

STANDING COMMITTEE ON COMMUNICATIONS
(1999-2000)

THIRTEENTH LOK SABHA

MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF POSTS)

DEMANDS FOR GRANTS
(2000-2001)

NINTH REPORT

Presented to Lok Sabha on _17.4.2000
Laid to Rajya Sabha on _17.4.2000

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Shri Somnath Chatterjee

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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 Ninth Report on 'Demands for Grants (2000-2001)' pertaining to the Ministry of Communications (Department of Posts).

2. The Standing Committee on Communications (1999-2000) was constituted on 31 December, 1999. One of the functions of the Standing Committee, as laid down in Rule 331E of the Rules of

Procedure and Conduct of Business in Lok Sabha, is to consider the Demands for Grants of the concerned Ministry/Department and make a Report on the same to the Houses.

3. The Committee considered the Demands for Grants pertaining to the Department of Posts for the current year i.e. 2000-2001 which were laid on the Table of the House on 15 March, 2000. Thereafter the representatives of the Ministry of Communications (Department of Posts) briefed the Committee on 22nd March, about the Demands for Grants (2000-2001) pertaining to their Department. Then the Committee took evidence of the representatives of the Ministry of Communications (Department of Posts) on 27th March, 2000.

4. The Committee wishes to express its thanks to the Officers of the Ministry of Information & Broadcasting for placing before it detailed written notes on the subject and for furnishing the information, that the Committee desired in connection with the examination of the subject.

5. The Report was considered and adopted by the Committee at its sittings held on 13th April, 2000.

6. 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.

SOMNATH CHATTERJEE

Chairman, Standing Committee on Communications

NEW DELHI;

13 April, 2000

24 Chaitra, 1922(Saka)

REPORT

Introductory

The Department of Posts (DoP) which forms a part of the Ministry of Communications is responsible for the planning, development, expansion, operation and maintenance of Postal Services in the Country. Starting with 23344 post offices at the time of Independence, Indian postal network has now grown to 1,54,149 post offices as on 31.3.1999 including 1,37,847 post offices in rural areas. Apart from basic services as mail operations, sale of stamps and stationery, remittance of money order etc., the Department also discharges certain agency functions like Saving Bank and other Small Saving Schemes including Mahila Samridhi Yojna, collection of custom duty on Postal articles and disbursement of pension to military and Railway pensioners, Family pension to Industrial Employees of Coal Mines etc. on behalf of various Departments of the Central and State Governments. The Department also administers Postal Life Insurance for the benefit of Postal, Telecom and other Central Government Employees and Employees of State Governments, Public Sector Undertakings, Nationalised Banks and Local bodies etc.

2. For the purpose of administration and management of services including implementation of various programmes of the Department, the country is divided into 19 Postal Circles, each under the charge of a Chief Post Master General.

3. The Postal Services Board, the apex management body of the Department, comprises the Chairman and three Members. The Secretary, Department of Posts is the Chairman of the Board and also Director General of India Post. The three Members of the Board hold portfolios of Operations, Development and Personnel, respectively. The Joint Secretary who is also the Financial Advisor to the Department is a permanent invitee to the Board. The Board directs and supervises the management of the postal services in the country with the assistance of Deputy Directors General in the Directorate General of Posts.

4. A separate Business Development Directorate was set up in 1996 to design, monitor, develop and market value-added premium products of the Department.

5. The Department of Posts has presented Demands for Grants to Parliament for the year ending 31 March, 2001 as under :

Postal Services - Demand No. 11

	Revenue	Capital	(Rs. in thousand) Total
Voted Plan	20,97,00	87,03,00	1,20,00,00
	+		
	* 12,00,00		
<u>Non-Plan</u>	<u>52,21,49,00</u>	<u>2,01,00</u>	<u>52,23,50,00</u>
Total	52,54,46,00	89,04,00	53,43,50,00

Charged Plan	-----	-----	-----
<u>Non-Plan</u>	<u>1,00</u>	<u>-----</u>	<u>1,00</u>
Total	52,54,47,00	89,04,00	53,43,51,00

* Allocation of North-Eastern Region

Voted Plan	12,00,00	-----	-----
<u>Non-Plan</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Total	12,00,00	-----	-----

6. It may be seen from above that out of the proposed Annual outlay for the year 2000-2001 of Rs. 5343.51 crore, Plan outlay is Rs. 120 crore and Rs. 5223.51 crore is Non-Plan outlay. Plan outlay during 1999-2000 was Rs. 100 crore.

7. The Ninth Five Year Plan of the Department of Posts (DoP) aims at expanding the scope and coverage of the programmes of modernisation through induction of new technology initiated during the Eighth Plan period alongwith provision of basic postal facilities in uncovered areas. Development and marketing of new services especially for the business/professional sectors and modernisation of specific agencies functions are other priority areas identified with the objective of increasing revenue generation. Human resource development through appropriate training for skill upgradation, streamlining of management functions, development and maintenance of appropriate buildings for the modernised systems and provision of staff quarters for the employees are among the identified priorities of the Plan.

