

FIFTY-EIGHTH REPORT
ESTIMATES COMMITTEE
(1987-88)

(EIGHTH LOK SABHA)

MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF POSTS)

POSTAL SERVICES IN RURAL AREAS



Presented to Lok Sabha on 19 April, 1988

LOK SABHA SECRETARIAT
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CORRIGENDA

TO
 FIFTY-EIGHTH REPORT OF ESTIMATES COMMITTEE (1987-88)
 ON MINISTRY OF COMMUNICATIONS (DEPARTMENT
 OF POSTS) - POSTAL SERVICES IN RURAL AREAS.

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CONTENTS

COMPOSITION OF ESTIMATES COMMITTEE (1987-88)
INTRODUCTION	
CHAPTER I	DEVELOPMENT PROGRAMME
	A. Introductory
	B. Growth of Post Offices under Five Year Plans
	C. Closure of Post Offices
	D. Provision of letter boxes
	E. Plan outlay and expenditure during Sixth Plan
	F. Plan outlay and expenditure during Seventh Plan
CHAPTER II	NATURE AND QUALITY OF SERVICES
	A. Services offered in rural post offices
	B. Timely delivery of mail
	C. Safe delivery of mail.
CHAPTER III	MISCELLANEOUS
	A. Mobile Postal Services
	B. Extra Departmental System
	C. Inspection and Monitoring
APPENDICES	
	I. Staff statistics as on 31-3-1987
	II. Number of extra departmental staff as on 31-3-1987
	III. Statement of Recommendations/Observations

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(1987-88)

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(iv)

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***Ceased to be Member of the Committee due to his demise on 16-4-1983.

INTRODUCTION

1. the Chairman of Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present this Fifty-eighth Report on the Ministry of Communications—Department of Post—Postal Services in rural areas.

2. The Estimates Committee (1987-88) took the evidence of the representatives of the Ministry of Communications (Department of Posts) on 27th October, 1987. The Committee wish to express their thanks to the Secretary, Department of Posts and other officers of the Department for placing before them the material and information which they desired in connection with the examination of the subject and for giving evidence before the Committee.

3. The Report was considered and adopted by the Estimates Committee (1987-88) on 6th and 7th April, 1988.

4. For facility of reference, the recommendations/observations of the Committee have been printed in *think type* in the body of the Report and have also been reproduced in a consolidated form in Appendix III to the Report.

NEW DELHI;
April 14, 1988

Chaitra 25, 1910 (S)

CHANDRA TRIPATHI,
Chairman,
Estimates Committee.

CHAPTER I

DEVELOPMENT PROGRAMME

A. Introductory

1.1 The Post Office is an essential infrastructure for the development of a country; it is an important instrument for modernisation, social coherence, spread of literacy and knowledge and for the growth of trade and industry. It also plays an important role in the spread of education and dissemination of news. In the rural areas, the postal system not only provides an unfailing link for communicating with the Government and the people in other parts of the country and abroad, but also, more importantly. It serves the needs of the public in the educational, cultural and economic sphere.

1.2 India being a vast country, the need for extension of postal facilities, even by incurring losses, was felt as early as in 1928. In that year, the Government of India authorised the Heads of Circles to open or retain a post office upto an annual loss of Rs. 500. The limit of loss was reduced to Rs. 120 per annum in December, 1930 and again raised to Rs. 240 per annum in May, 1936.

1.3 In the year 1945, the 'Post War Plan', was launched for opening of post offices, especially in rural areas. Under that plan it was decided to open post offices in rural areas on the following basis:

- (i) All villages having a population of 2000 and above should have a post office;
- (ii) All villages selected by the State Governments for model development should be provided with a post office even if the population was less than 2000;
- (iii) Post offices should be opened to ensure at least weekly deliveries in all villages having a population of 500 and above; and
- (iv) Simultaneously the limit of loss was raised to Rs. 500 per annum per office.

1.4 Under the Interim National Government of undivided India, the policy of opening new post offices and providing more facilities in rural areas was liberalised in 1947. It was decided to extend the benefits of the scheme to groups of villages having a population of 2000 and above, provided the villages in the group were within a radius of 2 miles from the proposed post office. In addition to the limit on population, the programme of 1947 introduced a new criterion *viz.*, that a person in a village shall not, ordinarily, have to walk for more than 5 miles to reach a post office. The limit to loss for opening or retention of a post office was also liberalised by raising it to Rs. 750 per annum, subject to certain restrictions.

1.5 Soon after independence, the question of provision of postal facilities to rural areas received increased attention and the Posts and Telegraphs Department dovetailed its plans on postal development with the Five Year Plans.

1.6 The following criteria were laid with effect from 28-1-1967 for opening of post offices in rural areas:

"A group of villages is identified for purposes of opening of new post office. Within this group, a suitable village is selected for locating the post office based on one or more of the following criteria:—

- (i) Headquarter of a gram panchayat.
- (ii) Village with the largest population.
- (iii) Location on an existing mail line.
- (iv) Central location with reference to the group of villages.
- (v) Village which has a concentration of economic activity/ other social facilities (weekly market, transport junction, railhead, primary health centre, education institutions and others).

The aggregate population of the group of villages should be not less than 5,000 in normal rural areas and not less than 2,500 in hilly, backward and tribal areas; provided further that in normal rural areas no new post office may be opened unless the total population served by the parent post office is in excess of 10,000. As a result of a new post office being opened, the parent post office should still have a total population of not less than 5,000 in normal rural areas and 2,500 in hilly, backward and tribal areas.

The permissible limit of loss was fixed at Rs. 2,400 per annum in normal rural areas and Rs. 4,800 per annum in hilly, backward and tribal areas. It was further provided that the anticipated income of a proposed post office should not be less than 50 per cent of its anticipated cost in normal rural areas and 25 per cent of its anticipated cost in hilly, backward and tribal areas.

It was also to be ensured that as a result of the opening of a new post office, the loss in respect of the parent post office did not increase beyond the permissible limit nor its income reduced below the minimum prescribed."

1.7. Asked about the number of villages/groups of villages which were eligible for having a post office as per criteria laid down but which were not yet having the post office, the Department of Posts has stated in a note furnished to the Committee, that all Heads of Postal Circles were asked *vide* letter dated 28th January, 1987 to carry out surveys in the light of the new norms and to formulate proposals for opening of new rural post offices. In response to this letter, 619 proposals were received from the Circles; out of this, sanctions were issued in respect of 222 post offices as part of the current year's Annual Plan. The other proposals are being processed. However, the number shown above (619) cannot be taken as a conclusive one as shown there may be other justified cases also. A further review was to be taken in connection with Annual Plan 1988-89.

1.8. In reply to a further question, the Department has stated that the Postal Services Board recently (30-10-1987) reviewed the existing norms and decided to adopt the following yardsticks for opening of new post offices in rural areas under annual plans 1988-89 and 1989-90:

- "(i) A group of villages constituting a gram panchayat will be provided with a post office if (a) there is no post office within this group and (b) the population of the gram panchayat as a whole is not less than 3,000 in normal rural areas and 1,500 in hilly, backward and tribal areas.
- (ii) The minimum prescribed revenue as per centage of cost will be reduced from 50 per cent to 33-1/3 per cent in normal rural areas and 25 per cent to 15 per cent in hilly, backward and tribal areas.
- (iii) The condition that no new post office should be opened within 3 kms. of an existing post office will be relaxed in hilly areas where the terrain is difficult to traverse."

1.9 The Department of posts has added that a fresh assessment of the need for new rural post offices in the different States/Union Territories on the basis of the modifications in the criteria would be undertaken, based on which the Department would be in a position to arrive at a State-wise picture of 'shortfalls'.

1.10 Judging from the criteria laid in pre-Independence era and the modifications effected therein till recently for opening post offices in rural areas, the Committee cannot help concluding that conditions for opening rural post offices have been made more and more stringent over the years and operate substantially to the disadvantage of the rural population, contrary to the expectations that with the advent of Independence and implementation of successive Five Year Plans, the approach for providing post offices in rural areas would be more liberal. All that has taken place over the years has been a minor variation so as to give some extra consideration for hilly, tribal and backward areas or for places that acquired importance by becoming headquarters of a gram panchayat or by falling on the road, mail line, etc. The Committee, therefore, recommend a thorough re-examination of the validity of these criteria in present day situation to attain the avowed goal of covering all the villages in the country with postal facilities in the minimum possible time.

1.11 The population norm for opening post offices in rural areas was 2000 in a village or a group of villages in the year 1947; it was raised upwards to the detriment of rural population without any rhyme or reason and for several years, it stood at 5,000. It was only in October 1987, that the population norm was brought down to 3,000. The Committee strongly feel that but for this retrograde step on the part of the Department, there would have been rapid spread of postal facilities in the villages. The Committee would like the Government to again review the population criterion for opening of post offices in rural areas taking into account the utmost necessity of covering all the villages and at least fix the criterion at 2,000 in a village of a group of villages, if not less.

1.12 Further, the Committee note that whereas the programme of 1947 fixed the limit of loss at Rs. 750 per annum, the present criterion fixes the limit of loss at Rs. 2,400 per annum. If the erosion in value of a rupee over the years and the substantial increase in wage rates alone are taken into consideration, it would be apparent that the financial loss criterion has failed to keep reasonable pace with the basic factors that go to affect the cost of operations. It has also, unfortunately, not kept pace with the per centage of increase

in postal charges that have been effected since 1947. The Committee consider that both the norms based on population and quantum of annual loss are totally out of tune with the present day objective of the Government to provide maximum facilities for the welfare of the people. The Committee, therefore, recommend that altogether different norms should be evolved taking into account the need of the facilities, distance of other Post Offices from the nearest village having a Post Office and means of communications in the area as basic parameters.

1.13 A comprehensive basic data of villages or group of villages which stand eligible for provision of post offices but have not been provided post offices so far has not been collected. It is only in October 1987, that all heads of Postal Circles were asked to carry out surveys and formulate proposals for opening of new rural post offices. The Committee consider that the whole question of opening post offices in rural areas has been dealt by the Department of Posts in a lackadaisical manner and there is an immediate need for rejuvenating the Department so as to ensure that the post offices are opened in all the eligible villages without any further loss of time.

B. Growth of post offices under the Five Year Plan

1.14 According to 1981 census, there were 5,57,137 villages (inhabited) in the country and the population was 68.52 crores, of which 52.55 crores lived in rural areas. At the time of independence the number of rural post offices stood at 22,116. The number of rural post offices stood at 48,498 in 1956, 69,513 in 1961, 1,29,598 in 1985 and 1,27,930 as on 31-3-1987.

1.15 The position of rural post offices, postal circlewise was reported to be as under as on 31-3-1987:—

Circle	Number of rural post offices in rural areas	Area served by a rural post office (Sq. kms.)	Population Served by a rural post office.
1	2	3	4
Andhra Pradesh	14,727	18.40	2788
Bihar	10,262	16.63	5963
Delhi	115	7.75	3932
Gujarat	7828	24.51	30.19
Jammu & Kashmir	1,298	170.75	36.41

1	2	3	4
Karnataka	8,162	23.05	3235
Kerala	4,066	9.12	5097
Madhya Pradesh	9,415	46.63	4424
Maharashtra	10,255	29.77	4044
North Eastern	5,254	32.36	4460
Orissa	6,988	21.95	3328
Rajasthan	8,794	38.41	3076
Tamil Nadu	9,777	12.74	3347
Uttar Pradesh	16,030	18.08	5675
West Bengal	7,196	13.11	5633
Haryana	2,151	20.20	4693
Punjab	3,291	14.95	3698
Himachal Pradesh.	2,331	23.79	1697
All India	1,27,930	24.57	4107

1.16 The position in regard to growth of post offices during the last five years as furnished by the Department of Posts was as under:

Year	Number of Post Offices (Total)	Growth Rate %	Number of Post Offices (Rural)	Growth Rate %
1982-83	1,42,296	..	1,27,123	..
1983-84	1,44,719	1.75	1,29,394	71.8
1984-85	1,44,875	0.05	1,29,589	0.15
1985-86	1,44,396	(-)0.33	1,28,810	(-)0.60
*1986-87	1,43,987	(-)0.28	1,27,930	(-)0.68

1.17 The Department has stated that during 1983-84 and 1984-85 the growth rate in rural post offices was marginally higher than the growth rate in the total number of post offices, and that during 1985-86 and 1986-87 no programme of opening of post offices could be implemented on account of the ban on creation of posts. However,

*At the time of factual verification the Department has intimated that 988 new post offices are being opened in 1987-88.

some of the post offices were closed according to the usual review procedures and hence the negative growth rate in these two years. Even though the negative rate on the rural side was apparently higher, the Department stated that it did not mean that more post offices were discontinued in rural areas than in other areas because in 611 cases during 1985-86 and in 641 cases in 1986-87, the classification was changed from 'rural' to 'urban' in line with census classification.

1.18 Under the policy directive of 1977, no post office could be opened in rural areas within 3 kms. of the existing post office and any relaxation of this number could only be authorised by the Director General and that too, under certain conditions. Information collected by the Savor Committee which was constituted by Government to study the extra-departmental system has, however, revealed that "in all, 12662 post offices existed at places, where, under the orders of the Directorate, such offices should not have been opened at all." The Department was asked to explain the imbalance in development of postal facilities in rural areas leading to concentration of post offices in certain areas and denial of the same in other areas.

1.19 The Department has stated that the inference that there was an imbalance in rural areas was not fully justified. Clarifying this position the Department has stated that a large area of the country covered by Andhra Pradesh, Bihar, Gujarat, Karnataka, Orissa, Uttar Pradesh, Haryana and Himachal Pradesh have a more or less even level of development at one rural post office serving 15 to 25 sq. kms. There are four Circles which are rather ahead of the normal level of development. These are Kerala (9.12 sq. kms.), Tamil Nadu (12.74 sq. kms.), West Bengal (13.11 sq. kms.) and Punjab (14.95 sq. kms.). This variation is probably related to a higher degree of rural development in terms of agricultural productivity, rural industries, literacy and other factors. At the other end of the spectrum, there are other Circles, such as Madhya Pradesh (46.63 sq. kms.), Maharashtra (29.77 sq. kms.) North Eastern (32.36 sq. kms.), Rajasthan (38.41 sq. kms.), and Jammu and Kashmir (170.75 sq. kms.) where geographical and demographic factors need to be taken into account in assessing postal development. In areas which are marked by large segments of desert|forests|mountain ranges, habitation tends to be thinly spread out and villages are situated apart from one another. In such cases, the average area served by a post office also tends to be higher than the normal level.

