

FUNCTIONING OF RAILWAY MAIL SERVICE AND ROAD TRANSPORT NETWORK IN DEPARTMENT OF POSTS

[Action Taken by the Government on the
Observations/Recommendations of the Public Accounts Committee
contained in their 92nd Report (17th Lok Sabha)]

MINISTRY OF COMMUNICATION (DEPARTMENT OF POSTS)

COMMITTEE ON PUBLIC ACCOUNTS
(2024-25)

ELEVENTH REPORT

EIGHTEENTH LOK SABHA



LOK SABHA SECRETARIAT
NEW DELHI

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COMMITTEE ON PUBLIC ACCOUNTS
(2024-25)

(EIGHTEENTH LOK SABHA)

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SERVICE AND ROAD TRANSPORT
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MINISTRY OF COMMUNICATION (DEPARTMENT OF POSTS)



Presented to Lok Sabha on: 19-03-2025

Laid in Rajya Sabha on: 19-03-2025

**LOK SABHA SECRETARIAT
NEW DELHI**

March 2025/ Phalguna 1946 (Saka)

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2024-25)

Shri K. C. Venugopal - Chairperson

MEMBERS

LOK SABHA

2. Shri T. R. Baalu
3. Dr. Nishikant Dubey
4. Shri Jagdambika Pal
5. Shri Jai Parkash
6. Shri Ravi Shankar Prasad
7. Shri C. M. Ramesh
8. Shri Magunta Sreenivasulu Reddy
9. Prof. Sougata Ray
10. Smt. Aparajita Sarangi
11. Dr. Amar Singh
12. Shri Tejasvi Surya
13. Shri Anurag Singh Thakur
14. Shri Balashowry Vallabhaneni
15. Shri Dharmendra Yadav

RAJYA SABHA

16. Shri Ashokrao Shankarrao Chavan
17. Shri Shaktisinh Gohil
18. Dr. K. Laxman
19. Shri Praful Patel
20. Shri Sukhendu Sekhar Ray
21. Shri Tiruchi Siva
22. Shri Sudhanshu Trivedi

Secretariat

1. Dr. Sanjeev Sharma - Joint Secretary
2. Shri Muralidharan. P - Director
3. Shri Vijay Mishra - Committee Officer
4. Shri Prakhar Prakash Anand - Assistant Committee Officer

INTRODUCTION

I, the Chairperson, Public Accounts Committee (2024-25), having been authorised by the Committee, do present this Eleventh Report (18th Lok Sabha) on Action Taken by the Government on the Observations and Recommendations of the Committee contained in their Ninety Second Report (17th Lok Sabha) on "Functioning of Railway Mail Service and Road Transport Network in Department of Posts" relating to the Ministry of Communication (Department of Posts).

2. The Ninety Second Report was presented to Lok Sabha/laid on the Table of Rajya Sabha on 7th February, 2024. The Committee considered the draft Action Taken Report on the subject and adopted the same at their sitting held on 12th February, 2025. Minutes of the Sitting of the Committee form appendix to the Report.

3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in **bold** in the body of the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Committee Secretariat and the office of the Comptroller and Auditor General of India.

5. An analysis of the Action Taken by the Government on the Observations/Recommendations contained in the 92nd Report (17th Lok Sabha) is given at Appendix-II

NEW DELHI:
12 February, 2025
23 Magha, 1946 (Saka)

K. C. VENUGOPAL
Chairperson,
Public Accounts Committee

CHAPTER - I

REPORT

This Report of the Public Accounts Committee deals with the Action Taken by the Government on the Observations and Recommendations of the Committee contained in their Ninety Second Report (17th Lok Sabha) on "Functioning of Railway Mail Service and Road Transport Network in Department of Posts".

2. The Ninety Second report was presented to Lok Sabha/laid in Rajya Sabha on 07.02.2024. It contained twelve Observations/Recommendations. The Action Taken Notes on all the Observations/Recommendations have been received from the Ministry of Communications, (Department of Posts), and are categorized as under:

- (i) Observations/Recommendations which have been accepted by the Government:
Para Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12.

Total: 12
Chapter - II

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government:
Para No. NIL

Total: 0
Chapter - III

- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:
Para No. NIL

Total: 0
Chapter - IV

- (iv) Observations/Recommendations in respect of which Government have furnished interim replies/no replies:
Para No. NIL

Total: 0
Chapter - V

3. The detailed examination of the subject by the Committee had revealed several issues in the management of the Railway Mail Service (RMS) and the Road Transport Network (RTN) by the Department of Posts (DoP) for postal conveyance. While RMS relied heavily on Indian Railways, including Departmental RMS Vans and hired train accommodations, the RTN was added in 2013 to support parcel security, particularly for e-commerce. Despite these efforts, mail traffic data from 2017 to 2020 showed a decline in overall business, with revenue dropping from ₹634.61 crore in 2017-18 to ₹510.27 crore in 2019-20. Although Mail Services expenditures decreased, RMS expenditures rose from ₹116 crore to ₹183 crore, highlighting the need for better cost management. The Committee had accordingly given their observations/recommendations in their Ninety second Report.

4. The Action Taken Notes furnished by the Ministry of Communication, Department of Posts on each of the Observations/Recommendations of the Committee contained in their Ninety second Report have been reproduced in the relevant Chapters of this Report. The Committee will now deal with the action taken by the Government, on some of their Observations/Recommendations which either need reiteration or merit comments.

5. The Committee desire the Ministry of Communication, Department of Posts to furnish Action Taken Notes duly vetted by Audit, in respect of Observations/ Recommendations contained in Chapter I of the Report, positively within three months of the presentation of the Report to the Parliament.

6. The Committee in their Original Report No. 92 (17th Lok Sabha) had recommended as under:-

“Payment for sanctioned berths without verifying actual allotment:

According to Audit, scrutiny of records revealed that Railways had raised bills for berths sanctioned instead of actual berths allotted in three Circles and that the payments were made without verification of the claims, resulting in excess payment of haulage charges of Rs.12.15 crore. The Committee note from the reply of the Ministry that two Circles of Gujarat and Telangana have adjusted the extra amount debited from their account and Odisha Circle has submitted, after reconciliation, that the actual excess debited amount is Rs. 8.4 Cr against

reported amount of Rs. 10.61 Cr. The excess debited amount has not been sanctioned by the Circle and matter is being pursued with railways for adjustment of the same. Explaining reasons for making payments without verifying the actual berths allotted, the Ministry stated that in case of Gujarat Circle, the excess payment was made due to oversight for the period from Apr'18 to Dec'19. The excess paid amount has since been recovered after identification of the issue and from Jan'20, and sanctions were issued for actual allotment only. To ensure that Postal Units verify the berths actually allotted/used before making payments in the future, the Ministry stated that all Nodal postal Circles have been directed to share statement of sectional accommodation every month with the concerned zonal Railway so that the same may be considered before raising bills. The Railway Board has also been requested to direct zonal Railways accordingly. While noting that all the three circles have either adjusted the extra amount or initiated action for recovery of excess amount debited from their account, the Committee would like to be apprised of the details of amounts debited and recoveries made by each of the three circles. The Committee desire that appropriate checks may be put in place to ensure that before raising bills, statement of sectional accommodation is invariably shared every month with the concerned zonal Railway and verified scrupulously. The Committee while taking note of instances of claims raised for closed/ non-functional sections/trains, have also observed that there have been occasions of claims being made by two zonal railways separately to two different postal Circles. The Committee recommend that appropriate mechanism should also be devised to address such issues by introducing inbuilt verification processes to avoid future discrepancies in billing and payment.”

[Recommendation Para No. 1]

7. The Ministry of Communication, Department of Posts in their Action Taken Notes have stated as under:-

“As already reported, excess debited amounts in respect of Gujarat and Telangana Postal Circles stand adjusted. Odisha Postal Circle has reported after reconciliation that the actual excess debited amount is Rs. 8.32 cr instead of Rs. 8.4 cr. informed by the Circle previously (Annexure 1.3). The difference was due to revision of haulage rates for the period April 2019 to February 2020. This has been rectified by the Circle.

Status of recoveries/adjustments of excess debits in Gujarat, Telangana and Odisha Circles is as under:

Gujarat Circle	The excess debited amount of Rs. 1.09 Cr has been got adjusted by the Circle through DA(P) Ahmedabad from RBI (CAS) Nagpur vide memo no. 2 dated 06.07.2023, after reconciliation of records. (<i>Annexure-1.1</i>)
Telangana Circle	Based on the reports received, on reconciliation of haulage bills in respect of sections L-1 and Z-26 for the period shown in audit report, the actual excess payment works out to Rs. 29,01,240, which has been credited to DoP vide credit advice no.3 dated 21.06.2023 through DA(P) Hyderabad. (<i>Annexure- 1.2</i>)
Odisha Circle	The actual amount of excess debit in Odisha Circle is Rs. 8.32 cr (<i>Annexure 1.3</i>); out of which Rs. 1.26 cr have been adjusted, remaining Rs.7.066 cr is under process and is expected to be adjusted shortly. Detailed breakup is mentioned in the table 1.3 below**

**Table 1.3 (Detailed breakup of outstanding excess debits in Odisha Circle)

S.No.	Amount (Rs.)	Status of Adjustment	Annexure
1	18,39,600	Adjusted by SER in Feb 2024 bill	1.3a
2	32,05,710	Adjusted by SER in March 2024 bill	1.3b
3	31,02,300	Adjusted by SER in April 2024 bill	1.3b1
4	16,25,400	Adjusted by Odisha Circle	1.3c
5	28,37,790	Adjusted by Odisha Circle	1.3d
6	7,06,66,290	Agreed by SER for refund in subsequent bills	1.3e
Total	8,32,77,090	As above	

It was observed that the major part of excess debits was due to incorrect berth calculation in the sectional accommodation provided by the Railways. Therefore, the matter was taken up with the Railway Board by DoP. Now Railway Board has clarified the guiding principles for berth calculation and the Zonal Railways authorised to raise claims for haulage charges to the

respective Postal Circles. This clarification has helped in expediting adjustment of present cases of excess debits and will also ensure non-recurrence of excess debits in future. (Annexure 1.4)

As regards recommendations of the Committee on devising a mechanism to avoid future discrepancies in billing and payment of the actual berths allotted, a mechanism has been devised by DoP by introducing a statement of sectional accommodation which is sent by the nodal Postal Circles to respective Zonal Railways. Railway Board has also been requested to direct Zonal Railways to consider the same while raising haulage bills. (Annexure 1.5). It may be seen that this mechanism involves verification of allotted sectional accommodation by DoP and consideration of these statements by the concerned Zonal Railways before raising debit advices rules out the possibility of discrepancies or excess debits in haulage bills.”.

8. Audit in their vetting comments have stated as under:

“Ministry may submit final status of amount credited back to Odisha Postal Circle.

