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**STANDING COMMITTEE ON  
COMMUNICATIONS  
(1998-99)**

**TWELFTH LOK SABHA**

**MINISTRY OF COMMUNICATIONS  
(DEPARTMENT OF POSTS)**

*[Action taken by the Government on the Recommendations contained in the Second Report (Twelfth Lok Sabha) of Standing Committee on Communications on Demands for Grants (1998-99)]*

**TENTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*March, 1999/Phalgun, 1920 (Saka)*

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# STANDING COMMITTEE ON COMMUNICATIONS (1998-99)

(TWELFTH LOK SABHA)

## MINISTRY OF COMMUNICATIONS (DEPARTMENT OF POSTS)

*[Action Taken by Government on the Recommendations contained in the Second Report (Twelfth Lok Sabha) of Standing Committee on Communications on Demands for Grants (1998-1999)]*

*Presented to Lok Sabha on 15.3.1999*

*Laid in Rajya Sabha on 15.3.1999*



LOK SABHA SECRETARIAT  
NEW DELHI

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C O R R I G E N D A

To

THE TENTH REPORT OF STANDING COMMITTEE ON COMMUNICATIONS

(1998-99)

<u>Page</u>	<u>Para</u>	<u>Line No.</u>	<u>For</u>	<u>Read</u>
1	1	4	'Department to , Posts'	'Department of Posts'
3	9	5	'Chancellors ,	'Cancellors '
4	10	3	'Ordinance'	'Ordnance '
20	--	9	'next'	'net '
44	(1v)	2	'one '	'are '

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COMPOSITION OF THE STANDING COMMITTEE ON  
COMMUNICATIONS (1998-99)

Shri Somnath Chatterjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Jay Krishna Mandal
3. Shri K.L. Sharma
4. Shri Mahesh Kumar Mithabhai Kanodia
5. Shri Chandrashekhar Sahu
6. Dr. Chhatrapal Singh
7. Shri Nakli Singh
8. Shri Rajveer Singh
9. Shri Bajjnath Rawat
10. Shri Harpal Singh Sathi
11. Smt. Sheela Gautam
12. Shri Somjibhai Punjabhai Damor
- \*13. Vacant
14. Dr. (Smt.) Prabha Thakur
15. Shri Madan Vishwanath Patil
16. Shri Dowarka Prashad Bairwa
17. Shri K. Asungba Sangtam
18. Smt. Nishaben Amarsinhbhai Chaudhari
19. Shri Shantilal Purushottamdas Patel
20. Shri T. Govindan
21. Shri Rizwan Zaheer Khan
22. Shri P. Rajarethnam

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\*Vacancy caused due to appointment of Shri Giridhar Gamang as a Chief Minister *w.e.f.*  
16 February, 1999.

23. Shri Surendra Prasad Yadav (Jhanjharpur)
24. Shri Mahendra Baitha
25. Shri Braja Kishore Tripathy
26. Shri Balasaheb Vikhe Patil
27. Shri M. Durai
28. Shri P.C. Thomas
29. Shri A. Ganeshamurthi
30. Shri Surender Singh

*Rajya Sabha*

31. Smt. Veena Verma
32. Ms. Mabel Rebello
33. Shri K. Rahman Khan
34. Smt. Chandresh Kumari
35. Shri Kanak Mal Katara
36. Shri Shatrughan Sinha
37. Shri Narendra Mohan
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41. Shri R. Margabandhu
42. Shri R.N. Arya
43. Shri Kuldip Nayyar
44. Shri Mrinal Sen
45. Shri Kartar Singh Duggal

**SECRETARIAT**

1. Dr. A.K. Pandey	— <i>Additional Secretary</i>
2. Shri P.D.T. Achary	— <i>Joint Secretary</i>
3. Shri S.K. Sharma	— <i>Deputy Secretary</i>
4. Shri A.S. Chera	— <i>Under Secretary</i>

## INTRODUCTION

I, the Chairman, Standing Committee on Communications (1998-99) having been authorised by the Committee to submit the Report on its behalf, present this Tenth Report on Action Taken by Government on the recommendations of the Committee contained in its Second Report (Twelfth Lok Sabha) on Demands for Grants (1998-99) relating to the Ministry of Communications (Department of Posts).

2. The Second Report was presented to Lok Sabha on 13 July, 1998 and also laid in Rajya Sabha the same day. The Government furnished Action Taken Notes on the recommendations contained in the Report on 14 January, 1999.

3. The Report was considered and adopted by the Committee at its sitting held on 9 March, 1999.

4. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

5. An analysis of Action Taken by Government on the recommendations contained in the Second Report of Standing Committee on Communications (Twelfth Lok Sabha) is given in Appendix-II.

NEW DELHI;  
11 March, 1999  
20 Phalgun, 1920 (Saka)

SOMNATH CHATTERJEE,  
*Chairman,*  
*Standing Committee on Communications.*

## CHAPTER I

### REPORT

This Report of the Standing Committee on Communications deals with the action taken by Government on the Recommendations contained in its Second Report (Twelfth Lok Sabha) on Demands for Grants (1998-99) relating to the Department to Posts, Ministry of Communications.

2. The Second Report was presented to Lok Sabha on 13.7.1998 and also laid on the Table of Rajya Sabha on the same day. It contained 32 observations/recommendations.

3. Action taken notes in respect of all the observations/recommendations in the Report have been received and categorised as under:

(i) Recommendations/observations which have been accepted by the Government :

Para Nos. 23, 24, 26, 27, 28, 29, 43, 69, 70, 83, 85, 94, 102 and 109

**Total 14**

**Chapter II**

(ii) Recommendations/observations which the Committee does not desire to pursue in view of the reply of the Government:

Para Nos. 22, 41, 42, 47, 56, 57, 62, 74, 92, 98 and 99

**Total 11**

**Chapter III**

(iii) Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration.

Para Nos. 30, 55 and 93

**Total 03**

**Chapter IV**

(iv) Recommendations/observations in respect of which replies are of the interim nature :

Para Nos. 25, 78, 82 and 105

Total 04

Chapter V

**4. The Committee trusts that utmost importance would be given to the implementation of the recommendations accepted by the Government. In cases where it is not possible for the Government to implement the recommendations for any reason, the matter should be reported to the Committee with reasons for non-implementation. The Committee further desires that final action taken notes on the recommendations contained in Chapter V of this Report may be furnished to it urgently and in no case later than six months of the presentation of this Report.**

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

#### **Staff Training Programmes (Para No. 30)**

6. The Committee in its Second Report was distressed to note that the training targets could not be achieved during the 8th five year plan. One of the reasons was stated to be that some staff did not attend the programme. Against the target of 33200 & 18700 for in-service training and saving bank refresher training programme, training could be imparted to 31333 and 16962 officials respectively. The Committee had recommended that since such training programmes are organised at huge cost, the Department should not allow the efforts to go in vain, and some corrective measures be taken in advance to make these programmes successful. If necessary, appropriate action should be taken against the staff who are not cooperative.

7. The Department in its action taken note has stated that against the physical targets for the entire Eighth Five Year Plan period of 33,200 and 18,700 for in service and SBRC Training programmes respectively, the achievements as ascertained from the Training Institutions concerned have been 30,526 and 20,464. The extent of variation being - 2674 and +1764 respectively. The shortfall of 2674 in achievement of target for in service training is attributable to various

reasons such as non-availability of adequate number of officials satisfying the eligibility criteria, restriction on creation of posts, budgetary constraints etc. and not due to non-cooperation or reluctance of the staff to undergo such training. With the induction of technology and increasing computerisation of Postal operations, the importance of computer training has been on the increase. As a result as many as 4454 officials in addition were imparted training in computers in the training centres alone as a plan activity for which some of the resources of the training centres were diverted. Thus, while there is a shortfall in realisation of the physical targets for inservice training, the computer training to about 4454 officials and excess achievement in SBRC by about 1764 has offset the shortfall in terms of number of officials trained.

