

HUNDRED AND THIRTIETH REPORT

PUBLIC ACCOUNTS COMMITTEE (1987-88)

(EIGHTH LOK SABHA)

OVERALL REVIEW OF SIXTH FIVE YEAR PLAN IN RESPECT OF POSTS AND TELEGRAPHS DEPARTMENT

MINISTRY OF COMMUNICATIONS

[Action Taken on 22nd Report (8th Lok Sabha)]



*Presented to Lok Sabha on 28 April, 1988
Laid in Rajya Sabha on 28 April, 1988*

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1988/Chaitra, 1910 (Saka)

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PUBLIC ACCOUNTS COMMITTEE
(1987-88)

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*Ceased to be a Member of the Committee consequent on his retirement from Rajya Sabha w.e.f. 2 April, 1988.

INTRODUCTION

I, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Hundred and Thirtieth Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 22nd Report (Eighth Lok Sabha) on Overall Review of Sixth Five Year Plan in respect of Posts and Telegraphs Department.

2. In their 22nd Report the Committee had stressed that Government should make special efforts to see that postal facilities become available to all gram-panchayat villages. The Committee have been informed that out of 1,78,553 gram-panchayats in the country, there are still 72,078 gram panchayats which do not have any post office. Thus about 40 per cent of the gram panchayats in the country still remain deprived of the basic and elementary facilities of post office which in the opinion of the Committee is the most unsatisfactory state of affairs. In a statement made in both the Houses of Parliament on 24.2.1988, on behalf of the Minister of Communications, Minister of State for Defence had stated that the Government desires to undertake a massive programme of providing postal facilities in each one of the remaining gram panchayats in the next two years. The Committee have expressed the hope that this policy would be faithfully implemented and have desired to be apprised of further developments.

3. There is no doubt that the working of the telephone system in the country is not satisfactory particularly in the non-metropolitan areas and the telephone service in the country as far from adequate. In the opinion of the Committee apart from efficient maintenance of the existing telephone net-work, induction of modern technology in replacement of the antiquated one is imperative. Undoubtedly, adequate investments are necessary for induction of modern technology. According to the Ministry of Communications, outlay for the Seventh Five Year Plan has been approved at Rs. 4010 crores as against their proposal for 3 times this size. There is thus serious shortfall in resources to meet the planned expansion and modernisation and updating of technology.

(vi)

The Committee have urged the Government to make concerted efforts to mobilise additional resources through adoption of new modes of resource mobilisation and redeployment of existing resources to achieve optimum result. The Committee have also stressed that the Department should thoroughly scrutinise their system to identify grey areas so that it is possible to plug slippages and improve existing telephone services in the country.

4. The Report was considered and adopted by the Public Accounts Committee at their sitting held on 18th April, 1988. Minutes of the sitting form Part II of the Report.

5. For facility of reference and convenience, the recommendations and conclusions of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix II to the Report.

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

NEW DELHI ;
April 20, 1988

Chaitra 31, 1910(S)

AMAL DATTA
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

1.1 This Report of the Committee deals with the action taken by Government on the Committee's recommendations/observations contained in their report* on overall review of Sixth Five Year Plan in respect of Posts and Telegraphs Department.

1.2 The Committee's report contained 16 recommendations/observations. Action Taken notes on all these recommendations/observations have been received from the Ministry of Communications. The action taken notes have been broadly divided into three categories as indicated in Appendix I.

A

In the succeeding paragraphs the Committee deal with action taken on some of their recommendations/observations.

Postal facilities in gram-panchayat villages.@

1.3 Referring to the reply given to Unstarred Question No. 4831 on 30 April, 1985 in Lok Sabha that there still remain as many as 1,02,796 gram-panchayat villages which do not have any post office, the Committee has suggested that Government should make special efforts to see that postal facilities become available to all gram-panchayat villages.

1.4 The action taken note furnished by the Ministry of Communications (Deptt of Posts) is reproduced in Chapter IV of this Report. It has been stated that according to the latest procedure laid down by the Department in this behalf, the opening of the Post Offices in rural areas is governed by the following norms :

- (i) A post office will be opened for a group of villages with an aggregate population of 5,000 in normal rural areas and 2,500 in hilly, backward and tribal areas.

* Twenty-second Report (8th Lok Sabha) on Paragraphs 1 and 2 of the Report of the Comptroller and Auditor General of India for the year 1982-83, Union Government (Posts and Telegraphs).

⊙ Serial No. 2 (Para 1.24) of Twenty-Second Report.

- (ii) Within the group of villages, a suitable village will be selected for location of the post office. Among the locational criteria to be followed the first priority is given to villages which are headquarters of gram panchayat.
- (iii) There should be a minimum distance of 3 kms. between two post offices.
- (iv) The anticipated income of the proposed post office should be 50% or more of its cost in normal rural areas and 25% of its cost in hilly, backward and tribal areas. Further, the loss per annum is limited to Rs. 2,400 in normal rural areas and Rs. 4,800 in hilly, backward and Tribal areas for each office.

Within this framework the Department will continue to make special efforts for coverage of gram-panchayat villages.

The Department have further stated that even though in Lok Sabha unstarred question No. 4831 dated 30.4.85, it was stated that 1,02,796 gram panchayat villages do not have a post office, the number of gram-panchayats which do not have a post office either at the head-quarter village or in one of the constituent villages is much less. Excluding Bihar and Delhi in respect of which figures are not yet available, this figure has been worked out at as 68,376.

1.5 According to Para 5 of the Mid-Term Appraisal of Seventh Five Year Plan (1985-90) for the Department of Posts, the Department has now reviewed the norms for opening of post offices both in urban and rural areas so as to ensure that a post office, is opened only when genuine need is established. According to these norms, it is now expected that the number of post offices to be opened in rural areas during the remaining three years of the Seventh Five Year Plan may be 500 to 1,000 per year. Extracts from Para 5 of the Mid-Term Appraisal are indicated at Appendix II.

1.6 The Committee enquired whether there has been any ban on the opening of the new post offices. In their reply dated 9 March 1988, the Ministry of Communications (Department of Posts) have stated that there has been no ban as such on the opening of new post offices.

But in January 1984 in the context of inflationary pressures on the national economy Government of India had introduced certain measures to restrict public expenditure which, *inter alia*, provided that except in most exceptional circumstances no new posts should be created up to September 1984 and that the existing vacancies should also be not filled up. Subject to modifications made from time to time the ban on creation and filling up of posts has continued since then, Since the Postal Service is a labour-intensive service and opening of new post offices involved creation of new establishments, the ban on creation/filling up of posts automatically implied restriction on opening of new post offices.