1.20 Commenting on the instances of 12662 post offices, which were in operation within 3 kms of each other as reported by the

Savour Committee on extra departmental system, the Department stated that these were not instances confined to one or two Circles or even to particular areas within a Circle and as such the question of concentration in one area and underdevelopment in another did not arise.

1.21 The Department has cited the following contributory causes for opening more than one post office within the prescribed area limitations:—

- (i) The norms which were introduced in 1959 permitted opening of post offices on self-supporting basis without restriction of distance.
- (ii) Post offices opened on the basis of NRC (Non-Returnable Contribution) were also exempt from distance restriction.
- (iii) Under the norms introduced in 1978, a specific provision was made so as to empower Heads of Circles to relax any or all the prescribed norms in 10 per cent of the cases every year. Under this power, in justified cases, the distance condition could be relaxed.

1.22 The Department has further stated that the phenomenon reported by Saviour Committee (of post offices situated within 3 kms. of each other) has evolved over a period of time, each case warranted by its own special circumstances and merits.

This need not necessarily be taken as lack of planning or inimical to balanced development. In any case, the postal development has taken a practical view on the whole matter which has been expressed as follows:

“In principle, it is agreed that in rural areas no two post offices should be located closer than 3 kms. from each other. It is, however, not accepted that rural post offices which are not in accordance with this norm should necessarily be closed. An exercise will be undertaken to review the position, the objective being to effect economy of expenditure to the extent possible without curtailment of postal facilities in rural areas.”

1.23 When asked to elaborate on possible concentration in certain areas and opening of new post offices at the cost of existing

post offices, the Secretary, Department of Posts during the evidence has stated:—

“We have also a condition that when we try to open a new post office in an area, it should not be done within 3 kilometres of it. The Post Masters General have been given the powers to relax only in 10 per cent of the cases. Actually in 90 per cent of the cases, we have to follow the usual norms.”

He has further stated during evidence:—

“If you feel that by opening a new post office, we will be jeopardising an existing post office, I will try to see that it does not happen so. I am specific about it. It will not be done at its cost. I cannot rob Peter and pay Paul.”

1.24 The Committee are unhappy to note that the tempo achieved in opening rural post offices during the first two Five Year Plans could not be sustained in the subsequent Five Year Plans, as is evident from the fact that whereas the number of rural post offices increased by 47,397 during the first two plans (over a period of ten years), the net increase in number of post offices in subsequent four Five Year Plans, three annual plans and first two years of Seventh Five Year Plans (over a period of twenty-five years) was only 58,417. It is also really shocking to find that during the first two years of the Seventh Plan, there has been no growth in the number of post offices and that the existing facilities have been withdrawn in quite a few cases resulting in negative growth rate. The Committee need hardly stress that not only it is imperative once again to reach the growth rate as achieved in the first two plans, but also that the growth rate so achieved should be evenly spread in the remaining years of the Seventh Plan.

1.25 The Committee are informed that the average population covered by each post office works out to 4107 against the policy of Government to provide one for every 5,000 population till September, 1987 and now 3,000. The Committee are, however, constrained to find that in Bihar, Uttar Pradesh and West Bengal the coverage is very low as the following data will indicate—

Bihar	— 5,963
Uttar Pradesh	— 5,675
West Bengal	— 5,633

On the other hand the coverage is quite on the high side in Himachal Pradesh, Andhra Pradesh, Rajasthan and Gujarat as the following data will indicate—

Himachal Pradesh	—1,697
Andhra Pradesh	—2,788
Rajasthan	—3,076
Gujarat	--3,019

The Committee do not feel convinced by the reasons put forth by the Government that these imbalances have cropped up as many of the post offices have been opened under the discretionary powers vested with the Heads of Circles. The Committee attribute such imbalances mainly due to failure of the higher echelons of the Postal Department to ensure that the postal facilities are properly planned and rationalised to generally maintain the coverage at the same level in the various States. The present system of asking each Circle to propose the Post Offices which they would be in a position to open on the basis of the criteria provided, deprives the department of the realistic assessment of the number of villages which fulfil the criteria but are left out of such facility. Had proper superintendence and control been exercised, the Department would have been in a position to prepare a perspective plan of action to ensure minimum balanced growth in all the Circles. The Committee, therefore, recommend that a comprehensive appraisal of the progress made in all States from one plan period to another should be conducted so as to identify States and areas that failed to grow adequately and suggest ways and means to rectify the situation. It also goes without saying that the discretionary powers vested with the Heads of Circles should be used more in the case of those Circles where the progress has been rather tardy.

C. Closure of Post Offices

1.26 The Committee have been informed that the number of post offices closed in rural areas during the last 3 years was as follows:—

1984-85	36
1985-86	168
1986-87	139

1.27 The following reasons have been attributed for their closure:

- (i) Location within 3 kms. of another post office.
- (ii) Loss on operation being in excess of the prescribed limits.
- (iii) Insufficient workload.
- (iv) In the case of post offices opened on the basis of Non-Returnable Contribution (NRC), the NRC due was not credited by the sponsoring agency.

1.28 In a subsequent note furnished to the Committee, the Department stated that during 1985-86, 41 post offices were closed due to financial loss or non-fulfilment of norms in two Circles and in 1986-87, 43 post offices were closed due to non-payment of NRC, financial loss and other reasons in another two Circles.

1.29 Giving the reasons for their closure the Secretary, Department of Posts, has stated during evidence.

"The closure of post offices during these two years is due to various reasons. May be the norms were being evolved or the NRC was not forthcoming or it was due to the insufficient workload in such post offices. Normally, in all such cases, we ensure that the public postal facilities are not insufficient, they are served from the nearby villages and thus basic facilities are made available to them. When the post offices are closed, there are extra department delivery agents to deliver letters, money orders. He sells stamps, covers and so postal facilities are provided through him who visits the village. There may be some wrong information in an odd case of two and if on a review, there is a case for re-examining the matter. We do re-examine in an odd case or two. Our instructions are very clear that nobody will be retrenched."

1.30 When about the number of Post offices reopened, the Secretary, Department of Posts has stated during evidence:

"There have been a few cases where we have reopened and where we felt that there is actually a case of reopening the post office. I will even give you an example of extreme Mizoram. Before the accord was signed in Mizoram, we had closed somewhere around 26 post offices because of the disturbed conditions in the movement of mails and other reasons. Immediately after the elected Government came into power in Mizoram, we reviewed all those cases and we got a permission from the Ministry of Finance for reopening of the post offices which were

closed because of the operational reasons. This is a small example with regard to a particular State. Similarly there, may be a number of other cases where we had examined on case by case basis."

1.31 When asked whether any action was taken against the officers who had given wrong advice to close down post office, the Secretary, Department of Posts has stated during evidence:

"We will definitely take action if there is any wrong advice. But, I would say, there is no mala fide intention. We are trying to categorise and ensure that, if at all a post office is closed, whether in urban area or in the rural area, the basic facilities are made available to the public-comparable facilities at least from some neighbouring post office which is not at a great distance."

1.32 When asked whether there was any protest from the villagers regarding closing down of post offices, the Secretary, Department of Posts has stated during evidence:

"There have been a number of protests from the affected people. The Gram Panchayat or the public themselves or an MP or somebody else have protested regarding the closure of a post office. We have received a number of complaints. In each and every case, it has been reviewed either by our Post Master General or at the Board level. We try to investigate all the complaints and would try to see what remedial action has to be taken so that the public inconvenience is put an end to."

1.33 The Committee feel greatly perturbed to be informed that as many as 347 post offices were closed in the rural areas during the last three years inspite of public protests. The Committee are not convinced by the reasons advanced by the Department of Posts for the closure of these post offices viz. non-fulfilment of norms, wrong advice etc. The Committee consider that these reasons could have been well taken care of had the authorities put in a little more effort to ensure their proper functioning and their adherence to the requisite norms. The Committee are firmly of the opinion that a post office once opened should in no case be closed. The Committee would also like the Department of Posts to reopen the already closed post offices and also delivery centres, if any.

D. Provision of letter boxes

1.34 The provision of letter boxes in urban and rural areas is regulated by Rule 135 of Post and Telegraph Manual. This rule enjoins upon the Superintendents of Post Offices to ascertain in what localities/villages it is desirable to place letter boxes. During the Sixth Plan, the policy criteria was laid down for the provision of letter boxes; according to the norms so laid down, every village with a population of 500 and above is eligible for letter box facility and in the villages with a population of less than 500, the facility is to be provided on the basis of need and subject to the criteria that (a) the nearest letter box is not nearer than 1 km. and (b) there is expectation of posting at least one letter per day.

1.35 Asked to state the number of letter boxes required to be provided, actually provided and yet to be provided in the rural area of each state according to the prescribed scale, the Department stated as under:—

“During the Sixth Plan period (1980—85), letter boxes were provided in 12,781 villages which did not have this facility earlier. During this period there was a substantial increase in extra-departmental agents employed for rural post services which could also support the programme of installation of more letter boxes. Whereas ordinarily a village needs to be visited by the delivery agent as and when there is a postal article to deliver or a money order to pay, when a letter box is provided in a village, the village must be visited on a regular basis. That requirement increases the need for manpower.

During the Seventh Plan, so far it has not been feasible to instal letter boxes in rural areas on a systematic basis on account of ban on creation of new posts though according to standards, there was scope for providing more rural letter boxes in some of the states/Union Territories.”

1.36 Regarding the future plan for the provision of letter boxes in the rural area, the Department has stated that Annual Plan 1988-89 was now under formulation and that subject to approval of Planning Commission and funds being provided, it was proposed to provide letter boxes in about 5000 more villages where this facility was not available.

1.37 On the utility to provide a letter box in all the villages, the Secretary has during evidence stated:

“Our policy is that we should have a letter box where there is a possibility of letter being posted daily. There are other considerations also; for a village with population of 500 or more, we try to have a letter box. We have a separate scheme for putting up letter boxes. But because of the ban, we have not been able to proceed as fast as we could have.”

1.38 Asked to furnish the number of villages with a population of 500 and above which have not been provided with letter boxes as yet, the Department furnished the following data:—

Sl.No.	State/Union Territory	
1	Andhra Pradesh	5,239
2	Gujarat	25
3	Kerala	Nil
4	West Bengal	2,005
5	Sikkim	85
6	Andaman & Nicobar Islands	130
7	Tamil Nadu	Nil
8	Assam	3,146
9	Arunachal Pradesh	116
10	Manipur	143
11	Meghalaya	593
12	Mizoram	5
13	Nagaland	36
14	Tripura	1,514
15	Maharashtra	2,379
16	Goa	68
17	Delhi	Nil
18	Rajasthan	2,482
19	Karnataka	3,716
20	Pondicherry	Nil
21	Chandigarh	Nil

Sl.No.	State/Union Territory	
22	Bihar	13,113
23	Uttar Pradesh	22,712
24	Punjab	264
25	Orissa	7,743
26	J&K	1,329
27	Haryana	1,441
28	Madhya Pradesh	8,109
29	Himachal Pradesh	34

1.39 When asked to explain the reasons for not installing the letter boxes on uniform basis, the Secretary during evidence has stated:

“Our duty is to ensure that development is uniform all over the country. When we open new letter boxes, we will try to rectify the imbalance among States. We will try to see that we give a larger number of letter boxes to West Bengal and Andhra Pradesh, taking into account the fact that Tamil Nadu or other States have reached the target.”

He has stated further:—

“The Circles indent for letter boxes. They place orders on the rate contract, or issue tender notice. If a particular man on whom the order is placed fails to supply them in time, there is difficulty in putting letter boxes at the particular place in time. There can also be excess letter boxes when people supply more boxes than ordered. We divert letter boxes from one State to another. Any way, we will try to rectify the position.”

1.40 The Committee are unhappy to note that more than 76400 villages with a population of 500 and above are yet to be provided with a basic necessity like letter-boxes. The Committee feel all the more unhappy to be informed that during the Seventh Plan so far, it has not been possible to instal letter-boxes in rural areas on a systematic basis on account of ban on creation of new posts, though according to standards, there was scope for providing more rural letter-boxes in some of the States and Union Territories. The Committee

are also constrained to observe that whatever progress has been achieved so far in the installation of letter-boxes, has been on an uneven basis in as much as States like Kerala and Tamil Nadu have achieved their targets, while certain States like Andhra Pradesh, Assam, West Bengal etc. are much behind targets. The Committee apprehend that this lopsided growth could be due to lack of balanced planning, absence of targets for each Circle and ensuring accountability therefor. The Committee would, therefore like the Department to initiate immediately necessary corrective measures and instal letter-boxes in such States on priority basis, which are lagging far behind and cover all the villages with a population of 500 and above within the Seventh Plan.

E. Plan outlay and expenditure during Sixth Plan

1.41 According to the Ministry, following was the anticipated outlay and actual expenditure in Sixth Plan towards expansion of rural postal network:—

	Outlay (in Crores of Rs.)	Actuals
(i) Opening of post offices and appointment of delivery agents .	12.74	16.16
(ii) Installation of rural letter boxes .	0.05	0.16
(iii) Appointment of Plan Monitoring Inspectors .	0.11	0.22
	12.90	16.54

1.42 The details of physical targets and achievements during the Sixth Plan period for provision of postal services in rural areas were as under:—

Scheme	Targets	Achievements
(a) Opening of post offices	8,000	6,820
(b) Appointment of extra-departmental delivery agents	10,000	8,040
(c) Installation of letter boxes	10,000	12,832
(d) Provision of counter facilities at villages	10,000	9,625

1.43 When asked whether the causes of short fall in the achievement of physical targets during the Sixth Plan have been investigated, the Department has stated that:—

“The shortfall in physical achievements was mainly due to the ban on creation of posts which was enforced by the Government in January, 1984. No investigation of the causes thereof was, however, conducted.”