8. The Committee is not at all satisfied with the reply of the Department. Earlier, the Department had stated that some staff did not attend training as one of the reasons for non-achievement of the target, but now the Department has attributed its failure to other reasons such as non-availability of adequate number of officials satisfying the eligibility criteria, restriction on creation of posts and budgetary constraints etc. It clearly shows that the Department is not fixing its targets realistically by taking into account its requirements and constraints. The Committee, therefore, desires that in future the Department should fix its 'training targets' very carefully and the Committee be apprised of the action taken in this regard. Further, the Committee will like to be apprised of the reasons, how different figures of 31333 and 16962 officials who have been imparted training were provided to the Committee.

#### **Supply of Engraved Hand Cancellors Machines (Para No. 55)**

9. The Committee noted in its earlier Report that supply of Engraved Hand Cancellors Machines was one of the major schemes under the head "Upgradation of Technology". The Committee found that during 1997-98 against the target to supply 2000 Engraved Hand Chancellors Machines, the achievement was nil. The reason for shortfall in target was stated to be non fabrication of the cancellers by the Central Ordnance Factory which was not plausible. The Committee was at a loss to understand how a target of 10,000 would be achieved during 1998-99 when the achievement during 1997-98 was Nil. The Committee expressed its grave concern over this huge slippage in the achievements of target and had urged the Department to identify the

bottlenecks and apply correctives well in time to achieve the plan projections.

10. The Department in its action taken note has replied that all efforts have been made to ensure that the targets are met by the Central Ordnance factories during the current financial year.

11. The Committee is not satisfied with the reply of the Department and it desires to be apprised of all the details of the efforts made to ensure that the targets are met in the current financial year. The Committee would also like to be apprised of the latest position in this regard.

#### **Loss of Registered Mail and Money Orders etc. (Para No. 93)**

12. The Committee in its Second Report noted with concern that there were serious complaints of loss of registered & insured mail, Money Orders etc. The number of such complaints for registered mail was 2,74,672, insured mail 15,354 and Money Orders 3,34,977 in 1997-98. The Committee also noted that a large number of pilferages and theft of valuables goes unreported.

13. The Department of Posts in its action taken note has stated that it is a fact that the number of complaints mentioned above during the year 1997-98 were handled by it throughout the country, but these complaints, when seen with reference to the traffic handled by the Department, reflects a very low percentage of complaints, which is evident from the table below :

Year	Type of Article	No. of Complaints Handled	Total Traffic Handled (In '000s)	Percentage of Complaints with reference to traffic
1997-98	Regd. Articles	274262	286973	0.0955%
	Insured Articles	15354	10578	0.145%
	Money Orders	334977	111607	0.299%

14. In addition to ongoing efforts for prompt settlement of complaints, special drives are also reported to have been launched from time to time to settle complaints promptly and with focussed attention. Recently from 1.9.98 to 30.9.98, a special drive was launched for settlement of complaints about registered articles and the results have been satisfactory. Another drive in the area of Money Order has been launched for a period of one month from 1.11.98.

15. The Department of Posts has further reported that earlier in case of loss of registered articles, search bill inquiries were being issued to ascertain disposal of the article. To cut this long and cumbersome method, it has been decided to dispense with the issue of search bill inquiries as a routine procedure. Once the loss of the article is established through initial report of the Circle concerned, grant of ex-gratia compensation is being considered.

16. Again, in case of Money Orders, if no reply is received from the office of payment to the enquiry note, Standing instructions of the Department provide for issue of a duplicate Money Order after 10 days of issue of the enquiry note.

17. In respect of registered articles, pilferage or theft can be known only when a complaint is lodged in this regard. Since contents of such articles are not normally required to be declared by the sender, the outward condition of such article is observed by the departmental officials while transmitting and delivering.

18. The Department of Posts has further stated that in respect of Money Orders, there is a system of pairing. However, it has not been found to be really effective and hence efforts are underway to evolve a dependable system on the basis of the 'VSAT' network to evolve a procedure for keeping a track of Money Orders booked.

19. Delay on the part of customer in making complaints about pilferage or loss of Registered articles often hinder successful investigations into such complaints.

20. The Committee is of the view that even if the percentage of complaints as compared with total traffic handled is minimal it does not imply that the Department should not take such complaints seriously. For delivering registered/insured mail the customer pays extra money to the Department and it becomes the responsibility of

the Department to ensure its safe and quick delivery. Regarding Money Orders, loss of 3,34,977 Money Orders in a single year is a matter of grave concern. There should not be even a single loss, since hard earned money of customers is involved and such incidents tarnish the image of the Department. The Committee, therefore, strongly recommends that strict disciplinary action should be taken against the staff responsible for such losses. Concrete efforts should be made by the Department to ensure efficiency in delivery of registered/insured mail and Money Orders. The Department should also educate its customers regarding the procedure to be followed for filling complaints of losses. Special instructions should also be issued to the staff to attend all the Complaints regarding such losses on priority basis. The time limit for the settlement of the complaints should be fixed and that time limit should be adhered to strictly. The Committee desires that the Department should take all these steps to minimise the complaints. The Committee be apprised of the action taken in this regard.

## CHAPTER II

### RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### **Recommendation (Para No. 23)**

At the same time, an analysis of the performance of the Department during the 8th Plan, brings out the fact that in respect of achievement of financial targets, the trend is towards under-utilisation of funds. The Committee is in fact disturbed to note that during the 8th Five Year Plan out of the Plan outlay of Rs. 401.00 crores the Department of Posts could utilise only Rs. 367.90 crores on its various schemes. This trend is more evident in the important area of modernisation. On certain schemes, like Mail Vans and Material Management, the expenditure is very negligible. The Department could spend just Rs. 0.08 crores on Mail Van against the allocation of Rs. 3.13 crores and on 'material management' only Rs. 1.80 crores against the allocation of Rs. 4.70 crores. It is highly deplorable that DOP failed to utilise the meagre funds allotted to it. Even in speed post which is a highly profitable scheme, the financial target could not be achieved. Against the plan allocation of Rs. 5.57 crores only Rs. 3.29 crores *i.e.* 59% of the outlay could be utilised. Upgradation of technology which was the thrust area during the 8th plan did not get the attention it deserved. Against the outlay of Rs. 191.87 crores, Rs. 129.39 crores *i.e.* only 67.44 crores was utilised. These figures point to lack of efforts on the part of the Department to achieve targets. On training which is one of the important activities of the Department, out of Rs. 7.41 crores allocated during 8th plan Rs. 6.54 crores was utilised. On 'Marketing', out of Rs. 7.27 crores, only Rs. 3.61 crores were spent. Financial targets of 'PLI', another profit earning activity of the Department also remained unachieved. Against Rs. 6.47 crores only Rs. 4.01 crores could be spent on this scheme. On National Saving Schemes out of Rs. 2.00 crores only 0.98 crores could be utilised. The Committee is seriously concerned about this trend of under-utilisation of allotted funds as this would result in the Plan targets remaining unfulfilled. The Department of Post should therefore intensify its efforts and ensure that the funds allotted are spent and the physical targets are achieved.

### **Action Taken by the Department**

Earnest efforts are being made to ensure that the allotted funds are fully utilised and the physical targets of all plan activities are achieved. With this end in view, the plan activities are being monitored in a sustained and systematic manner.

### **Recommendation (Para No. 24)**

The Committee notes with concern that the achievement in case of Multi Purpose Counter Machines (MPCMs) which has brought about a significant transformation of Post Offices specially in Urban areas, was far below the set target. Against a target of providing 5000 MPCMs, only 2660 could be provided. The reasons for shortfall was stated to be failure to acquire machines during 1996-97 due to some procedural delays. Such reason is hardly convincing. The Committee is of the view that with due care procedural delay during the 9th plan should be avoided through foresight and proper planning.

### **Action Taken by the Department**

A target for installation of 4000 Multi Purpose Counter machines, including those for Savings Bank, has been proposed in the draft 9th Five Year Plan. A total of 918 Multi Purpose Counter Machines have already been installed during the year 1997-98. Another 800 Multi Purpose Counter Machines are being installed during the year 1998-99. Due care is being taken to ensure that the project does not suffer due to procedural delays.