1.7 According to the Ministry, information in respect of gram panchayats having/not having post offices has been the subject matter of repeated clarifications/reconciliations between the Directorate and the field units. This is basically for the reason that until recently the grouping of villages for purposes of opening/maintaining rural post offices did not follow the pattern adopted by the respective State Governments for purposes of administration of Panchayati raj. This factor has led to difficulties in arriving at the correct information. Yet another complicating factor was that not every rural post office is located at the headquarter of a gram panchayat. While this is generally the case there are also cases where a rural post office is located at a village other than the headquarter of a gram panchayat for the reason that such a village has certain advantages from the postal point of view like location on an existing mail route. Therefore, in some cases gram panchayats in which the post office is working at a village other than the headquarter were wrongly classified in certain circles as gram panchayats not provided with a post office. After sorting out the conceptual problems and also problems of correct enumeration the Ministry have given the latest position incorporated in Appendix III.

1.8 According to the present information there are 1,78,553 gram panchayats and the number of gram panchayats provided with post offices so far is 1,06,475 and the number of gram panchayats not yet provided with a post office is 72,078.

1.9 According to the Ministry the target provided for postal expansion under Annual Plan 1988-89 is 3,000 new post offices out of

which 2,900 will be in gram panchayats not yet provided with post offices and the remaining 100 will be departmental sub post offices to be opened in project areas, industrial townships and other areas which are centres of developmental activity related to Central/State Sector Plan Schemes. In so far as Annual Plan 1989-90 is concerned, it is expected that another 2,000 gram panchayats may be covered so that for the Seventh Plan as a whole the target of 6,000 new post offices is duly fulfilled. In addition, in a statement made in both the Houses of Parliament on 24.2.1988, on behalf of the Minister of Communications, Minister of State for Defence had stated that the Government desires to undertake a massive programme of providing postal facilities in each one of the remaining gram panchayats in the next two years. According to the Ministry, modalities of fulfilling this commitment are being worked out in the Postal Directorate.

1.10 The Ministry have stated that the mid-term appraisal of Seventh Five Year Plan (1985-90) drawn up in June 1987 reflected the position as adopted by the Department at that time. Subsequently, according to the Ministry, in deference to views expressed in both the Houses of Parliament, Consultative Committee of Members of Parliament and the Estimates Committee the position has been reviewed and the present policy is that not only should the Seventh Plan target of 6,000 new post offices be duly achieved but within the next two years postal facilities should be made available to all gram panchayats in the country. To that extent the position stated in the mid term appraisal stands revised.

1.11 In their earlier report the Committee had stressed that Government should make special efforts to see that postal facilities become available to all gram-panchayat villages. The Committee note that out of 1,78,553 gram panchayats in the country, there are still 72,078 gram panchayats which do not have any post office. Thus about 40 per cent of the gram panchayats in the country still remain deprived of the basic and elementary facility of post office which in the opinion of the Committee is the most unsatisfactory state of affairs. In a statement made in both the Houses of Parliament on 24.2.1988, on behalf of the Minister of Communications, Minister of State for Defence had stated that the Government desires to undertake a massive programme of providing postal facilities in each one of the remaining gram

panchayats in the next two years. The Committee hope that this policy would be faithfully implemented and would like to be appraised of further developments.

**Delay in completion of postal buildings and staff quarters*

1.12 The Committee had observed that Sixth Five Year Plan target for postal buildings and staff quarters were fixed respectively at 840 and 13285. As the financial allocation of Rs. 140.47 crores was reduced to Rs. 106.45 crores, the targets of postal buildings and staff quarters were scaled down to 690 and 7100 respectively. The Committee had also observed that only 515 postal buildings and 4057 staff quarters were likely to be completed by the end of the Sixth Five Year Plan.

1.13 The Committee had also observed that it was imperative for the Ministry to further analyse the position to ascertain why the targets could not be achieved and what other steps were necessary.

1.14 In the action taken notes on the aforesaid recommendations furnished by the Ministry of Communications (Deptt. of Posts), which are reproduced in Chapter IV of the Report, it has been stated that the actual position at the end of the Sixth Plan was that 532 postal buildings and 4453 staff quarter were constructed and in addition as on 31.3.1985, 207 office buildings and 3791 staff quarters were also under construction.

1.15 Further, according to the Ministry, the general position is that projects which are of small to medium size do get completed within a reasonable time of 1 to 2 years. Similarly, projects taken up at the commencement of the plan period are generally completed by mid-term. The larger projects and also those taken up in the later part of the plan tend to spill over to the next plan. It has also been stated that in addition to the steps like (i) holding of quarterly review meetings by Heads of circles with Civil Wing Officers (ii) adoption of standard designs (iii) use of prefabricated structures and (iv) purchase of ready-built houses, the Department will fulfil the expectation of the Committee in regard to improved control and monitoring of projects so as to achieve completion in time.

* Serial Nos. 3 and 4—paragraphs 1.25 and 1.26 of Twenty-Second Report.

1.16 It is seen from the Mid-Term Appraisal of Seventh Five Year Plan (1985—90) for the Department of Posts that at the end of the Sixth Plan there were 207 office buildings and 3791 staff quarters under construction which were to be completed in Seventh Plan. Besides, it has been planned to provide for 1,250 offices and 4,000 staff quarters during the Seventh Plan.

1.17 According to the aforesaid Mid-term Appraisal it may be possible to complete about 600 postal buildings and 2000 staff quarters in addition to 3791 quarters carried over from the Sixth Plan. 185 postal buildings and 2608 quarters were actually built during the first 2 years of the Seventh Plan.

1.18 The Committee find that as against the revised Sixth Five Year Plan physical targets for 690 postal buildings and 7100 staff quarters, 532 postal buildings and 4453 staff quarters were actually constructed. As on 31.3.1985, 207 office buildings and 3791 staff quarters were also under construction. Further, against the Seventh Five Year Plan targets for 1,250 office buildings and 4,000 staff quarters, it may, according to the Mid-term Appraisal of the Plan, be possible to complete about 600 postal buildings and 2,000 staff quarters in addition to 3791 quarters carried over from the Sixth Plan. The Committee hope that the Government would constantly monitor the construction of quarters and postal buildings so that timely remedial action is taken with due promptitude in case there are slippages so that at least the revised targets for the Seventh Five Year Plan are achieved.

**Efficient working of the telephone system*

1.19 Emphasizing the need for efficient working of the telephone system, the Committee had recommended that it was of the utmost importance that adequate funds should be provided for thorough overhaul of the telephone system and updating its technology. The Committee had also felt it important that the production within the country, of new technology equipment needed to be speeded up and to this end, new production units should be established so that the country might not have to depend only on the public sector unit i.e. Indian Telephone Industries.

* Serial No 15—Para 2.52 of the Twenty Second Report.

1.20 The action taken note furnished by the Ministry of Communications (Department of Telecommunications) is reproduced in Chapter IV of this Report. According to the Department, within the limited resources made available to them, all efforts are made to cater for upgrading system, replacing old and time-worn equipment and expansion to meet the demand. It has also been stated that out lay for Seventh Five Year Plan has been approved at Rs. 4010 crores only as against their proposals made by an inter-department working group, of about three times this size. According to the Department, the situation cannot improve unless Finance Ministry and Planning Commission decide to allocate funds commensurate with the importance of the sector.