1.44 The Committee are constrained to observe that whereas the financial targets for the Sixth Plan were exceeded by nearly 30 per cent, the physical targets were not achieved, except in installation of letter boxes. Unless, however, the financial targets had been substantially underestimated or the expenditure incurred was outside the plan purview, the explanation for non-achievement of physical targets does not seem to be convincing. The Committee desire that the Department should in future, frame estimates on a realistic basis, keeping in view various factors likely to affect the implementation of schemes.

1.45 One reason for the shortfall in the achievement of physical targets is stated to be the ban on creation of posts, enforced in January, 1984. The targets were fixed in 1980 at the beginning of the Sixth Five Year Plan while the ban was imposed in 1984 i.e. in the fourth year of the Plan and perhaps financial target had already been exceeded by then. The Committee, therefore, do not consider that the ban could have been the exclusive reason for the shortfall. It is really surprising that no investigation about the causes of shortfall in the achievement of physical targets was conducted which could have enabled the Department to take necessary corrective steps against their recurrence. The Committee suggest that the Department should subject itself to a self-assessment on its planning and execution and take steps to identify and tackle the short-comings and bottle-necks in achieving the physical plan targets.

E. Plan outlay and expenditure during Seventh Plan

1.46 The table below gives the financial outlay and expenditure for provision of postal services in the rural areas in the Seventh Plan (1985—90)

Scheme	Financial outlay	Actual expenditure upto 31-3-87 (Rs. Crores)
1. Expansion of postal network	10.10	0.21

1.47 The details of physical targets and achievements during the Seventh Plan (upto 31-3-1987) for provision of postal services in rural areas as furnished by the Department are as follow:—

Rural	Physical targets (1985-90)	Achievements (upto 31-3-1987)
(i) Expansion of postal network.		
(a) Opening of post offices	6,000	
(b) Appointment of delivery agents	1,200	
(c) Installation of letter boxes	5,000	
(d) Provision of counter facilities at village post offices	4,000	
(e) Appointment of Plan Monitoring Inspectors	33	

1.48 According to the Department, no progress could be made during 1985-86 and 1986-87 under the head 'Expansion of postal network' on account of the ban on creation of posts. However, in the light of the modified guidelines issued by the Ministry of Finance in regard to creation and filling up of posts required for Plan schemes, it was decided to initiate a programme of opening of post offices in rural areas on a limited basis. To begin with, the norms for opening of post offices in rural areas were reviewed taking into account, *inter alia*, some of the recommendations of the Committee of Enquiry on Extra-Departmental System (1986). Subsequently, during 1987-88, 222 proposals for opening of post offices in rural areas, particularly in hilly, backward and tribal areas have been sanctioned in consultation with Ministry of Finance. Some more post offices are likely to be sanctioned.

1.49 During evidence before the Committee, the Secretary, however, stated that during 1985-86 and 1986-87, 12 post offices were opened in rural areas and that the reconciled figure of expenditure on expansion of postal network was Rs. 4.31 lakhs only.

1.50 As a good number of post offices were closed during the two years, the Department was asked to explain as to how ban can be a cause for non-opening of new post offices when savings have been effected by closing post offices in certain other places. In reply the Department has stated:—

"When a post office is discontinued for any reason the establishment sanctioned for it becomes defunct. The

savings that have accrued may, no doubt, be utilised to create new establishment to an equivalent extent but a new post office should be justified as per the prescribed norms and approval of Ministry of Finance has also to be obtained for sanction of posts for the new post office on the basis of matching savings. In other words, according to the existing procedures, Heads of Circles do not have powers to open a new post office by abolishing an existing post office.

Transfer of posts from one place to another for opening of new post offices in place of post offices closed in a year is not possible unless (i) justification for the new post office is established and (ii) formal approval is obtained from Ministry of Finance."

1.51 The Department, in another context, gave following additional information to the Committee:—

"Whenever ban on creation of posts was imposed by the Government in the past, the operative posts in the P&T Department justified on the basis of approved norms, were being exempted from the purview of such ban. However, such a relaxation was not allowed in the present ban orders issued in January 1984. Each individual case of sanction of posts required for Plan execution/operation/maintenance is being referred to the Ministry of Finance for relaxation. The Postal Department may, therefore, be authorised to sanction up to 25 per cent of the required posts. This will enable the Department to meet pressing requirements such as opening of post offices in developing areas.

The proposal was approved at the level of Secretary in the Department of Expenditure. However, the Hon'ble Finance Minister of that time desired that the proposal should be further looked into by his Ministry (5-6-1985).

In the Annual Plan 1985-86 submitted (December 1984) to the Planning Commission, the Department of Posts proposed *inter-alia*, as follows:

The imposition of ban has adversely affected the Plan targets of 1983-84 and 1984-85. Several post offices which were

found justified as per existing norms could not be opened and consequently there is a heavy backlog for opening of rural post offices. Keeping this in view, it is proposed to open 3,600 rural post offices during 1985-86, the outlay proposed being Rs. 1.36 crores."

However, as against the outlay of Rs. 115.82 crores asked for by the Department for 1985-86, Planning Commission could agree to only Rs 40 crores. Having regard to the requirement of funds for the various Plan schemes, the Department could earmark only Rs. 75 lakhs for 'Expansion of Postal Network' during the year which was subsequently reduced to Rs. 5 lakhs.

Having regard to the limited resources available for the purpose in 1985-86, a modest proposal for opening of 500 rural post offices was formulated by the Department for consideration by the Ministry of Finance (August 1986). However, the proposals did not actually go to the Ministry of Finance in view of the following grounds adduced by the then Financial Adviser to the Department:

- (i) It may be appropriate to first carry out an exercise to establish the need for new post offices.
- (ii) Even though funds are available in the Plan allocation for opening of post offices, at a later stage, the expenditure for running these post offices has to be met from the revenue head of account. Already the likely deficit in the budget for 1985-86 would be Rs. 190 crores and this would go up in the year 1986-87.

1.52 Asked whether 222 post offices have actually been opened, the Secretary has stated "we have told the PMGs that the proposals have been cleared and they may go ahead with the opening of Post Office".

1.53 Asked further whether progress was being monitored, the Secretary, Department of Posts has stated:—

"We are monitoring it. They are supposed to tell us as to how many of them have been opened out of the 222. I am of the opinion that all the 222 would be opened. If there are any difficulties they will report to us. We keep a watch to see whether all the 222 post offices are opened or not, if opened, on what date etc. etc. Regarding recruitment of personnel, there is a formality. We have to advertise for the various posts. We have to make police verification and so many processes are involved."

1.54 The Committee are distressed to note that progress made in the achievement of physical targets in the expansion of postal net work i.e. opening of post offices and installation of letter boxes in the first two years of Seventh Plan has almost been nil. Out of the target of 6000 post offices, only 12 post offices could be opened during the first two years of the Plan. This insignificant progress has been attributed to the ban on creation of posts. Now that the Ministry of Finance has liberalised this ban order and also the Department has modified the criteria for opening of post offices, the Committee would urge upon the Department to take all necessary steps for achieving the physical targets set out in the Seventh Plan, by re-scheduling the opening of post offices in the remaining years of Plan period.

1.55 The Committee do not find any logic in the argument that the transfer of a post from a place where a post office has been closed to a place where a post office is to be opened needs clearance from the Ministry of Finance. It is only a question of redeployment of resources at a place which need urgent attention. The Committee therefore recommend that the matter may be taken up again with Ministry of Finance and the problem, sorted out so as to avoid any difficulty in future.

CHAPTER II.

NATURE AND QUALITY OF SERVICES

A. Services offered in rural post offices.

2.1 The Committee desired to have information from the Department on the various services provided in the Post Offices in rural areas and future plans to provide more and better services in rural postal service. The Department has stated in this connection as under:—

- (i) There is practically no difference between post offices in rural areas and in urban areas in so far as services offered to the public are concerned,
- (ii) Savings bank facilities have been introduced in all rural post offices. Departmental and extra-departmental sub-post offices in rural areas also conduct savings certificates work. Some of the branch post offices in rural areas are authorised to issue and discharge savings certificates independently. Other branch offices are allowed to receive applications for purchase, receive the amount of investment, forward the application to the account office and deliver the certificate to the purchaser on receipt from the account office.
- (iii) Branch postmasters are authorised to allow withdrawals from savings bank accounts up to Rs. 250/- at a time without reference to the account office. This limit can be enhanced to Rs. 500/- in the case of extra-departmental sub-post offices.
- (iv) In general, mail is carried to and brought back from rural post offices by means of runners/mail carriers. However, wherever rail or road transport facilities are available on rural lines, round the year such facilities are utilised for mail conveyance also.
- (v) On occasions, difficulties have been experienced in interior rural offices in making money order payments or savings bank withdrawals on account of non-availability of ready cash. From the security point of view, limits have been

prescribed on the amounts that can be carried to post offices on the interior lines. However, the Department is now taking advantage of the extension of banking institutions into the rural sector in order to improve financing of rural post offices. Hitherto, post offices located at places not having a branch of State Bank of India or State Treasury obtained cash from and remitted cash to another post office located at a place where there is a branch of the State Bank of India. With effect from 1-7-1987, selected post offices in Kerala and Gujarat Circles have been placed in account with nationalised banks other than the State Bank of India. This scheme will be extended to other areas also.

2.2 In regard to savings bank facility and small savings scheme, the Department has stated that the post office savings bank is operated through 1,44,129 post offices out of which 1,28,810 post offices are located in rural areas and that 89 per cent of post office, savings banks are serving rural population. The total number of accounts as on 31-3-1987 was 9.22 crores and the outstanding balance Rs. 24,657 crores. The average number of accounts per post office is 640 and the average amount of balance per post office works out to Rs. 17.1 lakh.

2.3 The small savings schemes are operated through the post offices on the basis of rules framed by Ministry of Finance. The promotion of business in the post office savings bank is primarily the concern of the National Savings organisation which functions under the control of Ministry of Finance. This organisation is responsible for publicity for the schemes through the different media. In order to increase savings in rural areas, incentives are available to ED postmasters. Commission is paid on the deposits/investments made in such post offices. The amount of commission/incentives paid to ED post offices during the last 3 years is as follows:

Year	Commission (Rs. lakhs)
1984-85	114
1985-86	170
1986-87	230

The increase in commission paid to ED postmasters meant that there was increase in the number of accounts and investments made in rural areas.

2.4 On the extent of utilisation of the various facilities available in the rural Post Offices, the Madan Kishore Committee, constituted in 1970 *inter-alia*, made the following observations:

“Though no restriction need be placed on branch post offices for booking all types of postal articles, it is observed that generally there is no demand for booking of parcels, insured and value payable articles of letter or parcel mail or foreign registered or parcel mail articles. Supply of parcel journals or value payable letter and parcel journals to all branch post offices would be a waste of forms. Only such post offices may be authorised to do these as have a demand for the service.”

2.5 These recommendations were accepted and instructions issued. The position in this regard was reviewed by the Savor Committee and its observations in this regard are as under:—

“During visits to the branch post offices, it was observed that in the large majority of offices there was virtual absence of savings bank transactions. It is only in about 10 per cent that there was work of reasonable magnitude relating to savings bank, C. T. D. and R. D. In few of the cases even though there was no savings bank work, there were some transactions relating to the National Savings Certificates which were primarily due to the efforts of individual branch postmasters. Instances of branch postmasters earning upto Rs. 3000 in a year on account of commission on sale of National Savings Certificates were also noticed, even though they were very rare.”

“From a survey one gains an impression that far too many branch offices have been vested with additional responsibilities relating to the ancillary services even though there is hardly any transaction in these categories and the postmasters are relatively ignorant about the performance of departmental work connected with these specialised services.”

2.6 The Department has furnished the following Circle-wise information for 13 Circle on numbers of post offices which actually have transactions relating to savings bank, parcel, VPP, registrations, CTD, NSC and postal orders.

Sl. No.	Circle	Number SB	of post Parcel	offices VPP	doing transaction in Registration	CTD	NSC	IPO
1	Uttar Pradesh	(*)	16025	(*)	(*)	16007	16007	1359
2	Himachal Pradesh	1978	1978	1038	1978	(*)	1792	238
3	Andhra Pradesh	14489	14677	1322	14677	14489	1415	1365
4	Tamil Nadu	9789	9789	9789	9789	(*)	1408	1408
5	Pondicherry	57	57	57	57	(*)	1411	11
6	Assam	3049	2405	2405	3049	(*)	409	405
7	Arunachal Pradesh	142	130	130	199	(*)	33	33
8	Manipur	93	264	264	382	(*)	42	42
9	Mizoram	49	98	98	192	(*)	25	25
10	Meghalaya	387	133	133	262	(*)	33	33
11	Nagaland	53	123	123	173	(*)	25	25
12	Tripura	570	284	284	497	(*)	66	66
13	Madhya Pradesh	9395	9395	9395	9395	(*)	462	462

(Note Information for remaining circles is not available

*Information under check by Department)

2.7 In reply to a question, the Department has stated as under:—

“The Department’s general policy is to have in rural branch offices basic facilities, namely, delivery and despatch of mail, booking of registered letter and parcel and issue and payment of money orders. Though not considered a basic facility, small savings have also been introduced in all rural branch offices as a measure of policy directed towards mobilisation of rural savings. All these services need to be continued even if in some of the offices utilisation is negligible.

The additional items of service are (i) insurance of postal articles (ii) acceptance of foreign parcels for despatch and (iii) receiving of inland telegram for transmission to a telegraph office. These services are provided only on the basis of a definite indication of need and they are also liable for withdrawal on account of insufficient utilisation.”

2.8 The Committee need hardly point out that even though in all post offices, all types of services are stated to be offered, the Department cannot ignore the findings of the Savor Committee in this regard to the effect that extra departmental postmasters were relatively ignorant on performance of specialised services and that they normally direct the customers to the nearest departmental office. The Committee also note that albeit its incompleteness, the statement on number of post offices that conduct specialised business, as furnished by Department, clearly indicates that the recommendations of Savor Committee as a follow up on implementation of Madan Kishore Committee's recommendations, are based on realities of the situation. The Committee are therefore unhappy to observe that despite acceptance and issuance of instructions, the implementation of Madan Kishore Committee's recommendations was not ensured. The Committee recommend that the necessity of all types of facilities to be offered in rural ED post offices should be reviewed objectively and the policy laid down in unequivocal terms. The Committee also recommend that EDP Agents should be subjected to short term initial training course to equip them for rendering proper and efficient service. They should also be given refresher training at suitable intervals.