### **Recommendation (Para No. 26)**

The Committee views with concern that even after reassessment of the Panchayat Sanchar Sewa Kendra Scheme in 1997, on the basis of feedback from various circles where the scheme was functioning, the Department has not been able so far to devise an alternative scheme. Further, it appears that the scheme was introduced without a proper study about its acceptability and workability, which was a serious lapse in functioning of the Department. The Committee is not convinced of the assumption that the Panchayat heads were not willing to cooperate with the Department. In fact it feels that the Panchayats were not approached in a serious and constructive manner. The interaction with them should be at the circle level rather than at the

lowest functionary level and they should be made aware of the merits of this scheme. The Committee would like that Post Master Generals/ Sr. Supdt. of Post Offices should be made responsible for interacting with the Panchayats and should prevail upon them to open post-offices in their areas. The Committee feels that with correct approach and removal of the main drawbacks of Panchayat Sanchar Sewa Kendra Scheme and also interaction at higher level with the elected representatives, the scheme can be operated successfully.

#### **Action Taken by the Department**

The work of popularising the Panchayat Sanchar Sewa Yojana (PSSY), has been started afresh by the Department during the current Annual Plan through a two-pronged strategy. All the heads of Circles were asked to address the Chief Secretaries concerned in a bid to enlist full co-operation of the State Governments concerned. At the same time, the Heads of Circles were directed to ask the Divisional Supdts. to obtain in writing from all the Gram Panchayats within their jurisdiction, which are without a post office, whether they are interested in introducing this scheme in the village or not. Positive response has been received from some circles whereas feedback is still awaited from the others. Appropriate action is underway to open these Panchayat Sanchar Sewa Kendras in the near future.

#### **Recommendation (Para No. 27)**

The Committee further notes that out of 11 Circles where the Panchayat Sewa Kendra Scheme was functioning, assessment reports of 7 circles shows the failure of the scheme whereas Madhya Pradesh Circle reported it to be a success. The Committee would like to be apprised of the assessment report of the remaining three Circles where the scheme is functioning.

#### **Action Taken by the Department**

The remaining three Circles are Punjab, Maharashtra and Uttar Pradesh. The position in these Circles is as follows :

**Punjab**— In Punjab elections to the Panchayats took place in June 1998. Prior to this, the Panchayats were not in existence in the State and as a natural consequence, Panchayat Sanchar Sewa Yojana could not take roots there. With the newly elected Panchayats in place, now

vigorous efforts are launched to make the Panchayat Sanchar Sewa Yojana a success. The two-pronged strategy as follows has been adopted.

A close liaison is established with the top most officers of the State Government including the Chief Secretary to enlist full co-operation from the State Governments in this regard. Simultaneously, the Gram Panchayats have been approached by the Divisional Supdts. of Post Offices to indicate their willingness for starting the Panchayat Sanchar Sewa Kendra. 27 Panchayats have indicated willingness to start the scheme.

**Maharashtra**— It was reported previously that while several Panchayat Sanchar Sewa Kendras were functioning in the State, only one at Illur in Nagpur Region was performing very satisfactorily. Vigorous efforts were undertaken to further popularise the scheme through liaison with the Chief Secretary of the State by the Chief PMG of the Circle on the one hand and direct contact with the Panchayats through the Divisional Supdts. on the other. So far 361 Panchayats have communicated their willingness to start the scheme.

An indepth assessment to find out reasons for success of the scheme at Illur and failure at other places has been taken up at Directorate level.

**U.P.**— It was reported earlier that the Panchayat Sanchar Sewa Yojana did not succeed on account of the Panchayat Sanchar Sewa Kendra Agents not taking keen interest in procuring the business and also lack of awareness in the public. However, renewed efforts have been initiated to popularise the scheme. 1031 Panchayats have indicated their willingness for starting this Yojana.

#### **Recommendation (Para No. 28)**

The Committee is of the opinion that as the proposal of opening of more post offices is the thrust areas during the Ninth Plan can not be speedily or satisfactorily implemented due to staff shortage due to non-sanction of creation of posts by Ministry of Finance, the only alternative seems to be opening of more Service Centres, on the pattern of Panchayat Sanchar Sewa Kendra. The Committee therefore recommends that the Department should make serious efforts to review PSSK scheme at the earliest.

### **Action Taken by the Department**

The Department has adopted a two-pronged strategy to revive the Panchayat Sanchar Sewa Yojana. This involved a close contact with the Chief Secretary and other top ranking officers of the State Government by the Chief PMG of the Circle and PMsG to enlist full co-operation from the State Government for the scheme. It also involved direct approach to Gram Panchayats by the Divisional Supdt. of Post Offices to find out the willingness of the Gram Panchayats without a post office to start a Panchayat Sanchar Sewa Kendra. With this strategy a very positive response has been received from various Circles, and, as per reports received so far, 7544 Gram Panchayats in Circles have given their willingness to start the scheme.

### **Recommendation (Para No. 29)**

The Committee notes that Department of Posts had started two schemes of Licensed Stamp Vendors (LSV) and Licensed Postal Agents (LPA) to provide basic postal facilities in the villages, where it has not been possible to open post-offices on the basis of prescribed criteria. It further notes that there are only 2593 licensed vendors in the country and the scheme could not make progress due to resistance by the Postal Employees' Association. The Committee reiterates that the Department of Posts should make utmost efforts to arrive at agreement with the Unions, take them into confidence and try to remove their apprehensions so that these schemes may be implemented in a much wider scale.

### **Action Taken by the Department**

The scheme of Licensed Stamp Vendors (LSV) is in existence. As desired by the Standing Committee, all the Heads of Circles have been directed to make all out efforts to appoint Licensed Stamp Vendors (LSVs) in those areas where there is urgent need to provide postal services but it is not possible to establish a post office for one reason or the other. As regards Licensed Postal Agent (LPA) scheme, action has been initiated to start dialogue with the Unions to remove any apprehensions in their minds regarding the scheme, as it is felt that these two schemes are excellent for provision of postal services to the areas where it is not possible to establish post office.

### **Recommendation (Para No. 43)**

The Committee is unhappy to note that the DOP could not achieve its target of installing MPCMs not only during 8th Plan, but in 1997-98 also which happens to be 1st year of the 9th Plan. Against the target of supplying 1000 machines, 918 could be supplied during 1997-98 and 2660 during the 8th Plan against the target of 5000. The reason for the same is stated to be inability on the part of vendors to fully implement the orders specifically in case of supplies of machines to NE States and difficult areas. The Committee hopes that for the current year sufficient purchase orders would be placed well in advance with reliable vendors and bottle necks be removed well in time to fully achieve the target set for 1998-99.

### **Action Taken by the Department**

All efforts are being made to ensure that the target for installation of 800 Multi Purpose Counter Machines during 1998-99 is fully achieved. Formalities have already been completed to identify suitable and reliable vendors.

### **Recommendation (Para No. 69)**

The Committee notes that there is improvement in revenue and traffic position in the Speed Post segment, this year the revenue is Rs. 77 crores as against 69 crores in 1996-97. The Committee desires the Department to make all out efforts to improve marketing, customer service and the delivery system so as to improve their market share in a competitive environment and withstand the challenges of private couriers who have got market share of Rs. 700 crores against the Department share of nearly Rs. 103 crore.

### **Action Taken by the Department**

The Department has taken the following actions to improve the marketing, customer service and delivery system in Speed Post in its bid to improve its market share in the industry.