1.21 There is no doubt that the working of the telephone system in the country is not satisfactory particularly in the non-metropolitan areas and the telephone service in the country is far from adequate. Apart from efficient maintenance of the existing telephone network, induction of modern technology in replacement of the antiquated one is imperative. Undoubtedly, adequate investments are necessary for the induction of modern technology. According to the Ministry of Communications, outlay for the Seventh Five Year Plan has been approved at Rs. 4010 crores as against their proposal for 3 times this size. There is thus serious shortfall in resources to meet the planned expansion and modernisation and updating of technology. The Committee urge the Government to make concerted efforts to mobilise additional resources through adoption of new modes of resource mobilisation and redeployment of existing resources to achieve optimum result. The Department should also thoroughly scrutinise their system to identify grey areas so that it is possible to plug slippages and improve existing telephone services in the country.

CHAPTER II

RECOMMENDATIONS AND OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

Out of the total number of 33 RMS vans anticipated during the Sixth Plan period, the Ministry of Communications received 11 RMS* vans and that too in the last year of the plan period. Thus, not a single RMS van was received during the period from 1980-81 to 1983-84. It would appear that the Railway Ministry to whom the orders were placed failed to assess satisfactorily the capacity of manufacturing concerns to fulfil the order they had accepted. The Committee are of the view that if proper monitoring of the progress had been done, there would not have been any reason for not securing the requisite number of RMS Vans.

[Serial No. 5 (Para 1.27) of Appendix II to 22nd Report of the
Public Accounts Committee (8th Lok Sabha)]

Action taken

In this paragraph the Committee have expressed dissatisfaction that against the target of 33 RMS Vans the Department could procure only 11 vans and that too towards the end of the plan period. It has been felt that if the programme was properly monitored, better results could have been secured.

The basic difficulty in this regard has been that the Railways have not been able to accord higher priority for indents of the Postal Department on account of their own pressing requirements of rolling stock to meet the growing passenger and goods traffic. However, even though the delivery was rather poor during the earlier years towards the end of the Sixth Plan period the Railways were able to deliver 18 B.G. Vans against the targets of 33. The Railway Board have explained that due to

*Three more RMS Vans were expected by 3-3-1985.

various difficulties the executing agency—M/s Jessop & Co., Calcutta—has not been able to execute the orders in time. On their part the Department of Posts had taken all steps to expedite matters with the Railways including a coordination meeting held between Secretary, Ministry of Communications and Chairman, Railway Board under the auspices of Cabinet Secretary. In fact it can be stated that even the partial delivery of 18 B.G. Vans was due to moves undertaken by the P&T Board. However the Department will keep in view the observations of PAC and try to achieve better results in this programme during the Seventh Plan period

[Min. of Communications (Deptt. of Posts) U.O. No. 12-2-86
(82-83) Bgt (P.A.) 2985 to 2989 dated 22-3-1988]

Recommendation

The Committee would draw particular attention to the large slip-pages in respect of targets for long distance switching and transmission equipment. The shortfall in achievements in these systems during the sixth plan period ranged from 50.18% to 71.97% of the targets. The performance during the first three years of the plan period was comparatively poorer than the performance during the last two years as will be seen from the following table :

	Targets for Sixth Plan	Actuals for 1980-83	Actuals for 1983-85	Percentage of shortfalls during Sixth Plan
TAX Ca- pacity (number)	40	6	6	70%
TAX Ca- pacity (Lines)	94,770	14,22	33,000	50.18%
Coaxial Cables	12,000	1,900	1,464	71.97%
(Route Kms)				
Microwave	16,000	2,641	4,622	54.61%
(Route Kms)				

According to the Ministry of Communications the shortfall in the case of Tax capacity in the first three years of the plan period, was mainly due to anticipated import and Commissioning of SPC analogue TAX lines. Similarly, in the case of Coaxial system and Microwave system, delay in import of equipment *Inter alia* has been stated to have effected the targets. In the case of microwave system, in the later part of 1970s, this equipment was under development. It was then transferred to the field and put to various tests appropriate to the different seasons of the years. These tests showed that the equipment was not always able to function satisfactorily in all the seasons. During the first three years of the plan period the Ministry could not get sufficient quantities of the equipment from the Public Sector Undertakings, namely, Indian Telephones Industries and Bharat Electronics Limited and it was in the middle of 1983, that the Ministry decided to import the equipment.

The Committee are at a loss to understand as to why the Ministry had fixed targets for providing such equipments as were at experimental and at a developmental stage. The Committee are of the view that the system of testing of a new equipment must be on extensive trial basis in the field and not confined to bench test at laboratory level. In the opinion of the Committee precious time was lost both in producing equipment indigenously and in making arrangements for the import of the equipment required. This in turn led to delay in completing schemes within the allotted period of three to four years. The Committee trusts that the Ministry will learn from this experience and lay down proper guidelines.

[Sl. Nos. 10 and 11 (paras 2.47 and 2.48) of Appendix II to 22nd Report of PAC (8th Lok Sabha)]

Action Taken

The observations have been noted as regards the recommendations about testing new microwave equipment on extensive trial basis in the field, the Department has reconstituted the Technical Coordination Committee to review the development cases. The Committee will have representation at Senior level so that proper guidance is provided to the development groups concerned. Under the revised procedure the equipments, thus developed are put through a field trial and the quality

infrastructure of the manufacturers is also reviewed by the Quality Assurance wing before giving production clearance. Further in order that the production technology and production designs are further improved transfer of technologies for the new generation of Digital M/W equipment has been proposed. For this purpose, a joint Committee of manufacturers & users has been constituted by D.O.C.

This has been vetted by Director of audit, P&T Delhi vide his U.O. No. RR-III i(b) 406/4 dated 30.4.1986.

[Min. of Communications (P&T Board) U.O. No. 27-18/85-B
dated 4-6.1986]

Recommendation

The time taken in acquisition of land for the Telecommunications Department in various states made it difficult for the work to be completed in time. There must be proper understanding between the Ministry and the States concerned for the execution has to be done in the States and without their cooperation timely execution becomes impossible. In the interests of speedy expansion of telecommunication network, it is imperative, therefore, to ensure fullest co-operation of the State Govt. If necessary, suitable legislation may be enacted to overcome difficulties which come in the way.

[Sl. No. 12 (para 2.49) of Appendix II to 22nd Report of PAC
(8th Lok Sabha)]

Action Taken

In view of the various complexities involved in the matter of acquisition of Land, Ministry of State (C) had addressed the Chief Minister of all States asking for nominations of Heads of P&T organisations in the States on the Town Planning Boards of the cities or regions to take care of the Communication needs sufficiently in advance and to reserve sites at appropriate locations to establish Telecommunication facilities. He has further stressed the deputation of a special Land Acquisition Officer exclusively for P&T where the number of such cases is large. Most of the Chief Ministers have acknowledged the Communications from the Minister and directed their Chief Secretaries to settle the cases of Land acquisition expeditiously.