2.9 The Committee would also like the Department to consider the feasibility of providing facilities like C.T.D., N.S.C. etc., for which separate commission is offered by the rural post offices in coordination with nearest departmental post office, rather than by the extra departmental post masters. The Committee feel that this modification could help a great deal in reducing operational expenses.

2.10 The Committee have been informed that as many as 9.22 crores savings bank accounts are being operated by the post offices and the outstanding balance is of the order of Rs. 24,657 crores as on 31-3-87. Considering the magnitude of the funds which are available for developmental purposes through savings bank accounts at a very low rate, of interest, as compared to long term investment, the Committee feel that if the Postal Department, which conducts the agency function on behalf of the Finance Ministry is allowed even half per cent commission on the accretions made by it in a year to the Savings Bank accounts, such an income should be adequate to meet the deficit in running the Postal Department. The Committee, therefore recommend that a fresh look on the concept of deficit may be taken and a review of overall position conducted

B. Timely delivery of Mail

2.11 In a Department's Pamphlet on Development of Postal Services in the rural areas on India, it has been observed that in the Second Five Year Plan (1956—61), it was decided to reduce the interval between the days of delivery of mail in the villages and to reduce the number of "no dak villages", because there were villages which received mails thrice, twice or once a week and there were also "no dak villages."

2.12 In 1956, there were more than one lakh villages which were receiving the mail only once a week. However, substantial improvement was effected during course of the Second Five Year Plan on arrangement of delivery services as the following table would indicate:—

	<u>1956</u>	<u>1960</u>
Daily Delivery	1,86,661 Villages	2,57,826 Villages
Triweekly Delivery	1,42,518 Villages	1,45,340 Villages
Weekly Delivery	1,03,481 Villages	78,981 Villages
No Dak Villages	Not available	3,344 Villages

2.13 In the Second Five Year Plan, it was also envisaged that improvement in the delivery system should be preceded by improvement in transmission of mails which meant replacement of foot lines by motor lines or at least, adoption of quicker modes of transport than the traditional mail runner. In the Third Five Year Plan it has been reported that one of the significant achievements was the total elimination of "No Dak Villages."

2.14 In an article entitled 'What Ails the Postal Department' appearing in a journal, the following startling facts have been brought out on the functioning of the Postal Department:

"Postal System in olden days

In the early forties ordinary postal articles were accepted for despatch even on Sundays and they were also delivered on Sundays. Some decades back there were three or four deliveries in many cities. Now there are only two deliveries of mails on week days. On Sundays and holidays there are no deliveries at all. The facility of posting letters on Sundays is now limited only to some selected Post Offices in the big cities.

Express Delivery

The system of express delivery letters has now been discontinued altogether.

Closure of R.M.S Sections

Even two decades back one must have seen several R.M.S. vans with letters sorting pigeonholes. Letters were sorted in the running trains. This system has disappeared. The abolition of the running sections was the death knell of efficient transmission of letters. Now the Postal Department handles only closed bags which are subject to heavy delay.

All-up Air Mail Scheme

Soon after Independence the then Minister for Communications introduced an All-up Airmail Scheme linking Delhi, Bombay, Nagpur, Madras and Calcutta and mails were conveyed between the major cities overnight, with Nagpur as the converging point. Even though first class mails are now-a-days carried by air a letter posted at Madras does not reach Delhi on the next day.

Quick Mail Service

The so called Quick Mail Service for which separate letter boxes were provided at important Post Offices also became ineffective. There is absolutely no difference in treatment between a letter posted in Quick Mail Service or elsewhere."

2.15 On clearance and despatch of mails the Department has stated that letter boxes in the rural areas are mostly cleared once to avail of the prescribed time of disposal of mails. However, sub offices in rural areas having the facility of more than one despatch of mails also clear their office letter boxes more than once, so as to avail of the facility of latest posting in connection with each despatch of mails. Outside letter boxes in rural areas are normally cleared only once a day unless the office has a second important despatch of mail for which the letter boxes are also cleared. Mails in rural areas are normally despatched through extra-departmental mail carriers, travelling on foot or cycle and also by means of the available system of transport like bus, train, steamer and so on.

2.16 It has further been stated that the mail posted in rural branch offices are consigned to the account offices which are linked

to their head offices (HOs) and to designated District Mail Offices (DMOs). In each district one mail office is designated as the inward mail office and it sorts and closes bags for all the sub and head offices in the district. The 'time' norms for movement of mail are dependent upon the transport infra-structure available. While generally mail posted in rural areas for places within the district are delivered on the second and third day of their postings, the inter-district mail is generally delivered on the third day. In remote areas where transport infra-structure is undeveloped and the terrain difficult to traverse, mails may take a little longer time.

2.17. The Department has further added that wherever, on a rural mail line, State or private syndicate passenger transport is available on a round the year basis, the feasibility of utilising the service for mail transportation is invariably considered and suitable arrangements in this regard are finalised. However, the general pattern is that while sub post offices are served by mail motor transport or by the Rail system or a combination of both, mails are conveyed to the attached branch offices by extradepartmental mail carriers who, in most cases, use bicycles. Branch offices are also placed in direct communication with RMS wherever it is feasible to do so.

The length of mail lines has been stated to be as follows:—

	1980-81	1983-84	1984-85	1985-86
Railways	1,60,128	1,70,608	2,04,374	1,39,878
Steamer/Boat Services	4,695	4,894	4,731	4,715
Motor Services	5,09,233	5,39,883	5,42,507	5,22,719
Footlines	3,89,580	3,47,956	3,24,086	3,53,046
Mails/Carts/Cycles/other means	1,94,849	4,08,548	4,20,472	4,24,170
Total :	12,58,405	14,71,889	14,96,170	14,44,528

2.18. A sample survey conducted in the rural areas of the country during the quarter ending January 187 gave the following results:

- (i) In all 76,050 test letters were posted to rural addresses (from district/divisional headquarters).

- (ii) 82.38 per cent (62,655) test letters were delivered in normal time.
- (iii) 7.54 per cent (5734) of test letter were delivered one day after normal time.
- (iv) 3.88 per cent (2954) of test letters were delivered two days after normal time.
- (v) 2.62 per cent (1993) of test letters were delivered more than 2 days after normal time.
- (vi) 3.58 per cent (2719) of test letters were not received back after posting.

2.19. According to the Department, there are two factors involved in this objectives viz., (i) constant review of mail arrangements with a view to effecting improvements and (ii) to supervision and monitoring of transmission and delivery at all stages, these exercises are conducted on a continuous basis at Divisonal|Regional|Circle levels.

2.20. Asked whether there were any letter boxes which are not cleared even once in a day, the Committee have been informed that the system now adopted universally in the rural areas is what is known as 'a partly fixed and partly unfixed beat' system under which the village postmen|delivery agent is required to visit daily any village when there is a letter box. Other villages are visited when there is a postal article or money order to be delivered|paid. This system allows clearance of a rural letter box on a daily basis. In exceptional cases especially in the remote villages, clearance of a letter box may be made on a tri-weekly or bi-weekly basis.

2.21 The Committee have been informed in a note that the following regulations were laid down in regard to testing of letter-box clearances.

"The Superintendent should frequently test the functional clearance of letter boxes by posting in them test-letters or post-cards addressed to himself or having such test letter posted by his inspectors or other subordinates. He should also satisfy himself that the hours of clearance plates have been properly fixed.

Test applied by the Inspectors on the clearance of letter boxes should be communicated to the Superintendent in the Summary of Inspectors Work.

The Overseer should, from time to time, enquire from the residents of the village through which he passes whether they

receive their letters and money-order payments punctually and report in his diary any complaints made by villagers in regard to the delivery of letter or the clearance of letter boxes or the payment of money orders."

2.22 During evidence the Secretary, Department of Posts has admitted that there have been such cases where the letter boxes were not opened for long periods. Action has been taken in these cases. On the necessity or otherwise for a private motor vehicle owner plying between two places to take postal material for delivery. Though a provision for this purpose existed in Motor Vehicles Act, that the Ministry can insist for carrying of mails there have been many cases where, inspite of the Act, the carrying of mails does not take place.

2.23 The Committee note that in the Second Plan it was envisaged that improvement in the delivery system should be preceded by improvement in the transmission of mails which meant replacement of foot lines by motor lines or at least adoption of quicker modes of transport than the traditional mail runner. The Committee also note the increase in the route kilometerage of mail lines from 12,58,405 kms. in 1980-81, to 14,44,528 kms. in 1985-86. However, the Committee are displayed to find that the transmission by Railways, which is the quickest means of transport (apart from air) has shrunk substantially from 1,60,128 kms., in 1980-81 to 1,39,878 kms. in 1985-86, notwithstanding the fact that by 1984-85 there has been substantial increase in the railway line. The Committee are equally unhappy to note that the increase in kilometerage of mail lines has been achieved only in slow moving means of communication in mail carts, cycles and other means wherein route length has increased from 1,94,849 kms in 1980-81 to 4,24,170 kms. in 1985-86. It is equally shocking to, note that instead of reducing the slowest service of communication (footline) there has been an increase in the foot line from 3,24,000 kms. to 3,53,000 kms. The Committee therefore feel concerned over the lack of improvement in transmission facilities of mails for a period of over 6 years as there has been substantial erosion in the existing facilities contributing to delay in delivery and it is no wonder that the delivery of mail in the rural areas has met with a raw deal from the Department. The Committee recommend that an overall review on the mode of despatch of mails should be undertaken on a priority basis so as to ensure provision of better transport system for despatch of mails rather than depending for this purpose on foot lines or mail carts or cycles or such other means of communication in these days where

substantial improvement in road transport facilities have been achieved.

2.24 The Committee are unhappy to note that only 82 per cent of the letters were delivered at their destination within the normal time and in 14 per cent of the cases there were delays in delivery. It is rather amazing to find that nearly 4 per cent of the letters were not delivered after posting; the percentage of non-delivery or delayed delivery is so high as to create a doubt on the efficiency of the performance of the postal department. On the findings of the sample survey and the clarification given in this regard to the effect that the exercises in this connection are continued on a continuous basis at divisional/regional/circle levels, the Committee cannot but help observe that the efficiency of performance has been left entirely at the circle level without any superintendence from Department's angle. Further the examination is done on a highly routine basis without any effort to identify the place and/or the causes that contributed to the delayed delivery of the letters or to non-delivery of letters for appropriate action. The Committee expect the Department to conduct a detailed study on the contributory causes for the delays in delivery as also non-delivery of the letters and intimate the results thereof together with the action taken for improvement of the situation.

2.25 In the context of the above situation, it comes as no surprise to the Committee that several private organisations are running paralled postal services for a profit whereas subsidy is the basis on which the Post & Telegraph Department is functioning. The Committee express its grave concern at the deteriorating situation and expect the Department to take appropriate steps to restructure the system so that the Postal Department is in a position to render reliable and speedy service to the public, which should alone be the hall-mark of achievement for the Postal Department. In this connection, the Committee are firmly of the opinion that private sector should have no role to play in postal services.

C. Safe delivery of mail

2.26. Regarding safe delivery of mail and payment of money orders, the Department has stated that delivery of postal articles and payment of money orders is made through postmen or extra-departmental delivery agents or branch postmasters. The articles

are delivered at the house or office of the addressee or to the addressee or his servant or agent or other person considered to be authorised to receive the article according to the usual manner of delivery of postal articles. In respect of registered articles delivery is made to the addressee proper or his agent authorised in writing after obtaining a receipt for it. Money orders are paid to the payee or to the other authorised person.

2.27 It has been further stated that Postal Department does not accept claim in the case of loss, mis-delivery, delay in delivery or damage to any postal article in course of transmission by post except in the following cases:

- (i) In the case of wrong payment of money orders the Department pays the full amount to correct payee.
- (ii) A. The Head of a Postal Circle may grant to the sender or at his request to the addressee solely as an act of grace and not in consequence of any legal liability compensation up to Rs. 50 for loss of any inland letter, packet or parcel or its contents or for any damage caused to it in course of transmission by post subject to the following conditions:
 - (a) that the prescribed registration fee shall have been pre-paid in addition to the postage.
 - (b) that the application for compensation shall have been made within 3 months of the date posting of the article in the case of loss of the article and within one month of the date of delivery of the article in the case of loss of contents or damage.
 - (c) that the amount of compensation shall not exceed the actual amount of the loss or damage and that such amount can be referred directly to some loss or damage.

B. No compensation will be given in the following cases:

- (a) *For loss or damage:* In case in which this has been caused by the fault or negligence of the sender or in which the contents of the registered articles which are not allowed to be sent by the inland post.

- (b) *For damage:* In cases in which the contents of the registered articles are liquid or perishable articles or articles of an exceptionally fragile nature.
- (iii) A. There will be payable to the sender of an insured postal article compensation not exceeding the amount for which the article has been insured for the loss of the postal article or any of its contents or for any damage caused in course of transmission by post provided that the compensation in no case exceeds the value of the article or any of its contents lost for the amount of the damage caused and provided that in the case of loss the sender furnished full particulars of the contents of the postal article and their value.
- B. *No compensation will be payable:*
- (a) Where there has been mis-delivery arising out of incorrect or incomplete address written by the sender.
 - (b) Where there has been fraud on the part of the sender or addressee.
 - (c) Where the insured article has been delivered to the address and he has signed and returned the receipt therefor.
 - (d) Where the sender has not given intimation of the loss within 3 months from the date of posting.
 - (e) Where the loss or damage was due to improper and insecure packing.
 - (f) Where there is no visible damage to the cover.
 - (g) Where the insured article contains Government currency notes, bank notes, gold coins or bullions or any combination of these and has not been insured for the actual value of the contents.
 - (h) In the case of the loss of halves of currency notes.
 - (i) In the case of damage arising from the nature of the article insured.
 - (j) Where the insured article contained anything the transmission of which by post is prohibited.
- (iv) Compensation will be payable one month after the date on which intimation of loss is given by the sender to the post office except in cases in which the Heads of Circles

may consider that the circumstances demand the withholding of payment pending enquiry.

