dr. M.N. Das
32. Shrimati Veena Verma
33. Shri Balkavi Bairagi
34. Shri Shatrughan Sinha
35. Shri Narendra Mohan
36. Dr. Mahesh Chandra Sharma
37. Dr. Y. Radhakrishna Murthy
38. Shri Munavvar Hasan
39. Shri S. Agniraj
40. Shri Kartar Singh Duggal
41. Miss Lata Mangeshkar
42. Vacant
43. Shri R.N. Arya
44. Vacant
45. Vacant

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*

INTRODUCTION

I, the Chairman, Standing Committee on Communications (1999-2000) having been authorised by the Committee to submit the Report on its behalf, present this Seventh Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in its Fourteenth Report (Eleventh Lok Sabha) on 'Postal Network' relating to the Ministry of Communications (Department of Posts).

2. The Fourteenth Report was presented to Lok Sabha on 3 December, 1997 and was also laid in Rajya Sabha on 31 March, 1998. The Government furnished Action Taken Notes on the recommendations contained in the Report on 9 June, 1998.

3. The Report was considered and adopted by the Committee at its sitting held on 1 March, 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 Fourteenth Report (Eleventh Lok Sabha) of Standing Committee on Communications is given in Appendix-II.

NEW DELHI;
3 March, 2000

13 Phalgun, 1921 (Saka)

SOMNATH CHATTERJEE,
Chairman,
Standing Committee on Communications.

CHAPTER I

REPORT

This Report of the Standing Committee on Communications deals with the action taken by the Government on the recommendations contained in the Fourteenth Report (Eleventh Lok Sabha) on Postal Network relating to the Ministry of Communications (Department of Posts).

2. The Fourteenth Report was presented to Lok Sabha on 2.12.1997 and was also laid on the Table of Rajya Sabha on 31.3.1998. It contained 51 Observations/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.: 10, 21, 32, 33, 40, 60, 61, 62, 79, 101, 106, 119, 126, 128, 135, 155, 157, 161 and 165

Total: 19

Chapter II

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

Paragraph Nos.: 8, 9, 31, 39, 59, 77, 78, 84, 102, 105, 108, 117, 134, 141, 142, 156, 171 and 173

Total: 18

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.: 20, 57, 58, 68, 104, 118, 136, 149 and 176

Total: 9

Chapter IV

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

Paragraph Nos.: 34, 63, 103, 107 and 116

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 Government to implement the recommendations in their 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 Action Taken Notes in respect of the recommendations contained in Chapter V of this Report (Paras 34, 63, 103, 107 and 116 of the Fourteenth Report) may be furnished to it urgently and in no case later than six months of the presentation of the Report.

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

Implementation of Postal Excellence Committee Recommendation

Recommendation (Para No. 9)

6. The Committee in its Fourteenth Report had noted that the Department of Posts (DoP) has not evolved any consistent Policy. There was no Postal Policy. Objectives had not been defined in concrete terms and no attempt was made to ascertain the need of the customer. It further observed that as early as 1989, the Postal Excellence Committee under the Chairmanship of Shri Lal and Social Audit Panel headed by Justice Bhagwati had recommended to the Department to give top priority to ascertain customers' needs of cost effective and efficient postal services. However, the Department had not ascertained the needs of the customer or the cost-consciousness of the customer.

7. The Department of Posts in its Action Taken Note has stated that it has finalised the formal document of the National Postal Policy and the same has been placed before the Consultative Committee of Parliament attached to the Ministry of Communications.

8. The Department has also stated to have taken cognizance of the recommendations of the Expert Committee and is now emphasising on development and redesigning of value added services and products aimed at specific needs for identified customer segment, based on extensive market survey and promoted through adequate marketing strategy. The Department has accepted 109 of the 155 recommendations made by the Social Audit Panel so far. Another 31 recommendations are stated to be under active consideration, while 15 recommendations have not been accepted by the Department.

9. The Committee notes that the Department of Posts has finalised the National Postal Policy Document and a copy of the same has been submitted to this Committee subsequent to the action taken notes. The Committee also appreciates that the Department has accepted 109 out of the 155 recommendations of the Social Audit Panel. Another 31 recommendations are under consideration of the Government while 15 have not been accepted by the Department. The Committee would like to be apprised of the nature of those 15 recommendations of the Postal Excellence Committee and the reasons for their non-acceptance.

Autonomy to Postal Services Board

Recommendation (Para No. 20)

10. The Committee in its earlier Report had observed that the Postal Board had not been vested with adequate powers. It had no autonomy on the pattern of Railway Board. Even for intra-departmental matters like recruitment, promotions and other petty matters it was required to seek approval from the Department of Personnel/Ministry of Finance. It further observed that as early as in 1989 even though the Expert Committee on Excellence in Postal Services in its Report recommended that lack of sufficient financial, personnel and operational powers with the Board comes in the way of effecting changes, innovations and technological improvements which have to be made in response to changing customer requirements and market needs. The Department of Posts had stated that it was under consideration. The Committee desires an early decision in this regard particularly for restructuring of the Department to make it operational and more efficient.

11. The Department of Posts in its Action Taken Note has stated that steps have been taken to restructure the administrative and financial set up of the Board. The power to decide the disciplinary cases referred to the apex level, earlier vested with the Secretary, has been delegated to the concerned Member of Board. Also, financial powers earlier exercised by the Secretary was now available to the concerned Members of the Board. This action has been taken to ensure smooth operation of the services offered, particularly those within the purview of the Postal Life Insurance Directorate and the Business

Development Directorate. These Directorates were set up to focus on premium production and life insurance schemes, improve efficiency and enhance business generation since the Department was facing competition in these key areas.

12. In the Action Taken Note, the Department of Posts, has stated that the views of the Standing Committee on Communications regarding consideration of the recommendations of Expert Committee on Excellence on Postal Services on the power of the Board, would be focussed upon by the Department of Posts. It is also proposed to request the Ministry of Finance to delegate the power to the Department for creation of ED posts in order to facilitate achievement of plan targets for opening of post-offices. This power was earlier available to the Department but was withdrawn *vide* Ministry of Finance, Department of Expenditure O.M. No. 7(12)-E Coord/94 dated 29/3/94.

13. The Committee trusts that the matter for delegation of power for creation of ED posts will be taken up by the Department of Posts with the Ministry of Finance at the highest level so that posts can be created at the earliest and the plan targets for opening of post-offices are achieved in time. The Committee will also like to be apprised of the progress made in this regard.

Opening of Post-Offices

Recommendation (Para Nos. 57 and 58)

14. The Committee in its earlier Report had noted that there were 4.74 lakh villages which did not have Post-offices. Of these 1.10 lakh villages were Gram Panchayat villages. It further noted that on the basis of two out of three norms evolved by the Department, there were at least 8041 Gram Panchayat Villages which justified opening of post-offices. If third norm was also involved then at least 6000 of these villages would qualify for opening of post-offices. The Committee considered it to be a matter of grave concern that these villages was being denied facilities of postal services on the plea of non-availability of funds. The Committee, therefore, desired that post-offices should be provided in all these villages at an early date and question of allocation of funds should be taken up with the Planning Commission and the Ministry of Finance at the highest level. Aspirations of the people of these villages should be fulfilled at an early date.

15. The Department in its Action Taken Note has stated that in the background note for framing the 9th Plan targets, it has been projected to the Planning Commission that 8041 villages in the country justify opening of a Post-Office on the two norms of distance and population. The third norm of income is examined when a concrete proposal is formulated. It has been stated that it was against this background that the 9th Plan targets for opening 2500 Extra Departmental Branch Post Offices (EBDOs) and 250 Departmental Sub Post Offices (DSOs) throughout the country were proposed. During the Annual Plan 1997-98, 402 EDBOs and 52 DSOs have been sanctioned. Under the Annual Plan 1998-99, a target for opening 500 EDBOs and 50 DSOs has been fixed but this would be achieved only when the required number of posts in various categories are sanctioned by the Ministry of Finance.

16. The Committee is not satisfied with reply of the Government that under the Annual Plan 1998-99, a target for opening 500 Extra Departmental Branch Offices (EDBOs) and 50 Departmental Sub-Post Offices (DSOs) has been fixed and that the same would be achieved only when the required number of posts in various categories would be sanctioned by the Ministry of Finance. The Committee, strongly, feels that since there is hardly any justification in denying post-offices to about 6000 villages which qualify the norms for having a post-office, the matter should consistently be pursued with the Ministry of Finance at the highest level. Besides, some alternative means of providing basic postal services should be explored so that aspirations of the people of these villages are fulfilled without any further delay.

Review of Panchayat Sanchar Sewa Yojana

Recommendation (Para No. 68)

17. The Committee in its earlier Report had noted that Panchayat Sanchar Sewa Yojana was not favoured by the Village Panchayat in almost all the States where it was introduced. The Committee was of the opinion that the remuneration payable under the scheme would have to be revised upward to make the Yojana attractive. Otherwise, the Committee felt, the scheme would have to be abandoned.

18. The Department in its Action Taken Note has stated that the purpose sought to be achieved by the Panchayat Sanchar Sewa Yojana continues to remain unachieved as it has not benefited the areas it was targetted at and the rural masses continue to go to the nearest post office for transacting postal business and bring postal stamps and stationery items. It has been stated that increasing the remuneration might defeat the whole purpose of providing basic postal facilities to remote areas at a low cost. It is stated that this factor would be taken up for consideration while reviewing the scheme once feed-back is received from all the Circles.

19. The Committee is not satisfied with the reply of the Government that increasing the remuneration might defeat the whole purpose of providing basic facilities to remote areas at a low cost. The Committee is of the opinion that the remuneration should be sufficient to compensate for the work involved. Unattractive remuneration may have been one of the reasons for failure of the scheme. The matter may be considered in depth at the time of the review of the scheme.

Upgrading Speed-Post Service

Recommendation (Para No. 104)

20. The Committee had observed in its Fourteenth Report (Eleventh Lok Sabha) that the Department of Posts had been losing Speed Post business to private couriers. Considering the norms of 24 hours for Speed Post Service on the higher side where stations are connected by Air, the Committee had desired that the Department should conduct a comparative study of the time taken by private couriers *vis-a-vis* Speed Post with a view to take corrective action.

21. The Department of Posts in its Action Taken Note has stated that a market survey to carry out a comparative study as recommended by the Committee has been assigned to one of the research agencies.

22. The Committee desires that in order to make the Speed Post Business effectively compete with the private couriers, the market survey assigned by the Department to carry out a comparative study of the time taken by private couriers *vis-a-vis* Speed Post should be expedited. The Committee would like to be informed of the findings of the market survey and the action taken by the Department on the same.

Money-orders related complaints

Recommendations (Para No. 118)

23. The Committee in its Report on Postal Network had noted that number of money orders related complaints were on the increase. It was 2,42,100 in 1993-94; 2,67,200 in 1994-95 and 2,86,900 in 1995-96. The Committee had enquired about the number of complaints which were pending for more than one year, more than 2 years and more than 3 years out of the 19,805 complaints pending at the end of 1995-96 and also the nature of these complaints.

24. The Department of Posts has informed in its Action Taken Note that out of 19,805 complaints pending with the Department as on 31.3.1996, 18,913 complaints are pending for less than 3 months, 824 complaints between 3—6 months, 62 complaints between 6—12 months. There were 6 complaints stated to be pending with the Department for a period of more than one year. The delay in settlement of these complaints was due to either frauds, misappropriation of the amounts of money orders or litigation in Courts etc. In case of wrong payment, delay was caused in the recovery of the amount from the wrong payee. A continuous watch is stated to be kept over these complaints and these were reviewed at regular intervals for quicker settlement. It has been further stated that on inquiries, it was found that mostly the complaints were about non-receipt of acknowledgment by the remitters. In such cases, a certificate of payment was issued or in case the remitter insisted, the written statement of payee was obtained and sent.

25. The Department was stated to be handling traffic of about 100 millions of money orders every years and the rise in the absolute number of complaints was stated to be primarily due to increase in traffic being handled. The DoP has further contended that while there had been a slight increase in complaints over the past year, the number

of complaints have come down by the efforts of the Department as shown below:—

| Year | No. of complaints received (in 000's) | Traffic of MOs handled (in 000's) | Percent |
|---------|---------------------------------------|-----------------------------------|---------|
| 1993-94 | 242.1 | 98670 | 0.246 |
| 1994-95 | 267.2 | 101869 | 0.276 |
| 1995-96 | 286.9 | 105727 | 0.271 |
| 1996-97 | 284.7 | 112470 | 0.253 |

26. The Committee appreciates that DoP is handling money order traffic of more than 100 million every year and that increase in the number of complaints was primarily due to increase in traffic being handled. However, the Committee will like to point out that frauds and misappropriation of money order and its delivery to wrong person not only spoils the reputation of the Department but also brings avoidable problems to the senders/recipient of money orders. As it involves hard earned money of the people, procedure should be streamlined and monitoring mechanism strengthened to reduce the number of complaints as well as the time taken to redress the grievances of the aggrieved persons.

Customer Care Centre

Recommendation (Para No. 136)

27. The Committee had recommended in its earlier Report that since seven Customer Care Centres established so far cannot cover the entire country, more such Centres in Metropolitan cities and State Capitals should be opened. These Centres should be empowered to take decision on Customer's complaints or legitimate demands which can be fulfilled with the resources and machinery available with Circle Headquarters.

28. The Department of Posts in its Action Taken Note has stated that initially it was decided to set up Computerised Customer Care Centres in 36 important towns in 1997-98 including 7 Centres which are already working and a sum of Rs. 1.83 crores was provided to the Public Grievances Branch during 1997-98. The establishment of the remaining 29 Customer Care Centres would be possible in the successive years with provision of adequate funds.