This has been vetted by Director of Audit P&T Delhi vide his U.O. No. RR. III i(b) 406/41 dated 30-4-86.

[Min. of Communications (P&T Board) U.O. Nos. 27-18/85-B
dated 4-6-1986]

Recommendation

The Committee note that the Sixth Five Year Plan introduced electronic transit exchanges in the P&T Telex net work at the four metropolitan cities of Madras, Calcutta, Delhi and Bombay with imported equipments. The Committee regret to note that the commissioning of imported equipment in these cities was delayed due to various components not being received in time. This may be due to deficiency in planning as it has not been suggested that there was non-availability of such equipments abroad. The Committee trust Government to ensure that we become self-reliant in this direction as speedily as possible and in the meantime satisfactory pre-planning is done so that an equipment which is to be imported arrives in the country in time.

[Sl. No. 13 (Para 2.50) of Appendix II to 22nd Report of
PAC (8th Lok Sabha)]

Action Taken

The observation is noted. As efforts towards self-sufficiency, most of the formalities for the collaboration agreement between CCIL ITI and M s. Siemens AG of West Germany have been finalised for manufacture of Electronic Telex Equipment in the country and it is expected that requirements of Electronic Telex equipment will be met,

This has been vetted by Director of Audit P&T Delhi vide his U.O. No. RR-III i(b) 406/41 dated 30.4.86.

[Min. of Communications (P&T Board) U.O. No. 27-18/85-B
dated 4-6-1986]

Recommendation

With a new technology of electronic transit exchanges having been introduced into the Telex system, the Committee feels that the stronger type of telex exchanges would become obsolete. The Committee assumes

that the Ministry of Communications will have already drawn up a realistic plan to ensure the replacement of the existing strowger type of telex net-work by the latest technology as early as possible.

[Sl. No. 14 (Para 2.51) of Appendix II to 22nd Report of PAC
(8th Lok Sabha)]

Action Taken

The replacement of strowger of Telex System by Electronic Telex will be done in a phased manner. Plans have already been drawn up to set up Electronic Telex exchanges at the Primary Switching Centres in replacement of the strowger type telex equipment vide enclosed list. (Annexure)

Moreover, small Capacity Telex Exchanges are being set up with the Electronic equipment being manufactured by I.T.I.

This has been vetted by Director of audit P&T Delhi vide his U.O. No. RR-III/i(b) 406 41 dated 0.4.86.

[Min. of Communications (P&T Board) U.O. No. 27-18/85-B
dated 4-6-1986]

ANNEXURE

Telex Plan

List of Primary Switching Centres approved for Commissioning during 7th Five-Year Plan

Sl. No.	Station	Province	Capacity	Planned for installation during
1.	AHMEDABAD	Gujarat	2000 Lines (1200 L + 800 T) to Replace 500 S×S	1986-87
2.	BANGALORE	Karnataka	2700 Lines (2150 L + 550 T) To Replace 1100 S×S	1986-87
3.	ERNAKULAM	Kerala	1750 Lines (1100 L + 650 T) To Replace 500 S×S	1986-87
4.	GAUHATI	NE Region	500 Lines (300 L + 200 T) To Replace 200 S×S	1986-87
5.	HYDERABAD	Andhra Pradesh	2000 Lines (1300 L + 700 T) To Replace 250 S×S	1986-87
6.	JAIPUR	Rajasthan	1050 Lines (750 L + 300 T) To Replace 250 S×S	1986-87
7.	BARODA	Gujarat	600 Lines + 90 T To Replace 400 S×S	1987-88
8.	CHANDIGARH	NW Region	600 Lines + 90 T To Replace 300 S×S	1987-88
9.	LUCKNOW	Uttar Pradesh	400 Lines + 60 T To Replace 270 S×S	1987-88
10.	PUNE	Maharashtra	900 Lines + 150 T To Replace 450 S×S	1987-88

CHAPTER III

RECOMMENDATIONS AND OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES

Recommendation

The Committee find that during the first four years of the sixth Five Year Plan, the Postal services utilised an amount of Rs. 89.63 crores against the allocation of Rs. 103.79 crores for that period resulting in non-utilisation of Rs. 14.16 crores. During the concluding year (1984-85) of the Sixth Plan an amount of Rs. 36 Crores was earmarked for Postal Services. Even if aforesaid amount of Rs. 36 crores is fully utilised during 1984-85, the total expenditure during the whole period of Sixth Five Year Plan (1980-85) would be Rs. 125.63 crores against the total plan allocation of Rs. 172 crores and resulting in non-utilisation of Rs. 26.96 percent or Rs. 46.37 crores during the plan period. Looking to the achievements which ranged from 100.87 percent to 138.21 percent of the targets fixed for opening of new Post Offices, appointment of Extra Departmental Delivery Agencies (EDAs) provision of Counter facilities in villages and installation of letter boxes, during the first four years of the Sixth Plan and the amount which remained unutilised during that period, the Committee feel that that the Postal Wing of the Ministry of Communications had not made realistic assessment of their requirements for funds. Had they made a realistic assessment, the amount of the un-utilised funds could have been gainfully utilised for some other priority purposes. The Committee, therefore, desire that hereafter the Ministry will ensure more realistic assessment of their financial requirements.

[Sl. No. 1 (Para 123) of App. II to 22nd Report of the
PAC (8th Lok Sabha)]

Action Taken

The Committee have stated that during the first four years of the Sixth Five Year Plan the Postal Services utilised an amount of Rs. 89.63

crores against the allocation of Rs. 103.79 crores for that period resulting in non-utilisation of Rs. 14.16 crores. The Committee have further added that even if the amount of Rs. 36 crores allotted for the concluding year (1984-85 is fully utilised) the total expenditure during the whole period of the Sixth Plan would be only Rs. 125.63 crores against the total plan allocation of Rs. 172 crores resulting in under-utilisation to the extent of Rs. 46.37 crores during the plan period.

In this connection, it may be submitted that the Plan allocation of the Department of Posts is budgetted both under 'Working Expenses' and 'Capital Sections'. The Expenditure incurred on opening of Post offices in rural areas is met, from plan allocation is booked as 'Working Expenses' whereas the expenditure incurred on land acquisition construction of buildings purchase of motor vehicles on modernisation of postal services is booked as 'Capital Outlay'. It appears that the Public Accounts Committee have taken into account expenditure incurred against 'Capital in coming to their conclusion' and not the 'Working Expenses' portion of plan. The actual position in respect of the Sixth Plan is as follows :—

(Rs. in crores)

PLAN EXPENDITURE

Annual Plan	Plan Outlay	Capital	Working Expenses	Total
1980-81	16.79	15.53	3.93	19.46
1981-82	22.11	18.70	2.89	21.59
1982-83	29.00	23.58	5.09	28.67
1983-84	36.00	31.81	6.12	37.93
1984-85	39.50	34.96	6.63	41.59
	143.40	124.58	24.66	149.24

It will be seen from the above figures that for the Sixth Five Year Plan as a whole, the Department has more than fully utilised the plan allocations given to it from year to year by the Planning Commission.