2. Further, Ministry may apprise PAC of the

(i) outcome of the request made to Railway Board for validation of statement of sectional accommodation to be provided by the concerned Circles to Railways to ensure accuracy of bills along with supporting documents.

(ii) progress made in r/o inbuilt verification process to avoid discrepancies in billing and payment of haulage charges.”

9. The Ministry of Communication, Department of Posts further replied to the vetting comments of the Audit as below:

“Final Status of amount adjusted and outstanding is as under:

Total Outstanding (Rs.)	8,32,77,090
Total Amount Adjusted (Rs.)	1,89,18,810
Net outstanding (on Part of SER)	6,43,58,280

The amount is being adjusted by South Eastern Railway (SER) @ 50% of haulage bill every month. Railway Board has been requested by DoP (Annexure 1.11) for one-time adjustment of the outstanding amount. A reconciliation meeting has also been requested for on 21.08.2024.

The statement of accommodation is regularly being sent by the nodal Postal Circles to concerned Zonal Railways. Some examples are mentioned as under:

Postal Circle	Zonal Railway	Sent for the Month of	Sent on
Bihar	Eastern Railway East Central railway	June'24	10.07.2024
Gujarat	North Western railway Western Railway	June'24	08.07.2024
Maharashtra	Central Railway	June'24	10.07.2024
Uttar Pradesh	North East Railway North Central Railway	June'24	10.07.2024

As a result of the request made to the Railway Board by DoP, the statements of sectional accommodations sent by Postal Circles are being considered by the concerned Zonal Railways, as apparent from the compliance received from Circles. As an example, reply of UP Circle, intimating that the haulage bills are being submitted as per statements of Circle, is enclosed as Annexure 1.2(i) for reference.”

10. The Committee observed that payments were made for sanctioned berths instead of actual berths allotted, resulting in excess payments of haulage charges amounting to Rs. 12.15 crore in three Circles. Hence the Committee recommended instituting a monthly verification process with zonal railways and implementing reconciliation mechanisms to avoid future discrepancies. The Committee note from the reply of the Ministry that excess payments of Rs. 1.09 crore and Rs. 29 lacs in Gujarat Circle and Telangana Circle, respectively were adjusted following reconciliation. Further in case of Odisha Circle, the Committee note that Rs. 1.89 crore out of an excess amount of Rs. 8.32 crore was adjusted, with a sum of Rs 6.43 crore is the net outstanding amount. Additionally, the Ministry have requested a one-time adjustment of the outstanding amount from the Railway Board and a reconciliation meeting was scheduled for 21.08.2024. In this regard, the Committee desire the Ministry to provide an update on the final reconciliation of the outstanding excess payment made by the Odisha Circle.

The Committee also note from the reply of the Ministry that they have introduced a system where the nodal Postal Circles share monthly sectional accommodation statements with Zonal Railways, ensuring bills are raised

based on actual berth usage. The Ministry have mentioned compliance from Zonal Railways, who are now following the recommended procedure and have sought guidance from the Railway Board on standardizing berth calculation. In view of the action taken by the Ministry, the Committee recommend the Ministry to explore integrating an automated system for real-time berth allocation and simultaneous usage verification between the DoP and Indian Railways which will help in reducing manual errors and streamlining the reconciliation process.

11. The Committee in their Original Report No. 92 (17th Lok Sabha) had recommended as under:-

“The Committee note that the sanction of berths for RMS by Railways is based on the requirements projected by DoP. However, there have been several instances of short allotment of berths as against those sanctioned by Railways. In three Circles, Audit observed that the short allotment for the period 2017-2020, adversely affected the quality of service provided due to inadequate space. The Ministry in their reply have stated that the cases of short accommodation provided have been addressed to the Railways from time to time and requests made in this regard to Zonal Railways by the Circles as well as by Directorate to Railway Board. Further, the Ministry updated that they are provided with the sanctioned accommodation by the Railways in all the circles across the country barring occasional exceptions. The mail volume is affected by other factors also such as a particular event, season (festival. etc.) and may vary from time to time. Hence, it may not always be the case that whenever the actual accommodation deviates from sanctioned position, the service is affected as the DoP has a well-developed Road Transport Network (RTN). The Committee while noting that to overcome the instances of short accommodation in RMS sections, the left-over mail, if any, is dispatched through next immediate available mode i.e., RTN/Section desire to be apprised of the quantum of the left-over mail sent through RTN/ Section in each of the circles during last three years and the resultant additional expenditure incurred in each of these circles. Further, the Committee also desire to be apprised of the mechanism put in place for according priority to the mail to be sent treated as leftover mail in case of short accommodation provided by the Railways and delays If any, that may have occurred in delivering mail due to Inadequate space.”

12. The Ministry of Communication, Department of Posts in their Action Taken Notes have stated as under:-

“As already submitted, the sanctioned accommodation is based on average mail volume carried by a particular section. This may be due to a particular event, special booking, size of mail articles etc. Hence, it may not always be the case that whenever actual accommodation deviates from the sanctioned one, the service is adversely affected. Moreover, whenever such short accommodation is assigned, priority is to be given accountable mail and second-class mail having relaxed delivery norms. Such mail is sent through alternate available transmission facility. However, since no such report of adverse effect on service was reported, therefore no record of such left-over mail is available. Further, since existing and available resources are utilised to convey the mail which may be left over as an exception due to short accommodation, no extra expenditure is incurred.”

13. Audit in their vetting comments have stated as under:

“Audit has no further comments”

14. The Committee had expressed concerns over instances of short allotment of berths, which affected mail service quality in some Circles and had asked the Ministry to provide data on mail left over due to short accommodation, the additional expenditure incurred when utilizing Road Transport Network (RTN) as an alternative, and the mechanism for prioritizing mail in such cases. The Committee note from the reply of the Ministry that the Railway's berth allotment is based on average mail volume, and deviations from the sanctioned position do not consistently impact service quality. The Ministry further clarified that, in the rare cases of short accommodation, priority is given to accountable and second-class mail, with any remaining mail dispatched through RTN without any additional cost. The Committee also note from the reply of the Ministry that they have addressed the priority handling of mails and confirmed that the alternate arrangements are in place. However, the Ministry have not provided the specific data on the volume of left-over mail and/or additional expenditure, stating that no records are kept, as the short allotment cases are not reported to have affected service quality. In this regard, the Committee reiterate their earlier recommendation that the Ministry should consider maintaining records of instances where mail is left over due to short accommodation, especially during high-traffic periods (festivals,

events). This data may provide a clearer picture of the extent of such occurrences which will further help in evaluating if the Road Transport Network adequately compensates for shortfalls in RMS capacity. While the Ministry state that no additional expenditure is incurred, collecting periodic data on RTN utilization in cases of short accommodation may reveal any hidden costs (fuel, labour, or logistical expenses) associated with this alternative. Further, to reduce future instances of short accommodation, the Ministry should consider holding quarterly coordination meetings with Zonal Railways as well. This proactive communication can help ensure that berth allocation aligns more closely with real-time mail volume, particularly during peak periods, and provide a channel for immediate issue resolution.

15. The Committee in their Original Report No. 92 (17th Lok Sabha) had recommended as under:-

“Payment made for full sections even after closure of part of the sections

The Committee find that the scrutiny of records of Bihar Circle, as test checked by Audit revealed that in two sections, payments were made for full sections even though part of the sections were closed. After abolition of RN-32 Section (Nagar Untari-Daltonganj-Gomo 460 KM) a portion of the section viz., Daltonganj-Nagar Untari route was abolished with effect from 01 June 2015. Consequently, the to and fro distance from Gomo to Daltonganj came down to 286 KMs. However, Railways continued to prefer haulage charge bills based on the length of the earlier route. No action for rectification was taken by the Postal Circle resulting in excess payment of Rs.54.82 lakh. Further, Section H-26 (Sealdah to Sahibganj - 347 Km) was abolished/ discontinued by West Bengal Circle, Kolkata with effect from 01 July 2014 under Intimation to Bihar Postal Circle. However, Railways continued to claim haulage charges for Sealdah to Mughalsarai/ Varanasi and the bills were paid by Bihar Postal Circle without taking into consideration the reduction in length of the route resulting in excess payment of haulage charges by the Posts to the tune of Rs.43.19 lakh. The Ministry in their reply have stated that the payment was made erroneously as the zonal railway continued raising the bills for this section. As a remedial measure, the Ministry reported that the amount of Rs.54.82 lakh in respect of

section RN-32 & Rs.43.12 lakh in respect of section H-26 have since been adjusted through credit advice. In the light of the fact that the audit observation was based on a test check and also to ensure that the excess haulage charges are not being paid for discontinued routes, all Circles were directed to keep proper record of sections to ensure correctness of haulage payments. In addition, instructions have also been issued to all Circles to seek approval of Directorate for resumption of RMS sections. Here, the Committee opine that due to inadequate internal checks, the significant lapses in the verification and payment processes related to haulage charges in Bihar Circle resulted in excess payments. Therefore, the Committee in no uncertain words recommend that the Ministry should put in place a stronger internal verification mechanism within the Department of Posts to ensure accurate and timely identification of changes in operational routes, their discontinuation, or closure. The Committee also recommend that the internal audit team responsible for regularly reviewing and verifying payment records should also be duly sensitized to be more careful with a view to ensuring non-recurrence of instances of erroneous haulage charge payments in future.”

[Recommendation Para No. 3]

16. The Ministry of Communication, Department of Posts in their Action Taken Notes have stated as under:-

“All sectional routes were discontinued in 2020 as movement of trains was suspended due to Nation-wide lock down imposed on outbreak of COVID19 pandemic. When the resumption of sections started gradually with unlock 1.0, in order to ensure accurate and timely identification of changes in operational routes, all Circles were instructed vide letter no. 7-1/2012-D(pt.) dated 17.08.2020 (Annexure-3.1), to keep proper record of functional RMS sections and ensure correctness of haulage payments. All Circles were also instructed vide letter no. 7-1/2012-D (Pt) dated 22.03.2021 to seek prior permission of this Directorate for resumption of RMS sections (Annexure 3.2). Hence, changes such as discontinuation/ closure of any RMS section are being regularly monitored, as detailed below:

(i) Resumption of RMS sections was approved by Postal Directorate as per instructions contained in DoP's letters mentioned above.

(ii) Discontinuation of Inter Circle RMS sections is decided at the Directorate level after due examination and in consultation with concerned Postal Circles.

(iii) Discontinuation of Intra-Circle RMS sections is decided by the Circles with an intimation to Postal Directorate.

(iv) Copies of such orders for discontinuation of RMS sections are sent to concerned zonal railways and nodal postal Circle to ensure correctness of haulage bills.

1.1 Copies of some such orders issued by Postal Directorate & Rajasthan Circle, for example, are attached as Annexure 3.3 & 3.4.

2. To ensure accuracy of bills, statement of sectional accommodation has been introduced for nodal Postal Circles to be sent to the respective Zonal Railways.