2.28 The amount of compensation paid for the loss or damage insured and other articles during the last 3 years was as follows:

1984-85	1985-86	1986-87
Rs. 16,10,185.07	Rs. 18,56,389.13	Rs. 32,05,569.72

2.29 The Department could not furnish separate figures on losses etc. relating to rural post offices. Asked whether the causes that led to the loss or damages had been examined, analysed and remedial action taken, the Department has stated in a note furnished to the Committee:

“The causes which led to loss or damage in respect of insured articles as well as all kinds of losses and frauds detected in other transactions of the Department viz., money-orders, savings banks, cash and stamps etc. are examined analysed and a note is put up to the Postal Services Board every quarter. The Annual review of the loss and fraud cases is also undertaken. The review of the year 1986-87 is under preparation. The Heads of Circles are communicated with the results of such reviews for their guidance and action.”

2.30 A perusal of the quarterly review reports for the quarters ending 30.6.86, 30.9.86 and 31.3.87 revealed that they gave statistical data on various types of cases of losses and frauds noticed during each quarter and end of each quarter, details of circles that showed increase/decreases in number of cases and amounts, brief details of nature of 3 or 4 frauds (involving above Rs. 1 lac) noticed during each quarter. From the quarterly statements, following position emanated on numbers of cases of loss and fraud noticed in each of the four quarters of 1986-87.

(i) No. of cases of loss and fraud in Postal Department

	Opening Balance	Additions in the Quarter	Total	Disposal in the quarter	Closing balance
4/85 to 6/85	11505	884	12389	766	11623
7/86 to 9/86	11623	1009	12632	1025	11607
10/86 to 12/86	11607	934	12541	1172	11369
1/87 to 5/87	11369	1172	12541	1197	11344

(ii) Analysis of cases detected
(Quarter ending)

Type of Transaction	30-6-86		30-9-86		31-12-86		31-3-87	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Regd/VP etc.,	66	19,722	57	60,213	61	12,284	57	7,857
Insured letter/ Parcel	150	2,79,289	176	3,51,853	184	5,75,157	333	7,30,010
Money Orders	130	1,50,035	191	2,03,848	142	1,99,556	163	3,59,836
SB/STD/FD	210	12,89,145	256	14,95,412	215	17,86,878	196	12,49,942
TD/NSC/NDCS	8	46,892	14	88,902	19	1,67,715	16	1,36,304
Cash/Stamp	149	3,87,314	141	4,61,473	130	7,82,782	165	7,46,773
Others	169	5,30,113	174	3,69,388	183	5,59,780	242	3,88,571

(iii) Year-wise analysis of pending cases

	Below one year	1-3 years	Above 3 years
As on 1-7-86	3557	3678	4386
As on 1-4-87	3499	3229	4616

2.31 The Department has stated that for watching regularity in handling mails the following specific provisions have been laid down in regard to rural areas.

(i) The Inspector of post offices (IPO) should, when passing through a village, ascertain from the headman and others whether the conduct and work of the Village postman who serves the Village have been satisfactory and whether generally money orders for the Villagers are paid without undue delay. He should verify payment of money orders. He should ascertain whether the Villages postmen have neglected to collect articles for posting or refused registered articles or have taken any pains to find the addresses of undelivered articles.

(ii) Whenever an overseer visits a branch office, he should satisfy himself that no postal article or money order has been detained without justification and that no articles bears any signs of damage or tampering.

(iii) The overseer should, from time to time, enquire from the residents of the villages through which he passes whether they receive their letters and money order payment punctually and report in his diary any complaints made by villagers in regard to the delivery of letters or the clearance of letter boxes or the payment of money orders.

2.32 In regard to complaint on delays, non-delivery etc. of mails, the Department has stated that the complaints received from the public are registered in the Divisional Offices|Gazetted Post Offices, but separate data for 'Rural' and 'Urban' is not available. The number of complaints received during the last 3 years was stated to be as under:—

Year	No. of complaints
1984-85	8,08,463
1985-86	8,17,735
1986-87	7,76,220

2.33 The following procedure has been laid down regarding receiving and disposal of complaints.

(i) In all the post offices a Complaints and Suggestions book is available for recording complaints.

(ii) Extracts of these complaints as also complaints received in any other form are forwarded to the Divisional Superintendent|Gazetted Postmaster. The Divisional Superintendent/Gazetted Postmaster makes necessary enquiries and gives a final reply to the complainant. Normally the final reply is given within a period of three months. However where some delay is expected, an interim reply is given.

(iii) The Divisional Superintendent/Gazetted Postmaster submits a monthly statement of complaints to the Regional Director. The synopsis of all cases pending over three months is given. The RDPS, (Regional Director of Postal Services) reviews these statements and ensures that proper action is taken. He also issues suitable directions to the subordinate units.

(iv) At the end of each quarter, a quarterly statement is submitted by Divisional Superintendent/Gazetted Postmaster to the RDPS, who, after reviewing the statements consolidates them and submits the quarterly statement to the PMG. The PMG consolidates the statements received from the RDPS and submits it to the Directorate.

(v) At Directorate level the quarterly statements are reviewed and suitable instructions are given to the subordinate offices.

2.34 At the end of each financial year an analytical study is made and remedial steps are taken at the Directorate level.

2.35 Asked whether any record was kept in rural post offices regarding receipt and disposal of complaints the Department has stated that if the complaint is recorded in the complaints|suggestions book, there is a record of complaints received at all the post offices. No separate record of complaints received is kept in the post offices but a record of all such complaints whether received in a small rural post office or a big urban post office is kept in the Divisional Office. The complaints are, however, not classified as a rural or urban separately in the register of complaints maintained in the Divisional Office. The disposal of these complaints is shown in this register and where the complaint was originally recorded in the complaints|suggestions book, a gist of reply given to the complainant is also recorded in the complaints|suggestions book.

2.36 Asked to explain the nature of complaints and reason for such a large number of complaints, the Department has stated that the main type of complaints was non-receipt|delay in receipt of acknowledgements in respect of registered articles|money orders issued and that two categories of complaints accounted for about 52 per cent of the total complaints. These complaints arose mostly due to service failure, the department added that this problem was constantly under review and that suitable steps are being taken to reduce such complaints.

2.37 When asked whether there were any prosecutions for defalcation of money orders, the Secretary, Department of Post has stated during evidence that 'for defalcation of money order and abstractions of money from insured letters, certain employees have been punished.

2.38 When asked about the collusion of staff with outsiders with regard to complaints about foreign letters, the representatives of the Department has stated during evidence:

"There has been a big racket actually where postal staff has been in league with outsiders. Bank drafts are taken out. Then they are encashed in Hong Kong, Singapore, etc. Some two or three rackets have been uncovered

by us. One racket was involving Mother Teresa's organisation which gets lot of remittances from all over the world."

2.39 When asked further whether any steps had been taken to prevent such types of fraud, the representative has further stated during evidence:

"We are keeping a close watch at various points. The number of remittances through postal channels has shown a drop. Excepting charity organisations like Mother Teresa's organisation, regular postal channels are not being used frequently now. But we are aware of such types of frauds and we are taking action also."

2.40 When asked about the non-receipt of money orders in time, the Secretary during evidence has stated:

"We have made special survey specially in UP and Bihar about money orders. The important reason for delay is because of law and order conditions. We are not able to send money along with money order forms for payment to the payee concerned. In fact, in Bihar about 23 per cent of the complaints relate to the delay in sending the money. There we are trying to utilise nationalised banks in a big way. My Postmaster gets the money from them and then gives the money to the payee. We have started this in Kerala and Gujarat and we are utilising Canara Bank and Syndicate Bank for that purpose."

2.41 The Committee are distressed to note that in each quarter roughly about 1000 cases of losses and frauds are identified in the Postal Department and in each of the quarters of 1986-87, the value of such identified losses and frauds amounted to Rs. 27.03 lakhs, Rs. 30.35 lakhs, Rs. 40.84 lakhs and Rs. 35.69 lakhs. It is also a matter of grave concern that as on 1-4-87, there were more than 4600 cases pending investigation/action for a period of over 3 years. Instead of initiating positive measures to obviate these losses and frauds, all that the Department has done is only compilation of quarterly statistical data of losses and frauds and placing the same before the Postal Board and circulating it to all Circles. No report on action taken by the Postal Board was available. It is really amazing that in the data so compiled, there is no indication of the contributory causes which led to such a large number of cases of losses and frauds that take place day after day with impunity. The Committee recommend that an investigating team, assisted by the Comptroller and Auditor General of

India, should be constituted to look into the contributory causes for the large number of losses and frauds that take place and to take appropriate remedial measures by a time bound programme. The rules and regulations on the subject also merit close scrutiny for plugging any lacunae, if found therein. It also goes without saying that the time lag between the location of a Loss or fraud and action taken against the persons involved has to be reduced to the barest minimum.

2.42 The Committee note that 52 per cent of the total complaints received relate to non-receipt, delay in receipt of acknowledgements in respect of registered articles/Money order which are stated to be due to services failure and that the Department is taking suitable steps to reduce such complaints. The Committee would like the Department to keep a close watch to see how far these steps are proving effective. Remedial measures should also be taken in right earnest to reduce the delays in regard to delivery of letters and Money orders.

2.43 The Committee are constrained to note that "there has been a big racket where postal staff has been in league with outsiders' with regard to complaint about foreign letters etc." The Committee appreciate that the Department is keeping a close watch at various points in the matter. The Committee feel that the Department should exercise greater vigilance and take a very serious view of the corrupt practice indulged in by its staff. They also feel that unless strong action is taken to detect such cases and deterrent punishment is given to the guilty persons, this evil cannot be effectively dealt with. The Committee urge that serious attention should be paid by the Department to this matter for the eradication of this evil.

CHAPTER III
MISCELLANEOUS

A. Mobile Postal Services

3.1 The Committee have been informed that the stationary mobile post office had its origin in 1974 in a village of Ratnagiri district in Maharashtra. In this system the branch postmaster was required to visit one or two villages in close proximity of the branch post office and provide the services dispensed at a regular counter of the branch office. Although the villages chosen in the initial experiment were not eligible for an independent branch office they had significant volume of traffic and this experiment proved successful. This service was later extended in general to other circles. Initially the introduction was on a small scale on selective basis but in due course the number of such villages increased rapidly over the years as would appear from the figures shown below:—

Date	No. of stationary parent branch office providing service	Number of villages where service was provided
31-3-77	464	1500
31-3-78	26062	66087
31-3-79	32573	81625
31-3-80	37116	91667
31-3-81	37745	67794
31-3-82	36737	67724
31-3-83	37567	68627
31-3-84	38733	69970
31-3-85	38354	69239

3.2 The scheme envisaged that the branch postmaster, after completing the work at his village should visit by foot or by cycle as may be feasible, certain other villages in the vicinity specified for this purpose, otherwise referred to as 'counter stages'. At the stage the branch postmaster should attend to the following functions:

- (i) Issue of money orders;

- (ii) Sale of postage stamps and stationery; and
- (iii) registration of postal articles for despatch.

He could also accept savings bank deposits, if specially authorised to do so.

3.3 On the efficiency of the functioning of the mobile post offices, the Department has stated that periodical reviews made at the level of Circles as well as the Directorate have revealed that the scheme was of limited utility and that the benefits were not commensurate with the expenditure incurred; the reasons being as follows:—

- (i) Branch postmasters who had local avocations such as grocers, farmers and teachers, could not conveniently leave the main village to visit adjoining villages.
- (ii) This duty was particularly onerous for women branch postmasters.
- (iii) Performance of this service was not amenable to close supervision.
- (iv) The work transacted at the counter stages was rather negligible.

The scheme was, therefore, gradually phased out.

3.4 Commenting further on the system, the Department has stated that the lacuna in the system is that within the financial parameters under which the postal system is worked, it is not at present feasible to pay a visit to every village every day, what is technically known as the fixed beat system.

3.5 The Secretary of the Department has conceded during evidence that the scheme was very difficult to be implemented because village post masters were very often reluctant to go to the neighbouring villages and sit there for one to two hours because they had already their jobs or business.

3.6 The Committee note that circumstances which led to the initiation of the scheme of providing mobile postal services and its ultimate closure. The Committee are aware that the success of this scheme largely depended on the post masters who were entrusted with the onerous duty of visiting nearby villages in addition to their own work and the Postal Department came to the conclusion that

'the benefits were not commensurate with the expenditure incurred.' The Committee consider that the faithful implementation of this scheme would have to a large extent meet the requirements of specially those villages in hilly and remote areas where the postal facilities are still lacking. Moreover, the implementation of this scheme should have been viewed more from a social angle rather than economic angle. The Committee therefore, would like the Department to consider whether this scheme could be revived with such modifications as may be necessary taking into account the previous experiences. The feasibility of providing mobile vans, instead of expecting the post masters to go on foot or on cycle to nearby villages may prove useful in the implementation of this scheme.

B. Extra Departmental System

3.7 It has been stated that the extra-departmental form of postal organisation has been in existence for well over a century. The system was introduced to serve the interior and inaccessible corners of the country when there was not sufficient traffic to justify a full time post office but at the same time the need for a post office was felt. Under this arrangement a reputable and literate person of the village was appointed as ED branch postmaster on an allowance to perform the basic functions of a post office *viz.*, sale of postage stamps and stationery, booking of registered articles and money orders, payment of money orders and delivery and despatch of mail. As on 31-3-1987, there were in all 1,18,819 extra departmental post offices in the country, out of which 2965 were extra departmental sub post offices (EDSOs) and 1,15,854 were extra-departmental branch post offices (EDBOs). The essential difference between these two types of post offices is that while EDSOs are directly in account with Head post offices. EDBOs are generally in account with sub post offices. Further, EDSOs have the facility of direct exchange of mail with RMS. Money orders and registered articles are directly received and despatched by EDSOs while such items are rebooked in account offices in the case of EDSOs. EDBOs are kept open for 3 hours in a day and EDSOs for 5 hours. The emoluments of ED sub postmasters are higher than those of ED branch postmasters.

3.8 According to a Supreme Court judgement, extra departmental agents are not casual workers but holders of civil posts, such posts being outside the regular civil services. The services of the ED agents are governed and regulated by certain rules framed by Government of India known as "P&T Extra departmental Agents (Conduct and Service) Rules 1964.