It is, no doubt, true that for the Sixth Plan a sum of Rs. 172 crores was originally earmarked for postal services. However, the expenditure incurred in a particular year depends on the Plan allocation made by the Planning Commission in the Annual Plans of that year. In spite of sustained efforts put in from time to time by the Department, Planning Commission had provided a total of Rs. 143.40 crores as against the earmarked outlay of Rs. 172 crores. If more funds had been provided, the Department would have made use of the funds.

The following two Tables would further show that a part from the overall expenditure, schemewise also both in financial and physical terms, the Departments performance during the Sixth Plan period has been on the whole satisfactory.

(Rs. in lakhs)

Particulars of the Scheme	Targets as per the Sixth Plan	Total outlay as per the Annual Plan Outlays 1980-81 to 1984-85	Actual expenditure during the plan period	% of Col. 4 to 3
1. Expansion of Postal Network including Mechanisation and Modernisation.	1347	1503	1715	114.11
2. P.O. Buildings	14047	11380	12004	105.48
3. Training	1000	588	369	62.76
4. Mail Motor	491	663	630	95.02
5. R.M.S.	315	205	206	100.00
	17200	14340	14924	104.07

PHYSICAL

Particulars	Targets as per Sixth Plan (80-85)	Total of the annual Plan Outlay for the Year 1980-81 to 1984-85	Actuals for the Sixth Plan Period	% of achievements Col. 2 & 4	% of achievements Col. 4 & 3
(1)	(2)	(3)	(4)	(5)	(6)
1. Opening of new Post Offices (Numbers)	8000	8700	6820	85.25	78.39
2. Appointment of Extra Departmental Delivery Agents.	10000	8750	8040	80.4	91.89
3. Installation of letter boxes	10000	9397	12832	128.32	136.55
4. Provision of counter facilities village Post Offices	10000	8750	9625	96.25	110.00
5. Construction of Postal buildings	840	690	532*	63.33	77.10
6. Construction of Staff Quarters	13285	7100	4453*	33.52	62.72
7. Mail Motor Vehicles	650	676	657	101.08	97.19
8. Railway Mail Service Vans.	33	48	18	54.55	37.5

* 270 P.O. Buildings and 3791 Staff quarters were under construction on 21-3-1985.

[Ministry of Communications (Deptt. of Posts) U.O. No. 12-2, 86(82-83)/Bgt (PA), 2985 to 2989 dated 22-3-1988]

Recommendation

The Committee observe from the Accounts (Railway)* for the years 1979-80 that the postal department had paid to the Railway Rs. 1176000 in the year 1979-80 for transportation of post office bags. This amount rose to Rs. 21917000 during 1983-84. This clearly indicates that the shortage of RMS Vans had necessitated requisitioning of other carrying capacity from the Railways which could have been used for carrying passengers goods. Such a process is detrimental to already over-pressed passenger services and therefore, all efforts should be made to ensure that the Postal Vans are constructed or otherwise procured according to a definite time schedule.

[Sl. No. 6 (Para 1.28) of App. II to 22nd Report of PAC
(8th Lok Sabha)]

Action Taken

In this paragraph the Public Accounts Committee have referred to the increase of over Rs. 2 crores in the charges paid by the Postal Department to the Railway between the year 1979-80 and 1983-84 for transportation of Postal bags and have concluded that the failure to get a sufficient number of RMS Vans constructed has resulted in requisitioning of additional carrying capacity from the Railways to the Department of passenger and goods traffic. The figures relied upon by the Public Accounts Committee are based on the account of the Railways. However, the actual figures charged to postal budget in the respective years are as follows :

	(Rs. in crores)
1979-80	1983-84
-----	-----
9.71	12.42

The increase of Rs. 2.71 crores amounts to above 28% which over a period of 4 years cannot be considered to be abnormal and need not necessarily be raised to shortfall in the Sixth Plan target of construction of mail vans. In this connection, it may be mentioned that according to the rules framed for payment of haulage charges the postal Department

* As per information furnished by the office of the C&AG of India.

is liable to make payment to the Railways for the following services among others --

- (a) haulage of postal vans on broad gauge and other gauges.
- (b) haulage of non-postal vehicles (both complete vehicles and for part accommodation).
- (c) Charges for despatch of Mail under weight system.

It will be seen that whether the mails are carried by Postal vehicles i.e. vans constructed exclusively for the use of the post office or by non-postal vehicles i.e. Railway's own bogies, the prescribed charges have to be paid and the difference in haulage charges between postal and non-postal vehicles is only nominal. Moreover, the Sixth Plan programme of Construction of mail vans was not only for replacement of wooden bodies vehicles by steel-bodied ones so as to allow traction by superfast trains. Therefore, it cannot be categorically stated that the shortfall in construction of mail van during the Sixth Plan has resulted in either increased haulage charges for the Postal Department. Nor it can be stated that passengers/goods carrying had been diverted for Postal purposes because in any case it is the responsibility of Railways to provide for transportation of mail. Whether the haulage is done through Postal Vehicles or non-postal vehicles is not very relevant in this context.

[Min. of Communications (Deptt. of Posts) U.O No. 12-2-86 (82-83) Bgs-(PA) 2985 to 2989 dt. 22-3-1988]

Recommendations

From the information furnished by the Ministry of Communications the Committee note that the Sixth Plan added nearly 9.68 lakh lines of switching capacity 0.71 lakhs Direct Exchange lines and 57.59 lakh pair Kms. of underground cables to the existing local Telephone System against the targets respectively of 14.8 lakh lines of switching capacity, 13.3 lakh Direct Exchange line and 78 lakh pair Kms. of underground cables. There was thus a carry over to the Seventh Five Year Plan of 5.12 lakh lines of switching capacity 4.59 lakh of Direct Exchange line, and 20.41 lakh pairs Kms. underground cables.

During evidence, the Secretary, Ministry of Communications stated that against proposed outlay of Rs. 2950 crores, the Planning Commission allotted only Rs. 2,336 crores which on pro-rata basis would have

enabled the Ministry to fulfil a physical target of 11 lakh direct exchange lines only at 1979-80 price level. The Planning Commission was of the view that despite the reduction of financial allotment it should be possible to achieve the physical target of 13.3 lakh lines, which corresponded to an outlay of Rs. 2,800 crores. The gap between the plan provision and the reduced allotment could be filled by internal resources of the P&T sometime during the plan period. The Committee finds that the Ministry could not even reach the target of 11 lakh direct exchanges lines during the plan period. The Ministry of Communications, in note, have inadequate and unbalanced supply of equipments ordered from the public Sector Undertakings. It is a kind of explanation which the Committee considers should not be put forward. It is for the department that even such contingencies are provided for in its planning. If that is done, then it would be easier to overcome even such unforeseen difficulties when they emerge.