29. It has further been stated that as a part of Action Plan to operationalise the directives of the Cabinet Secretariat to make the public services more open, transparent and responsive to the needs of the customers, the existing enquiry counters of all the important post offices have been converted into 'Information and Facilitation Counters' (IFCs). 423 such counters have been provided with Multipurpose Counter Machines.

30. The Information and Facilitation Counters are stated to be providing basic information relating to various postal services covering the customer such as information relating to tariff, various saving schemes available through the post offices, Pin Codes, information about PLI Premium and other Postal Services. Particulars of authorities to be contacted for redressal of various customer grievances alongwith prescribed time periods are also furnished. The counters also provide the facility for the customers to lodge complaints and receive acknowledgment for the same.

31. The Committee appreciates the steps taken by the Department to convert the existing enquiry counters of the important post-offices into Information and Facilitation Counters in order to make public services more open, transparent and responsive to the needs of the customers. The Committee considers it a step in the right direction. However, it reiterates that the Department should expedite setting up of 29 Customer Care Centres proposed during 1997-98.

Manpower for PLI/RPLI Operations

Recommendation (Para No. 149)

32. The Committee had observed in its earlier Report that for Postal Life Insurance Operations, no additional staff was sanctioned since last one decade due to ban on creation of posts by the Ministry of Finance. Also for rural PLI introduced *w.e.f.* 24.3.95, the Postal employees although getting incentives were overstretched due to inadequate manpower. The Committee had further noted that sanction of required staff for PLI/RPLI operations was taken up with the Ministry of Finance. The Committee had recommended that the Department of Posts be sanctioned required manpower to cope up with the increased workload of additional schemes which have been taken up from time to time for providing a wider and more efficient Postal Network.

33. The Department of Posts in its Action Taken Note has stated that the Work Study Section of Postal Directorate has to finalise norms for PLI and Rural PLI. The staff requirement on the basis of these norms is to be worked out in each Circle for PLI and Rural PLI work and a fresh proposal for creation of justified posts in each Postal Circle will be sent to the Ministry of Finance through Internal Finance for exempting PLI/RPLI from ban on creation of additional posts.

34. The Committee regrets to note that even after 4 years of implementation of Rural PLI since 1995, PLI was under operation even before that, the Department of Posts has not yet finalised the norms for PLI and Rural PLI. This reflects poorly on the functioning of the Department of Posts. The Committee, therefore, reiterates that the staff requirement commensurate with the increased quantum of workload should immediately be worked out and be taken up with the Government to get the required manpower sanctioned.

Report of Justice Talwar Committee

Recommendation (Para No. 176)

35. The Committee in its Report on Postal Network had observed that the Department of Posts had processed recommendations of the Justice Talwar Committee in consultation with several staff federations and the Report was awaiting approval of the Ministry of Finance. The Committee had desired the Department of Posts to take up the matter with the Ministry of Finance with a view to expedite its approval.

36. The Department of Posts in its Action Taken Note has stated that proposals on the recommendations of Justice Talwar Committee on Postal Extra Departmental System were included in the draft note for the Cabinet and the same was forwarded to the Ministry of Finance on 17.9.1997. The Ministry of Finance vide U.O. No. 7(44)/E-III (A)/97-KW dated 9.1.1998 had advised that since the recommendations of Justice Talwar Committee have far-reaching policy and considerable financial implications, they may appropriately be considered by the new Government. Accordingly, a fresh Cabinet note was being submitted.

37. The Committee will like to be apprised of the latest position about the implementation of recommendations of Justice Talwar Committee on Extra Postal Departmental Employees and the salient recommendations made by the Committee.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 10)

In the absence of clear-cut policy objectives, private couriers exploited a lacuna in the law and started parallel postal service in the garb of document carrying service. The private couriers have firmly established themselves in business earning substantial profits due to the failure of Department of Posts to anticipate the needs and demands of the customers in time. When a very large segment of the requirement was catered to by the private couriers, the Department started 'Speed Post' service. The Committee, therefore, strongly urge the Department to ascertain the customers' need and their cost consciousness and formulate a Postal policy expeditiously clearly defining, services to be rendered and price to be charged for its services to seize the opportunities available. The inordinate delay in formulation of National Postal Policy which has been taken up since 1992, speaks poorly on the functioning the Department of Posts.

Action Taken Note

There are twenty four services, including agency functions, provided by the department today, and the present tariff in respect of only six of these services leads to generation of revenue which is adequate to cover the costs of operation.

The department is now seeking to segment its areas of activity catering for business and commercial sector and those for meeting universal service obligation with a view to improving quality of service and generation of revenue.

Market surveys on the courier service industry *vis-a-vis* the Speed Post service are being carried out periodically through independent research agencies. In the current financial year also a market survey on "Efficacy of Speed Post versus couriers" is being carried out. The report of this survey will be published by March end this year. In addition, in Calcutta, Chennai, Delhi and Mumbai, market surveys are

being carried out to assess the market share of couriers as compared to Speed Post. These surveys aim at understanding the marketing strategies of the couriers and developing a suitable strategy for Speed Post.

Customer meets, inviting business customers in particular, are held at all Speed Post Centres.

The steps taken by the Department to improve the Speed Post service, on the basis of customer feedback are as below:—

1. Electronic track-and-trace system, to trace the movement of articles from the point of booking to the point of delivery, has been introduced at 8 metros. This system is proposed to be extended to 12 more centres in 1998-99.
2. Electronic track-and-trace system, developed by the Universal Postal Union, for tracing international Speed Post articles will become operational in 4 metros in 1998-99.
3. Speed Post delivery system has been streamlined by introduction of the nodal delivery concept, mechanisation of delivery through provision of mopeds and improved monitoring.
4. Speed Post network has been extended to many more centres, bringing the total number of National Speed Post centres to 77 and State Speed Post centres linking small towns to 274. International Speed Post service is now available for 89 countries.
5. Contractual Speed Post service for regular users has been introduced providing for pick-up from customer premises, credit facility, volume-based discount, delivery anywhere in India.
6. Speed Post Money Order service to 77 National Centres is now available.
7. Speed Post Gift services is available in metros.
8. Insurance facility has also been introduced.

The Department of Posts has finalised the National Postal Policy which has been placed before the Consultative Committee of Parliament attached to the Ministry of Communications.

Recommendation (Para No. 21)

With a view to provide enhanced customer satisfaction and optimum use of vast infrastructure, various services like counter functions, transmission of mail, technological upgradation, public relations and business development and security etc., require to be reorganised into separate divisions for focussed attention. A century old procedures and practices should be rationalised in the interest of greater speed and higher efficiency of operations. Such an exercise requires added urgency in view of the stiff competition faced from private couriers particularly in the profitable area of the business of the Department of Posts.

Action Taken Notes

The Department of Posts has commenced rationalisation of the existing procedures and practices, particularly in respect of the premium products.

The steps taken to re-structure the administrative set up are as below:—

- (i) A Business Development Directorate has been set up to provide focussed management for premium products. The administration of all the existing value added services *i.e.*, Speed Post, Express Parcel Service, Hybrid Mail, Corporate Money Order Service and Smart Card based Post Office Saving Bank Service has been transferred from different divisions of the main Postal Directorate to the Business Development Directorate.

An Action Plan has been worked out to improve the efficiency of operation of premium products. The major areas identified are:—

- (a) Restructuring of Business Development Directorate into a separate division for generation of additional resources.
- (b) Provision of improved personalised pick up and delivery of Speed Post article for the regular customer.

- (c) Introduction of Track and Trace System at all major Speed Post Centres.
 - (d) Customisation of procedure in Speed Post Centres to ensure expeditious handling of Speed Post articles.
 - (e) Computerisation of transit mail offices for Speed Post articles in big cities.
 - (f) Training and upgrading the skill of the staff deployed in Speed Post Centres.
 - (g) Better marketing of Speed Post service by organising customer meets and publicity.
 - (h) Implementation of a concept of nodal delivery of Speed Post in Metro cities.
 - (i) Induction of satellite communication system for upgrading various services including money transfer.
 - (j) Induction of automatic sorting machines.
 - (k) Computerisation of front offices as well as integrated computerisation of Post Offices.
 - (l) Mechanisation of delivery system.
- (ii) The Saving Bank and Technology branches of the Postal Directorate are focussing on rationalisation of forms and procedures through constant review. The computerisation of counter services and back-office operations is providing more efficient and speedy services. The very process of computerisation involves rationalisation of existing procedure since this is a step in the customisation of software for various services.
- (iii) A separate Postal Life Insurance Directorate has been set up to facilitate administrative and technical control over PLI operations, quicker decision making and enhanced business generations. Postal Life Insurance Operations have been computerised in all Circles leading to greater speed and efficiency of operations. Rural Postal Life Insurance is also being computerised in the Regions to enhance business generation and efficiency.

- (iv) In the 9th Plan (1997-2002), a new Plan scheme for streamlining of administrative and financial management has been introduced.
- (v) Special emphasis is being given to training of officials in systems operations which would enhance the speed of transactions at the counters.
- (vi) Computerised Customer Care Centres are being set up to provide information to the customer on various services offered by the Department and to facilitate settlement of grievances. Re-organisation of the existing Public Grievances Cell is being taken up simultaneously. To support the computerised counter services provided in various Post Offices, information and facilitation counters are being set up for providing a quick and efficient enquiry system to the customer.
- (vii) The Mails and Transportation Division of the Postal Directorate has been reviewing the existing procedures and practices relating to collection, processing, transitional and delivery of mails. The steps taken are:
 - (1) Separate transmission channels have been provided for business mails, as a result of rationalisation of the existing procedures. Separate channels have also been provided for mails between metros, State capitals and for transmission of periodicals.
 - (2) In the interest of greater speed and efficiency of delivery operations in the metros, mechanisation of delivery system has been initiated through provision of Mopeds to the Postmen.
 - (3) The collection of mail posted in letter boxes at some centres has also been mechanised.
 - (4) Computerisation of mail, sorting and transit mail offices has been initiated.

Recommendation (Para No. 32)

There can be no dispute that Department of Posts will have to continue to perform public utility services. The Committee therefore recommends that for providing better and more efficient services and for expanding its network, the Department should undertake an early study on the cost component of the different services and upon keeping in view the obligation to meet the needs of the vulnerable sections of the community by partial cross-subsidisation. If necessary, the Department should fix or revise the rates of the different services it renders. Which services and to what extent will be subsidised should depend upon its nature and the section of the community which uses such services.

Action Taken Note

Based upon the annual figures of revenue and expenditure as passed by the Parliament an exercise of cost ascertainment of various postal services is done. A need was felt that cost of different postal services and agency functions performed by Department of Posts should be worked out in realistic basis. The cost details should enable the Department if they choose, to price the services provided to different segments of the society in a differential way. Subsidy to some segments may be justified, however, the pricing should be remunerative in other cases. In this context it was essential that the methodology for cost ascertainment of postal services adopted by the Department of Posts is reviewed by the competent authority. Accordingly, on a request from Department of Posts, Cost Accounts Branch, Department of Expenditure, Ministry of Finance, reviewed the methodology of cost ascertainment of postal services. Department of Posts will take necessary action to follow the guidelines laid down in the report. The rates of various postal services are reviewed from time to time keeping in view the cost of the service and the interest of the common man and cheap and wider dissemination of information. The rates of printed postcard and registration fee was revised with effect from 1.10.1996 and rates of 8 postal services, viz. Postcard, Printed postcard, letter card, letter, book pattern and sample packets, parcels, registration fee and Insurance were revised with effect from 1.6.1997. The additional revenue on account of the above rate revision was expected to be Rs. 64 crores and Rs. 367 crores per annum, respectively. A new service called Competition postcard was introduced *w.e.f.* 14.11.96 and additional revenue from this service was estimated as Rs. 11 crores per annum.

Recommendation (Para No. 33)

The Committee learns that in many countries postal departments are earning profits as, they are performing a lot of what may be called, non-postal work like issue of Pass-port. In our country also the Department of Posts is performing certain non-postal functions for other Central Ministries/Departments/State Governments. The need is to augment those services. In this context the Schemes like sale of pass-port forms, presentation of bouquets/gifts on behalf of a customer on his instructions as has been done in some cases merit consideration. It would also help optimise utilisation of manpower particularly in smaller post offices where there is no full-time work at present.

Action Taken Note

The Department of Posts has undertaken a number of agency functions on behalf of other Ministries and Departments.

These are as follows:

- (a) Sale of Passport forms
- (b) Acceptance of Telephone revenue bills
- (c) Sale of Central Recruitment Fee Stamp for UPSC/SSC Exam
- (d) Sale of Revenue Stamp on behalf of State Government
- (e) Payment of Pension
- (f) Mass Mailing Operation
- (g) Gifts Scheme
- (h) Registration of TV Cable Operators
- (i) Hybrid Mail Service

The Department proposes to diversify into many more such non-core activity areas for generation of revenue and also to optimise utilisation of its human resources and its network.

Recommendation (Para No. 40)

The Committee is happy to note that with a view to encourage indigenous technology and avoid costly imports, the Department of Posts is trying to get the electronic franking machines, sorting machines, optimisation of V-SAT networking etc. developed within the country with the help of IIT, Delhi. However, in view of the urgency and importance of these machines in the modernisation process of post-offices, the Committee desires that other Institutes of Technology be also involved in the process and be encouraged to develop the same.

Action Taken Note

The collaboration with the IITs has been carried forward and certain projects have been identified. Proposals with financial parameters have been received and would be considered by the Postal Services Board shortly. Some of these projects pertain to containerisation of mails, development of smart mail packages for monitoring the movements of mails, and setting up of electronic point of sale (EPOS). We have consulted Department of Electronics for VSAT project and evaluation of Franking Machines. RDSO, Lucknow has helped us design our RMS bogies.