Ninth Plan Targets and Achievements

8. The Department has stated that with a view to achieving the above objectives, an outlay of Rs. 754.76 crore was proposed in the Ninth Five Year Plan, which was initially reduced to Rs. 658.98 crores. Subsequently, it was progressively down sized to Rs. 580 crores, Rs. 550 crores and finally to Rs. 507.25 crore. The Schemes which have been affected the most as a result of the reduced outlay and the cuts made in each Scheme are stated to be as follows:

Plan Schemes	(Rs. in Crore)		
	Proposed	Allocated	Cuts made
Upgradation of Technology	216.22	133.08	83.14
Modernisation of Mail Processing	222.39	141.30	81.09
Postal Buildings and Staff Quarters	176.00	119.62	56.38
Streamlining of Administrative and Financial Management	25.00	9.63	15.37
Postal Life Insurance	22.69	14.42	8.27
Business Development and Marketing	25.25	17.80	7.45
Human Resource Development	17.95	14.08	3.87
Material Management	2.92	1.20	1.72
Expansion of Postal Network	34.27	42.70	- 8.43

9. The table indicating the Revised Estimates 1998-99, Actuals 1998-99, Revised Estimates 1999-2000, Achievements (till date) (1999-2000) and Annual Plan Outlay (2000-2001) is as under :-

Sl. No.	Particulars of Schemes	(In Lakhs of Rupees)					Annual Plan 2000-2001
		Outlay as Per 9th year Plan*(1997-2002)	Revised Estimates 1998-99	Actuals 1998-99	Revised Estimates 1999-2000	Achievement till 23.3.2000 1999-2000	
1.	Expansion of Postal Network	4270	466	396	553	471	889
2.	Upgradation of Technology	13308	2347	2276	3398	1459	2375
3.	Material Management	120	10	2	21	21	63
4.	Human Resource Development	1408	320	284	345	203	273
5.	Modernisation of Mail Processing	14130	993	728	1906	1756	4335
6.	Business Development &	1780	515	364	720	656	307

Marketing

7. Computerisation of Savings Offices Banks in Post Offices	90	20	\$	\$	\$	\$
8. Postal Life Insurance	1442	410	228	149	133	\$\$
9. Philately	512	76	69	58	71	174
10. Postal Buildings & Staff Quarters	11962	2800	2753	2183	2174	2205
11. Streamlining of Administrative and Financial Management	963	350	169	114	64	95
12. Public Grievances	740	104	100	154	82	84
13. North East Allocation	---	---	---	---	---	1200
14. North East Surrender	---	---	---	399	399	---
Total	50725	8411	7369	10000	7489	12000

\$ Under upgradation of technology

\$\$ Shiefted to non-plan side

10. During 1998-99, out of the Revised Plan Estimates (RE) of Rs. 84.11 crore, the Department was able to utilise Rs.73.69 crore. Further during the year 1999-2000, out of the total Plan outlay of Rs.100 crore, the achievement till 23 March, 2000 was Rs.74.89 crore.

11. It has also been informed that during the 1997-98 Rs.72.27 crore was spent out of the allocation of Rs. 80 crore.

12. The Committee has been informed that the anticipated Plan expenditure in the first three years of the Ninth Five Year Plan was Rs.220.85 crore against the outlay of Rs.507.25 crore indicating thereby utilisation of 43.53 percent of the amount allocated.

13. Physical targets and achievements during first three years of the Ninth Plan for some of the major schemes of the Department and also physical target during 2000-2001 are as under:-

Name of the Scheme/ Project/Programme	Ninth Plan Proposed Target	1997-98 Target - Acht	1998-99 Target - Acht	1999-2000 Target- likely Acht	Likely % Acht. During 1997 -2000	2000-2001 Target
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Expansion of Postal Network

Opening of *EDBOs	2500	500 - 402	500 - 598	500 - 273	50.58	500
Opening of *DSOs	250	50 - 52	50 - 50	50 - 37	52.60	50
Panchayat Sanchayat	2700		200 - 200	500 - 376	17.6	1000

Sewa Kendras

Upgradation of Techonology

Installation of *ESMOs	1450	350 - 318	250 - ---	266 - 266	40.28	466
Installation of *VSATs	150	--- - ---	20 - 0	62 - 62	41.33	88
Moderniation of money transfer system	50	--- - ---	--- - 10	---- - ---	20.00	-----
Machine Engraves	10000	2000 - ---	10000 - 3285	--- - ---	32.85	---

Modernisation of Mail Processing

*HRO/computerisation	20	4 - 1	--- - ---	5 - 6	35.00	7 HRO
Upgradation of operational equipment of delivery	500 Mopeds	--- - ---	75 - 147	100 - ---	49.40	150

Business Development & Marketing

Modernising business offices for Speed Post	5	---- - ---	---- - ---	1 - 1	20.00	2
Mechanisation of pick up and delivery	40	10 - 3	7 - 6	10 - 10	47.50	10

* EDBOs – Extra Departmental Branch Offices, *DSOs – Departmental Sub Post Offices, *ESMOs – Extended Satellite Money Orders, *VSATs – Very Small Aperture Terminals,*HRO – Head Record Offices