[Sl. Nos. 7 & 8 (Paras 2.44 and 2.45) of App. II to 22nd Report of PAC (8th Lok Sabha)]

Action Taken

The observation is noted. Still it will be appreciated that slippages and unbalanced supplies are not foreseen either by the Public Sector suppliers or by the Department while placing the order. Arrangements for alternative supplies are also difficult as Telecom supplies are usually produced by a single source within the country. While imports could be resorted to in certain cases as a back-up, there are difficulties due to severe financial constraints. However, the following steps have been taken recently to expand the capacity of indigenous manufacturing units like ITI & HCL, so that shortages and unbalances could be minimised. Certain other steps are also being taken to inculcate supply discipline in the manufacturing units.

- (i) A new cable factory at Hyderabad (third unit under HCL) with capacity of 30 lakhs CKM has been set up by HCL. This factory is expected to progressively reach the rated capacity of 30 lakhs CKM jelly filled cables per annum by 1988-89.
- (ii) A new unit has been set up at ITI, Mankapur (Gonda) for manufacture of Digital Electronic Switching equipment. The

unit has supplied 28000 lines of the said equipment during 1985-86 and is expected to produce ultimately 5,00,000 lines per annum by 1989-90.

- (iii) Palghat unit of ITI has been expanded to produce ultimately 60,000 lines of TAX equipment per annum by 1987-88.

This has been vetted by Director of audit P&T Delhi vide his U.O. No. RR-III i(b) 406 41 dated 30-4-86.

[Min. of Communications (P&T Board) U.O. No. 27-18/85-B dated 4-6-1986]

Recommendation

The Committee feels compelled to make somewhat obvious observation that planning loses all meaning if serious determined and sustained effort is not made by all concerned to carry out the tasks assigned to them to the fullest extent. The Public Sector Enterprises have special responsibility and must see to it that they deliver punctually whatever they have ensured to produce and supply. Failures on the part of any one results in the final product or task being delayed. The strength of a chain is equal to its weakest link. All these are well-worn cliches but they are very apt here, for failure to remember their soundness has resulted in great inconvenience to the public and in infructuous expenditure of the country's limited resources.

[Sl. No. 9 (Para 2.46) of App. II to 22nd Report of PAC (8th Lok Sabha)]

Action Taken

The production Co-ordination Committee constituted by the D.O.T with representatives from the Public Sector Undertakings examines in depth the difficulties/problems encountered in the production & supply of Telecom. Equipment and recommends suitable measures for removing bottlenecks.

However, M/s I.T.I. & H.T.L. who are under the administrative control of the Ministry of Communications, are being instructed to strictly abide by the recommendations of the said committee. This matter is also reviewed in the quarterly performance review meeting chaired by

Secretary (Telecommunications) with a view to achieving balanced supplies from the I.T.I. The Ministry of Industry, Department of Industrial Development who have the administrative control of Hindustan Cables Ltd. (HCL) has been suitably addressed in the matter.

This has been vetted by Director of audit P&T Delhi vide his U.O. No. RR-III i(b) 406/41 dated 30.4.86.

[Min. of Communications (P&T Board) U.O. No. 27-18 85-B
dated 4-6-1986]

Recommendation

'The Committee note that consequent upon shortfalls in the achievement of the targets during the first two years (1980-82) of the Plan period, the realisation of telephones revenue fell short of budgetary expectations during these years. In 1982-83, however, the total revenue registered an increase compared with the budgetary expectations and that too due to upward revision of tariff with effect from 1st March, 1982, as is evident from the following table :—

Year	(Rs. in crores)		
	Budget Estimates	Actual	Shortfall
1980-81	586.50	540.11	46.39
1981-82	726.30	656.93	69.37
1982-83	792.60	803.68*	nil

*Due to revision of tariff with effect from 1/3/1982.

It, is, therefore, obvious that Department is not able to achieve the estimated revenue on account of non-performance commented above'.

[Sl. No. 16 (Para 2.53) of App. II to 22nd Report of PAC
(8th Lok Sabha)]

Action Taken

The observations of the PAC are noted. It may, however, be mentioned here that the likely impact of the increase in tariff was duly taken into account while forming the budget estimates of 1982-83. Hence it is

not correct to conclude that the increase in actual realisation of revenue over be was due to revision of tariffs.

The following steps have been taken to expand the capacity of indigenous manufacturing units like HCL, ITI so that shortages and imbalances in the supply could be minimised and the physical targets achieved.

- (i) A new cable Factory at Hyderabad (third unit under HCL) with capacity of 30 lakh CKM has been set up by HCL. This Factory is expected to progressively reach the rated capacity of 30 lakh CKM jelly filled cables per annum by 1988-89.
- (ii) A new unit has been setup at ITI Manakpura (Gonda) for manufacture of Digital Electronic Switching equipment. The Unit has supplied 28000 lines of the said equipment during 1985-86 and expected to produce ultimately 5,00,000 lines per annum by 1989-90.
- (iii) Palghat unit of ITI has been expanded to produce ultimately 60,000 (equivalent) lines of TAX equipment per annum by 1987-88.

This has been vetted by Audit vide their U.O. No. RR-III-1(b) 406/45 dated 30/4/1986.

[Min. of Commnuications (P&T Board) U.O. No.27-18/85-B
dated 12/13-5-1986]

CHAPTER IV

RECOMMENDATIONS AND OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation

The Committee appreciate that the targets in respect of items of Postal Services, like appointment of EDAs, installation of letter boxes, provision of counters at village Post Offices, have almost been achieved. The Committee, however, note from a reply given to unstarred question No. 4831 on 30 April, 1985 in Lok Sabha that there still remain as many as 1,02,796 gram-panchayat villages which do not have any post office. The Committee suggest that Government should make special efforts to see that postal facilities become available to all gram-panchayat villages. Taking into account the fact that funds allotted in the Sixth Five Year Plan were not fully utilised it is evident that availability of funds was not a constraint.

[Sl. No. 2 (Para 1.24) of App. II to 22nd Report of PAC
(6th Lok Sabha)]

Action Taken

The Committee have commended that rural postal expansion has taken place in the Sixth Plan period. They have however, pointed out that funds were not a constraint and therefore, special efforts should be made to see that postal facilities become available to all gram panchayat villages. Opening of Post Offices in rural areas is at present governed by the norms laid down in Department of Posts letter No. 1-37/85-PRP Dated 28.1.1987 addressed to Heads of Circles. It will be seen therefrom that (i) a post office will be opened for a groups of villages with an aggregate population of 5,000 in normal rural areas and 2,500 in hilly, backward and tribal areas.

(ii) Within the group of village a suitable village will be selected for location of the post office. Among the locational criteria to, be

followed the first priority is given to villages which are headquarters of gram panchayat.

(iii) There should be a minimum distance of 3 kms. between two Post Offices.

(iv) The anticipated income of the proposed post office should be 50% or more of its cost in normal rural areas and 25% of its cost in hilly, backward and tribal areas. Further, the loss per annum is limited to Rs. 2400 in normal rural area and Rs. 4800 in hilly, backward and Tribal areas for each office. Within this framework the Department will continue to make special efforts for coverage of gram panchayat villages.