### **Marketing Strategies**

- (i) In order to widen the base in the courier market, to penetrate into the corporate sector and to mop up higher business in the retail market, the Department has decided

to out source collection of Speed Post and other premium products;

- (ii) Product-wise revenue targets have been set for the year in respect of all the Circles to sharpen marketing initiatives;
- (iii) Customised mailing solutions have been developed for the corporate customers;
- (iv) Like it is done in the corporate sector Advertising agencies have been identified and empanelled for each product to access the market with well planned advertising campaigns. This also calls for higher allocation of funds and marketing, advertising and sales from the present level of Rs. 1 crore for the entire country. The Directorate has, therefore, proposed under RE an allocation of Rs. 3.25 crores as additional amount to develop a sustained campaign round the country.

#### **Customer service**

As a part of modernisation of the service, Track and Trace system has been introduced in eight Metros, for transfer of data on Speed Post articles, meant for delivery. Its objective is to enhance customer satisfaction by quick retrieval of information regarding delivery of his articles promptly.

#### **Delivery System**

The delivery system of Speed Post articles has been completely restructured recently this year, in Delhi, Calcutta, Chennai and Hyderabad and is gradually being extended to other metros and all national Speed Post Centres. The new system is based on the concept of nodal delivery office with dedicated staff for delivery of Speed Post articles. This system also envisages that at the end of the day each nodal delivery office will report to the Speed Post Centre the number of articles actually delivered and the number of articles, which could not be delivered with reasons thereof. All

these nodal delivery offices are being computerised and networked to the Speed Post Centres for data exchange and better management and control, mopeds are also being supplied to the delivery staff, who are called 'Speedmen'.

#### **Recommendation (Para No. 70)**

The Committee also desires that as proposed by the department that some dedicated staff is immediately be arranged to provide speed and attention which the Speed Post Service deserves. It will certainly help the department to raise traffic and earn more revenue in the Speed Post segment.

#### **Action Taken by the Department**

Postal Services Board has approved a proposal for restructuring Business Development Directorate as a viable Commercial entity. The Directorate will have dedicated manpower both at the managerial and operational level for doing exclusively the work relating to the premium products, marketing both bulk and retail business and delivery services. It also envisages introducing costing of services according to corporate practices. Marketing will be segmented between Corporate and retail clients, products and services will be priced keeping in view the volume of business. According to the proposal the manpower requirement will be calculated on the quantum of revenue generated rather than on the units of products handled as recommended in the 5th pay commission the operative posts will be multifunctional for achieving optimum efficiency in Business.

#### **Recommendation (Para No. 83)**

The Committee desires that the procedure for withdrawal of insurance money should be simplified with a view to ameliorate the difficulties of rural people and also to expand it in rural areas.

#### **Action Taken by the Department**

It is pertinent to point out that the need for withdrawal of insurance money by an insurant arises in one of the following

contingencies, namely, surrender of insurance policy, taking loan against insurance policy and maturity of insurance policy. In the event of insurant's death, the withdrawal is taken by his nominee/heir in the event of his death. The existing procedure for withdrawal of insurance money in case of any of these events is governed by standard insurance practices. It is, however, a fact that since Rural Postal Life Insurance policies are operated through EDBOs, owing to the poor education of some of BPMs and because of the remote and distance factor of these BOs, delays may take place in some cases as the insurants are villagers themselves and may not be well conversant with claim procedures. The magnitude of this problem has, however, been minimal as most claim cases arise only after the initial period of 3 years of taking a policy as Rural Postal Life Insurance was introduced only on 25.3.95 for a period of 3 years upto 31.3.98.

2. We are proposing to further simplify the procedures for making payment in respect of Rural Postal Life Insurance claims once the Ministry of Finance gives approval to the Department's proposal to continue RPLI on regular basis. Even now, the procedure for payment of claims is quite customer-friendly. An insurant can prefer an insurance claim to any of the post offices, from where, it is despatched to the PLI sections of the offices of Chief Post masters General or Post masters General, as the case may be. The claim is paid to the insurant by cheque/cash at the nearest post office of his choice on a time bound basis.

3. The payment of RPLI claims will be further expedited once the justified staff for Rural Postal Life Insurance is sanctioned as mentioned in Action Taken Note to para 82. With decentralisation of Rural Postal Life Insurance to Regions in all the Circles, which is under process of finalisation, the after-sales service, will receive a tremendous boost.

#### **Recommendation (Para No. 85)**

The Committee observes that for withdrawal from Post Office Savings Bank Account the customer has to produce a witness even if

the postal employees of the concerned branch do recognise him. It feels that it might be one of the reasons for deterring people from opening saving accounts in Post Offices. The Committee would like to impress upon the Department to think of the feasibility of introducing passbooks with photographs to obviate the need for witnesses. The Committee would like to be apprised of the decision taken by the Department in this regard.

#### **Action Taken by the Department**

Identification of a depositor at the time of withdrawal is always done by verification of his signature available on the record in the Post Office Savings Bank. In case, the signature of a depositor on application for withdrawal differs from the specimen on record, the depositor has to produce a witness.

The system of identification of the depositor through the photographs already exist in the Department of Posts, which is optional in nature and a depositor can give his photograph to be used for his identification during withdrawal of money from the account. On occasions when the signature is found to differ from specimen on record, the photograph on record is to be scrutinised to satisfaction of the postmaster.

However, the Department has taken up the case of making use of photographs compulsory for the customers at the time of opening of accounts with the Ministry of Finance on whose behalf Department of Posts operates Post offices Savings Bank.

#### **Recommendation (Para No. 94)**

The Committee further notes that cases of pilferage of cheques, demand drafts, share certificates, warrants, refund orders are also on the increase during last 3 years. There were 3556 such cases reported during last 3 years. The Committee understands that it is a direct loss of revenue to the Department by such cases as it is made to compensate the customer. The Committee takes a serious note of it and desires that stringent action should be taken to avoid such loss of revenue and to bring the erring officials to book. Besides, the vigilance wing also requires to be strengthened.

### Action Taken by the Department

The Cheques/Warrants/Demand drafts are usually sent under registered post. In case of loss of such articles, irrespective of the contents, an *ex-gratia* compensation of Rs. 100/- is sanctioned and paid to the sender of the article.

2. It is a fact that in the last three years the cases of pilferage of such valuable instruments have shown an increasing trend which is clear from the following table:

Year	No. of Complaints Received
1995-96	826
1996-97	1333
1997-98	1397
Total	3556

Financial Institutions have come out with the system of including the Bank A/c Nos. in the cheque or draft. Similarly they are requesting the Investor/Clients to intimate the details of Bank A/c where Electronic Money transfer is possible. This will minimise the possibility of fraudulent encashment of such instruments.

3. The matter has also been taken up with the Min. of Finance to make mandatory provision for supplying photograph for opening an account in the Post Office. This provision is, at present, optional.

- (ii) It has also been suggested that production of two copies of photographs, instead of one copy prescribed at present, should be made for pasting one copy in the register maintained at post office and other to be pasted on the Post Office SB Identity Card to be supplied to the account holder. These photographs should be presented alongwith the Account opening application at the time of opening of the account.
- (iii) Further it has been suggested that production of documentary evidence such as Ration Card, Pass Port,

Driving Licence, Identity Card issued by any authority established under the Government and other allied papers by the applicant at the time of opening an account in order to ascertain his genuineness may also be incorporated.

(iv) Keeping a photocopy of such document on record by attaching it to the account opening application may also be prescribed in the procedure.

4. It is also proposed to request the National Savings Organisation to advise the Agents to be more circumspect in the matter of introducing individual for the purpose of opening new Accounts.

5. The vigilance/Investigation teams of the Circle and Region have been alerted and special Circle Checking Squads have been formed to check such pilferage, etc.

#### **Recommendation (Para No. 102)**

The Committee notes that corporate publicity on postal stationery has the potential to develop into a major source of profit and of late it has been attracting attention. Advertisements on postal buildings can also be quite an attractive proposition to business corporations who are on the look out for prime sites. The Committee appreciates the efforts being made by Department of Posts in this regard. Such efforts require further encouragement and appreciation.