3. As regards sensitisation of the Internal Audit Team, as a default procedure, copy of every sanction order is sent to the O/o General Manager (Finance) or Director of Accounts (Postal) concerned by the Payment Circle, to keep a watch over haulage payment. (Annexure 1.3c for example)"

17. Audit in their vetting comments have stated as under:

"Audit has no further comments."

18. The Committee highlighted lapses in the verification of haulage charges, noting that excess payments were made for discontinued sections due to inadequate internal checks and recommended implementing a stronger internal verification mechanism and emphasized the need to sensitize the internal audit team to prevent similar errors. The Committee note from the reply of the Ministry that all Circles were directed to keep records of active RMS sections and verify haulage payments. Also, approval from the Directorate is now required for resumption of RMS sections, and information

on discontinued sections is shared with Zonal Railways. The Committee further note from the reply of the Ministry that nodal Postal Circles now send sectional accommodation statements to Zonal Railways to verify the accuracy of haulage bills and the Ministry has established a protocol where copies of sanction orders are sent to relevant financial officers to enhance oversight of haulage payments. Although the Ministry has taken steps to enhance oversight, the Committee opine that the Ministry should develop a centralized digital system to log, track, and monitor route changes and closures across all Circles. This system will automatically flag any inconsistencies in haulage charges based on changes in sectional routes, reducing reliance on manual record-keeping. For better coordination, the Committee further recommend the Ministry to formalize regular communication channels with Zonal Railways to discuss sectional changes, discontinued routes, and verification of haulage bills.

19. The Committee in their Original Report No. 92 (17th Lok Sabha) had recommended as under:-

“Excess payment of haulage charges. verification/inaction on claims raised by Railways:

The Committee note from the reply of the Ministry that in order to streamline the process of haulage payment in future, proposal for procedure of direct payment system after validation of haulage bills by Department of Posts was sent to Railways on 17.11.2020 and the matter was consistently pursued with Railways besides being taken up during Inter Ministerial meeting on 03.02.2022. Further, another communication has been sent to Chairman, Railway Board on 10.07.2023 in this regard. The Committee note from the reply of DoP that the Ministry of Railways, in response, has directed zonal railways to settle the excess debits and has further requested DoP to advise postal Circles to re-verify the disputed payments and coordinate with the zonal railways to resolve the disputes. The DoP added that instructions in this regard have already been issued to Circles and are reiterated from time to time. Nevertheless, the Committee find that the instructions issued by DoP are not being adhered to, and deficiencies continue to persist. Issues of excess debits by Railways being continuing since 2017, the Committee are disappointed that no concrete action

has been taken in the matter by DoP. The Committee also note that the Ministry of Railways has been silent over the proposal on direct payment system, sent by the DoP on 17.11.2020. In light of the long pending issues of settlement of excess debits of haulage charges between the Ministry of Railways and Department of Posts, the Committee are of the considered view that the proposed direct payment system should be considered and finalized urgently to ensure that the process of haulage payment gets streamlined, The Committee, therefore, while seeking a status note on the outcome of the action taken by the Railways to resolve the dispute of excess debits, recommend that both Departments should take earnest efforts to resolve the issues so that the system of charging correct amount of haulage after validation by DOP may be ensured. In light of audit revelation that the instructions issued by DoP are not being adhered to, and deficiencies persist, the Committee in no unequivocal terms recommend that the DoP should conduct a thorough review of its internal compliance mechanism with a view to ensuring that instructions issued are implemented across all Circles in letter and spirit.”

[Recommendation Para No. 5]

20. The Ministry of Communication, Department of Posts in their Action Taken Notes have stated as under:-

“It is not the fact that the instructions issued by DoP are not being adhered to by the circles or not being paid due attention. Some examples of instances as mentioned in preceding paras are resubmitted for consideration of the Committee as under:

1.1 Statement of sectional Accommodation: Being sent by the Circles (e.g. Gujarat (Annexure 5.1) & Maharashtra (Annexure 5.2))

1.2. Clarification on Berth calculation by Railway Board: On request of DoP, Railway has clarified the guiding principle for berth calculation and zonal railways authorised to raise claim for haulage charges to respective postal circles. This clarification has helped in expediting adjustment of present cases of excess debits and will also ensure non-recurrence of excess debits in future. (Annexure 1.4)

1.3. Permission of Postal Directorate required for resumption/ Discontinuation of RMS sections:

(a) Resumption of RMS sections is approved by Postal Directorate as per instructions contained in DoP's letters mentioned above.

(b) Discontinuation of Inter Circle RMS sections is decided at Directorate level after due examination and in consultation with concerned Postal Circles.

(c) Discontinuation of Intra-Circle RMS sections is decided by the Circles with an intimation to Postal Directorate.

(d) Copies of such orders for discontinuation of RMS sections are sent to concerned zonal railways and nodal postal Circle to ensure correctness of haulage bills.

1.3.1 Copies of some such orders issued by Postal Directorate & Rajasthan Circle, for example, are attached as Annexure 3.3 & 3.4.

2. It has been due to the consistent monitoring at Directorate, compliance by postal Circles and consideration by Railways that the excess debits to the tune of 16.33 Cr have been got adjusted out of total Rs. 23.397 Cr in six Circles namely Gujarat, Odisha, Telangana, UP, Bihar & Haryana Circles:

Circle	Reported Amount (Cr)	Actual Amount (Cr)	Adjusted Amount (Cr)	Outstanding Amount (Cr)	Concerned Zonal Railway
Gujarat	1.14	1.14	1.14	0	NWR
Odisha	15.89	8.467	1.4	7.067	SER/ECOR
Telangana	0.45	0.29	0.29	0	SCR
Bihar	2.8	2.8	2.8	0	ER & ECR
Haryana	0.19	0.19	0.19	0	NR
UP	10.51	10.51	10.51	0	NER/NCR
	30.98	23.397	16.33	7.067	

(for outstanding amount of Rs. 7.067 cfr. South-eastern Railway has assured to adjust in subsequent bills. (Annexure 1.3e))

3. As regards direct payment system, it is submitted that an internal verification mechanism of sharing statement of sectional accommodation on monthly basis with concerned zonal railway was devised by DoP. This mechanism and clarification of Railway Board (Annexure 1.4) have helped in expediting adjustment of present cases of excess debits and will also ensure non-recurrence of excess debits in future. Hence it is felt that this mechanism is as good as a direct payment system in terms of ruling out possibilities of excess debits, which was the core purpose of proposing Direct Payment System.”

21. Audit in their vetting comments have stated as under:

“1. Ministry may furnish outcome of the request made to Railway Board for validation of statement of sectional accommodation to be provided by the concerned Circles to Railways to ensure accuracy of bills along with supporting documents the PAC.

2. Ministry may also furnish the status of outstanding amount in respect of Odisha Postal Circle to the PAC.”

22. Response of the Ministry is as under:-

“1. As a result of request made to railway Board by DoP, the statements of sectional accommodations being sent by Postal Circles are being considered by the concerned zonal railways as apparent from the compliance received from Circle. As an example, reply of UP Circle intimating that the haulage bills are being submitted as per statements of Circle is enclosed as Annexure 1.2(i) for reference.

2. Final Status of amount adjusted and outstanding is as under:”

Total Outstanding (Rs.)	8,32,77,090/-
Total Amount Adjusted (Rs.)	1,89,18,810/-
Net outstanding (on Part of SER)	6,43,58,280/-

23. The Committee while noting persistent issues with excess debits by Railways, dating back to 2017, despite efforts of DoP, highlighted the importance of a direct payment system validated by DoP to prevent unverified charges and sought updates on the adjustments made. The Committee also emphasized the urgency of finalizing a direct payment system to ensure pre-validation of haulage charges by the DoP. The Committee note from the reply of the Ministry that excess debits of Rs. 16.33 crore out of Rs. 23.397 crore have been adjusted for Gujarat, Odisha, Telangana, UP, Bihar, and Haryana Circles, leaving Rs. 7.067 crore outstanding, primarily under South Eastern Railway (SER), with assurances for future adjustments. The Committee also note from the reply of the Ministry that a statement-sharing process between DoP and zonal Railways for sectional accommodation records was implemented to validate haulage bills. The Ministry highlighted its internal mechanism for verification of haulage charges with zonal Railways through monthly sectional accommodation statements, suggesting this is equivalent to a direct payment system. The Committee appreciate that the Ministry has shown progress in adjusting significant portions of the excess debits and put mechanisms in place to ensure accountability moving forward. However the Committee recommend the Ministry to continue discussions with the Railway Board to establish either a direct payment system or an enforceable pre-validation framework including key components such as :

- (a) defined roles for validating and approving haulage charges.
- (b) clear guidelines for handling discrepancies to prevent delays in addressing errors.
- (c) periodic mandatory reconciliation module

24. The Committee in their Original Report No. 92 (17th Lok Sabha) had recommended as under:-

“Excess payment of Rent for RMS buildings owned by Railways

Audit scrutiny revealed that the DoP issued (May 2010) Instruction for calculation/ payment of license fee in respect of RMS buildings constructed under deposit scheme @ 6 per cent of market value of land annually to be

revised every five years. For RMS buildings owned by Railways, the revised rates of interest charges were @ 6 per cent on Capital Invested after 01 April 1964 and @ 4.5 per cent on Capital invested prior to 01 April 1964. Railways, while re-iterating the rate of interest stated (January 2018) that the land value, as prescribed by the Revenue Department of concerned state, can be taken for fixation of rent annually and to be revised every five years. However, audit noticed instances of incorrect computation of arrears of rent, untimely revision of rent and wrong application of interest rates leading to excess payment of 21.53 crore. To ensure that all claims are checked before making payment, the Ministry in their reply have stated that DoP had issued instructions to all the Circles to avoid excess payment of rent for RMS buildings owned by Railways.

The Committee note from the submission of the Ministry that all the Circles have been instructed to conduct a comprehensive internal audit of all charges billed by Railways and payments made on account of buildings hired for RMS, and that the Tamil Nadu Circle has started the same. In respect of Tamil Nadu Circle, the Ministry stated that with regard to excess payment of Rs. 1.31 Cr, Railways have informed that revision of rent is under review in Railway Board and the outcome will be intimated. Concerned RMS Divisions are liaising with the Railway Authorities to update the status of the same for further necessary action and to adjust the excess amount paid in future bills. The Ministry further stated that Punjab Circle had informed that the excess amount would be recovered/ adjusted in the next bills that will be issued by Railway authorities! The Committee also note that Punjab Circle is yet to take action for recovering/ adjusting the excess amount in the next bills issued by Railway authorities. The Committee while expressing their displeasure over the injudicious utilization of the public funds by not ensuring that all claims are based on correct computation of arrears of rent, timely revisions and application of interest rates to avoid excess payment of rent for RMS buildings owned by Railways, recommend that the responsibility should be fixed against the officials concerned for the lapses.

Further, the Committee desire that the process of comprehensive internal audit of other charges should be expedited and completed within a stipulated timeframe and they be apprised thereof accordingly."