14. It will be seen from above that there has been a shortfall in physical achievement in the areas of Expansion of Postal Network, Upgradation of Technology, Modernisation of Mail Processing and Business Development and Marketing. Against the Ninth Plan target to open 2500 EDBOs, 250 DSOs and 2700 PSSKs, only 1273 EDBOs, 139 DSOs and 476 PSSKs have been opened in the first three years i.e. the achievement is 50.58 percent, 52.62 percent, and 17.6 percent respectively. During 1999-2000 against the target to open 500 EDBOs, 50 DSOs and 500 PSSKs, only 273 EDBOs, 37 DSOs and 476 PSSKs have been opened. Further under 'Upgradation of Technology' against the Ninth Plan target to install 1450 ESMOs and 150 VSATs, only 554 ESMOs and 62 VSATs were installed in first three years i.e. the achievement is 40.28 percent and 41.33 percent. Under 'Modernisation of Mail Processing' against the Ninth Plan target to computerise 20 Head Record Offices, only 6 HROs has been computerised i.e. the achievement is 30 percent only. Also against the Ninth Plan target to provide 500 mopeds in order to upgrade operational equipment of delivery, only 147 mopeds were likely to be provided in the first three years i.e. the achievement is 29.4 percent .

15. Under 'Business Development and Marketing' against the Ninth Plan target to modernise 5 Business Offices for Speed Post, only 1 office is likely to modernised in first three years. Also against the Ninth Plan target to Mechanise 40 pick up and delivery systems, only 19 have been mechanised in the first three years i.e. the a chievement is 47.50 per cent.

16. When asked about the constraints faced by the Department in accomplishing the targets besides the

financial constraints it has been submitted in reply that targets and schedule of activities had to be reworked subsequent to changes in the plan and budget allocations and the time consuming procedure involved in clearance of the projects upto Rs. 50 crore. The appraisal of projects upto Rs.50 crore by the Plan Finance division and the Planning Commission before the Expenditure Finance Committee, chaired by the Secretary to the Government of India is followed by clearance by the Union Minister of Communications and is further put up to Union Finance Minister through Secretary (Expenditure). Besides, opening of Post Offices is largely dependent on sanctioning of posts, the power of which rests with the Ministry of Finance.

17. Another constraint is stated to be dependence of the Department on the Universal Postal Union (UPU) for the release of software required for the Plan activities such as International Postal System project and Computerisation of International Mail Accounting. It is stated that the implementation of these plan activities is beyond the control of the Department. Further, certain plan activities are dependent on the response of the other Ministries like Railways for Fabrication of Air Brake Mail vans. The constraints were also faced in the building activities like adverse climatic conditions such as heavy rains and snowfall in hilly areas and natural calamities like floods and cyclone in coastal areas etc., delayed approval from Municipality and other local bodies and problems with the contractors.

18. As regards steps taken/proposed by the Department to resolve these constraints, the Secretary, DoP during evidence submitted that in respect of the problem of reworking of the targets and schedule of activities due to subsequent changes in the budget allotment, the matter has been taken up with other Ministries and Departments for streamlining the procedure.

19. The Secretary, Department of Posts. further submitted that some delay occurred at their end also and they would expedite the process by interaction.

20. Regarding time consuming process in clearance of projects, the witness submitted that their monetary limit for incurring expenditure should be increased and they had taken up the matter with Ministry of Finance to increase the monetary limit of the Department for expenditure sanction.

21. The result of the financial working of the Department of Posts and net surplus deficit are indicated in the following table:

	(Rupees in crore)					
	1998-99 Actuals	1999-2000 B.E.	1999-2000 R.E.	2000-2001 B.E.	%age of Col.5 over Col. 2	%age of 5 over col.4
Revenue Section						
Gross Expenditure	4351.29	4357.59	4835.53	5242.47	20.48%	8.42%
Deduct Recoveries	1037.75	1200.00	1145.00	1260.00	21.42%	10.04%
Net Expenditure	3313.54	3157.59	3690.53	3982.47	20.19%	7.91%
Postal Receipts	1722.57	2268.18	1950.00	2000.00	16.11%	2.56%
Deficit	1590.97	889.41	1740.53	1982.47	24.61%	13.90%
Allocation for North East Region						
Under M. Head 2552	0.00	0.00	0.00	12.00		
Capital Section						
Gross Expenditure	55.38	83.42	76.74	89.04	60.78%	16.03%
Deduct Recoveries	11.50	12.00	12.00	12.50	8.70%	4.17%

Net Expenditure	43.88	71.42	64.74	76.54	74.43%	18.23%
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22. Asked about the reasons for lower Budgetary Estimates (BE) of Rs.2000 crore for the year 2000-2001 as compared to 1999-2000 BE of Rs. 2268.18 crore and only Rs 50 crore more than 1999-2000 Revised Estimate(RE) of Rs.1950 crore, it has been stated that Ministry of Finance had fixed final Revenue target for 1999-2000 BE at Rs. 2268.18 crore to incorporate the effect of subsequent tariff revision of Rs. 121.18 crore in 1999-2000 but at RE stage the target was revised to Rs. 1950.00 crore keeping in view the actual revenue realisation of Rs. 1722.57 crore in 1998-99 and Rs. 969.12 crore for the first 6 months (upto September, 1999) during 1999-2000.

23. Accordingly, keeping in view the actual revenue realisation of Rs. 1722.57 crore in 1998-99, Rs.969.12 crore during the current financial year from April to September, 1999 and expected normal increase in postal traffic, the Budget Estimate (BE) 2000-2001 has been fixed at Rs. 2000 crore by Ministry of Finance.