3.9 The salient features of extra-departmental services have been stated to be as follows:

- (i) ED agents are retained in service upto 65 years of age.
- (ii) Having adequate means of livelihood is a basic condition of appointment of a person as ED Sub-postmaster/branch postmaster so that the postal remuneration is only a supplementary source of income.
- (iii) EDSPMs/BPMs are required to provide space to be used as post office. They should also be permanent residents of the village in which the post office is located.
- (iv) ED agents furnish a security of Rs. 1000
- (v) Opportunities are available to ED agents to secure appointments as group 'D' employees or postmen.
- (vi) Extra-departmental agents are engaged on postal work for a duration not exceeding 5 hours per day.

3.10 According to report of the Savor Committee, the extent to which ED system is operated in India is the highest as compared to several foreign countries as the table below would indicate:

Country	Office staffed by the Postal Administrations	Offices staffed by those outside the Postal Administrations
Australia	3956	834
Argentina	4600	954
Brazil	5223	2199
China	48745	
Czechoslovakia	1103	..
Canada	5137	2158
France	13826	3306
Hungary	677	..
U.K.	1559	20499
Indonesia	1827	3894
Japan	19057	4311
Pakistan	2620	8909
U.S.A.	34150	5295
Yugoslavia	214	..
India	25039	117257

3.11 On the need for continuing the Extra Departmental System, the Secretary of the Department of Posts during evidence has stated:—

“There is a lot of money to be tapped from the countryside for executing various development programmes of the Government of India as well as of the State Governments. As much as Rs. 24,656 crores is the total balance at credit in post-office Savings Bank and other small savings schemes. This huge balance is comparable with the volume of deposits available with the nationalised banks or with the State Bank of India. And this tapping of the resources from the countryside where the banks have, till recently, not ventured in a big way has become the responsibility of the post-offices, and we have tried to discharge this responsibility in as satisfactory a manner as possible. That is why we have this scheme of Extra-Departmental post-offices.”

3.12 It is noted in this regard that the employment of ED agents on a large scale was resorted to after 1931 and seventeen categories of ED agents were in existence at the time when a Committee headed by Shri Madan Kishore submitted its report in 1973 on rationalisation of the categories of ED agents. This Committee, recommended continuance of only 10 categories of ED agents; the recommendations were accepted by Government and orders issued on 18th August, 1973.

3.13 However, Parliament was informed in reply to question No. 3904 of 15th session of Seventh Lok Sabha that as in June, 1984, as many as 42 categories of ED agents were functioning in the Postal Department. The Department was asked by the Committee to clarify how proliferation of ED agents upto 42 categories was permitted to take place over a period of 11 years when there existed in 1973 an order to contain the employment to identified categories only.

3.14 The Department in reply has stated, that even though 42 categories of ED agents were mentioned in the reply to Lok Sabha Question No. 3904 dated 21-8-1984, it will be observed that as many as 17 categories actually represent combination of posts such as ED mail carrier-cum-packer, ED packer-cum-delivery agent, and ED mail carrier-cum-delivery agent. “Similarly, one and the same category of post may be designated in different ways in different Circles. For instance, ‘ED mail man’ and ‘ED porter’ refer to one

and the same category; likewise, 'ED mail peons' are not different from 'ED mail attendants'. Also different terms such as 'safaiwala', 'scavenger' and 'sweeper' denote one and the same type of work. The general policy is to discontinue designations such as 'peons' on account of their apparently derogatory connotation. In 1973, the following categories were abolished.

“ED Sweepers, ED Water Carriers, ED Mail, ED Boy Peons
ED Boy Messengers.”

However, erroneously in some of the divisions|sub-divisions unauthorised designations may have been used or abolished categories continued. The Department will sort out this matter by addressing the Heads of Circles suitably.”

3.15 The Savor Committee which was constituted in 1984 to go into the ED system, has made *inter-alia* following recommendations:

“(i) Categories which are assigned functions not exclusively connected with postal work i.e. which are not directly related to the receipt, transmission and delivery of postal articles to be dispensed with.

(ii) The practice of increasingly assigning more and more types of work to ED categories which were primarily intended to be utilised only in post offices in rural areas has led to an anomalous situation. Apart from urban areas where this system was unknown in the past, it is being resorted to by the Postal Department in the classified cities including even metropolitan cities. Several ED categories in metropolitan and classified cities are mostly performing work which is identical to what departmental employees perform without any relaxation in the intensity of work. An impression is gained that the employment of ED agents is being resorted to in urban areas for securing higher productivity at lower cost. The practice of employment of these categories in large cities is not justifiable on any considerations and should be scrapped altogether. It is, therefore, recommended that no ED agents be employed in any of the cities and their employment confined to rural and semi-urban areas.

(iii) The only categories of ED employees that may be allowed to remain should be the following:—

(a) ED Branch Postmaster

- (b) ED Delivery Agent
- (c) ED Mail Carrier
- (d) ED Packer
- (e) ED Mailman."

3.16 Asked about the acceptance of the above recommendations of the Savor Committee and implementation thereof, the Department has stated in a note furnished to the Committee that the decision taken by the Department is that not only the following 5 categories recommended by the Savor Committee:—

- (i) ED Branch Postmaster,
- (ii) ED Delivery Agent,
- (iii) ED Mail Carrier,
- (iv) ED Packer,
- (v) Mailman (RMS)

but also the following 3 additional categories:—

- (i) ED Stamp Vendors,
- (ii) ED Sorters in Press Sorting Offices (PSOs),
- (iii) ED Sub Postmaster

will be retained. Necessary orders in this regard are under issue. The implications of this decision have been considered. The decision taken is that none of the present incumbents of the abolished categories will be discharged. They will be absorbed against the continued categories as and when vacancies are available. There will be no fresh recruitment of ED agents against the abolished categories but such duties will be manned by part-time|casual|contingent-paid labour.

3.17 The committee have been informed that as on 31-3-87 there were 2,89,761 non-gazetted departmental staff and 2,97,086 extra-departmental staff. The State wise distribution may be seen in Ap-

pendix I. and the category-wise distribution extra-departmental staff in Appendix II. The summarised position of extra-departmental staff is as under:—

1. Sub-Postmaster	2930
2. Branch Postmasters	104399
3. Mail Carriers	43016
4. Delivery agents	76271
5. Packers	13320
6. Messengers	3550
7. Stamp-vendors	3640
8. Runners	4719
9. Forters	46
10. Sweepers	128
11. Watermen	54
12. Letter peon	409
13. Choukidar	1267
14. EDDA/Packer	2283
15. EDDA/MC	87
16. EDMC/DA	2792
17. Mail Peon	2463
18. Others	3323

3.18 The Committee note that the system of ED agents was started with the laudable objective to provide the basic functions of a post office in a village, viz., sale of postage stamps and stationery, booking of registered articles and money orders, payments of money orders and despatch of mail and for this purpose to solicit the services of a reputable literate person in the village on an allowance. They are, however, constrained to observe that over the years, the objectives for which the system was originally established have been substantially diluted and abused by including several functions whose inclusion is questionable. The Committee also take note of the fact that notwithstanding the intention to have ED System as an additional source of small income over and above normal earnings, ED system has come to stay as the only source of earnings for a large number of persons employed under ED category. The Committee therefore, would like the Government to take realities into consideration and to consider no longer the ED System as a vocation in addition to normal employment in these days when most of ED agents have no other means of income but on the other hand to

treat it as a source of temporary employment to the educated unemployed. In this connection the salient features of ED system have also to be closely looked into and the position placed in proper perspective, as the two features—one relating to need to possess adequate means of livelihood before appointment as ED sub-postmaster or branch postmaster and the other relating to offer of opportunity for appointment as Group D or postman appear to be self-conflicting as it is odd to expect that a person getting part time employment as a post master would accept employment as a Group D or postman.

3.19 The Committee also view seriously that not-with-standing acceptance of recommendations of Madan Kishore Committee and issue of orders in 1973, the Postal Circles allowed proliferation of the ED System to as many as 42 categories. The Committee would urge the Department to conduct an inquiry into cases of fresh creation/ appointment to ED Cadre after August 1973 against abolished categories of ED agents and fix responsibility for violating the directives.

3.20 The Committee do not find any justification what so ever for continuance of ED System in urban areas where the services are expected to be rendered by regular paid employees. It seems to the Committee that the Department of Posts has chosen to violate the directives on ban on creation of posts by resorting to the questionable method of creation of ED agents which was solely intended for services in rural areas. The Committee therefore recommend that the system of ED agents in urban areas should be totally abolished forthwith as a permanent measure in the light of the recommendations of Savor Committee which have already been accepted by the Government and that steps be taken to rehabilitate the personnel against regular jobs to be offered to them without any retrenchment whatsoever. The Committee note from the analytical data of ED employees in various circles that in certain circles like Andhra Pradesh, Bihar, Himachal Pradesh, Madhya Pradesh, Rajasthan, Orissa and Uttar Pradesh, either the resort to ED employees is excessive or the conversion of ED cadre into regular cadre based on study of quantum of work is slow, as compared to certain other circles like Haryana, Kerala, Maharashtra, Punjab, Tamil Nadu and West Bengal, when the basic principles for appointment of ED staff in the rural areas are uniform throughout the country, the Committee feel that there is no justification for such lopsided dispersal of ED employees. As several ED employees are serving for a considerable period even upto 20 years in some cases without any improvement in service conditions, the Committee feel that a comprehensive study should be undertaken to examine the causes for this situation

and propose appropriate remedial solutions for implementation within a maximum period of 6 months.

C. Inspection and Monitoring

3.21 The Monitoring organisation at the headquarters is headed by Dy. Director General (Plan Monitoring). He is assisted by an Asstt. Director General, two Inspectors of Post Offices and two Statistical Assistants. At the Circle level, each circle has an officer designated as Assistant Postmaster General (Plan Monitoring and Implementation) or Assistant Director (Plan Monitoring and Implementation) and a team of Inspectors of Post Offices designated as IPOs (PMI).

3.22 The Committee have been informed that the rules provide for inspection of all the branch offices by the inspectors of post offices once in a year and that apart from regular inspections, surprise visits are also paid on a very large scale. The Department added that the policy adopted in the last 10 to 12 years of providing motorised transport to divisional offices had greatly contributed to supervisory efficiency.

3.23 These inspectors of Post Offices visited during the years 1984-85, 1985-86 and 1986-87, 24008, 18868 and 22284 villages and during the course of these visits, a number of recommendations were made to the concerned local postal authorities and action taken thereon.

3.24 The Committee have been informed that special drives have also been undertaken periodically to improve rural postal services with special emphasis on financial services and punctual delivery of mails. As a result of these drives, line limits for conveyance to rural post offices have been enhanced and use of bank draft system for remittances of money has also been introduced.

3.25 Asked whether a system of rotational visits to all the post offices was arranged to see that no post office was left out of inspection for considerable time, the Committee have been informed that the inspection schedule is arranged on a systematic basis at the commencement of each year and the arrangement ensures that each post office is thoroughly inspected at intervals not exceeding one year.

3.26 Asked to state at what level the reports submitted by Inspectors were reviewed and the action taken thereon, the Committee

have been informed that the reports submitted by the Inspectors of Post Offices are reviewed by Superintendent/Sr. Superintendent of Post Offices personally to satisfy himself that too long an interval had not elapsed since last inspection and to see whether the remarks were clear and complete and included the irregularities noticed and instructions given. The orders must be written by the Superintendent himself on the margin and when necessary a copy of any particular order should be communicated to the official concerned.

3.27 Asked as to whether the instructions were actually complied with and how the performance was monitored by the Department, the Department has stated that the monitoring activity is generally conducted on the following lines.

Superintendent of Post Offices

The diary of the Inspector of Post Offices is submitted to the Superintendent of Post Offices on the 1st and 16th of each month. A monthly summary is also submitted on the 1st. Results of tests conducted on clearance of letter boxes are also communicated through these documents which are reviewed by the Superintendent. Orders are passed wherever necessary and communicated to the Inspector.

Post-master general

3.29 The diary of the Superintendent of Post Offices is submitted to the Regional Director/Postmaster General on the 1st and 16th of each month. The diary provides information, *inter-aila*, on tests conducted on clearance of letter boxes, particularly in the rural areas. Regional Director/Postmaster General scrutinises these diaries with care and such orders as may be passed are communicated to the Superintendents for necessary action.

3.30 When asked to enumerate the measures taken for reporting the financial performance of the post offices by the Inspectors and its monitoring and review and various levels, the Department has stated that the overall financial performance of each postal Circle, is evaluated on macroterms, that is, taking into account the revenue and expenditure. The periodical evaluation of the financial performance of individual Post Offices is done at the Divisional levels. Measures taken to reduce expenditure is considered every time the renewal of tenure of the Post Office comes up for review if the financial performance is not in accordance with the financial parameters. Regional Directors are also involved in this exercise. Having regard to the vastness of the country and the organisational

set up of the Department (that is sub-divisional|divisional|regional|circle levels), reviews of this nature have necessarily to be conducted by the field formations rather than by the central headquarter.

3.31 However, a procedure has now been introduced by which the circles will periodically submit to the Directorate details/data in regard to individual Post Offices, the continuance of which is untenable by the normal parameters. The intention is that a conscious decision should be taken at the level of Directorate as to the extent of which deviations in norms are to be tolerated having regard to public interests and other relevant factors.

3.32 Apart from this, the Plan Monitoring Organisation at the Directorate receives comprehensive monthly reports from the Circles regarding the results of intensive monitoring of rural postal services. The officers of this organisation themselves undertake visits to different areas for an on-the-spot assessment.

3.33 When asked as to why the overall financial performance of each postal circle was not evaluated on micro terms, the Secretary, Postal Department has stated during evidence:

“Head post-office is the principal accounting unit where all these things are done. We review the position and keep on issuing guidelines for evaluating the performance Head-office-wise.”

3.34 Asked to state the system of checks|inspection evolved for the maintenance of letter boxes, the Department has stated that the Inspector of Post Offices should carry red paint with him or have it sent to him when necessary from the store in the head office and have the letter boxes in rural localities which need painting painted as he comes across them in the course of his tour at recurring intervals of about a year.

3.35 The Inspector of Post Offices should always carry with him, when on tour, half a dozen locks of the size used for letter boxes and make it a point of examining the lock of every letter box he comes across replacing the locks by a new one when it is found broken or out of order.