As already stated the collaboration of various IITs is being carried forward and individual projects along with financial and other parameters have been identified which are to be further considered by the Postal Services Board.

Recommendation (Para No. 60)

The Committee is distressed to find that during the Eighth Plan, Department of Posts could open only 1546 post offices against the revised plan target of 2090 post offices even though Planning Commission had initially approved 3000 EDBOs and 500 DSOs. Another 750 Panchayat Sanchar Sewa Kendras were opened against the target of 2500. It is an unsatisfactory arrangement that for sanction of each new post, specific approval of the Ministry of Finance is necessary, which disables the Department of Posts from creating posts, even if vitally necessary. According to the Department, it could not achieve the targets even during 7th Plan namely, 5305 post offices and it fell short by 1000, only because of shortage of personnel. The delegated authority to sanction posts was withdrawn from the Department of Posts in March, 1994. Consequently, all the proposals for opening of post offices have to be sent to the Ministry of Finance for sanction for

creation of posts. The Department sent proposals for opening of 77 Extra Departmental Branch Offices and 57 Departmental Sub-Post Offices during 1994-95. However, the Ministry of Finance did not approve any of the proposals. Again, in 1995-96, proposals for opening of 43 Departmental Sub Post Offices and 42 Extra Departmental Branch Offices were sent to the Ministry of Finance out of which approval has been accorded for 6 Departmental Sub-Offices only. For 1996-97 also, proposals for 18 Departmental Branch Post Offices have been sent to the Ministry of Finance by the Department of Posts. The Committee is unable to understand restriction for creation of posts when proposals for opening of post offices have already been approved. The Committee therefore, desires that procedure in this regard should be reviewed and the requisite posts for staff be created alongwith the approval for opening of a post office. It will not only improve the procedure but will also reduce delays in expansion of postal network.

Action Taken Note

The matter regarding approval for creation of posts along with the approval for Plan Scheme of Expansion of Postal Network has already been taken up with the Ministry of Finance.

Recommendation (Para No. 61)

The Committee are unhappy to note that there is utter lack of coordination between the two major Departments of the Government *i.e.* the Department of Posts and the Department of Expenditure (Ministry of Finance). While the former has been consistently maintaining that it has 177 proposals pending with the Department of Expenditure for creation of various posts submitted during the period 17 June, 1996 to 20 March, 1997, the latter admitted that only 96 proposals were received and that proposals for creation of 35 departmental and 15 Extra Departmental posts for opening of 16 DSOs were pending. Even after the opportunity provided by the Committee to sit together and sort out the matter could not yield any positive results. It is highly deplorable. The Committee strongly urges the Department to sort out the matter as early as possible in the interest of efficient functioning of the Department of Posts.

Action Taken Note

The matter regarding proposals pending with the Ministry of Finance has been resolved since it was decided by Ministry of Finance that all proposals for creation of posts for opening Departmental Sub

Post Offices pending in Ministry of Finance be re-examined to assess their financial viability in view of the recommendations of the 5th Pay Commission report and its implementation. As a result of the implementation of the 5th Pay Commission's recommendations, the income and cost ratio of the proposals would undergo change as the cost of the establishment of the Post Offices would increase.

Recommendation (Para No. 62)

The Committee is also perturbed to note that the Department of Posts has not so far evolved any norms for upgrading/opening of DSOs and has not specified any minimum of posts which are required to open a DSO or upgrade EDBO. Notwithstanding the practical problems involved in doing so, the Committee desires that specific norms as far as possible should be laid down in this regard as early as possible so that the scrutiny by the Department of Expenditure while sanctioning additional posts is streamlined and ad-hocism is avoided. Initiative of Department of Expenditure in this regard in setting up of a sub-group in consultation with the Planning Commission and the Department of Posts to evolve staff norms in the opinion of the Committee merit consideration.

Action Taken Note

The Department of Posts has a well defined set of norms on the basis of which a post office is sanctioned. The establishment of post office is based on the workload. If the workload of the proposed post office is less than 5 hours, an Extra Departmental Branch Post Office (EDBO) is justified and if it is more than 5 hours, a Departmental Sub Post Office (DSO) is justified. While an EDBO is manned by an Extra Departmental Agent or Agents, a DSO has a Departmental Sub Postmaster as its incharge. The workload of each such office further determines the other staff component which is based on the Marathe Time Test (MTT) adopted by the Department.

However, as directed by the Committee, an Inter Ministerial Working Group comprising a member each from the Ministry of Finance, Planning Commission and Department of Posts has been set up to evolve staff norms and consider related issues.

Recommendation (Para No. 79)

The Committee regrets to note that there appears to be lack of cooperation between Indian Airlines and Indian Railways—both Central Government Undertakings on one hand and the Department of Posts on the other with regard to conveyance of mail. It has been said that quite often mail bags have been unloaded resulting in delay in

transmission and delivery. Railways are also reluctant to carry mail in superfast trains. The Committee takes a serious note of these developments. The Committee is of the view that such attitude has hampered the development of the postal network. The Committee will like the matter to be taken up at the highest level with both Indian Airlines and Railways expeditiously to resolve the problems.

Action Taken Note

After interaction with corporate headquarters of Indian Airlines by the Postal Directorate the Department has advised the field units vide letter No. 19-1/98-D Dated 24.2.1998 to have structured co-ordination meetings with the Indian Airlines Officers at the Base Stations and at Station Manager levels. The Indian Airlines have also addressed their field units vide their letter No. HCD:9-R/1081 dated 12.1.1998 to hold coordination meetings to maintain harmonious working relations between the Indian Airlines and the Department of Posts.

As regards co-ordination meeting with Railways, the Circles have been holding co-ordination meetings at the Divisional Managers of Railway's level. At the Directorate level also senior officers from the Directorate meet their counter-parts in the Railway Board whenever serious problems are brought to the notice of the Directorate. The matter is now being taken up with Railway Board to devise structured meetings with the Railway authorities at all levels and to sort out the problems, if any, faced in conveyance of mails through Railways.

On the State Road Transport front, co-ordination meetings are held both at the Directorate and field levels. An Inter-Departmental Committee consisting of representatives from the Department of Posts, Ministry of Surface Transport, Association of State Road Transport Undertakings and the State Road Transport Undertakings was constituted to sort out the problems relating to conveyance of mails through State Road Transport buses. The Committee had submitted its recommendations and the rate for conveyance of mails was increased on the recommendations of the Committee. On the recommendations of the Committee, the Ministry of Surface Transport has written to the Secretary (Transport) of all the State Governments to ensure smooth conveyance of mails by the State Transport authorities.

Recommendation (Para No. 101)

The Committee is not at all impressed by the claim made by the Secretary, Department of Posts about increase in the Speed Post Service during the last ten years only because revenue earning has increased from Rs. 6 crore in 1987 to Rs. 69 crore in 1996, considering the vast infrastructure available with the Department. On the other hand, private

couriers who have established shops only in eighties, and still operating from a selected few locations have cornered collectively, revenue much higher than the 'Speed Post Service'. According to a study made in 1996, the revenue earned from domestic sector by Speed Post Service and the other private couriers was estimated to be Rs. 32.40 crore, DHL-Rs. 31.9 crore, Blue Dart-Rs. 17.2 crore and Elbee - Rs. 15.6 crore. Evidently, Speed Post service is facing severe competition from private couriers. If timely correctives are not applied, the Committee apprehends, this promising area of business development would be further substantially lost to the Department of Posts. The Committee, therefore, strongly recommends that Department of Posts should gear itself to compete with them in a more professional and effective manner.

Action Taken Note

The business strategies of Speed Post are framed keeping in view of the strategies of the private couriers and the market developments. Under Business Development Dte. Speed Post policies are decided in a professional and effective manner.

Speed Post revenue has increased considerably in the last few years. The revenue generated in the last 3 years is given below:

| | |
|----------------------------|-----------------|
| 1995-96 | Rs. 57.4 crore |
| 1996-97 | Rs. 69.95 crore |
| 1997-98 (Up to January) | Rs. 64.47 crore |

The restructuring of Speed Post in the circle level and in the unit level is in process. The Department is preparing a detailed business plan to increase Speed Post business and to increase the market share.

Recommendation (Para No. 106)

The Committee feels that there is urgent need to gear up delivery system of Speed Post Service. The Committee understands that at present Speed Post articles are delivered through postman and the Department of Post has no delivery agents. In this context, the Committee notes that leading private couriers are charging upto Rs. 100/- for the same articles for which Speed Post charges are only

Rs. 38/- and many business houses are spending much higher amount on effecting delivery just to gain greater credibility in the competitive environment for timely delivery. Department of Posts should, therefore, gear itself up and engage young energetic persons to expedite delivery process by giving suitable incentives. Bottlenecks in this regard if any, can be overcome by effecting suitable amendments in the law. It must be borne in mind that timely delivery is the essence of the Speed Post Service.

Action Taken Note

Actions have already been initiated to organise delivery of Speed Post articles through identified focal delivery centre by the dedicated delivery official.

Recommendation (Para No. 119)

The Committee finds that the space provided on money order form for sending message by the sender which has been recently reduced has been causing inconvenience to the public. The Committee does not find any justification for it. Enough space may therefore, be provided for message when these forms are reprinted.

Action Taken Notes

The Money Order Service is basically a money remittance service and the space provided for sending a message is only an additional facility. In case the space for communication is increased, the cost of printing would also increase, that apart it will impede pace of transmission and entail substantial payment for data transmission. VSAT M.O. is basically being a quick money transfer system and message transfer facility is a goodwill gesture to our customer. The Department has devised a code message system on the lines of greeting telegram message to fulfil the recommendation of the Committee.

Recommendation (Para No. 126)

The Committee appreciates that the Department has initiated the process of indigenisation of electronic pilferage proof franking machines as the importing cost of such machines is much higher ranging upto Rs. 20 crores. The Committee desires that efforts should be made to develop such machines as early as possible as the volume of commercial mail for which such machines are more suited is growing every year. Leakage of revenue by use of conventional machines should also be checked till these are replaced totally by surprise checks and other methods that can be devised.

Action Taken Notes

The instructions for the use of licensed franking machines have been revised. This is an endeavour to make the system simpler and reduce the scope of occurrence of malpractices prevalent.

M/s. Tele Post India Private Limited had submitted an application to the Department of Industrial Development, Ministry of Industry, for foreign collaboration with M/s. Neopost Limited for manufacture of Electronic franking machines in India. The proposal was considered in the Foreign Investment Promotion Board in its meeting on 17-1-1998 under the Chairmanship of Secretary, Industrial Policy and Promotion. The proposal has been approved. The Department has also issued a set of Technical parameters for licensing EFMs with the help of the experts from Indian Institute of Technology, Delhi, Department of Electronics which will allow selling of leak proof electronic machines only.

Recommendation (Para No. 128)

The Committee notes that there are nearly one lakh letter boxes in urban areas and 4-1/2 lakh in rural areas. In spite of it, the Department is receiving a number of complaints for lack of letter boxes. People have to walk considerable distance in urban extensions and rural areas to post letters. The Committee, therefore, desires that present policy of providing a letter box on a population of 500 be strictly enforced in areas where it has not been adhered to so far. This policy be further reviewed particularly for rural and hilly areas so that people are not required to walk over to the adjoining villages to post a letter. The Secretary, Department of Posts has candidly admitted that the present policy has certain lacuna which leads to complaints. Considering the fact that mere instalment of letter boxes would serve no purpose unless their clearance and maintenance are done properly, the Committee would like the Department to ensure that alongwith putting up of adequate number of letter boxes particularly in rural areas, their timely clearance and proper maintenance is paid utmost attention.

Action Taken Note

Letter boxes have generally been provided to all villages with population of 500 and above. Relaxation of the population norm to villages with population of 500-300 is presently under consideration of the Department while finalising the policy it will be ensured that their timely clearance and proper maintenance is given due attention.

Recommendation (Para No. 135)

The Committee appreciates that the Secretary of the Department of Posts himself oversees the disposal of complaints/grievances. However, it feels that it may not be possible for the Secretary, to individually attend to each and every complaint registered with the Department. The Committee, therefore, desires the Department to restructure its grievance redressal system where checks, cross checks and monitoring aspects are given prominence to deal with each complaint. The Committee feels that this structural overhaul will undoubtedly help in due and early disposal of the complaints/grievances. Only then, the Department will be able to gauge the quality of service provided by it as well as the degree of the customer's satisfaction.

Action Taken Note

As already stated, the Department of Posts has a well established machinery for the redressal of public grievances at all levels of hierarchy right from the H.Q. to the Post Office.

- (i) At the H.Q. office, the Public Grievances Branch is headed by an officer of Joint Secretary level with supporting staff. Besides, laying down the policy guidelines for handling public grievances and monitoring the disposal of complaints it also handles Minister's cases, PMO cases, complaints received from DOPG including serious nature of complaints.
- (ii) In the Circle/Region, an officer is designated full time for dealing with the public complaints. The working of the field units in the Circle is monitored and reviewed, by the Chief Postmaster General.
- (iii) At the Divisional level, the operative work of handling complaints is done at the level of Divisional Superintendent. He is the nodal point for redressal of grievances in his charge.
- (iv) Every post office is a complaint handling cell by itself and looks after disposal of complaints. It has a direct interaction with the public and the incharge of the office plays an important role to satisfy customers.

2. To improve the quality of service and to rationalise and customize grievance handling, it was decided to introduce computerisation initially in important post offices of important towns.