24. The Department has further stated that they have been making concerted efforts to ensure that the revenue target are achieved and as per current trends of revenue realisation of Rs. 1812.41 crore upto February 2000, this target of Rs. 1950 crore for 1999-2000 would be exceeded.

25. As regards the reason for the increase in the deficit to Rs. 1590.97 crore i.e. Actual 1998-99 against the Revised Estimate (RE) for the year 1998-99 i.e. Rs.1248.01 crore, it has been stated that increase in the deficit is mainly due less realisation of revenue and recoveries as the targets fixed by the Ministry of Finance for these activities were on the higher side.

26. The Committee has been informed that the revenue in the year 1998-99 had increased to Rs.1722.57 crore from Rs. 1566.52 crore in 1997-98 i.e. an increase of 10 percent. Also Net Expenditure in the year 1998-99 has increased to Rs. 3313.54 crore from Rs. 2559.95 crore in the year 1997-98 i.e. an increase of 29 percent.

27. It has been stated that as a result of expenditure control, the Department's expenditure during the last 3 years has been well within the approved ceiling fixed by the Ministry of Finance

28. Regarding measures to step up the revenue, the Committee has been informed that under 'Business Development' bulk of the revenue earned is under Speed Post and the Department has taken initiatives like expansion of Speed Post Network, Computerisation of Speed Post Centres, Mechanisation of Delivery, Automation of Business Post Centres, Upgradation of Track and Trace System, Out-sourcing collection of Speed Post, Thrust on Marketing, Re-structure of Speed Post Delivery and Focus on Corporate Customers to strengthen Speed Post operations.

29. The Department also proposes to introduce Greeting Post, Data based Post and Media Post to improve the revenue receipts position.

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

Plan allocation puts the Plan priorities of the Department out of gear which leads to non-achievement of plan targets. This must be avoided.

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

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

33. The shortfall in achievement of targets is attributed to constraints like dependence of the Department on the response of other Ministries like Railways for Fabrication of Air Brake Mail Vans ; adverse climatic conditions such as heavy rains and snowfalls in hilly areas and natural calamities like floods and cyclone in coastal areas etc.; delayed approval from Municipality and other local bodies and problems with the contractors which are hardly convincing. The Committee finds that except natural calamities which cannot be predicted, these problems are not new to the Department and are being faced by them year after year. The Committee deprecates such a casual and callous approach in implementation of the schemes as these problems could be overcome with foresight and co-ordinated efforts. After all, every aspect is considered at the sanction stage of a scheme. The Committee would like to be assured that the Department would take all necessary steps to resolve these problems.

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

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

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

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

Expansion of Postal Network

38. It would be seen from the statement above that out of Rs. 4.66 crore, Rs.3.96 crore were actually spent on expansion of postal network during 1998-99. Similarly, during 1999-2000, Rs. 4.71 crore have been expended till 23th March, 2000 against the Revised Estimate of Rs. 5.53 crore. For the year 2000-2001, Rs.8.89 crore have been provided. As regards physical achievement the Department had opened 598 EDBO's, 50 DSOs and 200 Panchayat Sanchar Sewa Kendra's against the targets of 500, 50 and 200 respectively in 1998-99. In 1999-2000, 273 EDBOs have been opened against the target of 500, 37 DSOs against 50 and 276 Panchayat Sanchar Sewa Kendras against 500 provided in the estimates. It would thus be seen that the achievements had been far below the targets during the year 1999-2000. As regards the reasons for not achieving the target the Secretary, Department of Posts has stated that the Department could not get any post during the year from the Ministry of Finance. The Department had asked for 442 posts for opening of new Post Offices during the year. Asked about the posts sanctioned by the Ministry of Finance in the previous year, the representative of the Department submitted that last year they had got 598 posts but this year they have failed to get any.

39. In reply to another query, the Secretary, DoP stated that inspite of the overall reduction in the Ninth Plan outlay the Department has enhanced the outlay on 'Expansion of Postal Network' from Rs. 34.27 crore to Rs. 42.70 crore. However, it would be seen that the actual expenditure during 1998-99 was Rs. 3.96 crore against the target of 4.66 crore 1998-99 (RE) and Rs.4.71 crore till 23.3.2000, against the Revised Estimates of Rs. 5.53 crore during 1999-2000. For the next financial year demands of Rs. 8.89 crore have been presented for the physical target to open 500 EDBOs, 50 DSOs, 1000 Panchayat Sanchar Sewa Kendras and also to provide infrastructural equipments in 8000 EDBOs.

40. During evidence, when the Committee pointed out that how out of Rs. 42.70 crore allocated for the Ninth Five Year Plan, the Department is likely to spend Rs. 13 to 14 crore i.e. 31% only. To this, the Secretary, DoP replied that it is because most of the post offices have been opened by re-deployment.

41. It may be seen that as far as physical achievement is concerned during first three years of the Ninth Plan, the Department has been able to open 1273 Extra Departmental Branch Offices (EDBOs) against the target of 2500 i.e. the achievement is 50.92%, 139 Departmental Sub-Post Offices (DSOs) against the target of 250 i.e. the achievement is 55.60 % and 576 PSSKs could be opened against the target of 2700 PSSKs i.e. the achievement is 21.33 %.