It may, however be pointed out even now all gram panchayat villages do have postal facilities. Village postman/delivery agents/branche postmasters visit all villages for delivery of postal articles and payment of money orders. During visits they are also required to sell postage stamps and stationery, book registered articles and collect postal correspondence for despatch.

It may further be mentioned that even though in Lok Sabha unstarred question No. 4831 dated 30.4.85, it was stated that 1,02,796 gram panchayat villages do not have post office, the number of gram panchayat which do not have a post office either at the headquarter village or in one of the constituent villages is much less. Excluding Bihar and Delhi in respect of which figures are not yet available this figure has been worked out at as 68,376.

[Min. of Communications (Deptt. of Post) U.O. No. 12-2/86
(82-83) Bgt. (PA)/2985 to 2989 dated 12-3-1988]

Recommendation

The Committee observe that Sixth Five Year Plan target for postal buildings and staff quarters were fixed respectively at 840 and 13285 and a financial allocation of Rs. 140.47 crores was made for the purpose. This allocation was reduced to Rs. 106.45 crores and the targets of postal buildings and staff quarters were scaled down 690 and 7100 respectively. According to the information made available to the Committee, only 515 postal buildings and 4057 staff quarters were likely to be completed by the end of the Sixth Five Year Plan. While

the plan allocation had been scaled down by 24.21 per cent, the actual performance fell short by 67.63 percent. This is unfortunate. Indeed in the Committee view such failures should be considered serious enough to merit indepth enquiry to identify the causes of delay and take remedial action to avert such lapses.

[Sl. No. 3 (para 1.25) of App. II to 22nd Report of PAC
(8th Lok Sabha)]

Action Taken

In this paragraph the Committee have observed that while the plan allocation for postal buildings and staff quarters for the Sixth Five Year Plan was scaled down by 24.21% the actual performance of the Department fell short by 67.63%. This conclusion is drawn from the fact that while the revised physical target was 690 postal buildings and 7100 staff quarters, the estimated achievements by the end of the Sixth Plan was 515 Postal buildings and 4057 staff quarters. The actual position at the end of Sixth Plan was some what better. 532 postal buildings and 4453 staff quarters were actually constructed and in addition as on 31.3.1985, 207 office buildings and 3791 staff quarters were also under construction. Therefore, if we take into account not only the projects which were actually completed but also those which were in the process of completion at the end of the Sixth Plan, the performance of the Department can be considered to be reasonably satisfactory. Nevertheless, during the Seventh Plan period the Department will strive to achieve better results subject to adequate funds being made available by the Planning Commission. There are also other problems which are being resolved. In this connection extract from the mid-term appraisal submitted by the Department to the Planning Commission is enclosed as Annexure II (not-enclosed) which throws light in the various difficulties to be sorted out in order to keep pace with the Plan target.

[Min. of communication (Deptt. of Post) U O. No. 12-2/86
(82-83) Bgt.(PA)/2985 to 2989 dated 22-3-1988]

Recommendation

From the information furnished by the Ministry of Communications the committee note that the original plan target of 840 postal buildings included 380 buildings which were ongoing at the beginning of the

Sixth Plan in 1980-81. During the first three years of the Sixth Five Year Plan only 351 postal buildings were completed which indicates that even those buildings the construction of which had been started prior to the commencement of the plan period, could not be completed in three years though according to Ministry, new works take normally a minimum period of 18 months for completion from the date of commencement of the work. During evidence, the Secretary, Ministry of Communications stated that the shortage of cement and steel affected the progress of buildings. In a note, the Ministry of Communications have informed that to overcome delays emergent powers have been delegated to the Zonal Chief Engineers for local purchase of cement and steel whenever in short supply. While the Committee appreciate the steps taken by the Ministry, it is evident that these steps have failed to achieve the object in view. That being the case, it was imperative for the Ministry to analyse the position further to ascertain why the objective could not be achieved and what other steps were necessary. The committee take a particularly grave view of the failure as there is acute shortage of housing required for the postal staff.

[Sl. No. 4 (para 1.26) of App. II to 22nd Report of PAC
(8th Lok Sabha)]

Action taken

In this paragraph the Committee have expressed the view that during the Sixth Plan the Department has not, in general, been able to complete project within a reasonable time-frame and that steps taken to overcome constraint such as, shortage of cement and steel have, on the whole failed to achieve the object in view.

In this connection, it may be submitted that the buildings project included in the plan are of different sizes and are located in different parts of the country. The general position is that projects which are of small to medium size to get completed within a reasonable time of 1 to 2 years. Similarly, projects taken up at the commencement of the Plan period are generally completed by midterm. However, the larger projects and also those taken up in later part of the plan tend to spill over to the next plan. The Department will however fulfil the expectation of the Committee in regard to improved control and monitoring of projects so as to achieve completion in time. The steps already being taken in

this regard include the following :—

- (i) Quarterly review meetings are held by Heads of Circles with Civil Wing Officers including the architects to review the progress of work. The decisions taken in such meetings are also reported, and analysed in the Directorate.
- (ii) Wherever practicable standard designs are adopted.
- (iii) Use of pre-fabricated structures have been introduced, particularly in the North-Eastern regions.
- (iv) In the remote areas such as, Himachal Pradesh and Arunachal Pradesh some of the projects may be entrusted to local agencies such as, State PWD so as to achieve quicker results.
- (v) Wherever feasible ready-built flats are purchased from State Housing Boards rather than taking recourse to departmental construction.

[Min. of Communications (Deptt. of Posts) U.O. No. 12-2/86
(82-83) Bgt. (DA)/2985 to 2989 dated 22-3-1988]

Recommendation

It is general knowledge that the telephone system in the country is working in a most unsatisfactory manner. The customers are thoroughly dissatisfied and the Govt. it-self suffers in its efficient working for lack of efficient telephone service. In view of this, it is of the utmost importance that adequate funds should be provided for thorough overhaul of the system and updating its technology. It is also important that the production within the country, of new technology equipment needs to be speeded up and to this end, new production units may be established so that the country may not have to depend only on the public sector unit i.e. ITI.

[Sl. No. 15 (para 2.52) of App. II to 22nd Report of PAC
(8th Lok Sabha)]

Action Taken

The observation is noted. Within the limited resources made available to the Department, all efforts are made to cater for upgrading system, replacing old and time-worn equipment and expansion to meet the demand. However this Sector has been suffering from under-invest-

ment over the years and our physical targets are far short of the minimum requirements. For instance, outlay for 7th Five Year Plan has been approved at Rs. 4010 crores only as against out proposals made by an inter department, working group, of about three times this size. The situation cannot improve unless Finance Ministry and Planning Commission decide, to allocate funds commensurate with the importance of this sector.

This has been vetted by Director of audit P&T Delhi *vide* his U.O. No. R. III/i(b) 406/41 dated 30.4.86.