25. The Ministry of Communication, Department of Posts in their Action Taken Notes have stated as under:-

“Process of fixing of responsibility has been initiated. It is also informed that comprehensive internal audit of other charges have also begun. Further, in Punjab Circle, Railway authorities have been apprised of all the irregularities made in the previous bills and they have been requested to issue fresh revised bills after adjustments.”

26. Audit in their vetting comments have stated as under:

“Ministry may submit final compliance to the PAC in respect of

- i. Fixing responsibility against the erring officials
- ii. Comprehensive internal audit of other charges
- iii. Receipt of fresh revised bills after adjustments from Railway authorities relating to Punjab Circle”

27. The Ministry has responded to the Audit Comments as below:

“i. In Jharkhand Circle: Official has been identified and action has been initiated.

In Punjab Circle: Inquiry has been initiated.

ii. Comprehensive Internal Audit is under process.

iii. W.r.t. revised fresh bills in Punjab Circle, regular meetings and follow up are being made with Railway authorities. Revised corrected bills are awaited from Railways.”

28. In their original Report, the Committee expressed their dissatisfaction with the oversight by the Ministry resulting in excess rent payments and recommended for fixing of responsibility accountability for officials responsible for lapses and to prevent future excess payments, the Committee further recommended a comprehensive internal audit to review all charges

billed by Railways and ensure accuracy. The Committee also expressed their concerns ensuring that incorrect payments are adjusted and revised bills are received from Railways, especially for Punjab Circle. The Committee note from the reply of the Ministry that officials responsible for lapses in excess rent payments in Jharkhand and Punjab are identified and inquiries have been initiated against them. The Committee while appreciating the positive steps taken by the Ministry, desire to be apprised about the updates on the outcomes of the inquiries in Punjab Circle and other actions taken by them to strengthen accountability and reflect progress on the recommendation made by the Committee. The Ministry should consider establishing a reporting framework for each Circle to keep track of excess payments, accountability actions, and audit progress to facilitate ongoing oversight. In this regard, the Committee also recommend the Ministry to set up a timeline for completing audits across all Circles to ensure timely compliance. Further the Committee desire that the Ministry provide a clearer roadmap and concrete updates from the Railway authorities for corrected bills and resolution of adjustment of incorrect payments, especially for Punjab Circle.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Observation/Recommendation

Payment for sanctioned berths without verifying actual allotment

According to Audit, scrutiny of records revealed that Railways had raised bills for berths sanctioned instead of actual berths allotted in three Circles and that the payments were made without verification of the claims, resulting in excess payment of haulage charges of Rs.12.15 crore. The Committee note from the reply of the Ministry that two Circles of Gujarat and Telangana have adjusted the extra amount debited from their account and Odisha Circle has submitted, after reconciliation, that the actual excess debited amount is Rs. 8.4 Cr against reported amount of Rs. 10.61 Cr. The excess debited amount has not been sanctioned by the Circle and matter is being pursued with railways for adjustment of the same. Explaining reasons for making payments without verifying the actual berths allotted, the Ministry stated that in case of Gujarat Circle, the excess payment was made due to oversight for the period from Apr'18 to Dec'19. The excess paid amount has since been recovered after identification of the issue and from Jan'20, and sanctions were issued for actual allotment only. To ensure that Postal Units verify the berths actually allotted/used before making payments in the future, the Ministry stated that all Nodal postal Circles have been directed to share statement of sectional accommodation every month with the concerned zonal Railway so that the same may be considered before raising bills. The Railway Board has also been requested to direct zonal Railways accordingly. While noting that all the three circles have either adjusted the extra amount or initiated action for recovery of excess amount debited from their account, the Committee would like to be apprised of the details of amounts debited and recoveries made by each of the three circles. The Committee desire that appropriate checks may be put in place to ensure that before raising bills, statement of sectional accommodation is invariably shared every month with the concerned zonal Railway and verified scrupulously. The Committee while taking note of instances of claims raised for closed/ non-functional sections/trains, have also observed that there have been occasions of claims being made by two zonal railways separately to two different postal Circles. The Committee recommend that appropriate mechanism should also be devised to address such issues by introducing inbuilt verification processes to avoid future discrepancies in billing and payment.

**(Para 1 of the 92nd Report of the Public Accounts Committee)
(Seventeenth Lok Sabha)**

Action Taken

As already reported, excess debited amounts in respect of Gujarat and Telangana Postal Circles stand adjusted. Odisha Postal Circle has reported after reconciliation that the actual excess debited amount is Rs. 8.32 cr instead of Rs. 8.4 cr. informed by the Circle previously (Annexure 1.3). The difference was due to revision of haulage rates for the period April 2019 to February 2020. This has been rectified by the Circle.

Status of recoveries/adjustments of excess debits in Gujarat, Telangana and Odisha Circles is as under:

Gujarat Circle	The excess debited amount of Rs. 1.09 Cr has been got adjusted by the Circle through DA(P) Ahmedabad from RBI (CAS) Nagpur vide memo no. 2 dated 06.07.2023, after reconciliation of records. (<i>Annexure-1.1</i>)
Telangana Circle	Based on the reports received, on reconciliation of haulage bills in respect of sections L-1 and Z-26 for the period shown in audit report, the actual excess payment works out to Rs. 29,01,240, which has been credited to DoP vide credit advice no.3 dated 21.06.2023 through DA(P) Hyderabad. (<i>Annexure- 1.2</i>)
Odisha Circle	The actual amount of excess debit in Odisha Circle is Rs. 8.32 cr (<i>Annexure 1.3</i>); out of which Rs. 1.26 cr have been adjusted, remaining Rs.7.066 cr is under process and is expected to be adjusted shortly. Detailed breakup is mentioned in the table 1.3 below**

**Table 1.3 (Detailed breakup of outstanding excess debits in Odisha Circle)

S.No.	Amount (Rs.)	Status of Adjustment	Annexure
1	18,39,600	Adjusted by SER in Feb 2024 bill	1.3a
2	32,05,710	Adjusted by SER in March 2024 bill	1.3b
3	31,02,300	Adjusted by SER in April 2024 bill	1.3b1
4	16,25,400	Adjusted by Odisha Circle	1.3c
5	28,37,790	Adjusted by Odisha Circle	1.3d
6	7,06,66,290	Agreed by SER for refund in subsequent bills	1.3e
Total	8,32,77,090	As above	

2. It was observed that the major part of excess debits was due to incorrect berth calculation in the sectional accommodation provided by the Railways. Therefore, the matter was taken up with the Railway Board by DoP. Now Railway Board has clarified the guiding principles for berth calculation and the Zonal Railways authorised to raise claims for haulage charges to the respective Postal Circles. This clarification has helped in expediting adjustment of present cases of excess debits and will also ensure non-recurrence of excess debits in future. (Annexure 1.4)

3. As regards recommendations of the Committee on devising a mechanism to avoid future discrepancies in billing and payment of the actual berths allotted, a mechanism has been devised by DoP by introducing a statement of sectional accommodation which is sent by the nodal Postal Circles to respective Zonal Railways. Railway Board has also been requested to direct Zonal Railways to consider the same while raising haulage bills. (Annexure 1.5). It may be seen that this mechanism involves verification of allotted sectional accommodation by DoP and consideration of these statements by the concerned Zonal Railways before raising debit advices rules out the possibility of discrepancies or excess debits in haulage bills.

Vetting Remark by Audit

Ministry may submit final status of amount credited back to Odisha Postal Circle.

2. Further, Ministry may apprise PAC of the

(i) outcome of the request made to Railway Board for validation of statement of sectional accommodation to be provided by the concerned Circles to Railways to ensure accuracy of bills along with supporting documents.

(ii) progress made in r/o inbuilt verification process to avoid discrepancies in billing and payment of haulage charges.

Ministry's Reply to Audit Vetting Remarks

Final Status of amount adjusted and outstanding is as under:

Total Outstanding (Rs.)	8,32,77,090
Total Amount Adjusted (Rs.)	1,89,18,810
Net outstanding (on Part of SER)	6,43,58,280

The amount is being adjusted by South Eastern Railway (SER) @ 50% of haulage bill every month. Railway Board has been requested by DoP (Annexure 1.11) for one-

time adjustment of the outstanding amount. A reconciliation meeting has also been requested for on 21.08.2024.

The statement of accommodation is regularly being sent by the nodal Postal Circles to concerned Zonal Railways. Some examples are mentioned as under:

Postal Circle	Zonal Railway	Sent for the Month of	Sent on
Bihar	Eastern Railway	June'24	10.07.2024
	East Central railway		
Gujarat	North Western railway	June'24	08.07.2024
	Western Railway		
Maharashtra	Central Railway	June'24	10.07.2024
Uttar Pradesh	North East Railway	June'24	10.07.2024
	North Central Railway		

As a result of the request made to the Railway Board by DoP, the statements of sectional accommodations sent by Postal Circles are being considered by the concerned Zonal Railways, as apparent from the compliance received from Circles. As an example, reply of UP Circle, intimating that the haulage bills are being submitted as per statements of Circle, is enclosed as Annexure 1.2(i) for reference.

Sd/-
Dushyant Mudgal
DDG (Mail Operations)

(Ministry of Communications/Department of Posts O.M. No. Mail-30/5/2020-D dated 07.08.2024)

[Please see Para no. 10 of Chapter-I for comments of the Committee]

Observation/Recommendation

Short allotment of berths as against sanctioned position

The Committee note that the sanction of berths for RMS by Railways is based on the requirements projected by DoP. However, there have been several instances of short allotment of berths as against those sanctioned by Railways. In three Circles, Audit observed that the short allotment for the period 2017-2020, adversely affected the quality of service provided due to inadequate space. The Ministry in their reply have stated that the cases of short accommodation provided have been addressed to the Railways from time to time and requests made in this regard to Zonal Railways by the Circles as well as by Directorate to Railway Board. Further, the Ministry updated that they are provided with the sanctioned accommodation by the Railways in all the circles across the country barring occasional exceptions. The mail volume is affected by other factors also such as a particular event, season (festival. etc.) and may vary from time to time. Hence, it may not always be the case that whenever the actual accommodation deviates from sanctioned position, the service is affected as the DoP has a well-developed Road Transport Network (RTN). The Committee while noting that to overcome the instances of short accommodation in RMS sections, the left-over mail, if any, is dispatched through next immediate available mode i.e., RTN/Section desire to be apprised of the quantum of the left-over mail sent through RTN/ Section in each of the circles during last three years and the resultant additional expenditure incurred in each of these circles. Further, the Committee also desire to be apprised of the mechanism put in place for according priority to the mail to be sent treated as leftover mail in case of short accommodation provided by the Railways and delays If any, that may have occurred in delivering mail due to Inadequate space.