#### **Action Taken by the Department**

The Department has not only been taking actions for increasing generation of revenue through Corporate Publicity on postal stationery it has also prepared a blue print for generation of additional revenue through the development of some more premium products like :

- a. Four colour printing of advertisements on Postal stationery at higher rates.
- b. Advertising on PO buildings.
- c. Advertising on mail Vans.
- d. Advertising on letter boxes.

Development of new products like Sponsorship of Speed Post satchels, Premium Picture post cards, Business Reply envelops, re-launch of Postal Orders as Postal travelers cheques etc. Details are being worked out in this regard.

Launching these products are contingent on certain action to be taken to re-structure the Business Development Directorate and providing exclusive manpower, designing and costing of products and by provision of adequate funds for marketing.

#### **Recommendation (Para No. 109)**

The Committee note with concern that Rs. 4.08 crores of Non-Refundable Contribution (NRC) are pending with the State Governments and other quarters. It feels that something is lacking somewhere in the efforts made by the Department in pursuing the Circles to recover the NRC amount and desires that urgent steps should be taken to recover the outstanding Non-Refundable contributions. The matter should be taken up with the State Governments at the highest level.

#### **Action Taken by the Department**

Efforts continue to be made by the Heads of Circles for recovery of the NRC amount due. The position of recovery is also being closely monitored at the Directorate level. Heads of Circles have been demiofficially asked to pursue the matter at the highest level of the State Government by addressing the Chief Secretaries of the State concerned, demiofficially and maintaining further constant liaison with them in this regard.

For the present, post offices are generally not being opened in limited interest keeping in view the difficulties being faced in recovering the NRC. During the last four years, only one post office has been opened on NRC basis.

## CHAPTER III

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

#### **Recommendation (Para No. 22)**

The Committee finds that the proposed gross Budget Expenditure of Rs. 3788.51 crores for 1998-99 is marginally higher by 3 percent over the Revised Estimates of Rs. 3677.99 crores during 1997-98. The next expenditure is only 2.47% higher than revised estimates of previous year. However, if the impact of inflation ranging from 6 to 7% is taken into account, the gross expenditure during current year in real terms works out to be less than previous year. For a services oriented Department, which has to cope with the urgent demands like opening of new post offices in rural areas and expanding urban conglomerates, the provision is grossly inadequate.

#### **Action Taken by the Department**

The Department had projected a requirement of Rs. 4081.51 crores for BE 1998-99 against the Revised Estimates provision of Rs. 3677.99 crores for the year 1997-98 *i.e.* 10.97% more than Revised Estimates was made. The ceiling for Budget Estimates 1998-99 was reduced to Rs. 3788.51 crores (*i.e.* Rs. 293.00 crore less than the projection) by the Ministry of Finance, due to revision of retirement age from 58 years to 60 years. The actual expenditure for the year 1997-98 was Rs. 3597.92 crore. Provision for Budget Estimates 1998-99 is 5.29% more than the actual expenditure of 1997-98. However additional funds amounting to Rs. 723.95 crore has been sought from Ministry of Finance to cater to the urgent Demands of the Department during the year 1998-99. Thus Revised Estimates for 1998-99 proposed *i.e.* Rs. 4512.46 crore is 25.42% more than the actuals of 1997-98.

Table below reveals the picture for provision made for Revised Estimates 1997-98, Actual Expenditure 1997-98 and

**provision made for Budget Estimates/Revised Estimates  
1998-99.**

(Rs. in crores)

1997-98		1998-99			
Revised Estimates	Actual Expenditure	Budget Estimates	R.E. proposed	% increase over BE 1998-99	% increase over Actual 1997-98
3677.99*	3597.92	3788.51	4512.46	22.69	25.42

\*Out of Funds of Rs. 3677.99 crore at Revised Estimates Stage, Rs. 74.00 crore were surrendered to Ministry of Finance at Final Grant Stage.

**Recommendation (Para No. 41)**

The Committee is perturbed to note that the approved IX plan outlay of the Department of Posts has been reduced to Rs. 580 crores against the proposal of Rs. 754.76 crores submitted by the Department. The Department has been forced to reduce allocation on such vital schemes as upgradation of Technology, Modernisation of Post Offices; Satellite Money Order and upgradation of equipments for sorting etc. These schemes are of utmost importance for the Department which still carry its century old conventional look. The conventional methods of operations, not only retards efficiency and productivity which is the crying need for the Department to cope with the ever increasing work load and developing competitive environment, but also deter the young and brilliant people from joining postal service. The Committee, therefore, strongly recommends that more and more resources should be provided to DoP to implement its important schemes like modernisation and expansion of postal network.

**Action Taken by the Department**

The department has time and again taken up the matter pertaining to provision of adequate funds with the Planning Commission. In the original 9th plan proposal, the Department had proposed an outlay of Rs. 754.76 crores. At the behest of the Planning Commission this was reduced to Rs. 658.98 crores and was further reduced to Rs. 580 crores and finally to Rs. 550 crores. The department has, at the highest level,

requested the Planning Commission for retention and approval of IXth Plan outlay at Rs. 580 crores.

#### **Recommendation (Para No. 42)**

The Committee is perturbed to find that annual plan outlay of Department of Posts for the year 1998-99 at Rs. 95 crores is at the same level as it was in the previous year's Budget Estimates. The Budget Estimates (BE) during 1997-98 was Rs. 95 crores which was reduced to Rs. 80 crores in the Revised Estimates. The Committee strongly feels that this increase of Rs. 15 crores in the plan outlay shows no growth or merely a marginal growth if price escalation that has taken place during the past year is taken into consideration. The Committee hopes that the provision of Rs. 95 crores will be suitably stepped up at the RE stage in consonance with the needs of the Department.

#### **Action Taken by the Department**

The Department in its Annual Plan 1998-99 proposal had projected a requirement of Rs. 135.24 crores as against the BE provision for 1997-98 of Rs. 95 crores thereby projecting an increase of Rs. 40.24 crores over the previous year. However, the Department was directed by the Planning Commission to formulate proposal for the Annual Plan 1998-99 on the presumption that the gross budgetary support would be at the same level as that of 1997-98. The Department had accordingly projected the Plan proposal of Rs. 95 crores at the BE stage.

At the specific direction of the Ministry of Finance, the Annual Plan outlay for the year 1998-99 has been further reduced to Rs. 85 crores at the R.E. stage.

#### **Recommendation (Para No. 47)**

The Committee notes that the Department of Posts undertook the programme of modernising the Post Offices as a sequel to introduction of computer based counter machines as it was found that mere providing these machines was not helpful. The Committee is deeply concerned to note that out of total of 1,53,000 Post Offices in the country and 24,000 Post Offices in the urban area, the Department has modernised 1000 Post Offices and proposed to modernise just 50 Post Offices in 1998-99. The Committee fails to understand that with such

a low target how much time the Department will take to modernise all the Post Offices in the country in a given time frame. The Committee, therefore, recommends that the targets of modernising the post offices should be enhanced suitably and at least must keep pace with the computerisation of post offices is a prerequisite to installation of computer based counter machines.

#### **Action Taken by the Department**

Having regard to resource position the programme relating to modernisation has been undertaken in a phased manner, first priority being given to departmental post offices housed in departmental buildings. Out of over 1,53,000 post offices, there are only 25764 departmental post offices which are housed either in departmental buildings or in rented houses. Secondly out of these 25764 post offices, 835 are Head Post Offices, 707 have more than two hands, 7262 are double handed offices and remaining 10660 are single handed post offices. That apart, the Department has opened 1,27,976 branch post offices in the rural areas which are housed either at the residence of the Branch Post Master or in his premises. These offices run for a maximum period of five hours because of the special nature of the rural postal system. The working hours are not rigid but flexible to suit the convenience of the people of the locality. It is to be mentioned here that only 3606 post offices which are not located in the departmental buildings have been targeted for modernisation. Accordingly, 1208 number of post offices have been modernised so far, out of which 308 were modernised during 1997-98 and 60 offices have been planned for modernisation during 1998-99 keeping in view the availability of funds.