42. When asked how the Department proposes to provide post office counters facilities to these village, the

Secretary, DOP submitted that since they are finding it difficult to get posts sanctioned from Ministry of Finance they are going in full stream to go for Panchayat Sanchar Sewa Yojana.

43. Circle wise number of villages justifying opening of EDBOs on the basis of two norms of population and distance is as under :

Sl.No.	Circle	No. of villages justifying opening of EDBO on two norms of population and distance as on 29-2-2000
1.	Andhra	Nil
2.	Assam	602
3.	Bihar	1528
4.	Delhi	Nil
5.	Gujarat	166
6.	Haryana	152
7.	Himachal	139
8.	J & K	178
9.	Karnataka	220
10.	Kerala	Nil
11.	M.P.	371
12.	Maharashtra	473
13.	N.E.	43
14.	Orissa	117
15.	Punjab	5
16.	Rajasthan	92
17.	Tamil Nadu	22
18.	U.P.	1022
19.	W.B.	61
Total		5191

Panchayat Sanchar Sewa Kendra (PSSK)

44. During the course of evidence, the Secretary, DoP submitted that they have fixed a target to provide 500 Panchayat Sanchar Sewa Kendras (PSSKs) during 1999-2000 and this target will further be increased in the year 2000-2001 on the basis of response from different States. He further added that Department is getting good response from some States like Madhya Pradesh and around 4000 Gram Panchayats are willing to have PSSKs. While in other States like Andhra Pradesh, Tamil Nadu and Bihar, the response is very poor and therefore, they are facing problems to keep a balance between all parts of the country to evenly spread PSSKs.

45. Statement showing the targets and achievement of PSSKs during 1998-99 and 1999-2000 in as under :

Name of circle	Target allotted 1998-99	Achievement 1998-99	Target 1999-2000	Sanctioned 1999-2000
Andhra	31	31	30	20
Assam	-	-	5	5
Bihar	14	14	40	21
Delhi	-	-	Nil	-
Gujarat	20	20	35	34

Haryana	-	-	10	9
Himachal Pradesh	Nil	Nil	10	10
J & k	-	-	Nil	-
Karnataka	-	-	30	-
Kerala	-	-	Nil	-
M.P.	55	55	80	80
Maharahstra	10	10	60	45
North East	-	-	5	5
Orissa	20	20	30	30
Punjab	5	5	20	17
Rajasthan	-	-	40	5
Tamil Nadu	10	10	30	27
U.P.	30	30	65	65
W. Bengal	5	5	10	3
Total	200	200	500	376

46. In a written reply it has further been stated that circle wise allocation of target for providing Panchayat Sanchar Sewa Kendras (PSSKs) for the remaining 2 years of the Ninth Five Year Plan is yet to be done. It may be seen that for 2000-2001, a target to open 1000 PSSKs has been fixed.

Upgradation of Technology

47. It may be seen that during 1998-99, the actual expenditure on 'Upgradation of Technology' is Rs. 22.76 crore against the target of Rs. 23.47 crore. As regard the reasons for the same it has been stated that the upgradation of only 21 Very Small Aperture Terminals (VSATs) could be done against the target of 30 due to certain constraints in the DoT network.

48. Besides, against the target to install 250 Extended Satellite Money Orders(ESMOs) and 20 VSATs, achievement was nil. The reasons for nil achievement is stated to be that the evaluation of Phase-I took time and the meeting of the Expenditure Finance Committee (EFC) for Phase-II could be held only in March, 1999. A target to install 1450 ESMOs has been fixed for the Ninth Five Year Plan, out of which during the first 3 years only 584 ESMOs are likely to be installed i.e. achievement is 40.28 percent. Similarly a target to install 150 VSATs is fixed for the Ninth Five Year Plan, out of which 62 VSATs are likely to be installed i.e. the achievement is 41.33 percent. Also against the target of providing 10,000 Machine Engraved Hand Cancellers (MEHC) for the Ninth plan, the Department could provide only 3285 MEHCs so far. No target is fixed for 2000-2001.

Modernisation of Mail Processing

49. The Ninth Five year Plan allocation for 'Modernisation of Mail Processing' is Rs. 141.30 crore, out of which the Department has utilised Rs.28.21 crore during the first three years i.e. the achievement is 20 percent of the outlay.

50. On 'Modernisation of Mail Processing', out of Rs. 9.93 crore, only Rs. 7.28 crore was spent during 1998-99 (RE). As regards the reasons for underutilisation of funds, it has been stated that it was planned to computerise 10 Head Record Offices (HROs), upgrade Mail-Net of 15 centres and modernise registration delivery system in 10 offices but as there were delays in software development in each of these cases, these three plan-programmes had to be finally dropped. Further the plan project of International mail accounting had to be dropped as the required software could not be developed by Universal Postal Union

(UPU) well in time.

51. The outlay for International Postal Systems project was also reduced as the project could be operationalised only at Delhi and the site prepared at Mumbai because the software from UPU was received late.

52. Also, for RMS van fabrication Revised Estimate(RE) of Rs. 5.56 crore could not be spent as inspite of the sustained effort on the part of the Department, the Railway Board could not intimate the exact cost of fabrication of Air Brake Mail Van. Therefore, the meeting of the Expenditure Finance Committee could not be held to finalise the issue and the funds remained unutilised.