- (i) PC based Multipurpose counters have been established.
- (ii) In some of the post offices, the whole of the postal work has been computerised.
- (iii) There is a proposal to establish computerised Customer Care Centres to provide a centralised handling of public grievances. At present, 7 Customer Care Centres are already functioning at Ahmedabad, Chandigarh, Chennai, Delhi, Bangalore, Mumbai and Hyderabad. There is a proposal to establish 29 more Customer Care Centres during the year.
- (iv) Enquiry counters of all the post offices have been converted into "Information and Facilitation Counters". These would provide basic information about postal services and would receive complaints and provide instant acknowledgement.
- (v) There is a proposal to computerise sorting of Regd. articles.

3. All these changes are expected to bring about structural change to help provide a transparent and responsive administration to its users, with greater responsiveness and enhanced customer satisfaction.

Recommendation (Para No. 155)

The Committee is surprised to note that the Ministry of Finance on whose behalf the Department of Posts carries out the Post Office Savings Bank functions owes a huge amount of Rs. 576 crores to the latter, on the basis of the Expert Committee Report. Needless to mention, this staggering amount is only towards the reimbursement of the cost incurred towards the services rendered by the Department of Posts. Further Department of Posts is being under-paid for agency functions. The Committee is of the view that the Ministry of Finance should reimburse the amount to the Department of Posts and recommends accordingly. The amount of compensation should be fair considering all the aspects as well as growth prospects of Department of Posts.

Action Taken Note

The Expert Group's recommendation for the payment of remuneration per account for the SB work and SB certificates based on the average number of transactions and issue and discharge of Saving Certificates have been accepted by the Ministry of Finance. It has issued the sanction of Rs. 144.09 crores as arrear payment and Rs. 852.42 crores as remuneration for the year 1997-98. An amount of Rs. 1031.42 crores has been provided in BE for the year 1998-99.

Recommendation (Para No. 157)

The Committee finds that the Department of Posts has to incur heavy expenditure on modernisation and computerisation of Savings Bank Operations to enhance customer satisfaction although it performs these duties on behalf of the Ministry of Finance. The Ministry of Finance reimburse to the Department of Posts only the overhead cost of handling Savings Bank Accounts *i.e.* only the manpower cost and no credit is given to it for cost of computerisation. The Committee feels that in all fairness the Department of Posts should be compensated for the expenditure incurred on computerisation also. It will help its reduce dependence on budgetary support to that extent.

Action Taken Note

Total expenditure to be incurred on computerisation of SB operations in all the HQs of the 19 Circles in the country has already estimated and is under submission to Ministry of Finance for the allotment of the fund for the financial year 1998-99.

Postal Advisory Committee

Recommendation (Para No. 161)

The Committee is unhappy to note that most of the Postal Advisory Committees at Circle level have not been constituted for one reason or other. Taking into account the importance of such committees in interacting with the public, the Committee recommends Department of Posts to expedite constitution of Postal Advisory Committee in the States/Circles where these committees are yet to be formed. The Committee would also like the Department to ensure that such Committees do meet regularly/periodically so that the very purpose of the constitution of these Committees is not defeated.

Action Taken Note

Reconstitution of the Postal Advisory Committees in 11 (Eleven) Postal Circles in which nominations have been received from all the interests, is at the final stage of consideration. However, consequent upon holding of the General Elections to the Lok Sabha and some State Legislatures fresh nominations will have to be called for. Action is also being taken to get the nominations expedited for reconstitution of the remaining 14 Committees. As soon as the Committees are reconstituted, it would be ensured that regular meetings are invariably held at the prescribed interval.

Recommendation (Para No. 165)

The Committee is unhappy to note that no formal assessment has been made by the Department of Posts of the anticipated increase in the quantum of work by the end of Ninth Five Year Plan. Informal review of staff requirement, delivery position, mail traffic etc. would serve little purpose unless a proper man power assessment *vis-a-vis* the quantum of work is made well in advance. Taking into consideration the fact that postal services are on the increase with the increase in the population, economic development as well as literacy rate in the country, the Committee anticipates that there will be enormous pressure on the Department of Posts to in performing their conventional and non-conventional functions. The Committee desires that a suitable manpower planning be made urgently so that the expansion and modernisation of the postal services is not adversely affected.

Action Taken Note

In order to ensure suitable man power planning a 6 monthly review of establishment of all posts is carried out in the Department. However, the power for creation of non-plan posts earlier vested in the Director General, Department of Posts has now been withdrawn and vests with Ministry of Finance. Non-plan posts can now be created only after approval of Ministry of Finance on matching savings basis *vide* Ministry of Finance O.M. No. 7(7)-E (Coord.)/84 dated 3.1.1984. However, 900 posts of Postmen and 80 posts of Sorting Postmen have since been created *vide* this office letter No. 16-35/91-PE-I dated 15.10.1997. These posts have been approved by the Ministry of Finance for the financial years 1997-98, 1998-99 and 1999-2000 for creation in a phased manner.

CHAPTER III

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

Recommendation (Para No. 8)

The Department of Posts is required to provide basic communication infrastructure throughout the length and breadth of the country. It can therefore, be a powerful source of national integration and promote socio-economic and cultural developments of all section of the society. For that reason, it has been rightly termed as a public utility Department. However, examination by the Committee of the functioning of the Department has brought out many disquieting aspects, which are not in conformity with the professed objectives of the Department as will be seen from the following paragraphs.

Action Taken Note

The Department of Posts, entrusted with the responsibility of providing postal services in the country, continues to discharge its obligations through the countrywide postal network. The Department has followed a consistent policy in regard of expansion of postal network with the result that there are 153021 post offices in the country today, making it the largest postal network in the world, as compared to 24000 post offices at the time of independence. The above number includes 136781 post offices in the rural areas, which provide connectivity for the people inhabiting the rural areas and among different areas which is essential for socio-economic development.

The department's policy provides for substantial subsidy in respect of opening of new post offices—66% of anticipated cost in normal rural area and 85% of the anticipated cost in hilly, tribal and inaccessible area, also allowing annual loss upto the extent of Rs. 2400/- in normal rural area and Rs. 4800/- in tribal and hilly areas in the matter of upgradation of rural Branch Post Office into Departmental sub Post Office.

As regards delivery service in rural area, the norm is to deliver articles from Branch Post Office on the same day when these are received unless there are constraints of transmission arrangements. In the urban area, all departmental delivery offices provide atleast one delivery per day for both ordinary and accountable articles, which are supplemented by more than one delivery in a large number of urban post offices, having regard to the volume of articles and the time of their receipt.

The post office as an important outlet for social services continues to play its role in implementing national social assistance programme. The Money Order Service which enables transfer of cash even to remote corners of the country is being utilised by many State Governments for disbursing old age pension. A variety of agency functions are also being performed by the Department, like small savings schemes of the Government, payment of pension for Railway pensioners and coal miners and operation of the Postal Life Insurance Schemes.

The Post in India is also being modernised to provide more efficient and responsive service to the customers while extending basic postal facility specially in rural areas. Induction of new technology provides the basis for these programmes of modernisation which are also upgrading the work-environment for the employees and providing modern, clean and friendly atmosphere for customer services in the Post Office.

The programmes of modernisation have the following common objectives:

- Modernisation for greater customer satisfaction.
- Improvement in service quality through new technologies.
- Designing special services to meet specific customer needs.
- Improved ergonomics for clean and friendly work environment for both customers and employees.
- More efficient processing and delivery of mail through focussed management and rationalised procedures.

Computer based technologies have been introduced in most areas of activity like counter services, Speed Post service, financial services, Postal Life Insurance (PLI) and Rural PLI.

The Department's programme of having its own electronic highway for data and text transmission through a network of VSAT (Very Small Aperture Terminal) has been implemented rapidly, with 75 VSAT centres already operational in the country providing Satellite Money Order Service and Hybrid Mail Service for the customers. The Department is seeking to further expand this network through setting up more VSAT centres and Extended Statellite Money Order centres linked through modems. In the matter of mail transmission, the department's policy is to gradually introduce automated systems in the large nodal centres for speedy and effective mail processing. The first step in this direction was taken with the setting up of the automated mail processing centres at Mumbai and Chennai respectively.

On an average the Department handles nearly 15,000 Million postal articles annually and deals with over 7 lakh public grievances, accounting for 0.00468% of the total postal traffic. The Department of Posts has devised a well defined public grievances redressal system. Effective monitoring of public grievance handling by the vast network of the Department of Posts is achieved through constant interaction with the field formations. Review and modification of existing rules and methods for handling public grievances is an on-going process in the Department and follow-up action for consequent alterations in operational rules and procedures is also taken. Field visits are made to assess acute and recurring problems through direct interaction with the customer. Dak Adalats are being held at the Postal Circle level for redressal of grievances on the spot. Since inception of this system from December, 1990 up to March 1997, 26 Dak Adalats have been held and of the 11008 grievances received, 10,865 were decided on the spot. Quarterly Dak Adalats are also being held at the Divisional office level from October, 1991. As a part of the action plan to operationalise the directive of the Cabinet Secretariat to make the service open, transparent and responsive to the needs of the customer enquiry counters of important Post Offices have been converted into Information and Facilitation Counter of which 423 were provided with computers by May, 1997. Seven Computerised Customer Care Centres have also been set up and 29 more are being set up during the current year to rationalise the system of Public Grievances handling.

Recommendation (Para No. 9)

To begin with, even though the Department owes its origin to the century old Indian Post Offices Act, 1898 and has established infrastructure of 1.53 lakh post offices spread all over the country, yet it has not yet evolved any consistent policy. There is no Postal Policy. Objectives have not been defined in concrete terms and no attempt has been made to ascertain the need of the customer. As early as 1989, the Postal Excellence Committee under the Chairmanship of Shri Lal and Social Audit Panel headed by Justice Bhagwati had recommended to the Department to give top priority to ascertain customers' needs of cost effective and efficient postal services. However, Department has not ascertained the needs of the customer or the cost-consciousness of the Customer.

Action Taken Note

The Department of Posts has been following a consistent policy in the matter of development and operation of postal services in the country. The Department of Posts has finalised the formal document of the National Postal Policy, which has been placed before the Consultative Committee of Parliament attached to the Ministry of Communications.

The Department has taken cognizance of the recommendations of the Expert Committees and is now emphasising on development and redesigning of value added services and products aimed at specific needs for identified customer segments, based on extensive market survey and promoted through adequate marketing strategy. The department has already accepted 109 of the 155 recommendations made by the Social Audit Panel so far. Another 31 recommendations are under active consideration, while 15 recommendations have not been accepted by the Department.

The increase in revenue generation and traffic in Speed Post has underlined the urgent need for a strong marketing wing in the Department and the Business Development Directorate has been set up with the objective of providing the nucleus for a more comprehensive and effective approach.

Comments of the Committee

(Please see Para No. 9 of Chapter I.)

Recommendation (Para No. 31)

The ever increasing deficit of the Department of Posts is a matter of grave concern. During the last 3 years deficit has been projected at Rs. 659.41 crores (Actual) in 1995-96, Rs. 703.26 crores (Actual) in 1996-97 and Rs. 1113.99 crores (BE) in 1997-98. If the impact of recently concluded revised wage pact for employees on the recommendations of the Fifth Pay Commission is taken into consideration which will have revenue implication of Rs. 623.47 crores per annum (excluding arrears) the deficit in current will be much higher. In this context, the Committee feels that there is an urgent need to step up revenue, find alternative sources of income generation, prevent leakage of revenue and curtail avoidable expenditure.

Action Taken Note

To restrict the working expenses, instructions are issued to Heads of Postal Circles from time to time on ceiling items like office expenses, overtime allowance, travelling expenditure and medical expenditure as per targets fixed by the Department. To restrict the expenditure within the allocation following steps have also been taken:

- (i) Budget and accounting work in the Postal Directorate and the Circles is being computerised. This will help to streamline the work and ensure timeliness accuracy and constant close monitoring to avoid excess expenditure and large savings.
- (ii) Instructions have also been issued to all IFAs of Circles to submit a quarterly report to Postal Directorate. Through this report also progress of expenditure of Circles is watched and monitored for mid-course corrections if any. This report helps in preparation of Budget Estimates also.
- (iii) A monthly important events report is submitted by heads of Circles to Secretary (P). It is proposed to include working and capital expenses position *vis-a-vis* Budget provision in this report in an effort to exercise better budgetary control.

The above referred efforts taken by the department ensured that during 1996-97 department succeeded in not only arresting the expenditure within the ceiling fixed by the Ministry of Finance but also could effect savings of Rs. 43.97 crores under working expenses. This saving also helped to reduce the deficit of the Department to this extent.

2. Efforts are also made to generate higher revenue through steps like containing leakage of revenue by introducing new technology like electronic machines and introduction of new value added services. Efforts are also continuously made to restrict the department's expenditure through various measures for economy including optimal use of resources and simplification of procedures.

Recommendation (Para No. 39)

The Committee finds that inadequate financial outlay has inhibited the Department of Posts in bringing about technological upgradation even though Expert Committee on Postal Excellence and emphasised on the same as mentioned earlier. The Eighth Plan (1992-97) Outlay on upgradation of technology was Rs. 132.53 crores. For the Ninth Plan (1997-2002), the Department had proposed Rs. 219.14 crores which in no case can be described as sufficient, keeping in view the gigantic task of the upgradation of a conventional Department with 1.53 lakhs Post Offices spread all over the country. To make the things worse, on the suggestion of the Planning Commission, draft plan proposals envisage reduced allocation of Rs. 654.98 crores which would mean lower allocation compared to the already insufficient outlay of Rs. 219.14 crores under this head. Considering the fact, that upgradation of services and facilities are necessary namely use of 20,000 PC based multipurpose counter machines in Post Offices; computerisation of savings Bank operations, PLI and Head Office accounts; introduction of Electro Franking Machines in larger offices and setting up of Satellite Mail Service at 550 important places and also considering the fact, that less than 5000 Multipurpose Counter Machines could be installed during the entire VIII Plan, the Committee, strongly urges that allocation under the head upgradation of technology be suitably stepped up and the matter should be taken up with the Planning Commission at the highest level.