#### **Recommendation (Para No. 56)**

The Committee observes that a separate head of "Modernisation of Mail Processing" is made during the 9th Plan to provide focus to programmes relating to mail processing initiated in the 8th Plan. Under the above said Head for the schemes *viz.* International Mail Office computerisation, computerisation of International Mail Operation and accounts, Railway Mail Service Van fabrication, Modification of existing RMS vans no progress has been made during 1997-98. The scheme, modernisation of mail processing centres' was dropped at the RE stage. The Committee takes a serious note of it and will like to be apprised of the reasons for non-initiation of this scheme. The Committee desires

that the Department should identify all the difficulties which resulted in tardy implementation of the schemes and draw suitable lessons from them so that the targets set for 1998-99 are fully achieved.

### **Action Taken by the Department**

Regarding fabrication and modification of Railway Mail Service Vans during 1997-98, the matter was pursued vigorously with railways. As regards fabrication of new mail vans, the Railway Board could not intimate the firm and final price of a mail van till date despite our vigorous efforts. The EFC therefore, has not yet cleared the project. Also, the Ministry of Finance had advised the Department not to incur any expenditure under this head during the financial year 1997-98 and to postpone the expenditure to the next financial year.

As regards modification of existing mail vans, different Zonal Railways had intimated different rates for the same work. The Department sought clarification from the Railways in this matter. No response in this regard was received from the Railways. Thus the project could not be taken up during 1997-98.

The Department has also raised the question of claim on account of the released material. The Railways have intimated that the price of released materials have been taken into account while calculating the cost of modification. The Department has sought the details of the cost of reclaimed released materials which is still awaited.

Regarding International Mail Office (Track and Trace System for International Speed Post) computerisation, the software which was scheduled to be made available by 1997 was only made available in August-September 1998 by Universal Postal Union. The software related to International Mail Accounting, being developed for worldwide application thereby providing uniformity across all postal administrations is expected to be made available in the middle of 1999.

### **Recommendation (Para No. 57)**

The Committee is surprised to note that under the Purchase and Replacement of Railway Mail Service Vans scheme, physical target of construction of 20 Vans could not be achieved during the 8th Five Year Plan and during 1997-98 also. Similarly, during 1997-98, DoP has

a target to remodel 6 existing vans and get 2 new mail vans and that too remained unachieved. The target for 1998-99 is fixed for getting 12 new vans and remodelling of 20 existing vans for which an amount of Rs. 8.65 crores has been allocated. The Department is stated to have been making continuous efforts to implement the scheme. Construction & remodelling of mail van being the high priority activity of the Department, the Committee would like the Department to ensure that the amount allocated during 1998-99 for construction & remodelling of vans is put to optimum use.

#### **Action Taken by the Department**

As regards fabrication of new air brake mail vans, the Railway Board has intimated that the price of the mail van is under negotiation with M/s Bharat Earth Movers Ltd. (BEML). The matter is being pursued vigorously with the Railway Board for intimating the final negotiated cost of the mail van. In the meantime, the Expenditure Finance Committee has already met twice and the next meeting is likely to be held shortly and the project is likely to be cleared soon. Once the proposal is cleared by the EFC, the matter will be taken up with the Railway Board for early fabrication of the mail vans.

2. Regarding modification of existing mail vans also, the details regarding the cost calculation is awaited from the Railways. The matter is being pursued with them for getting the necessary information. Once this information is received from the Railways, the Railways will be requested to take up the project and complete it in a time bound manner.

#### **Recommendation (Para No. 62)**

The Committee is unhappy to note that there are more than 6000 villages in the country which qualify for opening of post-offices on the basis of norms prescribed by the Department of Posts but have been denied this facility for want of sanctions of requisite staff by the Ministry of Finance. At the present reckoning, the expenditure on each village post-office would be about Rs. 25000 per annum and aggregate expenditure on opening of 6000 villages will be Rs. 15 crores. The Committee does not consider this amount to be high so as to deny postal facilities to eligible villages. On the other hand, the Committee, finds, this amount to be totally insignificant considering the gross total expenditure of the Department at Rs. 3788.5 crores. The Committee,

therefore, strongly feels that there is hardly any justification denying post-offices to 6000 eligible villages and recommends that that Post-Offices should be provided in all these eligible villages in a given time frame within the IXth Plan period. The Committee also desires the Department of Posts to see if the norms for opening post-offices can further be relaxed with a view to providing post-offices in more and more villages.

#### **Action Taken by the Department**

A target of opening 2500 Extra Departmental Branch Post Offices (EDBOs) has been proposed during the 9th Plan period. In the current financial year the Ministry of Finance has been requested to approve creation of additional 900 posts of ED Agents to enable the Department of Posts to fulfil its Annual Plan target for 1998-99 regarding opening of post offices. The matter is being consistently pursued with them at a very senior level.

The Department has not been able to open post offices as per the target fixed in the past because the required number of posts were not sanctioned by the Ministry of Finance. During 1997-98, against a target of 500 EDBOs, only 402 could be opened because the Ministry of Finance did not sanction the number of posts asked for. With the Panchayat Sanchar Sewa Yojana being pursued afresh, postal counter facilities would be extended to areas not having a post office.

Feasibility of relaxing the norms for opening post offices further is also being examined by the Department.

#### **Recommendation (Para No. 74)**

The Committee is distressed to note that the Financial outlay for the IXth five year plan on Postal Building and Staff Quarters has been reduced to Rs. 130.33 crores against financial outlay of Rs. 140.33 crores during the VIIIth plan whereas the actual expenditure during VIIIth plan was Rs. 187.89 crores. The Department intends to construct 950 staff quarters besides completing 400 post offices, 20 mail offices and 7 administrative office buildings for which the Committee feels the funds allocated would remain inadequate. Keeping in view the present level of availability of staff quarters which is grossly inadequate at 7% as compared to other departments like Railways, AIR and Directorate

of Estates where the satisfaction rate is 34%, 50% and 19% respectively, the Committee strongly recommends that larger number of staff quarter should be constructed and fund allocation should be adequately stepped up in consonance with the need of the Department.

### **Action Taken by the Department**

The Department's effort all along has been to provide residential accommodation for the staff. Accordingly in Ninth Plan programme, it was proposed to construct 1300 staff quarters with a total Plan outlay of Rs. 754.76 crores. However, with the reduction of the total Plan outlay to only Rs. 580 crores, the target for this programme alongwith the proposed outlay was reduced to 950 staff quarters. Even this outlay has been slashed to Rs. 550 crores. As against this in 1997-98, which was the first year of the Ninth Plan, a total of 275 staff quarters were constructed. Under the Annual Plan 1998-1999 it was proposed to construct 185 staff quarters but due to reduction in budgetary allocation from Rs. 95 crores to Rs. 85 crores, the number of staff quarters to be constructed will have to be reduced. While appreciating the point made by the Committee it is however submitted that due to budgetary constraints, construction of more staff quarters during the Ninth Plan does not appear to be feasible. However, out of the physical target of 950 quarters during the Ninth Plan, it is expected that about 450 staff quarters will be constructed by the end of 1998-1999. The target of construction of 950 quarters by the end of the Ninth Plan with the existing Plan outlay will, however, be achieved.

### **Recommendation (Para No. 92)**

The Committee is unhappy to note that only 50 to 60% of the total mail is delivered in time and the rest is getting delayed. No doubt the Department has to depend on certain other agencies for transportation of mail and much of the delay is reported to be for that reason. However, the Committee would point out that many a time mail is held up because of delayed sorting in post offices. These aspects are required to be looked into and procedure streamlined. A time bound system should be evolved for sorting offices to expedite delivery and transmission of mail. Department of Posts should also ensure that mail is delivered daily in all corners of the country particularly in rural areas and delay in this respect should be looked into.

### Action Taken by the Department

In order to assess the efficiency of delivery of mails in the country, the Department conducts a live mail survey every year. As per the results of the All India Live Mail Survey conducted in 1997, 68.2% of the home district mail, 73% of the home State mail and 75% of the mails meant for other States were delivered as per the norms. Thus 72% of the total mail handled by DoP is delivered in time and within the norms.