53. In respect of Transit Mail Office (TMO) two activities viz, TMO computerisation and Registration Sorting Office computerisation, hardware specifications were approved in the month of January, 1999 and orders placed in March, 1999. 90 percent payment were to be made to the vendors on supply of hardware and software and the remaining 10 percent after installation. As installation could not take place before 31st March 1999, the payment of residual amount could not be utilised.

54. It may further be seen that for the activity "Upgradation of Operational Equipment for delivery" under the scheme Modernisation of Mail Processing, a target to provide 500 Mopeds has been fixed for the Ninth Plan, out of which only 247 are likely to be provided in first three years of the Ninth Five Year Plan. the achievement being 49.40 percent.

Automatic Mail Processing Centres (AMPCs)

55. The Committee has been informed that an outlay of Rs.150 crore is proposed for setting up of 3 AMPCs during the 9th Plan. Subsequently, after reduction in the allocation by the Planning Commission for the scheme to Rs. 80 crore, the physical target has also been reduced to setting up of 2 AMPCs. Further in the initial annual plans, there was no provision of funds for the scheme.

56. It has further been informed that out of the allocation of Rs. 5 crore during 1999-2000, only Rs. 5 lakh is likely to be utilised on the scheme which shows negligible achievement.

57. The Department of Posts has added that nevertheless during this period they have been able to complete the ground work for installation of AMPCs. They have carried out feasibility studies, including the main profile in each of these cities. Rupees 27.63 crore has been earmarked for setting up AMPC, at Calcutta during the year 2000-2001.

Business Development

58. Business Development has assumed an important place in the activities of the Development. The overall growth of the business development was 37.43 during 1998-99 with total revenue of Rs. 141.76 crore. It has been stated that on Business Development, the Actual Expenditure was Rs. 3.64 crore, out of Rs. 5.15 crore in 1998-99 (RE). The reasons for under utilisation of funds are stated to be that the Mass mailing, inserting and sealing equipment could not be provided as the systems offered by vendors in response to open tenders was not found compatible by Tender Evaluation Committee. Also the advertising agency entrusted with the publicity of Express Parcel Post failed to submit their bills in time leading to less utilisation of funds. The proposed survey for smart card could not be conducted. Also, no payment could be made to the agency appointed for costing of Premium Products as the Report submitted by them was incomplete.

Speed Post

59. Speed Post is the most important segment of Business Development Activities of the Department with

generation of 91 percent of the total revenue out of Rs. 141.76 crore.

60. It may be seen that Budget Estimates (BE) for the year 1998-99 for Business Development was kept as Rs.3.55 crore. At RE stage, the outlay was increased to Rs. 5.15 crore. As regards the reason for variation, it has been stated that the outlay was increased at the RE stage as the promotional activities had to be given more focussed attention so as to ensure higher revenue generation. Also, it was proposed to supply additional Vehicles/Mopeds in metro cities so as to improve pick up and delivery. It was also proposed to provide computers and Internet to the Managers of Speed Post Centres.

61. It would be seen that modernising business offices for Speed Post, against the Ninth Plan target of modernising 5 offices, only 1 office has been modernised during first three years of the Ninth Plan i.e. achievement is 47.50%. Again in mechanisation of pick up and delivery system 47.5% achievement has been made in first 3 years of the Ninth Plan.

62. The Committee has been informed that the national network of Speed Post has been extended to 97 stations with opening of four new stations at Dimapur, Ghaziabad, Kohima and Noida during this period. Revenue from Speed Post has increased from Rs. 77.95 crore in 1997-98 to Rs. 91.36 crore in 1998-99.

63. Asked whether any study has been conducted by the Department of Posts to get the comparative figures of the mail handled and revenue realised by other private couriers and how it compare with the mail handled and revenue earned by the 'Speed Post' service, it has been stated in reply that in the year 1997 -98 a survey regarding efficiency of Speed Post vis-à-vis couriers was conducted by the Department of Posts through a professional market research agency. The study has revealed that the courier industry comprised organised and un-organised sectors with an estimated market size of Rs. 1300 crore in 1997-98. The organised sector was estimated to account for Rs. 650 crore while the unorganised sector shared the rest. The organised sector consisted of known national and international couriers like DHL, BLUE DART, ELBEE etc. The 'Speed Post' was placed in the organised sector of the courier industry.

64. According to this survey, the Speed Post revenue was Rs. 70 crore representing 10 percent share of the organised courier industry. During the current year, 1999-2000 growth of speed post has been at the rate of 35 percent per annum.

65. The survey pointed out the shortcomings of 'Speed Post' as lack of modern equipment, Non-availability of free pick up and collection service, low recall of the product, inadequate advertisement for Speed Post Promotion, weak customer service level and lack of tracking facility.

Money Order

66. It may be seen from Performance Budget that actual commission realised on Money Orders in 1998-99 was Rs. 219.40 crore. It increased marginally to Rs. 225 crore in 1999-2000 (RE). Budget Estimates for the year 2000-2001 is kept at Rs. 227 crore which is more or less static.