Action Taken Note

Proposed plan outlay has been further reduced to Rs. 580 crores. However, out of this, nearly 50% is proposed to be spent on induction of technology.

Recommendation (Para No. 59)

The Committee observes that the Department has proposed an outlay of Rs. 34.37 crores under the head expansion of postal network during Ninth Plan and proposes to open 2500 EDBOs and 250 DSOs during the Plan period. As the total plan outlay of the Department has been reduced from Rs. 755 crores to Rs. 655 crores, the Committee apprehends that adequate funds would not be available for expansion of postal network even to meet the meagre target. The Committee feels that a large number of villages which presently qualify to have a post office of their own will be denied this facility even after ten years from now. The Committee, therefore, strongly urges that Ninth Plan outlay of the Department of Posts be suitably stepped up.

Action Taken Note

The total draft 9th Plan outlay of the Department of Posts was again reduced to Rs. 580 crores. However, keeping in view the need to expand the Postal Network so as to provide connectivity and related facilities to the villages not having a post office, the original outlay proposed under the Scheme "Expansion of Postal Network" was retained at Rs. 34.27 crores. Now the Planning Commission have communicated a further reduced 9th Plan Proposed outlay of Rs. 550 crores.

Recommendation (Para No. 77)

Committee finds that in spite of well laid norms ranging upto 72 hours for delivery of various kinds of mail, there have been serious complaints of delivery of mail being unduly delayed. One of the reasons for unusual delay in this regard which has been brought to the notice of the Committee is abolition of old system of mail sorting in running trains. Earlier, mail was being sorted in running trains to save time and effect early delivery. The reasons advanced for it varies from shortage of space in running trains, increased speed of trains, unhealthy work environment, unwillingness of younger staff, high cost of operation and also that such sorting is not done anywhere else. Employees Associations have also not welcomed the abolition of train sorting of mail. The Committee is of the view that till a better system is evolved which will expedite delivery of mail, it may be worthwhile to re-introduce the earlier practice of sorting of mails in running trains, at least in some of them and the result thereof may be studied for wider re-introduction.

Action Taken Note

The Department had undertaken a thorough review of the system of sorting of mails in running trains and found the system outdated in a number of ways. After analysing the pros and cons of the matter, the Department took a conscious decision in 1982 to abolish the sorting work in trains in a phased manner.

(a) Sorting of mails in the running trains was abolished for the following reasons:

(i) It is very expensive to undertake sorting on running trains. The staff travelling in Sections had to be given a day's or more rest at each end of the beat, thus reducing the actual working hours of a Sorting Assistant by half in many cases or to about one third of the working hours in some cases in a stationary mail office. Further, the Sorting Assistants had to be paid overtime frequently as the trains got late. They were also entitled to an outstation allowance while staying away from headquarters. Besides this, rest houses had to be maintained in a large number of places to accommodate the Sorting Assistants travelling to outstations.

(ii) Sorting in a travelling train created occupational health-hazard and many have suffered from eye sight problems because of poor lighting system in RMS vans. That apart it had become an endemic problem of heavy transfer of mail and dumping of unsorted mails. Similarly, dust from bags, smoke from the wax heater and the necessity to keep the windows closed to avoid flying off of letters even in summers, resulted in acute physical discomfort and health hazard to the staff. These facts were compounded with increase in speed of trains.

(iii) It was found very difficult to supervise the running sections, creating special problems in not being able to check abstraction of parcels etc. and the quality of sorting. Further, because of heavy absenteeism it was found difficult to make alternative arrangements to man the running sections, invariably resulting in dislocation of work. This problem was further compounded by induction of an increasing number of female staff and unwillingness of younger staff members to work in the Sections.

(iv) The sorting sections were sorting only Ist Class mail. As a rule Ist class mail is now given air transmission between the centres where air transmission is beneficial. Thus, a major chunk of the mail is transmitted by air and only very small portion of mails, especially mails meant for delivery within the district or within the State is transmitted by train.

(b) The question whether sorting sections should be re-introduced was also examined by the Vth Central Pay Commission. The Commission recommended in para 30.21 of the Report as follows:—

“Till 1984, the process of sorting, routing and transmission was also done on running trains through sets of travelling mail personnel known as “Sorting Sections”. On a reorganisation of the sorting pattern, the Department abolished sorting work on running trains, concentrating it at stationary locations in the existing “Mail Offices”. The Department neither favours reopening of sorting sections, as the sorting patterns have undergone substantial changes, nor separation of sorting function from the Post Offices, as both measures would lead not only to further delays in mail transmission and delivery, but also reverse a conscious decision taken for improving efficiency. We feel that delay in mail transmission and delivery cannot be assigned to the abolition of erstwhile sorting sections. Delays take place due to missorting, misrouting or missending, which are all rectifiable by better supervision rather than by sorting on running trains. Routing and transmission is still done on running trains by handling only closed bags through “Transit Section”. Moreover, running trains are unidirectional and mails are sent entirely pre-sorted for destination mail offices, instead of the earlier system of loading unsorted mails in “Sorting Sections”. Reopening Sorting Sections will also involve substantial additional manpower. We, therefore, do not recommend such a measure.”

© Considering all the points listed above it is not considered feasible and advantageous to re-introduce the sorting sections. Also, measures have been taken for ensuring efficient mail and delivery arrangements as follows:—

(i) Setting up of automated mail processing centres in Mumbai and Chennai which sort letters @ 30,000 per hour. Similar automated mail processing centres are proposed in 3 more cities viz., Delhi, Bangalore and Calcutta during the 9th Plan.

- (ii) Development of district pattern of sorting. For handling of mails of each district, a specific mail office has been designated.
- (iii) Setting up of stationary mail offices at places where these did not exist earlier.
- (iv) Segregation of first and second class mail at posting point itself.
- (v) Separate arrangements for greetings mails, Diwali mails, Rakhi mails etc. establishment of separate corporate office for bulk mail, business mail and second class mail in major cities and towns.
- (vi) Installation of Green Letter Boxes for local letters and development of Metro Channel in metro cities for PIN-coded house-hold mail.
- (vii) Better transport arrangements including more extensive use of buses, airlines including private airlines, etc.
- (viii) Setting up of better mail monitoring organisation.
- (ix) Computerisation of registration sorting work and bag handling in important Transit Mail Offices in Metros and major towns.
- (x) An increased focus at all levels on improving the mail and delivery arrangements.

Recommendation (Para No. 78)

Since mail sorting has been shifted to post offices and this led to delay in delivery of mail, the Committee desires that constraints be identified and remedial action in this regard initiated without further loss of time.

Action Taken Note

Both of Post Office and RMS Offices are complementary to each other. Both of them undertake mail sorting work to speed up mail transmission. In big cities and towns, due to the high volume of mail, segregation of mail is carried out at the post offices after clearing

letter boxes into various groups such as Local Mail (Green Channel), Metro Mail, Rajdhani Channel mail and Business mail to add speed at the final sorting centres. Preliminary sorting by post offices is done to separate the local mails so that some of them could be delivered the same day where there are three deliveries and in other offices in the first delivery of next day and also to avoid multiple handling to prevent delay. This is a step to operationalise channels to the optimal level and for giving special treatment to local mail. [Thus, preliminary sorting of mail in Post Offices do not lead to delay but it results in speedy delivery of mails.]

Further, the Vth Central Pay Commission also went into this issue and had the following to recommend:

“On the question of relocating the sorting function, we observe that sorting and transmission is already specialised and concentrated in RMS for detailed sorting purposes. Post Offices are engaged only in preliminary segregation of mails for facilitating the detailed sorting at RMS. In the process, about 40% of postal articles get finally sorted out for delivery destinations without intervention of RMS. Lack of mechanisation is not due to non-concentration of articles, but more because of non-standard sizes of postal articles and improper pin-coding. Shifting sorting work from Post Offices to suburban specialised Mail Offices will introduce an element of in-built delay in transmission from collection centres to suburban locations and back. Sorting and transmission has necessarily to be located closer to modes of transport, mainly the Railways and Airlines for speed. We do not agree to the suggestion for relocating the sorting function.”

Recommendation (Para No. 84)

The Committee notes that 535 Head Offices and 2730 Sub Offices are located in departmentally owned buildings as on 31.6.1996. However, for want of adequate funds most of them are in a bad shape. Repair work and even white washing has not been carried out for years. Obviously, it projects a poor image of the Department among people and retards efficient functioning by the employees. The Committee, therefore, strongly recommends that sufficient funds be allocated for upkeep of existing buildings as well as construction of new buildings as only a small fraction of post offices are located in department buildings. The projections of Rs. 176 crores under this

head during the entire span of the Ninth Plan therefore, appears to be grossly inadequate. The position will worsen further if the outlay is reduced in the light of reduction in the overall plan allocations from Rs. 754.76 crores to Rs. 658.98 crores.

Action Taken Note

Maintenance of departmentally owned buildings is essentially a non-plan activity, therefore funds for repairs and white washing are provided from non-plan provisions in each financial year. The reduction in plan outlay can therefore not affect the allocation for maintenance work. The Department of Posts appreciates the importance of allocation of sufficient fund for maintenance of departmentally owned buildings. However the actual amount of fund provided for this purpose each year depends upon the over all availability of funds for non-plan activity. During the year 1997-98, under Revised Estimates, a total of Rs. 18.35 crore was provided for maintenance of departmentally owned buildings.

Recommendation (Para No. 102)

The Department of Posts has identified if weakness in this sphere as lack of flexibility in business development, absence of adequate dedicated manpower, dependence on outside agencies for conveyance of mail and the loss of image. However, the Committee feels that these are not insurmountable weakness. With prudence and timely correctives, some of which have already been applied, the Department can occupy the commanding position.

Action Taken Note

A proposal to reorganize the organisational set up of Business Development Cell at circle and unit level has been prepared and the same is under consideration to provide required focussed attention and to create a dynamic managerial work culture.

Recommendation (Para No. 105)

The Committee desires the Department of Posts to look into the possibilities of extending Speed Post Service to industrial towns and business centres as more and more opportunities are developing in these areas for faster mail.

Action Taken Note

Major industrial towns and business centres are already covered under Speed Post. Extension of Speed Post facility is a continuous process based on traffic potential and operational feasibility.

Recommendation (Para No. 108)

The Committee also desires the Department of Posts to give greater attention to International Mail Service where it has been losing grounds to private couriers for the last 3 years. No doubt some steps have been taken in this regard, but these cannot be termed adequate. In fact much more is required to be done specially in a competitive environment. It is recommended that DoP should give specific attention to the matter and evolve an effective strategy.

Action Taken Note

The International Mail can be broadly classified in three groups namely Letter Mail, Parcels (both Air & Surface) and EMS. The traffic trends of Letter Mail, Parcels and EMS are shown in Tables below:

TABLE I

Letter Mail

| Year | Outward (Kgs) | Inward (Kgs) |
|---------|---------------|--------------|
| 1992-93 | 20,09,162 | 37,27,928 |
| 1993-94 | 22,05,744 | 36,59,573 |
| 1994-95 | 24,67,243 | 35,69,371 |
| 1995-96 | 23,55,788 | 38,98,915 |

TABLE II

Parcel

| | Inward (In No.) | Outward (In No.) |
|---------|-----------------|------------------|
| 1992-93 | 2,87,654 | 1,81,168 |
| 1993-94 | 2,65,763 | 1,6,300 |
| 1994-95 | 2,53,750 | 1,22,090 |
| 1995-96 | 2,30,301 | 1,10,203 |

TABLE III

EMS

| Year | Inward (In Nos.) | Outward (In Nos.) |
|------|---------------------|----------------------|
| 1992 | 2,66,705 | 4,08,718 |
| 1993 | 2,90,127 | 4,23,789 |
| 1994 | 3,15,181 | 4,96,721 |
| 1995 | 3,18,950 | 3,74,429 |
| 1996 | 2,90,868 | 3,16,743 |

Table I shows the traffic trend in Letter Mail category. It can be seen that the outward mail volume has shown a rising trend, indicating greater revenue generation. The outward mail volume increased from

20,09,162 Kg in 1992-93 to 23,55,788 Kg in 1995-96, in increase of over 17%. The Inward mail has also shown a marginal increase over the last four year period, which means India would be getting more remittances from foreign postal administrations. The inward mail volume increased from 37, 27, 928 Kg in 1992-93 to 38, 98, 915 Kg, an increase of about 4.5%.

As can be seen from the above Tables II & III, there has been a decline in the parcel and EMS segment. The Parcel traffic all over the world has declined due to the fierce competition of the couriers and also due to the high tariff fixed by other postal administrations. The high tariff fixed by postal administrations in the form of high Inward Land Rate in effect increases the parcel postage rates for the despatching country.

Table-III above shows the decline in 'total traffic' in EMS since 1995. The decline in traffic occurred primarily because of two reasons. The more important reason was an increase by 100% in the international EMS tariff with effect from 1.4.1994 which made our rates non-competitive particularly in respect of middle Eastern countries. The second has been the growing competition from the international couriers. In spite of this fall in traffic volumes, the revenue from international EMS increased from Rs. 7.00 crores (approx.) in 1992 to Rs. 12.00 crores (approx.) in the year 1996.