2. Occasional delays to mail do occur due to various reasons which are beyond the control of the Department. The delays in delivery of mails occur due to problems in transportation like late running of trains and consequent misconnections, off-loading of mails by airlines at the point of origin or transit, irregular running of mail-carrying buses, natural calamities, civil disturbances, etc.

3. There are a few instances of delay to mails due to delay in sorting of mails by the post offices and mail offices. Such problems occur mainly due to untimely arrival of mails, sudden and unexpected spurt in receipt of mail volume or sudden absenteeism by the staff. Efforts are made to overcome such difficulties whenever such problems occur.

4. The handling of Metro and Rajdhani channel mails have been streamlined and now even non-PIN coded mails are included in these channels. The Postal Circles have been instructed to enforce preliminary sorting of mails in the post offices where these mails are collected from Letter Boxes, so as to enable and facilitate the RMS Sorting Office in doing detailed sorting of mails faster and make earlier despatches.

5. To expedite the transmission and proper tracking and tracing of mail bags, the Department has begun the computerising of Transit Mail Offices. Already 8 TMOs have been computerised. The Department has also started computerisation of registration sorting work in important mail offices to expedite the delivery of registered articles and enable a fool-proof track and trace system for these articles. So far in 26 offices registration work has been computerised.

6. The transmission, processing and delivery of mails is closely monitored both at the field (District and State level) and at headquarters

level and necessary corrective steps are taken wherever shortcomings are noticed.

7. As regards daily delivery of mails in all parts of the country, this is already being done. Mails are delivered every day in all parts of the country, including rural areas. However, this is subject to timely arrival of mail *via* State transportation network in the delivery post office. There may be occasional instances of delay to mails in the rural areas due to unforeseen transportation problems like late arrival of trains or mail carrying buses and also due to natural calamities like floods, or due to law and order disturbances in certain areas of the country.

#### **Recommendation (Para No. 98)**

The Committee strongly feels that already much time has been taken to decide the fate of ED employees which are the backbone of the rural postal system. The present service conditions and emoluments require drastic changes for the better. It is of the unanimous opinion that the matter should be accorded top priority and decided without any further delay. The recent industrial action taken by the postal employees underscores the need for early action on the basis of the Talwar Committee Report.

#### **Action Taken by the Department**

Government have since considered the recommendations contained in the Talwar Committee Report and issued orders on 17.12.98 ( copy enclosed) extending a package of benefits to ED Agents. This matter may therefore be treated as closed.

No. 26-1/97-PC & ED Cell  
Government of India  
Ministry of Communications  
Department of Posts  
Dak Bhavan, Sansad Marg,  
New Delhi-110 001.

Dated : 17.12.1998

To

All Chief Postmasters General,  
All Postmasters General,  
Directors, Postal Staff College, Ghaziabad,  
Directors, Postal Training Centres.

### OFFICE MEMORANDUM

**SUBJECT : Revision of Allowances of Extra Departmental Agents.**

I am directed to say that the recommendations made by the Justice Talwar Committee on Extra Departmental Agents (EDAs) in respect of revision of their remuneration have been under consideration of the Government of India. The President is now pleased to order that, in full and final settlement of all pending demands relating to the implementation of the Justice Talwar Committee recommendations and in supersession of all the previous orders issued from time to time, if any, regarding the specific allowances mentioned herein, the remuneration payable to the various categories of ED Agents shall be regulated as follows:—

2. (a) **Arrears** :— Payment of arrears may be made to the Extra Departmental Agents for the period from 01.01.1996 to 28.02.1998 by increasing the Basic Monthly Allowance by a factor of 3.25.
- (b) **Time Related Continuity Allowance (TRCA)** :— With effect from 1st March, 1998, the allowance for EDAs may be fixed at the minimum of the Time Related

**Continuity Allowance (TRCA).** The Time Related Continuity Allowance for different categories of ED Agents to be implemented are given in Schedule-A annexed to these orders. If the allowance fixed by a factor of 3.25 as mentioned at para (a), is above the minimum of the TRCA, the difference will be protected as personal allowance to be absorbed against future entitlements for all categories of EDAs.

- (c) **Leave:**— Extra Departmental Agents may be granted paid leave at the rate of 10 days for every half year, but there shall be no provision of carry forward or encashment of this leave. This will be implemented with effect from half year beginning from 1st July, 1998.
- (d) **Ex-Gratia Gratuity:**— The amount of ex-gratia gratuity for ED Agents which is presently Rs. 6,000/- (Rupees Six thousand only) may be increased to Rs. 18,000/- (Rupees Eighteen thousand only) with effect from the date of issue of these orders.
- (e) **Office Maintenance Allowance:**— Office maintenance allowance as admissible for EDAs at present, may be increased from existing Rs. 25/- to Rs. 50/- per month. The increased rate will be effective from the date of issue of these orders.
- (f) **Severance Amount on Retirement/Death :**— A lumpsum Severance amount of Rs. 30,000/- (Rupees Thirty thousand only) only may be paid on retirement of an ED Agent at the age of 65 years or on the death of an ED Agent provided he/she has completed a minimum of 20 years of continuous service. However, in case of an ED Agent who has completed only 15-20 years of continuous service, the Severance amount shall be only Rs. 20,000/- (Rupees Twenty thousand only) on retirement or death. These provisions will be effective from the date of issue of these orders.
- (g) **Severance Amount on Absorption on Regular Basis:**— Severance Amount of Rs. 20,000/- (Rupees Twenty

thousand only) may be paid to an ED Agent who has been absorbed on regular basis against a departmental post after 15 years of continuous service as ED Agent. This provision will be effective from the date of issue of these orders.

### 3. Explanation:—

- (i) The hitherto Basic Monthly Allowance paid to ED Agents will henceforth be termed as "TIME RELATED CONTINUITY ALLOWANCE" (TRCA).
- (ii) Basic Monthly Allowance for calculation of arrears means Basic Monthly Allowance as on 01.01.1996 exclusive of Dearness Allowance (DA) and instalments of Interim Relief.
- (iii) Where an ED Agent is on leave on 01.03.1998, he shall become entitled to TRCA from the date he joins duty. In case an ED Agent is on put off duty on 01.03.1998, he will draw TRCA subject to final orders in the disciplinary proceedings.
- (iv) The amount of arrears would be paid in cash after adjusting the payments made towards Basic Monthly allowance plus D.A. paid from time to time and the three additional instalments of interim relief.
- v(a) After arriving at allowances as per para 2(a) above, the DA. will be regulated for the following periods as indicated below :
  - 01.01.96 to 30.06.96 — Nil
  - 01.07.96 to 31.12.96 — 4%
  - 01.01.97 to 30.06.97 — 8%
  - 01.07.97 to 31.12.97 — 13%
  - 01.01.98 to 28.02.98 — 16%

v(b) After fixation in TRCA, DA will be admissible as follows:—

01.03.98 to 30.06.98 — 16%

01.07.98 onwards — 22%

and as declared thereafter  
from time to time.

4. This issues with the concurrence of Finance Advice (Postal) *vide*  
their Dy. No. 2660/FA/98 dated 17.12.98.

Hindi version will follow.

Sd/-

(N.D. Dayal)  
Dy. Director General (T&E)

Copy to :

1. PS to MOC, PS to MOS(C).
2. PPS to Secy.(P), PS to Member (P), Member (D), Member (O).
3. All Sr. DDsG/DDG, CGM(PLI), CGM (BD)/JS & FA/ DDG(PAF).
4. ADG (Estt.), ADG (Training).
5. SO (PAP), PE. I, PE. II, SPB-I, SPB-II.
6. Secretary General/General Secretary all Federations/Unions.

**SCHEDULE - A****TIME RELATED CONTINUITY ALLOWANCE (TRCA)****1. TRCA for EDMCs/ED Packers/ED Runners, ED Messengers and all other categories of ED Agents.**

(i)    Rs. 1220-20-1600	For those with workload upto 3 hrs. 45 minutes.
(ii)    Rs. 1545-25-2020	For those with workload more than 3 hrs. 45 minutes.