67. It may also be seen from the Annual Report , 1999-2000 that the Money Order traffic has declined to 10.91 crore in 1998-99 from 11.08 crore in 1997-98 i.e. a decrease of 1.53 percent. The reason for the same is stated to be that alternative instruments of money transfer like electronic money transfer, credit cards etc. were affecting Money Order traffic. However, in the rural areas, money order is reported to be popular instrument for money transfer.

68. The steps taken/proposed by the Department to enhance Money Order traffic are stated to be to modernise the money transfer system for greater efficiency through use of Satellite technology. More than 10 percent of the money order traffic is stated to be presently handled through the VSAT system. Phase II of the project to install latest

VSATs with a speed of 64 Kbps is stated to have been approved. A total of 150 such VSATs including 88 during 2000-2001, are being installed which would enable the Department to put the entire money order traffic on the satellite network resulting in substantial reduction in time taken in transmission. Monitoring of each money order from point of booking to payment of money order is being ensured through test-checks and periodical drives for settlement of complaints which would ensure greater customer satisfaction and increased traffic.

69. The Committee has been informed that 2,94,636; 3,33,966 and 3,88,091 number of complaints were received during 1996-97, 1997-98 and 1998-99. Also 23616, 30563, 23144 number of complaints were pending at the end of the years 1996-97, 1997-98, 1998-99.

70. During evidence the Committee enquired about the steps taken by the Department to keep the money order service which is used generally by the less affluent/rural people, fault free. To this the Secretary, DoP replied that they are carrying out special drive for money orders in rural areas. He further added that in case of the complaints regarding non-receipt of money orders, Department is issuing a duplicate money order if it is not delivered in 10 days time. But the action was being taken by the Department only after registration of the complaint by the sender. Thus the onus remains on the sender to find out whether the money order sent by him has been received by the addressee.

71. The Secretary, DoP admitted it as a weakness in the money order system and stated that the only remedy to this is to increase the number of inspection services and surprise checks by the inspectorial staff.

72. Member Operations, Postal Board in this context informed the Committee that the Department had recently developed a software which was under trial and would start working in a month or two. This system would enable to find out whether the money order has been delivered from the office of payment or not.

Delivery of Mails

73. During evidence, the Committee enquired about the delay in delivery of Mails. In a written reply later on furnished to the Committee, it has been stated that 1,11,830 ; 1,00,146 and 1,13,969 complaints were received in 1996-97, 1997-98 and 1998-99 respectively. Asked about the constraints faced by the Department in timely delivery of mails, it has been stated that the hours of posting of mails by the public and relevant cut off timings with reference to time required for mail processing and the time of train etc. for outlet of despatch, logistics of mail movement in congested cities, traffic density, road conditions, rush hours; rail, air availability, their frequency, timing of departure and arrival and their availability and capacity for carriage of mails and punctuality in operation of the public carriers like Railways and Air Lines carrying mails are the factors responsible for delay in mails. The Department has further stated that all these factors are beyond their control.

International EMS

74. International EMS service was introduced in India during the year 1986. In the year 1998-99, this service was extended to 8 more countries with effect from 15 August, 1998. With this introduction the International EMS network has been extended to 97 countries.

75. The Committee has further been informed that this is one area where there have been a substantial growth over the past few years. The growth rate during 1998-99 is stated to be 3.52 %. Realising the importance of International EMS, India Post has stated to have initiated concerted efforts to improve the quality of this service. During the year 1998-99, International EMS items were processed through the International Postal System (IPS) a track and trace software developed by the Postal Technology Centre of Universal Postal Union (UPU). The system operates through the UPU Virtual Private Network (VPN) called POST NET. The IPS is expected to be fully operationalised at all the four offices of exchanges in India viz. New Delhi, Mumbai, Calcutta and Chennai by the year 2000-2001. During 1998-99, IPS was started on an experimental basis at New Delhi and the site for the same was got

prepared at Mumbai.

76. During the course of evidence, the Committee pointed out that though BE of Rs. 2.40 crore has been allocated for the year 2000-2001 and BE & RE (1999-2000) of Rs. 1.82 crore and Rs. 1.95 crore, respectively under Non-Plan expenditure and similar amount might have been allocated in the previous years also, the Department has not much progress in this field and has not been able to operationalise exchange in the four Metros and people keep on complaining about late receipt of delivery.

77. In reply, the witness submitted that from foreign postal administration they earned a revenue of Rs. 35.70 crore in 1998-99. They also made a payment of Rs. 15.03 crore for foreign postal administration. Therefore, the net receipt in foreign currency is Rs. 20.67 crore.

78. To a specific query, the witness further submitted that they are going to expand the track and trace arrangement in other cities in addition to four metros.