**(Para 2 of the 92nd Report of the Public Accounts Committee)
(Seventeenth Lok Sabha)**

Action Taken

As already submitted, the sanctioned accommodation is based on average mail volume carried by a particular section. This may be due to a particular event, special booking, size of mail articles etc. Hence, it may not always be the case that whenever actual accommodation deviates from the sanctioned one, the service is adversely affected. Moreover, whenever such short accommodation is assigned, priority is to be given accountable mail and second-class mail having relaxed delivery norms. Such mail is sent through alternate available transmission facility. However, since no such report of adverse effect on service was reported, therefore no record of such left-over mail is available. Further, since existing and available resources are utilised to convey the mail which may be left over as an exception due to short accommodation, no extra expenditure is incurred.

Vetting Remark by Audit

Audit has no further comments

**Sd/-
Dushyant Mudgal
DDG (Mail Operations)**

(Ministry of Communications/Department of Posts O.M. No. Mail-30/5/2020-D dated 07.08.2024)

[Please see Para no. 14 of Chapter-I for comments of the Committee]

Observation/Recommendation

Payment made for full sections even after closure of part of the sections

The Committee find that the scrutiny of records of Bihar Circle, as test checked by Audit revealed that in two sections, payments were made for full sections even though part of the sections were closed. After abolition of RN-32 Section (Nagar Untari-Daltonganj-Gomo 460 KM) a portion of the section viz., Daltonganj-Nagar Untari route was abolished with effect from 01 June 2015. Consequently, the to and fro distance from Gomo to Daltonganj came down to 286 KMs. However, Railways continued to prefer haulage charge bills based on the length of the earlier route. No action for rectification was taken by the Postal Circle resulting in excess payment of Rs.54.82 lakh. Further, Section H-26 (Sealdah to Sahibganj - 347 Km) was abolished/ discontinued by West Bengal Circle, Kolkata with effect from 01 July 2014 under Intimation to Bihar Postal Circle. However, Railways continued to claim haulage charges for Sealdah to Mughalsarai/ Varanasi and the bills were paid by Bihar Postal Circle without taking into consideration the reduction in length of the route resulting in excess payment of haulage charges by the Posts to the tune of Rs.43.19 lakh. The Ministry in their reply have stated that the payment was made erroneously as the zonal railway continued raising the bills for this section. As a remedial measure, the Ministry reported that the amount of Rs.54.82 lakh in respect of section RN-32 & Rs.43.12 lakh in respect of section H-26 have since been adjusted through credit advice. In the light of the fact that the audit observation was based on a test check and also to ensure that the excess haulage charges are not being paid for discontinued routes, all Circles were directed to keep proper record of sections to ensure correctness of haulage payments. In addition, instructions have also been issued to all Circles to seek approval of Directorate for resumption of RMS sections. Here, the Committee opine that due to inadequate internal checks, the significant lapses in the verification and payment processes related to haulage charges in Bihar Circle resulted in excess payments. Therefore, the Committee in no uncertain words recommend that the Ministry should put in place a stronger internal verification mechanism within the Department of Posts to ensure accurate and timely identification of changes in operational routes, their discontinuation, or closure. The Committee also recommend that the internal audit team responsible for regularly reviewing and verifying payment records should also be duly sensitized to be more careful with a view to ensuring non-recurrence of instances of erroneous haulage charge payments in future.

**(Para 3 of the 92nd Report of the Public Accounts Committee)
(Seventeenth Lok Sabha)**

Action Taken

All sectional routes were discontinued in 2020 as movement of trains was suspended due to Nation-wide lock down imposed on outbreak of COVID19 pandemic. When the resumption of sections started gradually with unlock 1.0, in order to ensure accurate and timely identification of changes in operational routes, all Circles were instructed vide letter no. 7-1/2012-D(pt.) dated 17.08.2020 (Annexure-3.1), to keep proper record of functional RMS sections and ensure correctness of haulage payments. All Circles were also instructed vide letter no. 7-1/2012-D (Pt) dated 22.03.2021 to seek prior permission of this Directorate for resumption of RMS sections (*Annexure 3.2*). Hence, changes such as discontinuation/ closure of any RMS section are being regularly monitored, as detailed below:

(i) Resumption of RMS sections was approved by Postal Directorate as per instructions contained in DoP's letters mentioned above.

(ii) Discontinuation of Inter Circle RMS sections is decided at the Directorate level after due examination and in consultation with concerned Postal Circles.

(iii) Discontinuation of Intra-Circle RMS sections is decided by the Circles with an intimation to Postal Directorate.

(iv) Copies of such orders for discontinuation of RMS sections are sent to concerned zonal railways and nodal postal Circle to ensure correctness of haulage bills.

1.1 Copies of some such orders issued by Postal Directorate & Rajasthan Circle, for example, are attached as Annexure 3.3 & 3.4.

2. To ensure accuracy of bills, statement of sectional accommodation has been introduced for nodal Postal Circles to be sent to the respective Zonal Railways.

3. As regards sensitisation of the Internal Audit Team, as a default procedure, copy of every sanction order is sent to the O/o General Manager (Finance) or Director of Accounts (Postal) concerned by the Payment Circle, to keep a watch over haulage payment. (Annexure 1.3c for example)

Vetting Remark by Audit

Audit has no further comments

**Sd/-
Dushyant Mudgal
DDG (Mail Operations)**

(Ministry of Communications/Department of Posts O.M. No. Mail-30/5/2020-D dated 07.08.2024)

[Please see Para no. 18 of Chapter-I for comments of the Committee]

Observation/Recommendation**Excess Debit of Haulage charges**

The Committee note that despite DOP's specific directions (September 2017), the practice of RBI directly debiting DoP for Railway bills continued without validation of the bills by DoP resulting in excess debit of Rs.17.85 crore in five Circles namely Bihar, Haryana, Gujarat, Odisha, and UP alone. In this regard, the Ministry stated (June 2021) that in the present system of payment of haulage charges, there was no provision of pre-validation from the nodal payment circle concerned of the DoP and despite the request made to RBI (CAS) Nagpur, the amount mentioned in the haulage bills raised by the Zonal Railways was debited to the DoP. The Ministry added that in respect of Bihar, Haryana and Gujarat Circles, the excess amount debited by RBI Nagpur has since been credited back to the Circle; while in case of Gujarat Circle, though the amount was credited back, it was re-debited by Railways. In respect of Odisha Circle, Rs.1.98 lakh has since been adjusted and in respect of UP Circle, matter was being pursued with the Zonal Railways. The Ministry further stated that in order to avoid such notable circumstances and streamline the process of haulage payment in future, a proposal for adopting the procedure of direct payment to Railways after validation of haulage bills by the Department of Posts has been sent to Railways in November 2020 and the matter was being pursued further. The Committee note that despite the request made to RBI (CAS) Nagpur, the amount mentioned in the haulage bills raised by the Zonal Railways was debited to the DoP. The Committee would like to be apprised of the further action taken by the DOP to take up the matter of excess debit in respect of Gujarat and UP Circle and details of amount credited to each of the circles by the RBI.

(Para 4 of the 92nd Report of the Public Accounts Committee)

(Seventeenth Lok Sabha)

Action Taken

As already submitted that the amounts of excess debits in case of Gujarat and UP Circles have been adjusted by the Circles from RBI(CAS) Nagpur through credit advices. Details of adjustments are as under:

Postal Circle	Details of Recovery/adjustment
Gujarat Circle	The excess debited amount of Rs. 1.09 cr has been got adjusted by the Circle through DA(P) Ahmedabad from RBI (CAS) Nagpur vide memo no. 2 dated 06.07.2023 after reconciliation of records. (Annexure-1.1)
UP Circle	The excess debited amount of Rs. 5.46 cr has been got adjusted by the Circle through DA(P) Lucknow from RBI(CAS) Nagpur vide Memo no. 3 dated 11.01.2024. (Annexure-4.1)

Vetting Remark by Audit

Ministry may submit final status of amount credited back to Odisha Postal Circle to the PAC.

Ministry's Reply to Audit Vetting Remarks

Final Status of amount adjusted and outstanding is as under:

Total Outstanding (Rs.)	8,32,77,090/-
Total Amount Adjusted (Rs.)	1,89,18,810/-
Net outstanding (on Part of SER)	6,43,58,280/-

Sd/-
Dushyant Mudgal
DDG (Mail Operations)

(Ministry of Communications/Department of Posts O.M. No. Mail-30/5/2020-D dated 07.08.2024)

Observation/Recommendation

Excess payment of haulage charges. verification/inaction on claims raised by Railways:

The Committee note from the reply of the Ministry that in order to streamline the process of haulage payment in future, proposal for procedure of direct payment system after validation of haulage bills by Department of Posts was sent to Railways on 17.11.2020 and the matter was consistently pursued with Railways besides being taken up during Inter Ministerial meeting on 03.02.2022. Further, another communication has been sent to Chairman, Railway Board on 10.07.2023 in this regard. The Committee note from the reply of DoP that the Ministry of Railways, in response, has directed zonal railways to settle the excess debits and has further requested DoP to advise postal Circles to re-verify the disputed payments and coordinate with the zonal railways to resolve the disputes. The DoP added that instructions in this regard have already been issued to Circles and are reiterated from time to time. Nevertheless, the Committee find that the instructions issued by DoP are not being adhered to, and deficiencies continue to persist. Issues of excess debits by Railways being continuing since 2017, the Committee are disappointed that no concrete action has been taken in the matter by DoP. The Committee also note that the Ministry of Railways has been silent over the proposal on direct payment system, sent by the DoP on 17.11.2020. In light of the long pending issues of settlement of excess debits of haulage charges between the Ministry of Railways and Department of Posts, the Committee are of the considered view that the proposed direct payment system should be considered and finalized urgently to ensure that the process of haulage payment gets streamlined, The Committee, therefore, while seeking a status note on the outcome of the action taken by the Railways to resolve the dispute of excess debits, recommend that both Departments should take earnest efforts to resolve the issues so that the system of charging correct amount of haulage after validation by DOP may be ensured. In light of audit revelation that the instructions issued by DoP are not being adhered to, and deficiencies persist, the Committee in no unequivocal terms recommend that the DoP should conduct a thorough review of its internal compliance mechanism with a view to ensuring that instructions issued are implemented across all Circles in letter and spirit.

(Para 5 of the 92nd Report of the Public Accounts Committee)

(Seventeenth Lok Sabha)

Action Taken

It is not the fact that the instructions issued by DoP are not being adhered to by the circles or not being paid due attention. Some examples of instances as mentioned in preceding paras are resubmitted for consideration of the Committee as under:

1.1 Statement of sectional Accommodation: Being sent by the Circles (e.g. Gujarat (Annexure 5.1) & Maharashtra (Annexure 5.2))

1.2. Clarification on Berth calculation by Railway Board: On request of DoP, Railway has clarified the guiding principle for berth calculation and zonal railways authorised to raise claim for haulage charges to respective postal circles. This clarification has helped in expediting adjustment of present cases of excess debits and will also ensure non-recurrence of excess debits in future. (Annexure 1.4)

1.3. Permission of Postal Directorate required for resumption/ Discontinuation of RMS sections:

(a) Resumption of RMS sections is approved by Postal Directorate as per instructions contained in DoP's letters mentioned above.