[Min. of Communications (P&T Board) U.O. No. 27-18/85-B
dated 4-6-1986]

NEW DELHI;
April 20, 1988

Chaitra 31, 1910(S)

AMAL DATTA
Chairman,
Public Accounts Committee

APPENDIX I

(Vide Para 1.2)

*Statement showing classification of action taken notes
received from Government*

- (i) Recommendations and observations which have been noted or accepted by Government;**

Sl. Nos. 5, 10, 11, 12, 13 and 14

- (ii) Recommendations and observations which the Committee do not desire to pursue in the light of the replies received from Government;**

Sl. Nos. 1, 6, 7, 8, 9 and 16

- (iii) Recommendations and observations replies to which have not been accepted by the Committee and which require reiteration;**

Sl. Nos. 2, 3, 4 and 15.

APPENDIX II

Para 5 of the Mid-Term Appraisal of Seventh Five Year Plan (1985-90) for the Deptt. of Posts

Department has now reviewed the norms for opening of post offices both in urban and rural areas so as to ensure that a post office, is opened only when a genuine need is established. Simultaneously, a decision has also been taken to substantially increase the permissible limits of losses to ensure continuance of rural post offices. These considerations would lead to a revision of the target of 6000 rural post offices envisaged at the beginning of the Seventh Five Year Plan. In fact, this programme will have no pre-determined targets but will be related to results of assessment carried out by the field authorities from time to time. It is now expected that the number of post offices to be opened in rural areas during the remaining three years of the Seventh Five Year Plan may be 500 to 1,000 per year. The focus of this programme will be on backward areas including hilly and tribal areas.

APPENDIX III

(Vide Para 1.7)

Number of Gram Panchayats with and without post offices

Sl. No.	Circle	Number of Gram Panchayats	Number of Gram Panchayats with post office	Number of Gram Panchayats without post office
1.	Andhra Pradesh	18,439	13,223	5,216
2.	Bihar	10,918	8,422	2,496
3.	Delhi	199	120	79
4.	Gujarat	13,206	7,984	5,222
5.	Haryana	5,436	2,122	3,314
6.	Himachal Pradesh*	2,551	1,931	620
7.	Jammu & Kashmir	1,251	846	405
8.	Karnataka	8,210	8,210	—
9.	Kerala*	1,441	1,000	441
10.	Madhya Pradesh*	16,784	8,794	7,990
11.	Maharashtra*	24,308	10,088	14,220
12.	North Eastern	2,226	2,067	159
13.	Orissa*	4,388	3,929	459
14.	Punjab	10,722	3,2-1	7,481
15.	Rajasthan	7,241	6,924	317
16.	Tamil Nadu	11,280	7,339	3,941
17.	Uttar Pradesh*	36,461	16,850	19,611
18.	West Bengal	3,492	3,385	107
	Total :	1,78,553	1,06,475	72,078

*Figures in respect of these circles are subject to reconciliation.

APPENDIX IV

CONCLUSIONS AND RECOMMENDATIONS

Sl. No.	Para No.	Ministry/Department concerned	Conclusion/Recommendation
1	2	3	4
1	1.11	Communications (Deptt. of Posts)	<p>In their earlier report the Committee had stressed that Government should make special efforts to see that postal facilities become available to all gram-panchayat villages. The Committee note that out of 1,78,553 gram panchayats in the country, there are still 72,078 gram panchayats which do not have any post office. Thus about 40 per-cent of the gram panchayats in the country still remain deprived of the basic and elementary facility of post office which in the opinion of the Committee is the most unsatisfactory state of affairs. In a statement made in both the Houses of Parliament on 24.2.1988, on behalf of the Minister of Communications, Minister of State for Defence had stated that the Government desires to undertake a massive programme of providing postal facilities in each one of the remaining gram panchayats in the next two years. The Committee hope that this policy would be faithfully implemented and would like to be apprised of further development.</p>

The Committee find that as against the revised Sixth Five Year Plan physical targets for 690 postal buildings and 7100 staff quarters, 532 postal buildings and 4453 staff quarters were actually constructed. As on 31.3.1985, 207 office buildings and 3791 staff quarters were also under construction. Further, against the Seventh Five Year Plan targets for 1,250 office buildings and 4,000 staff quarters, it may, according to the Midterm Appraisal of the Plan, be possible to complete about 600 postal buildings and 2,000 staff quarters in addition to 3791 quarters carried over from the Sixth Plan. The Committee hope that the Government would constantly monitor the construction of quarters and postal buildings so that timely remedial action is taken with due promptitude in case there are slippages so that at least the revised targets for the Seventh Five Year Plan are achieved.

35

There is no doubt that the working of the telephone system in the country is not satisfactory particularly in the nonmetropolitan areas and the telephone service in the country is far from adequate. Apart from efficient maintenance of the existing telephone network, induction of modern technology in replacement of the antiquated one is imperative. Undoubtedly, adequate investments are necessary for the induction of modern technology. According to the

1

2

3

Ministry of Communications, outlay for the Seventh Five Year Plan has been approved at Rs. 4010 crores as against their proposal for 3 times this size. There is thus serious shortfall in resources to meet the planned expansion and modernisation and updating to technology. The Committee urge the Government to make concerted efforts to mobilise additional resources through adoption of new modes of resource mobilisation and redeployment of existing resources to achieve optimum result. The Department should also thoroughly scrutinise their system to identify grey areas so that it is possible to plug slippages and improve existing telephone services in the country.

PART II
MINUTES OF THE 42ND SITTING OF THE PUBLIC
ACCOUNTS COMMITTEE HELD ON
18TH APRIL, 1988

The Committee sat from 15.30 to 16.15 hrs.

PRESENT

Shri Amal Datta—Chairman

MEMBERS

2. **Shri Ajay Mushran**
3. **Shri Balwant Singh Ramoowalia**
4. **Shri S. Jaipal Reddy**
5. **Gen. R.S. Sparrow**
6. **Shrimati Manorama Pandey**
7. **Shri B. Satyanarayan Reddy**
8. **Shri T. Chandrasekhar Reddy.**

SECRETARIAT

1. **Shri B. D. Duggal—Chief Financial Committee Officer**
2. **Shri S.M. Mehta—Senior Financial Committee Officer**
3. **Shri R.K. Chatterjee—Officer on Special Duty**

REPRESENTATIVES OF THE AUDIT

1. **Shri R Ramanathan—Director (Indirect Taxes)**
2. **Shri M.M.B. Annavi—Director (Defence Services)**
3. **Shri S B Krishan – Director (Reports)**
4. **Shri S.C. Singhal—Director (P&T)**

2. The Committee considered the following draft Reports and adopted them :

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

(iii) Action taken on 22nd Report (8th Lok Sabha) regarding overall review of Sixth Five Year Plan in respect of Posts & Telegraphs Department.

(iv) ** ** **

3. The Committee authorised the Chairman to finalise the Draft Reports in the light of verbal changes arising out of factual verification by the Audit and present them to the House.

The Committee then adjourned.