79. It may be seen from the Annual Report 1999-2000 of the Department of Posts that under the International Postal Services, Foreign Air Parcel Traffic and Foreign Surface Parcel Traffic are showing a constant decline from the year 1995-96 to 1998-99 as shown below:-

Foreign Air Parcel Traffic:			Foreign Surface Parcel Traffic:		
Year	Inward	Outward	Year	Inward	Outward
1995-96	140887	62770	1995-96	89404	47433
1996-97	139827	45929	1996-97	85823	49821
1997-98	107200	35859	1997-98	58043	45341
1998-99	97151	38390	1998-99	62836	41657

Relief Assistance during Natural Calamities

80. The Committee pointed out that in the recent Super Cyclone in Orissa State, 10 coastal districts were badly affected and the Post Offices in those districts were destroyed or damaged. The Committee enquired if the Department of Posts has made any Plan outlay to provide assistance and to renovate/repair the damaged postal building structures. In reply, the Secretary, Department of Posts stated that the Department had doubled the assistance of what it was being given in normal situations to the members of the staff who have been affected whether they were in the extra-departmental Post Offices, the extra-departmental delivery agents or regular postal employees in the cyclone affected areas. This assistance has been given out of Welfare Fund. He further added that after the cyclone, more than a crore of rupees were spent in repairing the departmental buildings. As far as village Post Offices are concerned, those being housed in the premises of the Post Master and the building being not owned by the Department, the Department was not in a position to repair the building itself but monetary assistance has been given to those people.

81. In reply to another query, by the Committee, the Secretary, DoP stated that the Department has a proposal under consideration to ensure that some loans are given to the affected postal employees by organisations like HUDCO/HDFC on softer terms. The Department is examining the proposal to see how it can route the assistance to these people who were very badly affected.

Postal Franchise

82. The Committee desired to know if the Department has thought of engaging private contractors to carry-out post Office business on contract basis. In reply, Secretary, Posts stated that the Department has 2-3 such schemes, one such scheme is 'Licensed Stamp Vendors Scheme' and the Department has around 11,000 such Stamp Vendors

in the country even today. These vendors do the job of selling of stamps.

83. Some Members desired that the Department should consider opening of Post Offices on franchise basis in those areas where it is not possible to open departmental Post Offices.

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

85. The Committee further notes that the Department of Posts is in a position to open post offices in all these villages provided it get posts sanctioned. The Department has stated that they have taken up the matter with the Ministry of Finance. The Committee is of the opinion that the whole exercise done by the Department has no meaning if the eligible rural areas as per the departmental norms are denied the basic postal facilities. The Committee, therefore, strongly recommends that the Department should lay more emphasis on Expansion of Postal Network in rural areas and funds for this scheme should be adequately enhanced at the RE stage. It is unfortunate that even the modest target of opening of 500 EDBOs and 500 Panchayat Sanchar Sewa Kendras could not be achieved for want of sanction of 442 posts required to man these post-offices. The achievements in this regard are quite dismal at 273 EDBOs and 276 PSSKs. It is sheer negation of planning process if even after sanction of the annual plan, posts are not sanctioned to meet the manpower requirement. The Committee desires that the matter of sanctioning of the required 442 posts should be taken up at the highest level with the Ministry of Finance. The procedure should also be streamlined with in-built provisions that when annual plan schemes are sanctioned, staff sanctioned are automatically given.

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

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

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

89. The Committee further notes that in some States the scheme is getting a good response while in other States the

response is poor. The Committee desires that in order to provide postal facilities evenly in all States and UTs, utmost care should be taken in fixing the targets.

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

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

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

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

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

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

96. The Committee is constrained to note that the Department is unable to utilise Revised Estimates of Rs. 5.15 crore in Business Development activities more so when the BE (1998-99) of Rs. 3.55 crore was increased at RE

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

97. The Committee notes that the courier industry comprised the organised and un-organised sectors with an estimated market size of Rs. 13,00 crore in 1997-98. Out of this the organised sector is estimated to account for Rs. 650 crore. The Committee is extremely unhappy to learn that the Speed Post share in the organised sector amounts to meagre 10 percent. Even though the growth of 'Speed Post' at 35 percent during 1999-2000 looks quite impressive the total volume of Rs. 1300 crore market continues to be very small and requires further streamlining and strengthening of this service.

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

99. The Committee is disturbed to note that the number of complaints in respect of money orders has been increasing every year. The number of complaints were 2,94,636; 3,33,966 and 3,88,091 during 1996-97 , 1997-98 and 1998-99, respectively even though the Money Order traffic which was 11.08 crore in 1997-98 has decreased to 10.91 crore in 1998-99. The Committee takes a serious note of it and desires that with effective monitoring and surprise inspection, fraudulent practices of unscrupulous postal staff should be curbed. The number of complaints relating to non-receipt of money orders must be brought down. The payment should be ensured quickly to make the money order service fault free in the interest of people who are helpless and cannot opt for any other system of money transfer except money order service. The Committee trusts that technological innovations being introduced in this respect will help curb growing money order complaints.

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

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

102. The Committee notes with some satisfaction that the net revenue receipt in foreign currency was Rs. 20.67 crore during the year 1998-99. At the same time the Committee is unhappy to note that since its inception in 1986, not much has been done to improve International EMS service. The Committee desires that since this is an area where there has been a substantial growth over the past years, the Department of Posts should accord top priority

for its improvement. The Committee hopes that the Department will fully achieve the targets fixed for the year 2000-2001 to operationalise Indian Postal System in four offices of exchanges in India viz. New Delhi, Mumbai, Calcutta and Chennai and desires that the possibilities of expanding the track and trace arrangements to other cities in addition to four metros should immediately be explored.

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

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

NEW DELHI;

13 April, 2000
24 Chaitra, 1922(Saka)

SOMNATH CHATTERJEE,

Chairman,
Standing Committee on Communications