To overcome this trend in declining traffic several steps have been taken. They are as follows:

- (i) Modernisation of operations: India is going to be part of world-wide IPS-96 project. The International Postal System-96 are a suite of applications that will help Department of Posts in despatch and manage all international mail categories like EMS, first class mail and Parcels. The IPS project will be implemented in phases and on completion will allow for operational management and planning for international mail, processing functions, for tracking individual items and for MIS reporting. IPS now includes new capabilities allowing postal enterprises to create data bases on the World-Wide WEB so that customers can track their items through the Internet.

(ii) Introduction of New Services in PARCELS: The induction of SAL services and its extension to more destination is expected to improve the quality of services being offered. The shortcomings in surface mail like long transit time, mishandling etc. will also be overcome in SAL services. It is also added here that Inward Land Rate rationalisation across the world is aimed at fixing of more cost oriented rates for both Inward and Outward parcels. Reducing of the Inward Land Rate by other countries will decrease the parcel postage rates for these countries, thus making the postal parcels more attractive.

(iii) The EMS network is constantly being extended. The number of countries in the EMS network has increased from 74 in 1995 to 80 in 1996 and to 89 destinations in 1997. The extension of the network to more destination would provide the services of more customers. The introduction of IPS-96, the computer software will also lead to better quality control of EMS articles. India has also been a part of Asia-Pacific Postal Union initiative at increasing the market share of Postal administration in the express documents and merchandise services. This step has helped in reducing the cost of services by other postal administrations and thus keeping the cost of the product at competitive level. The segregation of EMS items to 'Documents' and 'Merchandise' also enable early clearance of 'Documents' by the customs at the destination point. There is little doubt about bulk customers preference for major courier companies services. These courier companies have a world-wide network and provide services for almost all the countries in the world. As compared to courier companies, the EMS network has some inherent limitation as international EMS is still not world-wide acceptable amongst all the postal administrations.

Recommendation (Para No. 117)

The Committee also desires that modifications be made in the traditional money order system in tune with the requirement of new technology and also hike in the higher limit of remittances through money orders to Rs. 50,000 be effected soon. It will remove bottlenecks in business department and the V-SAT capacities which is being extended will be utilized fully.

Action Taken Note

The Indian Post Office Rules provides for transmission of amount upto rupees one crore. Amounts upto Rs. 5,000/- can be transmitted through ordinary money orders system and amounts beyond Rs. 5,000/- have to be transmitted through Electronic Data Communication Process. To further expand the market for remittance of amounts through money orders, schemes are being worked out.

Recommendation (Para No. 134)

The Committee is concerned to note that as much as 74,852 complaints were pending with the Postal Department during the year 1995-96, inspite of the fact that the Department has claimed to have a well defined grievances redressal machinery. The Committee takes a serious view of such huge pendency of complaints with the Department and desires Department of Posts to make all out efforts to dispose of these complaints/grievances expeditiously. Corrective steps should also be initiated to check accumulation of complaints/grievances in future into such a huge proportions. The Committee will also like to be apprised of the number of complaints pending as on 31.3.97 and also the period which these complaints pertain to.

Action Taken Note

- (i) The Department of Posts is handling a traffic of large volume of nearly 15000 millions pieces of articles in a year for transmission and delivery throughout the country.
- (ii) While handling such a huge volume of traffic, every possible effort is made to ensure prompt services to its users. The Department received nearly 7.12 lacs of complaints during 1996-97 which is 0.00468% of the total traffic handled.
- (iii) Out of the total receipt of complaints, nearly 80 to 85% complaints are settled within the quarter itself but pendency of remaining complaints is unavoidable for the following reasons:
 - (a) There is a large postal network spread all over the country and articles are routed through various modes of public transport and various offices. Enquiries sometimes take longer time to finalise, resulting in pendency of complaints.

-
- (b) In case of wrong payment/wrong delivery it takes time to retrieve and deliver the article to the correct person. Such complaints take time for settlement.
- (c) There are certain complaints in which fraud/misappropriation/abstraction/tampering is involved. Though efforts are made to settle such claims without waiting for finalisation of enquiries, the essential verification of work to establish the claim often takes some time.
- (d) There are complaints in which, due to court proceedings and litigations, the matter become *sub-judice*.
- (e) In case of complaints relating to foreign mail, the Department has to wait for 6 months to get the results of reclamation enquiries from Foreign Admn.
- (f) There are cases of refusal to accept payment by the payee when the senders are not available (as in the case of labourers sending money to their relatives and moving from place to place) and complaints in such cases remains unresolved.
- (g) In order to settle the deceased claim cases, completion of due and mandatory requirements often do take longer time for settlement.
- (h) In certain cases, the Department is handicapped in providing adequate cash, as in remote and sensitive areas, due to line limits keeping in view the security and safety position of the area.
- (i) In certain cities unauthorised colonies have come up where Municipal numbers are not allotted to each dwelling. Such a situation invariably gives rise to complaints of delay in delivery.
2. (i) Besides, a close monitoring over settlement of complaints, the Department has introduced premium and time-bound services like Hybrid Mail, Business Channel, Speed Post, Corporate MO, Express Parcel Service where specific systemic arrangement provides for more efficient and effective service.

- (ii) In important Post Offices, multipurpose counter machines have been installed to reduce waiting time for the customers and get multiple services at the same counter.
- (iii) Periodic drives are also launched to resolve complaints with focussed attention. One drive was launched during July 1996 to Sept. 1996, and another has been launched from 15.10.97 to 15.11.97.
- (iv) In all important Post Offices, the existing enquiry counters have been converted into 'Information & Facilitation Counters' to provide basic information about postal services. The complainant can lodge a complaint there and have an instant acknowledgment for it.
- (v) In order to provide a responsive and transparent admn., Customer Care Centres are being set up. It would provide centralised handling of public grievances and prompt settlement of complaints.

3. These specific steps would help to minimise the pendency of complaints and provide more satisfactory customer service.

4. (i) The pendency of complaints as on 31.3.97 with their break-up is as under:

| | |
|---|--------------|
| Total pendency as on 31.3.97 all over the country | 83020 |
| Less than 3 months | 74204 |
| Between 3 to 6 months | 8031 |
| Between 6 to 12 months | 721 |
| Over 12 months | 64 |
| Total | 83020 |

- (ii) An analysis is being carried out for remedial action to liquidate the pendency of complaints specially those pending over 12 months.

- (iii) With the efforts made by the Department, the percentage of receipt of complaints during the year 1996-97 has gone down as compared to the total traffic handled. A comparative chart would reveal the position:

| Year | Total No. of complaints | Total traffic handled during the year | Percentage w.r. to total traffic |
|---------|-------------------------|---------------------------------------|----------------------------------|
| 1994-95 | 7,69,205 | 13,705 | 0.00561 |
| 1995-96 | 7,91,875 | 14,063 | 0.00563 |
| 1996-97 | 7,12,718 | 15,220 | 0.00468 |

Recommendation (Para No. 141)

The Committee notes that various in-service Training Courses *i.e.* Saving Bank Refresher Course, Training for V-SAT, Electronic Mail, Smart Card etc. are being conducted by the Postal Department. The Committee feels that with the induction of Computers and other modern technologies in efficient handling of the Postal Network. This is a step in right direction. The Committee, however, would like the DOP to upgrade the level of training so that the young officers who are inducted in the Postal Service do not suffer from any inhibition as they are required to perform divergent functions in discharge of their duties—Frequency of in-service Training should be increased to enable the staff to get acquainted with the latest techniques of management.

Action Taken Note

A. 141 In Service Training and Other Courses

(i) Officers of Managerial Cadre

The Postal Staff College conducts about 20-25 Programmes each year relating to different requirements of the Department. Apart from the Management Development Programme and Executive Development Programme which cater to the needs of the senior and middle level officers, the College organises in-service Training for all PS Group "B" Officers soon after their promotion.

In consonance with ever changing operational needs, during each year the college also conducts Seminars and Workshops on a variety of subjects such as—Technology Management, Computer Appreciation, Marketing Management, Mail Management, Speed Post Policy and Operations, Business Development and Financial Management etc.

In addition to the above mentioned Courses, the IPS Officers are also deputed for Training on various subjects conducted by reputed Training Organisations both within and outside the country. It may, therefore, be seen that the requirements of the Officers at different levels are being comprehensively addressed by the PSCI by attuning its activities and programmes in keeping with the evolving needs.

(ii) Supervisory and Operative Staff

The five Regional Postal Training Centres at Saharanpur, Mysore, Vadodara, Darbhanga and Madurai of the Department of Posts impart induction and In Service Training to the operative and supervisory staff as under:

1. Induction Training at the time of initial entry into the cadres of Postal/Sorting Assistants and Inspector of Post Offices and RMS.
2. First In Service Training to Postal/Sorting Assistants between 5 and 16 years of service.
3. Second In Service Training to Postal/Sorting Assistants between 16 and 21 years of service who are given promotion under the time-bound promotion Scheme.
4. Third In Service Training to Postal/Sorting Assistants between 26 years and above, with at least two years to retire, who are given second time-bound promotion under the scheme Biennial Cadre Review. Training in the spheres of leadership motivation, attitudinal changes etc. is also imparted.
5. In Service Training to Inspectors of Postal/RMS and Asstt. Superintendent of Postal/RMS who complete five years service in the respective cadres.

In addition to the above training, staff including supervisors working in specialised Branches like Savings Bank, Postal Life Insurance, Speed Post etc. are imparted Refresher Training to acquaint them with the latest in the related subjects.

After induction of various Computer/Technology based services in the Department of Posts, Staff working on computers are being given training on Departmental related packages like DOP, V-SAT, SB etc. apart from the general application packages such as Windows 95, MS Office '97, Windows NT etc. Besides this, a large number of staff are being set to selected Computer Training Institutes to meet the urgent requirements of the Department.

The contents of the In Service Training Courses are continuously kept under review and updated to keep up with the changes which take place from time to time. The nature of Training imparted and the training facilities available both for non-gazetted and gazetted cadres are considered adequate to meet the existing needs. Nevertheless, the process of keeping the same under constant review is a continuing one and as and when any deficiency or inadequacy is noticed, immediate remedial action is taken.

Recommendation (Para No. 142)

The Committee is constrained to note that due to non-allotment of adequate funds, required number of Postal employees could not be imparted training. During the last three years, the actual budget allotment has been much less than what the Circles had demanded. In the year 1996-97, the Circles had demanded Rs. 6.81 crores whereas allocation was only Rs. 4.49 crores. The Committee, therefore, urges the Department to take up the matter at the appropriate level with a view to ensuring that the funds required by different Circles to depute their staff for different training courses is allotted to them commensurate to their requirements.

Action Taken Note

While allotting funds to the Postal Circles etc. on a year to year basis, under different heads, demands made by various Circles are examined in the light of the previous years expenditure under the same head, overall allocation of funds made by the Government for the Department of Posts under the Plan and non-Plan heads etc. Likewise for the year 1996-97, the demands made by the different Circles were also examined taking the above factors into account and justification for allotment of funds to the tune of Rs. 4.49 crores against the BE figure of Rs. 6.81 crores could be established and allotments were made accordingly. Nevertheless, the Committee's observations have been noted and every effort will be made to meet the demands to the extent possible in future within the overall allocation of funds made by the Government of India.

Recommendation (Para No. 156)

The Committee finds it disquieting that Department of Posts is required to perform an increasing number of functions on agency basis for other Ministries/Departments without getting additional staff, which has adversely affected the conventional duties of the Department namely, transmission and delivery of mail. The conventional work load of mail transmission has increased over the years because of growth in literacy and economic development. The work load of non-conventional nature has also increased due to taking up of more and more welfare and savings oriented schemes. It has been stated that no additional staff is provided for PLI, Mahila Samridhi Yojana and other newly announced savings and welfare schemes. The increased work load without commensurate increase in staff strength has seriously affected the functioning of the Department of Posts. The Committee therefore urges that additional work load should be assessed and adequate staff provided accordingly.

Action Taken Note

There is a regular system of assessing the work load periodically with a view to providing the manpower required. Department of Posts have recently initiated induction of new technology with computerisation of counter operations and also SB work to achieve higher level of productivity and enhanced efficiency. The introduction and installation of multi-purpose counter machines and computerisation of SB operations in a phased manner has helped the system to provide more efficient and satisfactory services for customers and also redeploy the manpower in some areas for providing new and value added services. The matter regarding sanction of additional staff in different cadres is being examined regularly and it is also being taken up with the Ministry of Finance. But in view of the ban on creation of posts imposed by Ministry of Finance O.M. No. 7(7)E(Coord)/93 dated 3-5-93 no non-plan post can be created without matching savings.

Recommendation (Para No. 171)

The Committee is unhappy to note that the century old scheme of sorting mails in running trains has been withdrawn since 1983. The reasons put forward by the Secretary, Department of Posts for abolishing the system *i.e.* lack of adequate space, unhygienic conditions, more

expenses for giving overtime etc. are not convincing as the discontinuance of the system has caused undue delay in delivery of mails. The problems mentioned above could have been resolved with co-operation of staff. The Committee, therefore, desires the Department of Posts to consider the reintroduction of sorting of mail in running trains at least in some of them and ascertain the result thereof, so that there can be wider re-introduction of the same.

Action Taken Note

The Department had undertaken a thorough review of the system of sorting of mails in running trains and found the system outdated in a number of ways. After analysing the pros and cons of the matter, the Department took a conscious decision in 1982 to abolish the sorting work in trains in a phased manner.