(b) Discontinuation of Inter Circle RMS sections is decided at Directorate level after due examination and in consultation with concerned Postal Circles.

(c) Discontinuation of Intra-Circle RMS sections is decided by the Circles with an intimation to Postal Directorate.

(d) Copies of such orders for discontinuation of RMS sections are sent to concerned zonal railways and nodal postal Circle to ensure correctness of haulage bills.

1.3.1 Copies of some such orders issued by Postal Directorate & Rajasthan Circle, for example, are attached as Annexure 3.3 & 3.4.

2. It has been due to the consistent monitoring at Directorate, compliance by postal Circles and consideration by Railways that the excess debits to the tune of 16.33 Cr have been got adjusted out of total Rs. 23.397 Cr in six Circles namely Gujarat, Odisha, Telangana, UP, Bihar & Haryana Circles:

Circle	Reported Amount (Cr)	Actual Amount (Cr)	Adjusted Amount (Cr)	Outstanding Amount (Cr)	Concerned Zonal Railway
Gujarat	1.14	1.14	1.14	0	NWR
Odisha	15.89	8.467	1.4	7.067	SER/ECOR
Telangana	0.45	0.29	0.29	0	SCR
Bihar	2.8	2.8	2.8	0	ER & ECR

Haryana	0.19	0.19	0.19	0	NR
UP	10.51	10.51	10.51	0	NER/NCR
	30.98	23.397	16.33	7.067	

(for outstanding amount of Rs. 7.067 cfr. South-eastern Railway has assured to adjust in subsequent bills. (Annexure 1.3e))

3. As regards direct payment system, it is submitted that an internal verification mechanism of sharing statement of sectional accommodation on monthly basis with concerned zonal railway was devised by DoP. This mechanism and clarification of Railway Board (Annexure 1.4) have helped in expediting adjustment of present cases of excess debits and will also ensure non-recurrence of excess debits in future. Hence it is felt that this mechanism is as good as a direct payment system in terms of ruling out possibilities of excess debits, which was the core purpose of proposing Direct Payment System.

Vetting Remark by Audit

1. Ministry may furnish outcome of the request made to Railway Board for validation of statement of sectional accommodation to be provided by the concerned Circles to Railways to ensure accuracy of bills along with supporting documents the PAC.

2. Ministry may also furnish the status of outstanding amount in respect of Odisha Postal Circle to the PAC.

Ministry's Reply to Audit Vetting Remarks

As a result of request made to railway Board by DoP, the statements of sectional accommodations being sent by Postal Circles are being considered by the concerned zonal railways as apparent from the compliance received from Circle. As an example, reply of UP Circle intimating that the haulage bills are being submitted as per statements of Circle is enclosed as Annexure 1.2(i) for reference.

Final Status of amount adjusted and outstanding is as under:

Total Outstanding (Rs.)	8,32,77,090/-
Total Amount Adjusted (Rs.)	1,89,18,810/-
Net outstanding (on Part of SER)	6,43,58,280/-

Sd/-

(Dushyant Mudgal)

DDG (Mail Operations)

(Ministry of Communications/Department of Posts O.M. No. Mail-30/5/2020-D dated 07.08.2024)

[Please see Para no. 23 of Chapter-I for comments of the Committee]

Observation/Recommendation

The Committee note that in Odisha and UP Circle, monthly reconciliation meetings are not being held regularly to discuss and reconcile the bills raised by the Railways. In this regard, the Ministry have inter alia replied that purpose of reconciliation meetings is to rectify the disputes/differences in claimed and actual bills. Circles approach respective zonal Railways for reconciliation/adjustments as and when required. Some zonal Railways accept the adjustments in subsequent bills/ through contra debit to DoP without any reconciliation meeting. However, reconciliation meetings could not be held in several zones in spite of the matter being taken up with the respective zones. To ensure regular reconciliation of claims made by Railways for adjustment of any excess billing, the Ministry have, in reply, stated that the Circles have been sensitized to regularly approach Railways to schedule reconciliation meetings. The Committee while noting that the reconciliation meetings could not be held in several zones in spite of the matter being taken up with the respective zones recommend the DOP to be proactive in its approach. The matter of reconciling the bills of haulage charges raised by the Railways should be vigorously pursued and reconciliation meetings with the Ministry of Railways/ Zonal Railways invariably held on monthly basis. The steps initiated in this regard be intimated to the Committee at the earliest.

(Para 6 of the 92nd Report of the Public Accounts Committee)

(Seventeenth Lok Sabha)

Action Taken

Reconciliation meetings are required to be held in cases where there is a requirement of reconciliation due to discrepancy being noticed by DoP and matter with concerned zonal railways is pursued by the Circles for holding of reconciliation meetings whenever required. Meanwhile, matter is also followed up for adjustments of excess debits. The issues are being monitored at Directorate level and instructions are issued to circles from time to time. Some examples of recent reconciliation meetings held with the railway authorities are in Haryana, Chhattisgarh & Bihar on 21.02.2024, 21.02.2024 & 28.12.2023.

2. Further, out of 17 zonal railways, no major issues have been reported in case of most of the zonal railways such as Northern Railway, North Central Railway, East Central Railway, West Central Railway, Central Railway, Western Railway etc.

3. Further, after introduction of statement of sectional accommodation, clarification issued by Railway Board vide FM Circular no. 3 of 2024 dated 01.02.2024 (Annexure 1.4) the haulage bills are expected to be more accurate and haulage payments streamlined.

Vetting Remark by Audit

Audit has no further comments

**Sd/-
Dushyant Mudgal
DDG (Mail Operations)**

(Ministry of Communications/Department of Posts O.M. No. Mail-30/5/2020-D dated 07.08.2024)

Observation/Recommendation

Excess payment of Rent for RMS buildings owned by Railways

Audit scrutiny revealed that the DoP issued (May 2010) Instruction for calculation/ payment of license fee in respect of RMS buildings constructed under deposit scheme @ 6 per cent of market value of land annually to be revised every five years. For RMS buildings owned by Railways, the revised rates of interest charges were @ 6 per cent on Capital Invested after 01 April 1964 and @ 4.5 per cent on Capital invested prior to 01 April 1964. Railways, while re-iterating the rate of interest stated (January 2018) that the land value, as prescribed by the Revenue Department of concerned state, can be taken for fixation of rent annually and to be revised every five years. However, audit noticed instances of incorrect computation of arrears of rent, untimely revision of rent and wrong application of interest rates leading to excess payment of 21.53 crore. To ensure that all claims are checked before making payment, the Ministry in their reply have stated that DoP had issued instructions to all the Circles to avoid excess payment of rent for RMS buildings owned by Railways.

The Committee note from the submission of the Ministry that all the Circles have been instructed to conduct a comprehensive internal audit of all charges billed by Railways and payments made on account of buildings hired for RMS, and that the Tamil Nadu Circle has started the same. In respect of Tamil Nadu Circle, the Ministry stated that with regard to excess payment of Rs. 1.31 Cr, Railways have informed that revision of rent is under review in Railway Board and the outcome will be intimated. Concerned RMS Divisions are liaising with the Railway Authorities to update the status of the same for further necessary action and to adjust the excess amount paid in future bills. The Ministry further stated that Punjab Circle had informed that the excess amount would be recovered/ adjusted in the next bills that will be issued by Railway authorities! The Committee also note that Punjab Circle is yet to take action for recovering/ adjusting the excess amount in the next bills issued by Railway authorities. The Committee while expressing their displeasure over the injudicious utilization of the public funds by not ensuring that all claims are based on correct computation of arrears of rent, timely revisions and application of interest rates to avoid excess payment of rent for RMS buildings owned by Railways, recommend that the responsibility should be fixed against the officials concerned for the lapses.

Further, the Committee desire that the process of comprehensive internal audit of other charges should be expedited and completed within a stipulated timeframe and they be apprised thereof accordingly.

(Para 7 of the 92nd Report of the Public Accounts Committee)

(Seventeenth Lok Sabha)

Action Taken

Process of fixing of responsibility has been initiated. It is also informed that comprehensive internal audit of other charges have also begun. Further, in Punjab Circle, Railway authorities have been apprised of all the irregularities made in the previous bills and they have been requested to issue fresh revised bills after adjustments.

Vetting Remarks by Audit

Ministry may submit final compliance to the PAC in respect of

- i. Fixing responsibility against the erring officials
- ii. Comprehensive internal audit of other charges
- iii. Receipt of fresh revised bills after adjustments from Railway authorities relating to Punjab Circle

Ministry's Reply to Audit Vetting Remarks

- i. In **Jharkhand Circle**: Official has been identified and action has been initiated.
In **Punjab Circle**: Inquiry has been initiated.
- ii. Comprehensive Internal Audit is under process.
- iii. W.r.t. revised fresh bills in **Punjab Circle**, regular meetings and follow up are being made with Railway authorities. Revised corrected bills are awaited from Railways.

Sd/-
Dushyant Mudgal
DDG (Mail Operations)

(Ministry of Communications/Department of Posts O.M. No. Mail-30/5/2020-D dated 07.08.2024)

[Please see Para no. 28 of Chapter-I for comments of the Committee]

Observation/Recommendation

Payment of avoidable rent on vacant/ unutilized building

Audit scrutiny revealed that instances of delays in surrender of rented building/ excess space than justified were noticed resulting in payment of avoidable rent of 872.17 lakhs for vacant/ unutilized buildings in six Circles namely Tamil Nadu, Andhra Pradesh, Rajasthan, Uttar Pradesh, Kerala and Punjab. The Ministry accepted (June 2021) the issues raised by Audit except for UP and Kerala Circles. Regarding Uttar Pradesh Circle, the Ministry contended that the old building of O/o Senior Record Officer, Agra was in possession of the Department since the building was required for operational purpose. In respect of Kerala Circle, the Ministry have stated that the carpet area of Kollam RMS office was 3,314 sqft. and the same area was required for the proper functioning of the office. As regard the reasons for delays in surrendering the rented buildings/excess space when not in use, the Ministry have, in their reply stated that after introduction of IT Modernization Project, the nature of mail processing work has changed and more space was required for different activities envisaged as part of Parcel Network Optimization Project. In one of the Circles, the extra time was taken to shift/utilize the serviceable items and to auction the unserviceable items. Notwithstanding the fact, instructions have been issued to all the Circles by the Postal Directorate to review space requirement in Railway properties occupied by Postal department and ensure timely vacation of vacant/extra space to ensure economy in RMS operations. The Committee, while emphasizing the need for devising a strict compliance mechanism of the instructions issued for conduct of regular reviews of space requirements in Railway properties occupied by the Postal department ensuring that space is efficiently utilized, and any excess or vacant space is identified and surrendered in a timely manner, desire that the Ministry must also periodically review and update guidelines related to the surrender of rented buildings and excess space and make sure that guidelines are aligned with operational needs and industry best practices.