3.36 Every Superintendent should arrange to have each letter box in his Division regularly painted at least once a year. In

postal divisions, the postmaster of each Head Office will be authorised to make contracts, if possible, with someone to paint letter-boxes under the head office and its sub and branch offices. When the whole cannot be done by contract, the Superintendent will make such arrangements as he may think best for the painting of the boxes.

3.37 The Superintendent should, when on tour, make a point of examining the lock of every letter box he comes across and arrange for replacing the lock by a new one when it is found broken or out of order, he should encourage his subordinates to report to him at once when new locks are wanted."

3.38 Clarifying the position further, the Secretary, Postal Department has stated during evidence:

"The Director visits the office of Superintendent. The inspection reports submitted by the inspectors go to the Divisional Superintendent concerned, who is reviewing the whole thing actually. He goes through the report. These Superintendents pursue further action. The Director inspects the office of the Divisional Superintendent once a year. When he goes there he obtains a few of the inspection reports submitted by the sub-divisional inspector to go through whether the inspections have been carried out and whether the appropriate action has been taken.

There is a prescribed procedure. Actually, we have an apex organisation at Delhi. We have senior Deputy Director General. When he goes out, he also checks up."

3.39 Elaborating further, the representative of the Department has further stated during evidence:

"Not only does the Director check up the inspection reports of the sub-divisional inspectors which are available in the office of the superintendent, he also checks up the quality of the work of the superintendent himself because all the copies remain in his office file. Then he goes through that and makes sure whether the inspections is a genuine one or is a perfunctory one. If he comes to the conclusion that the inspections are just vague and perfunctory, then he has to pull him up and this also happens. In fact, efficiency of our service.

depends upon the quality of the inspections. We are very conscious of the importance of the inspections in our organisation. That's why we from the Directorate have been issuing instructions from time to time that the inspection quality must be maintained."

3.40 The representative of the Department has further stated during evidence:

"When the Director of Postal Service goes to the Supdt. of Post Offices he is not only to check whether inspection schedule has been followed or not but he is also supposed to see the inspection reports and their implementation. There are regular inspection remarks and those are pasted in the order book. He will see the previous report and varify whether the earlier observations have been implemented or not. So we have an elaborate system and the quality of inspection is also monitored.

3.41 The Committee note that the rules provide for inspection of all post offices by an Inspector of Post Offices in a year. The Committee also note that quite adequate organisational set up for monitoring the evaluation of efficiency of postal services is available with the Department. The Committee, however, feel that despite these provisions for inspections in the rules and availability of adequate Monitoring Evaluation Organisation to do the needful, precious little has been done to streamline the functioning of the post offices all over the Country as is evident from the fact that very large number of complaints are pouring in and frauds committed every day. The Monitoring Wing has also failed to assist central planning in the Directorate to take an overall view of the manner of implementation of their projects as the Department does not possess basic data of extent of development from State to State and consequently has not been able to prepare detailed planning projects for execution in these States. The Committee consider that certain procedural lacunae or inadequacy of quality of inspection could be contributory factors for this state of affairs. The Committee would like the Department to carry out the assessment of the functioning of the Monitoring Unit as well as the modus operandi for inspection of post offices by an Expert Body, so that the functioning of this unit could be streamlined and the inspections of the post offices put in their right perspective.

NEW DELHI;

April 14, 1988

Chaitra 25, 1910 (S).

CHANDRA TRIPATHI,

Chairman,

Estimates Committee

APPENDIX I

(Vide Para 3.17)

Staff statistics as on 31-3-87

Circle	Depart- mental (Non- Gazetted)	Extra Depart- mental	Total
1. Andhra Pradesh	20,639	30,378	51,017
2. Bihar	18,044	22,397	40,441
3. Delhi	13,451	472	13,923
4. Gujarat	17,439	17,196	34,635
5. Haryana	5,432	4,358	9,790
6. Himachal Pradesh	2,879	6,162	9,041
7. Jammu & Kashmir	2,127	2,761	4,888
8. Karnataka	16,593	17,032	33,625
9. Kerala	14,637	12,474	27,111
10. Madhya Pradesh	14,313	23,337	37,650
11. Maharashtra	39,107	23,444	62,551
12. North Eastern	8,409	12,201	20,610
13. Orissa	8,457	18,058	26,515
14. Punjab	8,079	7,010	15,089
15. Rajasthan	11,631	6,272	27,903
16. Tamil Nadu	31,466	24,101	55,567
17. Uttar Pradesh	31,421	38,020	69,441
18. West Bengal	25,637	21,413	47,050
	2,89,761	2,97,086	5,86,847
	Gazetted staff		2,196
		Total :	5,89,043

APPENDIX II

(Vide Para 3.17),

Number of extra departmental staff as on 31-3-87

Circle	Postmaster		Mail carrier	Delivery agent	Packer	Messenger	Stamp vender	Runner	Porter	Sweeper
	Sub	Branch								
1. Andhra Pradesh	71	13529	4965	4122	1641	325	324	—	—	—
2. Bihar	242	9207	3737	4998	763	182	—	—	—	15
3. Delhi	14	84	16	34	58	11	122	4	—	8
4. Gujarat	49	7171	2327	6303	704	202	234	—	—	2
5. Haryana	—	—	—	—	—	—	—	—	—	—
6. Himachal Pradesh	21	2020	555	2470	—	25	6	—	—	—
7. Jammu & Kashmir	—	—	—	—	—	—	—	—	—	—
8. Karnataka	307	7414	1540	2847	1571	223	317	—	—	63
9. Kerala	554	2727	2293	4537	1184	514	234	2	—	—
10. Madhya Pradesh	55	9048	6422	5881	335	244	145	—	—	2
11. Maharashtra	132	9446	3670	8226	1257	242	371	7	—	1
12. North Eastern	125	4682	1920	3666	365	255	51	—	—	—
13. Orissa	—	—	—	—	—	—	—	—	—	—
14. Punjab	13	2972	117	1976	266	61	279	943	—	—
15. Rajasthan	115	8085	3449	3357	460	168	116	2	—	8
16. Tamil Nadu	228	7851	3201	8829	2480	553	511	—	—	—
17. Uttar Pradesh	649	14044	4517	11614	1303	362	553	3755	46	4
18. West Bengal	355	6119	4287	7411	933	183	383	6	—	25
TOTAL	2930	104399	43016	76271	13320	3550	3640	4719	46	128

Name of the Circle	Water man	Letter, Dpx Peon	Chowki- dar	EDMC/ Packer	EDDA/ EDMC	EDDA/ MC	EDMC/ D.A.	Mail/ Peon	Others	Total
1. Andhra Pradesh	—	87	48	1385	1382	—	2369	108	22	30378
2. Bihar	9	10	83	—	3087	—	—	97	17	22397
3. Delhi	1	5	53	—	52	—	—	—	9	472
4. Gujarat	3	2	25	—	170	—	—	3	1	17196
5. Haryana	—	—	—	—	—	—	—	—	—	—
6. Himachal Pradesh	—	9	18	87	64	—	136	601	156	6162
7. Jammu & Kashmir	—	—	—	—	—	—	—	—	—	—
8. Karnataka	14	33	137	31	1232	—	—	32	1265	17026
9. Kerala	—	35	96	—	242	14	—	6	36	12474
10. Madhya Pradesh	—	85	91	—	—	—	—	177	852	23337
11. Maharashtra	—	13	64	—	—	—	—	10	5	23444
12. North Eastern	1	28	18	—	785	—	287	18	—	12201
13. Orissa	—	—	—	—	190	—	—	—	—	—
14. Punjab	—	17	20	—	—	—	—	156	—	7010
15. Rajasthan	4	26	72	—	—	—	—	320	90	16272
16. Tamil Nadu	—	19	163	—	—	—	—	—	266	24101
17. Uttar Pradesh	10	40	—	780	—	73	—	—	270	38020
18. West Bengal	12	—	379	—	—	—	—	936	334	21368
TOTAL	54	409	1267	2283	7155	87	2792	2464	3323	271853

APPENDIX III

Statement of Recommendations/observations

Sl. No.	Para No. of Report	Recommendations/observations
1	2	3
1	1.10	<p>Judging from the criteria laid in pre-Independence era and the modifications effected therein till recently for opening post offices in rural areas, the Committee cannot help concluding that conditions for opening rural post offices have been made more and more stringent over the years and operate substantially to the disadvantage of the rural population, contrary to the expectations that with the advent of Independence and implementation of successive Five Year Plans, the approach for providing post offices in rural areas would be more liberal. All that has taken place over the years has been a minor variation so as to give some extra consideration for hilly, tribal and backward areas or for places that acquired importance by becoming headquarters of a gram panchayat or by falling on the road, mail line, etc. The Committee, therefore, recommend a thorough re-examination of the validity of these criteria in present day situation to attain the avowed goal of covering all the villages in the country with postal facilities in the minimum possible time.</p>
2	1.11	<p>The population norm for opening post offices in rural areas was 2000 in a village or a group of villages in the year 1947; it was raised upwards to the detriment of rural population without any rhyme or reason and for several years, it stood at 5,000. It was only in October</p>

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1987, that the population norm was brought down to 3,000. The Committee strongly feel that but for this retrograde step on the part of the Department., there would have been rapid spread of postal facilities in the villages. The Committee would like the Government to again review the population criterion for opening of post offices in rural areas taking into account the utmost necessity of covering all the villages and at least fix the criterion at 2,000 in a village or a group of villages, if not less.

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1.12

Further, the Committee note that whereas the programme of 1947 fixed the limit of loss at Rs. 750/- per annum, the present criterion fixes the limit of loss at Rs. 2,400/- per annum. If the erosion in value of a rupee over the years and the substantial increase in wage rates alone are taken into consideration, it would be apparent that the financial loss criterion has failed to keep reasonable pace with the basic factors that go to affect the cost of operations. It has also, unfortunately, not kept pace with the percentage of increase in postal charges that have been effected since 1947. The Committee consider that both the norms based on population and quantum of annual loss are totally out of tune with the present day objective of the Government to provide maximum facilities for the welfare of the people. The Committee, therefore, recommend that altogether different norms should be evolved taking into account the need of the facilities, distance of other Post Offices from the nearest village having a Post Office and means of communications in the area as basic parameters.

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1.13

A comprehensive basic data of villages or group of villages which stand eligible for provision of post offices but have not been provided post offices so far has not been collected. It

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is only in October 1987, that all heads of Postal Circles were asked to carry out surveys and formulate proposals for opening of new rural post offices. The Committee consider that the whole question of opening post offices in rural areas has been dealt by the Department of Posts in a lackadaisical manner and there is an immediate need for rejuvenating the Department so as to ensure that the post offices are opened in all the eligible villages without any further loss of time.

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1.24

The Committee are unhappy to note that the tempo achieved in opening rural post offices during the first two Five Year Plans could not be sustained in the subsequent Five Year Plans, as is evident from the fact that whereas the number of rural post offices increased by 47,397 during the first two plans (over a period of ten years), the net increase in number of post offices in subsequent four Five Year Plans, three annual plans and first two years of Seventh Five Year Plans (over a period of twenty-five years) was only 58,417. It is also really shocking to find that during the first two years of the Seventh Plan, there has been no growth in the number of post offices and that the existing facilities have been withdrawn in quite a few cases resulting in negative growth rate. The Committee need hardly stress that not only it is imperative once again to reach the growth rate as achieved in the first two plans, but also that the growth rate so achieved should be evenly spread in the remaining years of the Seventh Plan.

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1.25

The Committee are informed that the average population covered by each post office works out to 4107 against the policy of Government to provide one for every 5,000 population till September, 1987 and now 3,000. The Committee

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are, however, constrained to find that in Bihar, Uttar Pradesh and West Bengal the coverage is very low as the following data will indicate:—

Bihar	—	5,963
Uttar Pradesh	—	5,675
West Bengal	—	5,633

On the other hand the coverage is quite on the high side in Himachal Pradesh, Andhra Pradesh, Rajasthan and Gujarat as the following data will indicate:—

Himachal Pradesh	—	1,697
Andhra Pradesh	—	2,788
Rajasthan	—	3,076
Gujarat	—	3,019

The Committee do not feel convinced by the reasons put forth by the Government that these imbalances have cropped up as many of the post offices have been opened under the discretionary powers vested with the Heads of Circles. The Committee attribute such imbalances mainly due to failure of the higher echelons of the Postal Department to ensure that the postal facilities are properly planned and rationalised to generally maintain the coverage at the same level in the various States. The present system of asking each Circle to propose the Post Offices which they would be in a position to open on the basis of the criteria provided, deprives the department of the realistic assessment of the number of villages which fulfil the criteria but are left out of such facility. Had proper superintendence and control been exercised, the Department would have been in a position to prepare a perspective plan of action to ensure minimum balanced growth in all the Circles. The Committee, therefore, recommend that a comprehensive appraisal of the progress made in all

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States from one plan period to another should be conducted so as to identify States and areas that failed to grow adequately and suggest ways and means to rectify the situation. It also goes without saying that the discretionary powers vested with the Heads of Circles should be used more in the case of those Circles where the progress has been rather tardy.

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1.33

The Committee feel greatly perturbed to be informed that as many as 347 post offices were closed in the rural areas during the last three years inspite of public protests. The Committee are not convinced by the reasons advanced by the Department of Posts for the closure of these post offices viz. non-fulfilment of norms, wrong advice etc. The Committee consider that these reasons could have been well taken care of had the authorities put in a letter more effort to ensure their proper functioning and their adherence to the require norms. The Committee are firmly of the opinion that a post office once opened should in no case be closed. The Committee would also like the Department of Posts to reopen the already closed post offices and also delivery centres, if any.

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1.40

The Committee are unhappy to note that more than 76400 villages with a population of 500 and above are yet to be provided with a basic necessity like letter-boxes. The Committee feel all the more unhappy to be informed that during the Seventh Plan so far, it has not been possible to instal letter-boxes in rural areas on a systematic basis on account of ban on creation of new posts, though according to standards, there was scope for providing more rural letter-boxes in some of the States and Union Territories. The Committee are also constrained to observe that whatever progress has been achieved so far in the installation of

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letter-boxes, has been on an uneven basis in as much as States like Kerala and Tamil Nadu have achieved their targets, while certain States like Andhra Pradesh, Assam, West Bengal etc. are much behind targets. The Committee apprehend that this lopsided growth could be due to lack of balanced planning, absence of targets for each Circle and ensuring accountability therefor. The Committee would, therefore like the Department to initiate immediately necessary corrective measures and instal letter-boxes in such States on priority basis, which are lagging far behind and cover all the villages with a population of 500 and above within the Seventh Plan.