(a) Sorting of mails in the running trains was abolished for the following reasons:

- (i) It is very expensive to undertake sorting on running trains. The staff travelling in Sections had to be given a day's or more rest at each end of the beat, thus reducing the actual working hours of a Sorting Assistant by half in many cases or to about one third of the working hours in some cases in a stationary mail office. Further, the Sorting Assistants had to be paid overtime frequently as the trains got late. They were also entitled to an outstation allowance while staying away from headquarters. Besides this, rest houses had to be maintained in a large number of places to accommodate the Sorting Assistants travelling to outstations.
- (ii) Sorting in a travelling train created occupational health-hazard and many have suffered from eye sight problems because of poor lighting system in RMS vans. That apart it had become an endemic problem of heavy transfer of mail and dumping of unsorted mails. Similarly, dust from bags, smoke from the wax heater and the necessity to keep the windows closed to avoid flying off of letters even in summers, resulted in acute physical discomfort and health hazard to the staff. These facts were compounded with increase in speed of trains.

(iii) It was found very difficult to supervise the running sections, creating special problems in not being able to check abstraction of parcels etc. and the quality of sorting. Further, because of heavy absenteeism it was found difficult to make alternative arrangements to man the running sections, invariably resulting in dislocation of work. This problem was further compounded by induction of an increasing number of female staff and unwillingness of younger staff members to work in the Sections.

(iv) The sorting sections were sorting only Ist class mail. As a rule Ist class mail is now given air transmission between the centres where air transmission is beneficial. Thus, a major chunk of the mail is transmitted by air and only very small portion of mails, especially mails meant for delivery within the district or within the State is transmitted by train.

(b) The question whether sorting sections should be re-introduced was also examined by the Vth Central Pay Commission. The Commission recommended in para 30.21 of the Report as follows:

"Till 1984, the process of sorting, routing and transmission was also done on running trains through sets of travelling mail personnel known as "Sorting Sections". On a re-organisation of the sorting pattern, the Department abolished sorting work on running trains, concentrating it at stationary locations in the existing "Mail Offices". The Department neither favours reopening of sorting sections, as the sorting patterns have undergone substantial changes, nor separation of sorting function from the Post Offices, as both measures would lead not only to further delays in mail transmission and delivery, but also reverse a conscious decision taken for improving efficiency. We feel that delay in mail transmission and delivery cannot be assigned to the abolition of erstwhile sorting sections. Delays take place due to missorting, misrouting or missending, which are all rectifiable by better supervision rather than by sorting on running trains. Routing and transmission is still done on running trains by handling only closed bags through "Transit Sections". Moreover, running trains are unidirectional

and mails are sent entirely pre-sorted for destination mail offices, instead of the earlier system of loading unsorted mails in "Sorting Sections". Reopening Sorting Sections will also involve substantial additional manpower. We, therefore, do not recommend such a measure."

(c) Considering all the points listed above it is not considered feasible and advantageous to re-introduce the sorting sections.

Recommendation (Para No. 173)

The Committee notes Department of Post employing about six lakh employees is a labour intensive Department. Most of the functions, like clearance of letter boxes, sorting and delivery of mail because of their very nature are carried out manually. The Committee is of the view that for smooth functioning of the Department, workers' co-operation is essential. Any kind of misunderstanding on their part is bound to affect various services which Department provides to the public all over the country. It is amply evident from the failure of important and innovative schemes like Panchayat Sanchar Sewa Yojna and Licensed Postal Agency Scheme which were aimed at expansion of the Postal network in rural, remote and hilly areas where opening of post offices is not viable. Therefore, the Committee strongly recommends that Department of Posts should invariably take representatives of Postal employees in confidence and discuss details of new schemes/services before such schemes/services are taken up for implementation and try to remove their apprehensions as far as possible so that the new schemes do not meet the fate of Panchayat Sanchar Sewa Yojna. It is an established fact that in a labour intensive department like Post, co-operation of workers is *sine-que-non* for smooth functioning.

Action Taken Notes

Consultation with recognised Service Associations in the Government is regulated under the overall framework and parameters of the scheme of Joint Consultative Machinery. The scope of the JCM includes all matters relating to conditions of work welfare of employees and improvement in efficiency and standard of work. Consultation with the representatives of recognised Associations at various levels on formal and informal basis is the regular feature of the working of the Department.

(ii) Financial powers earlier exercised by the Secretary are now available to the concerned Members of the Board. This action has been taken to ensure smooth operation of the services offered particularly in the purview of the Postal

CHAPTER IV

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

Recommendation (Para No. 20)

The Committee is distressed to note that the Postal Board has not been vested with adequate powers. It has no autonomy on the pattern of Railway Board. Even for intra-departmental matters like recruitment, promotions and other petty matters it is required to seek approval from Department of Personnel/Ministry of Finance. Even though the Expert Committee on Excellence in Postal Services in its Report recommended as early as in 1989, that lack of sufficient financial, personnel and operational powers with the Board comes in the way of effecting changes, innovations and technological improvements which have to be made in response to changing customer requirements and market needs, yet it is still under consideration. The Committee expect an early decision in this regard, particularly, for restructuring of the Department to make it operational and more efficient.

Action Taken Note

The Postal Services Board, the apex management body of the Department, comprises the Chairman and three Members. Secretary, Department of Posts, is the Chairman of the Board. The three Members of the Board hold charge of Development, Operations and Personnel respectively. The Joint Secretary and Financial Adviser to the Department is a permanent invitee to the Board. The Secretary, Department of Posts exercises powers under the Delegation of Financial Powers Rules, 1978, as available to other Ministries/Departments of the Government of India.

In view of the felt need to restructure the administrative and financial set up of the Board, the following steps have been taken:

- (i) The power to decide disciplinary cases referred to the apex level, earlier vested with the Secretary, has been delegated to the concerned Member of the Board.

- (ii) Financial powers earlier exercised by the Secretary, are now available to the concerned Members of the Board. This action has been taken to ensure smooth operation of the services offered, particularly those within the purview of the Postal Life Insurance Directorate and the Business Development Directorate. These Directorates were set up to focus on premium products and life insurance schemes, improve efficiency and enhance business generation since the Department is facing competition in these key areas.

The views of the Standing Committee regarding the recommendations of the Expert Committee on Excellence in Postal Services on the powers of the Board, would be focussed upon by the Department of Posts.

It is also proposed to request the Ministry of Finance to delegate the power to the Department for creation of ED posts in order to facilitate achievement of plan targets for opening of post offices. This power was earlier available to the Department but was withdrawn *vide* Ministry of Finance, Department of Expenditure O.M. No. 7 (12)-E, Coord/94 dated 29/03/94.

Comments of the Committee

(Please see Para No. 13 of Chapter I.)

Recommendation (Para No. 57)

The Committee finds that inspite of massive expansion of postal network in the country since Independence, the number of post offices having increased to 1.53 lakh from 23,344, there are still 4.74 lakh villages which do not have post offices. Of these 1,10,029 villages are Gram Panchayat Villages. It is a matter of grave concern that people in 1.10 lakh Gram Panchayat Villages have to look to the nearby towns/villages for postal services.

Action Taken Note

There are 4.74 lakh villages throughout the country which do not have a post office. The Department has laid down norms relating to distance, population and income on the basis of which, the justification of opening a post office is examined. At the beginning of 9th Five Year Plan, there were approximately 8041 villages, including Gram

Panchayat Villages, which justified opening of a post office on the 2 norms of distance and population. The third norm of Income is examined when a concrete proposal is formulated. Against this background, a target for opening 2500 EDBOs and 250 DSOs was fixed for the 9th Plan. The sanctioning of these post offices would depend upon the approval of the Ministry of Finance for creation of the required number of posts.

Comments of the Committee

(Please see Para 16 of Chapter I)

Recommendation (Para No. 58)

Department of Post has evolved three guidelines, as noted above, for opening of a post office in rural areas. The Committee notes that there are atleast 8041 Gram Panchayat Villages which justify opening of post offices on the basis of two of the three norms mentioned above. If third norm of income is also involved at least 6000 of these villages would qualify for opening of post offices. It is a matter of deep concern that these villages are being denied facilities of postal services on the plea of non-availability of funds. The Committee desires that post offices should be provided in all these villages at an early date and the question of allocation of funds should be taken up with the Planning Commission and the Finance Ministry at the highest level. Aspirations of the people of these villages should be fulfilled at an early date.

Action Taken Note

In the background note for framing the 9th Plan targets, it has been projected to the Planning Commission that 8041 villages in the country justify opening of a post office on the two norms of distance and population. The third norm of Income is examined when a concrete proposal is formulated. It was against this backdrop that the 9th Plan targets for opening 2500 Extra Departmental Branch Post Offices (EDBOs) and 250 Departmental Sub Post Offices (DSOs) throughout the country were proposed. During the Annual Plan, 1997-98, 402 EDBOs and 52 DSOs have been sanctioned. Under the Annual Plan 1998-99, a target for opening 500 EDBOs and 50 DSOs has been fixed but this would be achieved only when the required number of posts in various categories are sanctioned by the Ministry of Finance.

Comments of the Committee

(Please see Para No. 16 of Chapter I)

Recommendation (Para No. 68)

The Committee notes that Panchayat Sanchar Sewa Yojana was introduced with a view to provide postal services to areas not having postal facilities. But the studies made show that the Yojana has not found favour with the village Panchayats in almost all the states where it was introduced. The Postal Employees Associations have also opposed the scheme terming it as "worst kind of exploitation." The Committee is of the view that the remuneration payable under the scheme has to be revised upward to make the Yojana attractive, otherwise, perhaps the scheme will have to be abandoned. The views of the Employees Association may also be considered for adoption in place of the present scheme, if otherwise workable.

Action Taken Note

The Panchayat Sanchar Sewa Yojana has not picked up the way it was expected due to various reasons. The purpose sought to be achieved by this scheme continues to remain unachieved as the PSSY has not benefited the areas it was targeted at and the rural masses continue to go to the nearest post office for transacting postal business and buying postal stamps and stationery items. Increasing the remuneration might defeat the whole purpose of providing basic postal facilities to remote areas at a low cost.

However, this factor will be taken up for consideration while reviewing the scheme, once feed-back is received from all Circles.

Comments of the Committee

(Please see Para No. 19 of Chapter I)

Recommendation (Para No. 104)

The Committee observes that the Department of Post with a vast network and better Air and Rail facilities has been losing speed post business to private couriers. Some of the reasons for it may be quicker and more reliable service provided by the private couriers and their business development efforts with customers. The Department of Post has devised norms of 24 hours for Speed Post Service where stations are connected by Air. The Committee consider this norm of 24 hours on higher side particularly for metro-cities where more than one air flight are available and these are operated in morning as well as

evening. The Committee, therefore, desires that a comparative study of the time taken by private couriers *vis-a-vis* Speed Post may be conducted with a view to take corrective action. In this context, the Committee also commends the suggestion made by the representatives of 'Postal Employees' Associations that the Department should take advantage of rail and road conveyance where the distances are comparatively small and can be reached overnight. It will not only reduce operational cost, but will bring greater reliability also.

Action Taken Note

- (a) A Market survey has been assigned to one of the research agencies to carry out this comparative study mentioned in the para.
- (b) Department is already using the rail and road transport system for this service.

Comments of the Committee

(Please see Para No. 22 of Chapter I)

Recommendation (Para No. 118)

The Committee is distressed to find that money orders related complaints which are mostly for non-receipt of money orders have been on increase constantly inspite of various steps taken by the Department. The number of complaints received was 2,42,100 in 1993-94, 2,67,200 in 1994-95 and 2,86,900 in 1995-96. The Committee will like to be informed of the classification of complaints which are more than one year, more than 2 years and more than 3 years out of the 19,805 complaints pending at the end of 1995-96 and nature of these complaints.

Action Taken Note

As on 31.3.96, there was a pendency of 19,805 complaints and their period-wise break-up is as under. Their prompt settlement is under constant review at Circle/Regional/Divisional level:—

| | | |
|---------------------|---|--------|
| Less than 3 months | — | 18,913 |
| Between 3—6 months | — | 824 |
| Between 6—12 months | — | 62 |
| Over one year | — | 06 |
| Total | — | 19,805 |

(ii) There were only 6 complaints pending for a period of more than one year. Such an abnormal delay in the settlement of these complaints is either due to frauds, misappropriation of the amounts of money orders or litigation in court etc. In case of wrong payment, delay is caused in the recovery of the amount from the wrong payee. A continuous watch is kept over these complaints and these are reviewed at regular intervals for quicker settlement.

2. (i) There are other various types of money order complaints like non-payment, delay in payment, wrong payment, non-receipt of money order acknowledgement from the payee and forged payments, etc.;

(ii) On enquiries it is found that mostly the complaints are about non-receipt of acknowledgement by the remitter. In such cases a certificate of payment is issued or in case the remitter insists the written statement of payee is obtained and sent;

(iii) Department of Posts is handling traffic of about 100 millions of money orders every year. A comparative figure stated below would indicate that while there had been a slight increase in complaints over the past years, with the special efforts made by the Department, the number of complaints have come down. The rise in the absolute number of complaints is primarily due to increase in the traffic being handled. This is evident from the following figures—

| Year | No. of complaints received (in 000's) | Traffic of MOs handled (in 000's) | Percent |
|---------|---------------------------------------|-----------------------------------|---------|
| 1993-94 | 242.1 | 98670 | 0.246 |
| 1994-95 | 267.2 | 101869 | 0.276 |
| 1995-96 | 286.9 | 105727 | 0.271 |
| 1996-97 | 284.7 | 112470 | 0.253 |

(iv) As already intimated there are various factors responsible for the increase in money order complaints:—

- (a) non-supply of adequate cash due to line limits keeping in view the safety and security situation in the area;
- (b) non-availability of branches of scheduled/nationalised banks in some of the remote areas;
- (c) non-availability of adequate, justified staff due to ban on creation of new posts;
- (d) non-availability of payee/remitter. The money orders are generally sent by the labourers of Bihar and Eastern UP working in various parts of the country. They keep on moving from place to place. On refusal by the payee, it becomes very difficult for the Department to locate their whereabouts as they don't have permanent addresses;
- (e) due to delays in transmission by way of natural calamities, abrupt strike by employees, frequent late running of transport services like Railways/State Transport/Airlines etc.;
- (f) in a few cases, the human failure also contribute to delays. Punitive action is taken against such officials. During the year 1995-96, 548 officials were punished.