(Para 8 of the 92nd Report of the Public Accounts Committee)
(Seventeenth Lok Sabha)

Action Taken

A mechanism of submission of regular statement for review of space requirement and its usage in Railway property occupied by Postal Department has been started (copy enclosed) and Circles have been directed for timely surrender of excess or vacant space. Further Tamil Nadu, Kerala, Andhra Pradesh and Rajasthan Circles have informed that presently they don't have any excess/vacant unutilized space on which rent is paid.

Vetting Remarks by Audit

Ministry may apprise PAC of rent on vacant/unutilised buildings in respect of UP and Punjab to the PAC

Ministry's Reply to Audit Vetting Remarks

Punjab Circle has vacated and shifted to new Postal building and handed over the rented buildings to Railways. There is no building pending for vacation in Punjab.

W.r.t. **UP Circle**, the building of SRO Agra has been constructed under the Deposit Scheme of Railways (cost of construction of building has been paid by Department of Posts) and is in the possession of Department for operational purpose and the same is being used to keep stores. Hence rent on vacant/unutilized building may be treated as NIL in UP Circle.

Sd/-
Dushyant Mudgal
DDG (Mail Operations)

(Ministry of Communications/Department of Posts O.M. No. Mail-30/5/2020-D dated 07.08.2024)

Observation/Recommendation

Irregular payment of Service Tax/ GST on Rent paid to Ministry of Railways

Audit noticed that MoF instructions (December 2016) stipulate that the services provided by Indian Railways to DoP are not subject to service tax, as both the departments are arms of Central Government. Further, MoF instructions (June 2017) stipulate that the services provided by the Central Government, State Government, Union territory or local authority to another Central Government, State Government, Union territory or local authority are exempted from payment of Goods and Service Tax (GST). DoP also clarified (March 2019) the position to its Circles that GST is not applicable on licence fee to be paid to Ministry of Railways for the properties rented for RMS Office. Audit scrutiny, however, revealed that in seven Circles, Railways billed GST along with rent and DoP paid Rs. 3.46 crores without verification of claims. On being pointed out by Audit, Ministry accepted the facts and stated (June 2021) that the concerned Circles had been instructed in May 2021 to take remedial steps to ensure that payment of GST/ Service Tax are not made in future. However, Audit pointed out that the Ministry remained silent regarding refund/ adjustment of GST already paid. To ensure that payment of GST/ Service Tax are not made in future without verification of claims, the Ministry in reply, stated that DoP vide D.O. dated 21.05.2021 and D.O. dated 14.06.2023 issued Instructions to all the Circles informing that they should devise a proper procedure to avoid recurrence of cases of irregular payment of Service Tax/GST on rent paid to Ministry of Railways. About the stance of the Ministry on the refund or adjustment of the GST already paid payment of Service Tax/GST on rent paid to Ministry of Railways. About the stance of the Ministry on the refund or adjustment of the GST already paid by DoP, the Ministry stated that the amount of taxes paid by the DoP should preferably be refunded by Railways failing which it should be adjusted in future bills by the Railways. The Committee, in this regard recommend that the Ministry should actively pursue the matter of the refund of the incorrectly paid GST and settle the same in a time bound manner. The Committee would also like to be apprised of the concrete steps taken in this regard.

(Para 9 of the 92nd Report of the Public Accounts Committee)

(Seventeenth Lok Sabha)

Action Taken

The matter related to the refund of the incorrectly paid GST has been pursued. As reported vide ATN dated 19.02.2024, the refund/adjustment of GST remains only with Punjab Circle which is under process. Punjab Circle has informed that Railway Authorities have been apprised of all the irregularities made in the previous bills and Railways have been requested to issue fresh revised bills after adjustments.

Vetting Remarks by Audit

In ATN dated 19.02.2024, adjustment of GST was pending in r/o Jharkhand and Punjab Circle.

The Ministry may submit final compliance in r/o adjustment made for irregular GST paid relating to Jharkhand and Punjab Postal Circles, to the PAC.

Ministry's Reply to Audit Vetting Remarks

Jharkhand Circle: Irregular payment of GST has been adjusted in the bills for the period 01.04.2011 to 31.03.2020.

Punjab Circle: Matter has been taken up with Railways authorities for sending revised bills after adjustments. Revised corrected bills are awaited from Railways.

Sd/-
Dushyant Mudgal
DDG (Mail Operations)

(Ministry of Communications/Department of Posts O.M. No. Mail-30/5/2020-D dated 07.08.2024)

Observation/Recommendation

Non-Utilization of Dimensional Weighing System (DWS)

Audit pointed out that the Dimensional Weighing System (DWS) procured by DoP, was not found integrated with the CSI software and hence could not be utilised in five Circles resulting in infructuous expenditure of ₹4.44 crore. Similarly, procurement of Mail Hardware without assessing the required specifications resulted in wasteful expenditure of ₹76.39 lakh. The Committee note from the reply of the Ministry that Dimensional weight system (OWS) installed at Vijayawada, Hyderabad, Lucknow and Jaipur parcel Hub has been integrated with Core Systems Integration (CSI) and DWS installed at e-Commerce centre, Kolkata has since been repaired and integration with Core Systems Integration (CSI) will be completed shortly. Further, the Mail Operations Hardware (MOH), a part of IT Modernization Project of Department of Posts, assessed the requirement of Tag Printer/Barcode Printers/Barcode Scanners according to the requirements for the introduction of functionality which got delayed due to delay in the development of software. Functionality for generation of redesigned bag labels through system has now been made available and all Tag Printer/Barcode Printers/Barcode Scanners procured for the purpose are fully utilized by the Circles. While emphasizing the need for prompt integration of the Dimensional Weighing System (DWS) with the Core Systems Integration (CSI) software in all relevant Circles with a view to ensuring optimum utilization and efficient functioning of the DWS, the Committee recommend that the integration of DWS installed at e-Commerce centre, Kolkata with Core Systems Integration (CSI) should be completed in a time bound manner. Before procuring Mail Operations Hardware (MOH) or any other IT equipment, the Committee desire the Ministry to conduct a thorough assessment of the required specifications and ensure compatibility with existing systems. The Committee also recommend that the Ministry should improve coordination between hardware and software development teams to align the timelines for the development of software functionalities with the availability and utilization of the procured hardware components.

(Para 10 of the 92nd Report of the Public Accounts Committee)

(Seventeenth Lok Sabha)

Action Taken

All Dimensional Weighment Systems (DWS) procured by the Department catered to the growing parcel volumes and prevented the leakage of revenue and increased the efficiency in the processing of parcels. While real time integration of data between DWS and CSI could not be implemented at the time of installation of the DWS machines, these continued to function in the legacy system. Later, the DWS was integrated with the CSI system through a patch developed in the legacy system and all DWS machines including the one installed at Kolkata were successfully integrated with CSI. The parcel data is now being exchanged between DWS and CSI on real time basis. Besides, IT Modernization project 2.0 is being implemented by the Department with a vision to restrengthen the existing network architecture and software applications to ensure the real time and seamless integration of data between both the systems i.e the DWS and the IT 2.0 applications. Standard Mail Operations Hardware (MoH) to be procured will be procured in line with IT 2.0 applications.

Vetting Remarks by Audit

Ministry may apprise PAC of the steps proposed to be taken for restrengthening the existing network structure i.e. DWS with IT 2.0 applications.

Ministry's Reply to Audit Vetting Remarks

The IT Modernization Project 2.0 has provision for API based real-time data integration with automatic sorters, semi-automatic sorters and DWS operated by the Department.

Sd/-
Dushyant Mudgal
DDG (Mail Operations)

(Ministry of Communications/Department of Posts O.M. No. Mail-30/5/2020-D dated 07.08.2024)

Observation/Recommendation

Non-achievement of projected scheme objectives

The Committee note that while approving the Road Transport Network scheme in June 2013 for carriage of parcels on selected routes, it was expected that the implementation of Scheme would lead to additional parcel traffic and revenue for DoP. Further, the new parcel traffic would grow at a rate of 25 per cent per annum during the period 2012-2017. Audit noticed that DoP approved 54 RTN routes in 18 Circles during the period from 2013-14 to 2016-17 and of this, 43 routes in 16 Circles have been made operational between 2014-15 and 2016-17. Out of the 43 routes, six routes have been closed during the original scheme period (up to March 2017) due to various reasons such as non-improvement in service quality by providing time definite delivery of parcels and speed post articles and poor growth in e-commerce parcels. Further, 19 new RTN routes were approved by DoP, during the period from 2017-18 to 2019-20 (post-12th Plan) and out of these, eleven routes have been made operational. However, one route has been closed during this period. Audit also pointed out that between 2018-20, the traffic of RTN routes has been less than a crore while the expenditure on the same was in excess of Rs.10 crore every year. Moreover, Audit scrutiny of parcel traffic handled through Express Parcel/ Business Parcel during the years 2014-15 to 2019-20 revealed that the expected growth in parcel traffic has not been achieved by the DoP vis-d-vis expected growth of 25 per cent per annum and in fact; it reduced considerably in terms of volume during the period 2016-17 to 2019-20. As regards the reason for the net outgo on approved RTN routes, the Ministry explained that Department is following a multimodal approach for transmission of mail and parcels by air, railways and road transport depending on the suitability of the connectivity in terms of delivery advantage. Further, deployment of RTNs is an operational necessity. Wherever there was shortage of space in RMS sections and timings not suitable for expedited delivery of mail and parcel at the destination, Road Transport Network has been made operational on such routes. As regards the performance of RTNs since 2020-21, the Ministry stated that the impact of operationalization of RTNs and infrastructure created can be seen in the parcel traffic figures of the last three financial years. An increase of 57% in parcel traffic has been noted from 2020-21 to 2022-23. (344.33 lakhs parcels with revenue of Rs 416.52 crore in 2020-21 to 540.71 lakhs parcels with revenue of Rs. 620.01 crore in 2022-23). Presently the RTN comprises 74 routes (to and fro, $37 \times 2 = 74$) which are utilized efficiently, to the extent of 80% capacity average load on a daily basis and on certain routes it is 100%. Further, for exclusive handling and delivery of Express/ Business Parcels since April 2018, with the setting up of Parcel Directorate, 190 Processing hubs and 198 Nodal delivery centres have been set up across the country. Considering the marked improvement in parcel traffic infrastructure and volume as also revenue and capacity utilization on some of the RTN routes in the recent past, the Committee expect that the Department will take necessary action for improving service quality by providing time specified delivery of parcels and increasing market share in e-commerce parcels and thereby improving the revenue earned through RTN routes. The Committee would like to be apprised of the concrete steps being taken in this regard vis-a-vis the extent of expenditure incurred towards market expansion.