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1.44

The Committee are constrained to observe that whereas the financial targets for the Sixth Plan were exceeded by nearly 30 per cent, the physical targets were not achieved, except in installation of letter boxes. Unless, however, the financial targets had been substantially underestimated or the expenditure incurred was outside the plan purview, the explanation for non-achievement of physical targets does not seem to be convincing. The Committee desire that the Department should in future, frame estimates on a realistic basis, keeping in view various factors likely to affect the implementation of schemes.

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1.45

One reason for the shortfall in the achievement of physical targets is stated to be the ban on creation of posts, enforced in January, 1984. The targets were fixed in 1980 at the beginning of the Sixth Five Year Plan while the ban was imposed in 1984 i.e. in the fourth year of the Plan and perhaps financial target had already been exceeded by then. The Committee, therefore, do not consider that the ban could have been the exclusive reason for the shortfall. It is really surprising that no investigation about

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the causes of shortfall in the achievement of physical targets was conducted which could have enabled the Department to take necessary corrective steps against their recurrence. The Committee suggest that the Department should subject itself to a self-assessment on its planning and execution and take steps to identify and tackle the short-comings and bottle-necks in achieving the physical plan targets.

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1.54

The Committee are distressed to note that progress made in the achievement of physical targets in the expansion of postal net work i.e. opening of post offices and installation of letter boxes in the first two years of Seventh Plan has almost been nil. Out of the target of 6000 post offices, only 12 post offices could be opened during the first two years of the Plan. This insignificant progress has been attributed to the ban on creation of posts. Now that the Ministry of Finance has liberalised this ban order and also the Department has modified the criteria for opening of post offices, the Committee would urge upon the Department to take all necessary steps for achieving the physical targets set out in the Seventh Plan, by re-scheduling the opening of post offices in the remaining years of Plan period.

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1.55

The Committee do not find any logic in the argument that the transfer of a post from a place where a post office has been closed to a place where a post office is to be opened needs clearance from the Ministry of Finance. It is only a question of redeployment of resources at a place which need urgent attention. The Committee therefore recommend that the matter may be taken up again with Ministry of Finance and the problem sorted out so as to avoid any difficulty in future.

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2.8

The Committee need hardly point out and that even though in all post offices, all types of services are stated to be offered, the Department cannot ignore the findings of the Savor Committee in this regard to the effect that extra departmental postmasters were relatively ignorant on performance of specialised services and that they normally direct the customers to the nearest departmental office. The Committee also note that albeit its incompleteness, the statement on number of post offices that conduct specialised business, as furnished by Department, clearly indicates that the recommendations of Savor Committee as a follow up on implementation of Madan Kishore Committee's recommendations, are based on realities of the situation. The Committee are therefore unhappy to observe that despite acceptance and issuance of instructions, the implementation of Madan Kishore Committee's recommendations was not ensured. The Committee recommend that the necessity of all types of facilities to be offered in rural ED post offices should be reviewed objectively and the policy laid down in unequivocal terms. The Committee also recommend that EDP Agents should be subjected to short term initial training course to equip them for rendering proper and efficient service. They should also be given refresher training at suitable intervals.

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2.9

The Committee would also like the Department to consider the feasibility of providing facilities like C.T.D., N.S.C. etc., for which separate commission is offered by the rural post offices in coordination with nearest departmental post office, rather than by the extra departmental postmasters. The Committee feel that this modification could help a great deal in reducing operational expenses.

1	2	3
15	2.10	<p>The Committee have been informed that as many as 9.22 crores savings banks accounts are being operated by the post offices and the outstanding balance is of the order of Rs. 24.657 crores as on 31-3-1987. Considering the magnitude of the funds which are available for developmental purposes through savings bank accounts at a very low rate of interest, as compared to long term investment, the Committee feel that if the Postal Department, which conducts the agency function on behalf of the Finance Ministry, is allowed even $\frac{1}{2}$ per cent commission on the accretions made by it in a year to the Savings Bank accounts, such an income should be adequate to meet the deficit in running the Postal Department. The Committee, therefore recommend that a fresh look on the concept of deficit may be taken and a review of overall position conducted.</p>
16	2.22	<p>The Committee note that in the Second Plan it was envisaged that improvement in the delivery system should be preceded by improvement in the transmission of mails which meant replacement of foot lines by motor lines or at least adoption of quicker modes of transport than the traditional mail runner. The Committee also note the increase in the route kilometerage of mail lines from 12,58,405 kms. in 1980-81, to 14,44,528 kms. in 1985-86. However, the Committee are dismayed to find that the transmission by Railways, which is the quickest means of transport (apart from air) has shrunk substantially from 1,60,128 kms. in 1980-81 to 1,39,878 kms. in 1985-86, notwithstanding the fact that by 1984-85 there has been substantial increase in the railway lines. The Committee are equally unhappy to note that the increase in kilometerage of mail lines has been achieved only in slow moving means of communication in</p>

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mail carts, cycles and other means wherein route length has increased from 1,94,849 kms. in 1980-81 to 4,24,170 kms. in 1985-86. It is equally shocking to note that instead of reducing the slowest service of communication (footline) there has been an increase in the foot line from 3,24,000 kms. to 3,53,000 kms. The Committee therefore feel concerned over the lack of improvement in transmission facilities of mails for a period of over 6 years as there has been substantial erosion in the existing facilities contributing to delay in delivery and it is no wonder that the delivery of mail in the rural areas has met with a raw deal from the Department. The Committee recommend that an overall review on the mode of despatch of mails should be undertaken on a priority basis so as to ensure provision of better transport system for despatch of mails rather than depending for this purpose on foot lines or mail carts or cycles or such other means of communication in these days where substantial improvement in road transport facilities have been achieved.

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2.24

The Committee are unhappy to note that only 82 per cent of the letters were delivered at their destination within the normal time and in 14 per cent of the cases there were delays in delivery. It is rather amazing to find that nearly 4 per cent of the letters were not delivered after posting; the percentage of non-delivery or delayed delivery is so high as to create a doubt on the efficiency of the performance of the postal department. On the findings of the sample survey and the clarification given in this regard to the effect that the exercises in this connection are continued on a continuous basis at divisional/regional/circle levels, the Committee cannot but help observe that the efficiency of performance has been left entirely at the circle level with-

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out any superintendence from Department's angle. Further the examination is done on a highly routine basis without any effort to identify the place and/or the causes that contributed to the delayed delivery of the letters or to non-delivery of letters for appropriate action. The Committee expect the Department to conduct a detailed study on the contributory causes for the delays in delivery as also non-delivery of the letters and intimate the results thereof together with the action taken for improvement of the situation.

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2.25

In the context of the above situation, it comes as no surprise to the Committee that several private organisations are running parallel postal services for a profit whereas subsidy is the basis on which the Post & Telegraph Department is functioning. The Committee express its grave concern at the deteriorating situation and expect the Department to take appropriate steps to restructure the system so that the Postal Department is in a position to render reliable and speedy service to the public, which should alone be the hall-mark of achievement for the Postal Department. In this connection, the Committee are firmly of the opinion that private sector should have no role to play in postal services.

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2.41

The Committee are distressed to note that in each quarter, roughly about 1000 cases of losses and frauds are identified in the Postal Department and in each of the quarters of 1986-87, the value of such identified losses and frauds amounted to Rs. 27.03 lakhs, Rs. 30.35 lakhs, Rs. 40.84 lakhs and Rs. 35.69 lakhs. It is also a matter of grave concern that as on 1-4-1987, there were more than 4600 cases pending investigation/action for a period of over 3 years. Instead of initiating positive measures to obviate

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these losses and frauds, all that the Department has done is only compilation of quarterly statistical data of losses and frauds and placing the same before the Postal Board and circulating it to all Circles. No report on action taken by the Postal Board was available. It is really amazing that in the data so compiled, there is no indication of the contributory causes which led to such a large number of cases of losses and fraud that take place day after day with impunity. The Committee recommend that an investigating team, assisted by the Comptroller and Auditor General of India, should be constituted to look into the contributory causes for the large number of losses and frauds that take place and to take appropriate remedial measures by a time bound programme. The rules and regulations on the subject also merit close scrutiny for plugging any lacunae, if found therein. It also goes without saying that the time lag between the location of a loss or fraud and action taken against the persons involved has to be reduced to the barest minimum.

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2.42

The Committee note that 52 per cent of the total complaints received relate to non-receipt, delay in receipt of acknowledgements in respect of registered articles/Money order which are stated to be due to services failure and that the Department is taking suitable steps to reduce such complaints. The Committee would like the Department to keep a close watch to see how far these steps are proving effective. Remedial measures should also be taken in right earnest to reduce the delays in regard to delivery of letters and Moneyorders.

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2.43

The Committee are constrained to note that "there has been a big racket where postal staff has been in league with outsiders' with regard

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to complaint about foreign letters etc." The Committee appreciate that the Department is keeping a close watch at various points in the matter. The Committee feel that the Department should exercise greater vigilance and take a very serious view of the corrupt practices indulged in by its staff. They also feel that unless strong action is taken to detect such cases and deterrent punishment is given to the guilty persons, this evil cannot be effectively dealt with. The Committee urge that serious attention should be paid by the Department to this matter for the eradication of this evil.

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3.6

The Committee note the circumstances which led to the initiation of the scheme of providing mobile postal services and its ultimate closure. The Committee are aware that the success of this scheme largely depended on the post masters who were entrusted with the onerous duty of visiting nearby villages in addition to their own work and the Postal Department came to the conclusion that 'the benefits were not commensurate with the expenditure incurred.' The Committee consider that the faithful implementation of this scheme would have to a large extent met the requirements of specially those villages in hilly and remote areas where the postal facilities are still lacking. Moreover, the implementation of this scheme should have been viewed more from a social angle rather than economic angle. The Committee therefore, would like the Department to consider whether this scheme could be revived with such modifications as may be necessary taking into account the previous experiences. The feasibility of providing mobile vans, instead of expecting the post masters to go on foot or on cycle to nearby villages may prove useful in the implementation of this scheme.

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23	3.18	<p>The Committee note that the system of ED agents was started with the laudable objective to provide the basic functions of a post office in a village, viz., sale of postage stamps and stationery, booking of registered articles and money orders, payments of money orders and despatch of mail and for this purpose, to solicit the services of a reputable literate person in the village on an allowance. They are, however, constrained to observe that over the years, the objectives for which the system was originally established have been substantially diluted and abused by including several functions whose inclusion is questionable. The Committee also take note of the fact that notwithstanding the intention to have ED System as an additional source of small income over and above normal earnings ED system has come to stay as the only source of earnings for a large number of persons employed under ED category. The Committee therefore, would like the Government to take realities into consideration and to consider no longer the ED System as avocation in addition to normal employment in these days when most of ED agents have no other means of income but on the other hand to treat it as a source of temporary employment to the educated unemployed. In this connection the salient features of ED system have also to be closely looked into and the position placed in proper perspective as the two features—one relating to need to possess adequate means of livelihood before appointment as ED sub-postmaster or branch postmaster and the other relating to offer of opportunity for appointment as Group D or postman appear to be self-conflicting as it is odd to expect that a person getting part time employment as a post master would accept employment as a Group D or postman.</p>
24	3.19	<p>The Committee also view seriously that notwithstanding acceptance of recommendations of</p>

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Madan Kishore Committee and issue of orders in 1973, the Postal Circles allowed proliferation of the ED System to as many as 42 categories. The Committee would urge the Department to conduct an inquiry into cases of fresh creation/appointment to ED Cadre after August 1973 against abolished categories of ED agents and fix responsibility for violating the directives.

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3.20

The Committee do not find any justification whatsoever for continuance of ED System in urban areas where the services are expected to be rendered by regular paid employees. It seems to the Committee that the Department of Posts has chosen to violate the directives on ban on creation of posts by resorting to the questionable method of creation of ED agents which was solely intended for services in rural areas. The Committee therefore recommend that the system of ED agents in urban areas should be totally abolished forthwith as a permanent measure in the light of the recommendations of Savor Committee which have already been accepted by the Government and that steps be taken to rehabilitate the personnel against regular jobs to be offered to them without any retrenchment whatsoever. The Committee note from the analytical data of ED employees in various circles that in certain circles like Andhra Pradesh, Bihar, Himachal Pradesh, Madhya Pradesh, Rajasthan, Orissa and Uttar Pradesh, either the resort to ED employees is excessive or the conversion of ED cadre into regular cadre based on study of quantum of work is slow, as compared to certain other circles like Haryana, Kerala, Maharashtra, Punjab, Tamil Nadu and West Bengal when the basic principles for appointment of ED staff in the rural areas are uniform throughout the country. The Committee feel that there is no justification for such lopsided dispersal of ED

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employees. As several ED employees are serving for a considerable period even upto 20 years in some cases without any improvement in service conditions, the Committee feel that a comprehensive study should be undertaken to examine the causes for this situation and propose appropriate remedial solutions for implementation within a maximum period of 6 months.

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3.41

The Committee note that the rules provide for inspection of all post offices by an Inspector of Post Offices in a year. The Committee also note that quite adequate organisational set up for monitoring the evaluation of efficiency of postal services is available with the Department. The Committee, however, feel that despite these provisions for inspections in the rules and availability of adequate Monitoring Evaluation Organisation to do the needful, precious little has been done to streamline the functioning of the post offices all over the country as is evident from the fact that very large number of complaints are pouring in and frauds committed every day. The Monitoring Wing has also failed to assist central planning in the Directorate to take an overall view of the manner of implementation of their projects as the Department does not possess basic data of extent of development from State to State and consequently has not been able to prepare detailed planning projects for execution in these States. The Committee consider that certain procedural lacunae or inadequacy of quality of inspection could be contributory factors for this state of affairs. The Committee would like the Department to carry out the assessment of the functioning of the Monitoring Unit as well as the *modus operandi* for inspection of post offices by an Expert Body, so that the functioning of this unit could be streamlined and the inspections of the post offices put in their right perspective.