3. Every effort is made to ensure prompt settlement of money order grievances. There is a provision to issue duplicate money orders within 10 days, if no reply is received from the paying office, by then.

- (ii) Besides, ongoing action as indicated, special periodic drives are also launched by the Department for early settlement of these complaints. One such drive was launched from July '96 to September '96 and nearly in respect of 70% of money order complaints, duplicate money orders were got issued.
- (iii) Likewise in the year 1997-98, a similar drive has been launched from 15.10.97 to 15.11.97. The results of this drive is under examination.

Comments of the Committee

(Please see Para No. 26 of Chapter I.)

Recommendation (Para No. 136)

The Committee recommends that since whole country cannot be covered with only seven Customer Care Centres, more such Centres and definitely in Metropolitan cities and State Capitals should be opened and the Department should aim at providing them at all the Circle H.Qs. These Centres should be empowered to take decision on Customer's complaints or legitimate demands which can be fulfilled within the resources and machinery available with Circle H.Q.

Action Taken Note

In order to rationalise Public Grievances handling and processing system in the Department, it was decided to set up Computerised Customer Care Centres initially in 36 important towns in the year 1997-98 including 7 which are already working at (i) Ahmedabad (ii) Madras (iii) Delhi (iv) Bangalore (v) Bombay (vi) Hyderabad and (vii) Chandigarh. The Department of Posts would be able to provide prompt/speedy redressal of public grievances with the help of Customer Care Centres.

(ii) A sum of Rs. 1.83 Crores only have been provided to the Public Grievances Branch for the year 1997-98 for the establishment of 29 Customer Care Centres. It would be possible to provide more such Customer Care Centres in the successive years with provision of adequate funds.

(iii) As a part of Action Plan to operationalise the directives of the Cabinet Secretariat to make the public services more open, transparent and responsive to the needs of the Customers, the existing enquiry counters of all the important post offices have been converted to 'Information and Facilitation Counters' (IFCs). 423 such counters have been provided with Multipurpose Counter Machines.

(iv) These Information and Facilitation Counters provide basic information relating to various postal services concerning the customers such as Information relating to tariff, various

Saving Schemes available through the post offices, Pin Codes, information about PLI Premium and other Postal Services. Particulars of authorities to be contacted for redressal of various customer grievances alongwith prescribed time periods are also furnished. These counters also provide the facility for the customers to lodge complaints and receive acknowledgement for the same.

Comments of the Committee

(Please see Para No. 31 of Chapter I)

Recommendation (Para No. 149)

The Committee notes that for Postal Life Insurance operations, no additional staff has been sanctioned since last one decade due to the ban on creation of posts by the Ministry of Finance. Similarly, for Rural PLI, introduced *w.e.f.* 24.3.95, the Postal employees although getting incentives, are over-stretched due to inadequate manpower. The Committee also notes that sanction of required staff for PLI/RPLI operations has been taken up with the Ministry of Finance. In the opinion of the Committee, the staff requirement should be commensurate with the increased quantum of workload as the Postal employees cannot be over-stretched for too long without affecting their overall efficiency and motivation. The Committee recommends that the Department of Posts be sanctioned required manpower to cope with the increased workload of additional schemes which have been taken up from time to time for providing a wider and more efficient postal network.

Action Taken Note

The Work Study Section of Postal directorate has to finalise norms for PLI and Rural PLI. The staff requirement on the basis of these norms is to be worked out in each Circle for PLI and Rural PLI work and a fresh proposal for creation of justified posts in each Postal Circle will be sent to the Ministry of Finance through Internal Finance for exempting PLI/RPLI from ban on creation of additional posts.

Comments of the Committee

(Please see Para No. 34 of Chapter I.)

Recommendation (Para No. 176)

The Committee finds that Justice Talwar Committee which was set up to look into the emoluments and other facilities as well as service conditions of ED employees has submitted its report. The Department of Posts has also processed its recommendations in consultation with several staff federations and formulated its views. The report is awaiting approval of the Ministry of Finance. The Committee desires the Department to take up the matter with Ministry of Finance with a view to expedite its approval.

Action Taken Note

Proposal on the recommendations of Justice Talwar Committee on Postal Extra Departmental system were included in the draft Note for the Cabinet and it was forwarded to Ministry of Finance on 17.9.97.

Ministry of Finance *vide* U.O. No. 7(44)/E-III(A)/97-KW dated 9.1.98 advised that since the recommendations of Justice Talwar Committee have far-reaching policy and considerable financial implications, they may appropriately be considered by the new Government Fresh Cabinet Note is accordingly being submitted.

Comments of the Committee

(Please see Para No. 37 of Chapter I)

Action Taken Note

The Work Study Section of Postal Directorate has to finalise norms for PII and Rural PII. The staff requirement on the basis of these norms is to be worked out in each Circle for PII and Rural PII work and a fresh proposal for creation of justified posts in each Postal Circle will be sent to the Ministry of Finance through Internal Finance for

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

Recommendation (Para No. 34)

The Committee feels that in view of the ever increasing demand for faster means of communication, installation of Fax machines at urban centres will prove to be a profitable proposition. It, therefore, urges the Department of Posts to equip urban postal centres with Fax machines as early as possible.

Action Taken Note

The effort of the Department of Posts is to modernise its existing areas of operation to optimally utilise its resources. As such measures are being taken to reduce waiting time at counters, speed up transmission of articles and to give faster customer service for all spheres of our activities. This would ensure that the customers get an effective means of communication. The recommendation for installation of Fax machines is being examined further for implementation.

Recommendation (Para No. 63)

The Committee is also of the opinion that though the proposal for 10% cut in the overall staff position as directed by the highest functionary in the Government should be kept in mind, if the Department of Posts being labour intensive Department, finds it difficult to run postal services efficiently and carry postal expansion to its full satisfaction because of the 10% cut, it should approach the Government to get an exemption from the cut.

Action Taken Note

The Ministry of Finance had observed that all proposals for creation/upgradation of posts should first be taken up with Committee of Secretaries to obtain exemption from 10% cut. Accordingly, a Note

dated 23rd August, 1993 was submitted to Ministry of Finance for consideration of Committee of Secretaries. This was followed by notes dated 22.4.94, 4.10.94, 16.2.96. The arguments put forth by Department was that combined with a shortage of 21.25% in justified strength and introduction of new services, various factors like urban growth, spread of literacy, population explosion, had not only increased the work load and need for manpower but had adversely affected the scale and quality of postal services. The Department had initiated an intensive programme of modernisation, redeploying to the maximum extent staff wherever feasible. But inspite of these measures, the requirement of additional staff continued.

Note from Cabinet Secretary dated 1.5.96 had stressed the need for examination of issues relating to 10% cut by the Department of Expenditure and in this context asked the Department to furnish additional information, if any, to the Department of Expenditure. Thereafter, numerous correspondences have been exchanged between the Department of Posts and the Department of Expenditure at various levels and the Cabinet Secretariat was also kept duly informed in the matter. While considering the Department's proposal for creation of 600 ED posts for opening new Branch Post Offices under the plan programme for 1996-97, the Ministry of Finance had insisted on the Department of Posts keeping 600 regular posts in abeyance. It was the specific understanding of the Department during discussions between the two Ministries at the highest level that if the Department of Posts agreed to keep 600 regular posts in abeyance this will also resolve the general issue of 10% cut on Group B, C and D posts in the Department.

Department of Posts issued orders keeping 600 regular posts in abeyance and also intimated the Department of Expenditure accordingly. However, the question of exempting the Department of Posts from imposition of 10% cut in the number of posts in Groups B, C & D has not yet been resolved inspite of protracted correspondence between Department of Posts and Ministry of Finance and the last reference of the Department of Posts in this regard made *vide* D.O. letter of Secretary (Post) dated 21.5.97 has been followed up with subsequent reminders also to Secretary (Expenditure).

It is now proposed to approach the Cabinet to seek resolution of this matter regarding grant of exemption to the Department of Posts from imposition of 10% cut in its sanctioned establishment. A note in this regard is being prepared.

Recommendation (Para No. 103)

The Committee notes that because of a lacuna in the law, private couriers have established their business and are successfully competing with the Department of Posts depriving the latter its legitimate role even though it has monopoly in conveyance of mail all over the country. A major part of the creamy layer business has been taken away by them from the Department of Posts. As it would perhaps not be possible at this belated stage either to reactify the law or to book private couriers effectively for infringement of law. The Committee recommends that some arrangements should be devised under which private couriers may be asked to obtain licence to carry on their business. It would to some extent protect the interests of the Department of Posts.

Action Taken Note

At present the Indian Post Office Act does not allow for operation of private couriers in the field of transmission of letter mail. The licensing of the private couriers can only be done after their operation has been brought within the scope of legislation. This matter is under consideration.

Recommendation (Para No. 107)

In fact, the Committee feels, to make a higher credibility in the minds of people, the Department should acquire suitable aeroplanes for conveyance of faster mail. Not only it would ensure higher speed and efficiency, but will also have positive impact on customers in the competitive environment.

Action Taken Note

The implication of this proposal is under study.

Recommendation (Para No. 116)

The Government is unhappy to note that Corporate Money Order Service set up with the hope of V-SAT could not take off so far. It is pertinent to note in this regard that in the first phase, 75 VSAT stations were set up at a high cost to transmit money orders. Because of the slow progress in the Corporate Money Order scheme, the capacity of the 75 VSAT stations could be utilised optimally and to that extent, investment has not produced adequate results so far. The Committee, therefore, desires that the rate structure and other problems related to the scheme should be thoroughly reviewed with a view to remove bottlenecks, if any, and the scheme may be made more attractive for further business development.

Action Taken Note

Redesigning of Corporate Money Order is under consideration to remove the bottlenecks.

NEW DELHI; SOMNATH CHATTERJEE,
 3 March, 2000 *Chairman,*
 13 Phalguna, 1921 (Saka) *Standing Committee on Communications.*

APPENDIX I

MINUTES OF THE FIFTH SITTING OF THE STANDING COMMITTEE ON COMMUNICATIONS (1999-2000)

The Committee sat on Wednesday, the 1st March, 2000 from 1500 hours to 1600 hours in Room No. 139, Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri Mahendra Baitha
3. Shri Pawan Kumar Bansal
4. Prof. Dukha Bhagat
5. Shri Nikhil Kumar Chaudhary
6. Shri Adhir Ranjan Chaudhary
7. Shri T. Govindan
8. Shri K.K. Kaliappan
9. Shri Shreechand Kriplani
10. Dr. C. Krishnan
11. Shri Bhartruhari Mahtab
12. Shri Simranjit Singh Mann
13. Shri A.K. Moorthy
14. Shri Karia Munda.
15. Shri Sheeshram Singh Ravi
16. Shri K.A. Sangtam
17. Shri Chandra Vijay Singh
18. Shri Vinay Kumar Sorake
19. Shrimati D.M. Vijay Kumari

Rajya Sabha

20. Shri Balkavi Bairagi
21. Shri Narendra Mohan
22. Shri Kartar Singh Duggal

SECRETARIAT

1. Shri P.D.T. Achary — Joint Secretary
2. Shri S.K. Sharma — Deputy Secretary
3. Shri A.S. Chera — Under Secretary

2. The Committee took up for consideration the following Draft Reports and adopted the same with some amendments/modifications as shown in Annexure B.

(i) ** ** ** **

(ii) Draft Seventh Report on Action taken by Government on the recommendations of the Committee contained in its Fourteenth Report (Eleventh Lok Sabha) on 'Postal Network' relating to the Department of Posts. (Annexure 'B')

(iii) ** ** ** **

3. The Committee then authorised the Chairman to finalise and present/lay the Reports to the House.

The Committee then adjourned.

AMENDMENTS/MODIFICATIONS MADE BY THE COMMITTEE
IN THE DRAFT SEVENTH REPORT

| Page No. | Para No. | Line No. | For | Read |
|----------|----------|----------|--|------|
| 3 | 9 | 3 | After "subsequent to the action taken notes". | |
| | | | Add "The Committee would like early completion of the National Postal Policy". | |

APPENDIX II

[Vide Introduction of Report]

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE FOURTEENTH REPORT ON STANDING COMMITTEE ON COMMUNICATIONS (ELEVENTH LOK SABHA)

| | |
|--|--------|
| I. Total number of Recommendations: | 51 |
| II. Recommendations/observations which have been accepted by the Government: Para Nos. 10, 21, 32, 33, 40, 60, 61, 62, 79, 101, 106, 119, 126, 128, 135, 155, 157, 161 and 165 | |
| Total | 19 |
| Percentage | 37.25% |
| III. Recommendations/observations which the Committee does not desire to pursue in view of the reply of the Government: Para Nos. 8, 9, 31, 39, 59, 77, 78, 84, 102, 105, 108, 117, 134, 141, 142, 156, 171 and 173 | |
| Total | 18 |
| Percentage | 35.29% |
| IV. Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration: Para Nos. 20, 57, 58, 68, 104, 118, 136, 149 and 176 | |
| Total | 09 |
| Percentage | 17.64% |
| V. Recommendations/observations in respect of which replies one of the interim nature: Para Nos. 34, 63, 103, 107 and 116 | |
| Total | 5 |
| Percentage | 9.8 |