(Para 11 of the 92nd Report of the Public Accounts Committee)

(Seventeenth Lok Sabha)**Action Taken**

In order to provide time specified delivery of parcels, Department has operationalized National Road Transport Network (RTN) comprising 78 routes (39x2 forward and reverse routes). Department is continuously reviewing these routes and has planned to improve transit time by providing direct road connectivity between high parcel volume generating metro cities. These measures will help in garnering more share of e-Commerce parcels.

Vetting Remarks by Audit

Ministry may apprise PAC of the steps proposed to be taken for improving the revenue generation by increasing market share in e-commerce parcels vis-à-vis the extent of expenditure incurred towards market expansion.

Ministry's Reply to Audit Vetting Remarks

1. Parcel traffic has shown consistent growth from 2020-21 to 2023-24, with traffic detailed as follows: 2020-2021 – 344.33 lakh, 2021-22 - 368.65 lakh, 2022-23 - 540.70 lakh, and 2023-24 - 671.84 lakh. The revenue during the period has increased as follows: 2020-21 - Rs. 416.52 crore, 2021-22 - Rs. 500.98 crore, 2022-23 – Rs. 620.01 crore, and 2023-24 – Rs. 752.36 crore.

2. Steps taken so far for improvement in parcel business are as under

2.1 Continuous engagement with industry stakeholders to address operational and product-related issues, while also adapting to current market standards through policy and technological enhancements.

2.2. Major initiatives taken by the Department in parcel and e-commerce segment include rationalization of value-added services relating to parcel products of the Department. Charges for Cash on Delivery and Insurance service of the Department have been reduced keeping into view the industry trends. Minimum business volumes for National Account Facility have also been reduced to enable startups to use this facility.

3. Further, steps being taken by this Department for further improvement of revenue generation in e-commerce parcel are as under:

- i. To provide reliability in parcel services-Calculation of Expected Date of Delivery (EDD), Real time track & trace from Pick-up to delivery, Live tracking of RTN vehicles.
- ii. For secure delivery of parcels- OTP based delivery, Delivery authentication using KYC documents.
- iii. Digitization of payment services by way of QR based collection of Cash On Delivery (COD) amount, e-Proof Of Delivery (e-POD) provision.

- iv. 24x7 delivery of parcels including e-commerce parcels through Delivery Kiosks.

Sd/-
Dushyant Mudgal
DDG (Mail Operations)

(Ministry of Communications/Department of Posts O.M. No. Mail-30/5/2020-D dated 07.08.2024)

Observation/Recommendation**Setting up of Web-Based Dashboard to monitor RTN network**

Audit scrutiny of records revealed that DoP did not set up QMC centrally at Directorate level and also did not ensure the setting up of these Centres in the Hub cities, in the absence of QMC, day-to-day monitoring, development and maintenance of new applications where required, development and maintenance of MIS and monitoring systems have not been achieved. In this regard, the Ministry stated that since there are only few RTN routes in various Circles, the magnitude of monitoring did not warrant setting up a dedicated QMC at that stage. But, monitoring of RTNs was duly done by mails division of the Postal Directorate, Circle office, Regional office and Postal Division. The Ministry further clarified that since 21.06.2023, a Mail Monitoring Unit had been set up at the Postal Directorate, Circle, Region and Division level by an order. The said unit will monitor among other thing, the efficiency of RTN network. A web-based dashboard had also been created to monitor capacity utilization, time schedule and discrepancy, if any, on each RTN route. While appreciating the initiatives taken for monitoring the efficiency of RTN network, the Committee desire that the Department should undertake concerted efforts to evolve a mechanism to ensure updation of the entries in the web-based dashboard on real time basis so that capacity utilization, time schedule and discrepancy, if any, on each RTN route may be judiciously addressed, rationalized and optimized.

**(Para 12 of the 92nd Report of the Public Accounts Committee)
(Seventeenth Lok Sabha)**

Action Taken

The existing RTN dashboard is under process of restructuring with additional reports being introduced. These included “No Data Entry Report” for non-updation of entries in the dashboard and “Leg-wise Analysis Report” for providing leg-wise capacity utilization and help assess requirement of additional capacity on the route. The “Arrival Time Difference Report” and “Departure Time Difference Report” will help ensuring timely operation of RTN routes. All reports are being regularly scrutinised by the Circle level Mail Monitoring Unit (MMU) for timely entry of data. In the IT Modernisation Project 2.0, an application for comprehensive monitoring of RTN operations is being developed.

Vetting Remarks by Audit

Ministry may apprise the steps proposed to be taken under IT Modernisation Project 2.0 for comprehensive monitoring of RTN operations, including developing of dashboard on RTN, to the PAC.

Ministry’s Reply to Audit Vetting Remarks

Comprehensive technological requirements of RTN operations have been included in the IT Modernization Project 2.0 of the Department. These include;

- a. Dashboard to track vehicles with 3rd party GPS system on GIS maps and integration with Department system
- b. Calculation of capacity availability at each touch point of the vehicle.
- c. Maintain a comprehensive rate list of contracted rates for different routes.
- d. Telematics to get real-time data for vehicles.
- e. Assess short-term transportation requirements based on the scheduling requests.

Sd/-
Dushyant Mudgal
DDG (Mail Operations)

(Ministry of Communications/Department of Posts O.M. No. Mail-30/5/2020-D dated 07.08.2024)

CHAPTER III

**OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM THE
GOVERNMENT**

NIL

CHAPTER IV

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

NIL

CHAPTER V

**OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH
GOVERNMENT HAVE FURNISHED INTERIM REPLIES/NO REPLIES**

NIL

NEW DELHI:
12 February, 2025
23 Magha 1946 (*Saka*)

K.C. Venugopal
Chairperson,
Public Accounts Committee

APPENDIX-I**MINUTES OF THE THIRTEENTH SITTING OF THE COMMITTEE ON PUBLIC ACCOUNTS (2024-25) HELD ON 12 FEBRUARY, 2025**

The Committee on Public Accounts sat on Wednesday, the 12 February, 2025 from 1500 hrs to 1715 hrs in Committee Room D, Parliament House Annexe, New Delhi.

PRESENT

Shri K.C. Venugopal - Chairperson

Members**LOK SABHA**

2. Dr. Nishikant Dubey
3. Smt. Aparajita Sarangi
4. Dr. Amar Singh
5. Shri Tejasvi Surya
6. Shri Anurag Singh Thakur
7. Shri Dharmendra Yadav
8. Shri T. R. Baalu
9. Prof. Sougata Ray

RAJYA SABHA

10. Dr. K. Laxman
11. Shri Tiruchi Siva

LOK SABHA SECRETARIAT

- | | | | |
|----|-------------------------|---|------------------|
| 1. | Dr. Sanjeev Sharma | - | Joint Secretary |
| 2. | Shri Muraleedharan. P | - | Director |
| 3. | Shri Alok Mani Tripathi | - | Deputy Secretary |
| 4. | Shri Pankaj Sharma | - | Deputy Secretary |
| 5. | Shri Atul Bhawe | - | Deputy Secretary |
| 6. | Smt. Malvika Mehta | - | Deputy Secretary |

REPRESENTATIVES OF THE OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

1. Sh. Rebecca Mathai - Dy. CAG
2. Ms. Atreyee Das - Dy. CAG
3. Ms. Smita S. Chaudhari - Dy. CAG
4. Sh. Samar Kant Thakur - Director General

REPRESENTATIVES OF THE MINISTRY OF XXXXXX

1. XXXXXXXXXXXX
2. XXXXXXXXXXXX
3. XXXXXXXXXXXX
4. XXXXXXXXXXXX
5. XXXXXXXXXXXX
6. XXXXXXXXXXXX
7. XXXXXXXXXXXX
8. XXXXXXXXXXXX
9. XXXXXXXXXXXX

PART A

XXXXX XXXXX XXXXX XXXXX XXXXX XXXXX

PART B

Thereafter, Hon'ble Chairperson stated that the following nine draft reports may be taken up for consideration and adoption :-

- a. XXXXXXXXXXXX
- b. Action Taken by the Government on the Observations/Recommendations of the Committee contained in their 92nd Report (17th LS) on 'Functioning of Railway Mail Service and Road Transport Network in Department of Posts'
- c. XXXXXXXXXXXX
- d. XXXXXXXXXXXX

e. XXXXXXXXXXXX

f. XXXXXXXXXXXX

g. XXXXXXXXXXXX

h. XXXXXXXXXXXX

i. XXXXXXXXXXXX

After some deliberations, the Committee adopted the aforesaid Draft Reports without any modifications and authorised the Chairperson to finalise the Reports in the light of factual verification done by the Audit.

The Committee then adjourned.

A copy of the proceedings of the Sitting has been kept on record.

APPENDIX-II*(Vide Paragraph 5 of Introduction)***ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE CONTAINED IN THEIR NINETY SECOND REPORT (SEVENTEENTH LOK SABHA)**

<u>(i)</u>	<u>Total number of Observations/Recommendations</u>	<u>12</u>
<u>(ii)</u>	<u>Observations/Recommendations of the Committee which have been accepted by the Government:</u> <u>Para Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12</u>	<u>Total: 12</u> <u>Percentage: 100</u>
<u>(iii)</u>	<u>Observations/Recommendations which the Committee do not desire to pursue in view of the reply of the Government:</u> <u>Para No. – NIL</u>	<u>Total: 0</u> <u>Percentage: 0</u>
<u>(iv)</u>	<u>Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:</u> <u>Para No. – NIL</u>	<u>Total: 0</u> <u>Percentage: 0</u>
<u>(v)</u>	<u>Observations/Recommendations in respect of which the Government have furnished interim replies:</u> <u>Para No. – NIL</u>	<u>Total: 0</u> <u>Percentage: 0</u>

Appendix-III**List of Annexures referred to in the report.**

Annexure	Details
1.1	Adjustment of Rs.1.09 cr in Gujarat Circle
1.11	Adjustment of excess debited amount of haulage charges
1.2	Adjustment of Rs.29.01 lakh in Telangana Circle
1.2 (i)	Regarding statement of sectional accommodation
1.3	Intimation of Rs.8.32 by Odisha Circle
1.3a	Adjusted by SER in Feb 2024 bill
1.3b	Adjusted by SER in March 2024 bill
1.3b1	Adjusted by SER in April 2024 bill
1.3c	Adjusted by Odisha Circle
1.3d	Adjusted by Odisha Circle
1.3e	Agreed by SER for refund in subsequent bills
1.4	Clarification issued by Railway Board (FM Circular 3 of 2024)
1.5	Dte. letter for Sectional Accommodation
3.1	Dte letter no. 7-1/2012-D(pt.) dated 17.08.2020
3.2	Dte letter no. 7-1/2012-D (Pt) dated 22.03.2021
3.3	Discontinuation of Z26B33
3.4	Discontinuation of ST7
4.1	Adjustment of Rs.5.46 cr
5.1	Sectional Accommodation Compliance by Gujarat
5.2	Sectional Accommodation Compliance by Maharashtra