**2. TRCA for EDDAs/EDSVs**

(i)    Rs. 1375-25-2125	For those with workload upto 3 hrs. and 45 minutes.
(ii)    Rs. 1740-30-2640	For those with workload more than 3 hrs. 45 minutes.

**3. TRCA for EDBPMs**

(i)    Rs. 1280-35-1980	For those with workload upto 3 hrs.
(ii)    Rs. 1600-40-2400	For those with workload more than 3 hrs.

**4. TRCA for EDSPMs**

(i)    Rs. 2125-50-3125
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**Recommendation (Para No. 99)**

The Committee notes that like other regular Govt. servants who are provided insurance cover under CGEGIS, Extra Departmental Agents (EDAs) are also provided insurance cover of Rs. 10,000/- under EDA Group Insurance Scheme. The Committee considers that this amount to be insignificant these days. The Committee, therefore, recommends that this amount should be suitably enhanced.

**Action Taken by the Department**

Extra Departmental Employees Group Insurance Scheme was introduced by the Department with effect from 1.4.1992 for the benefit of the Extra Departmental Agents of the Department covered under the Scheme and their families in the event of their premature death while in service. Under the scheme, an Insurance coverage of Rs. 10,000/- is provided to each eligible EDA and a subscription at a uniform rate of Rs. 10/- per month is deducted from the salary of the EDA till death or quitting the service, whichever is earlier :

2. The Scheme is self-financing in nature just like other group insurance schemes and the valuation of the fund is yet to be done.
3. It is observed that even in the case of Central Government Employees Group Insurance Scheme, regular Central Government employees are given life insurance cover ranging from Rs. 15,000/- to Rs. 1,20,000/- corresponding to a contribution ranging from Rs. 15/- to Rs. 120/- per month. Thus, on pro-rata basis an insurance cover of Rs. 10,000/- on a monthly contribution of Rs. 10/- per month presently being given to EDAs is the appropriate amount. The question of enhancement will be examined in the light of valuation of the fund by the actuary as per norms prevalent in the insurance industry.

## CHAPTER IV

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

#### **Recommendation (Para No. 30)**

The committee is distressed to note that the training targets could not be achieved during the 8th five year plan. One of the reasons is stated to be that some staff did not attend the programme. Against the target of 33200 & 18700 for in-service training and saving bank refresher training programme, training could be imparted to 31333 and 16962 officials respectively. The committee recommends that since such training programmes, are organised at huge cost, the Department should not allow the efforts to go in vain, and some corrective measures be taken in advance to make these programmes successful. If necessary, appropriate action should be taken against the staff who are not cooperative.

#### **Action Taken by the Department**

Against the physical targets for the entire Eight Five Year Plan period of 33,200 and 18,700 for inservice and SBRC Training programmes respectively the achievements as ascertained from the Training Institutions concerned have been 30,526 and 20,464. The extent of variation being -2674 and +1764 respectively. The shortfall of 2674 in achievement of target for inservice training is attributable to various reasons such as non-availability of adequate number of officials satisfying the eligibility criteria, restriction on creation of posts, budgetary constraints etc. and not due to non-cooperation or reluctance of the staff to undergo such training. With the induction of technology and increasing computerisation of Postal operations, the importance of computer training has been on the increase. As a result as many as 4454 officials in addition were imparted training in computers in the training centres alone as a plan activity for which some of the resources of the training centres have had to be diverted. Thus while there is a shortfall in realisation of the physical targets for inservice training the computer training to about 4454 officials and excess achievement in

SBRC by about 1764 has offset the shortfall in terms of number of officials trained.

#### **Comments of the Committee**

Please *see* Para No. 8 of Chapter I.

#### **Recommendation (Para No. 55)**

Supply of engraved Hand Cancellors Machine is one of the major schemes under head "upgradation of Technology". The Committee finds that during 1997-98 against the target to supply 2000 engraved Hand Cancellers machines the achievement was nil. The reason for shortfall in target which is stated to be non fabrication of the cancellers by the Central Ordnance Factory is not plausible. The Committee is at a loss to understand how a target of 10,000 would be achieved during 1998-99 when the achievement during 1997-98 was Nil. The Committee expresses its grave concern over this huge slippage in the achievements of target. The Committee, therefore, urges the Department to identify the bottlenecks and apply correctives well in time to achieve the plan projections.

#### **Action Taken by the Department**

All efforts have been made to ensure that the targets are met by the Central Ordnance factories during the current financial year.

#### **Comments of the Committee**

Please *see* Para No. 11 of Chapter I.

#### **Recommendation (Para No. 93)**

The Committee notes with concern that there are serious complaints of loss of registered & insured mail, Money Order etc. The number of such complaints for registered mail was 2,74,672 insured mail 15,354 and Money Orders 3,34,977 in 1997-98. The Committee holds that a large number of pilferages and theft of valuables goes unreported.

#### **Action Taken by the Department**

It is a fact that the Department of Posts handled the number of complaints mentioned above during the year 1997-98 through out the

country. But these complaints, when seen with reference to the traffic handled by the Department, reflects a very low percentage of complaints. This would be evident from the table below :

Year	Type of Article	No. of Complaints Handled	Total Traffic Handled (In 000s)	Percentage of Complaints with reference to traffic
1997-98	Regd. Articles	274262	286973	0.0955%
	Insured Articles	15354	10578	0.145%
	Money Orders	334977	111607	0.299%

2. In addition to ongoing efforts for prompt settlement of the complaints, special drives are also launched from time to time to settle complaints promptly and with focussed attention. Recently from 1.9.98 to 30.9.98, a special drive was launched for settlement of complaints about registered articles and the results have been satisfactory. Another drive in the area of Money Order has been launched for a period of one month from 1.11.98.

3. (i) Earlier in case of loss of registered articles, search bill inquiries were being issued to ascertain disposal of the article. To cut out this long and cumbersome method, it has been decided to dispense with the issue of search bill inquiries as a routine procedure. Once the loss of the article is established through initial report of the Circle concerned, grant of ex-gratia compensation is being considered.

(ii) Likewise in case of Money Orders, if no reply is received from the office of payment to the enquiry note, standing instructions of the Department provide for issue of a duplicate Money Order after 10 days of issue of the enquiry note.

4. (i) In respect of registered articles, pilferage or theft can be known only when a complaint is lodged in this regard. Since contents of such articles are not normally required to be declared by the sender the outward condition of such article is what is observed by the departmental officials while transmitting and delivering.

(ii) In respect of Money Orders, there is a system of pairing. However, it has not been found to be really effective and hence efforts are underway to evolve a dependable system on the basis of the VSAT network to evolve a procedure for keeping a track of Money Orders booked.

(iii) Delay on the part of customer in making complaints about pilferage or loss of Registered articles often hinder successful investigations into such complaints.

**Comments of the Committee**

Please *see* Para No. 20 of Chapter I.

## CHAPTER V

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

#### **Recommendation (Para No. 25)**

The Committee is informed that in order to supplement the availability of funds to make up the shortfall of the 8th Plan, DOP is examining the possibility of obtaining hardware on lease so that it may procure more hardware but this will require some policy changes, the Committee desires that Department of Posts should take an early decision in this regard.

#### **Action Taken by the Department**

The feasibility of obtaining hardware from the vendors on lease *vis-a-vis* direct purchase is being examined. Simultaneously the draft lease agreement to be entered into is under finalisation.

#### **Recommendation (Para No. 78)**

The Committee observes that the Department of Posts proposed to extend the Premium Savings Bank Service available at Delhi to 3 more cities after studying the response at Delhi, but the proposal has been deferred. The Committee notes that besides study of poor response of the customers, some incentives and other benefits to be provided to the customers are being ascertained by the Department to help a proper review of the scheme. The Committee desires the Department to take immediate steps to revive this important scheme so that the people can be benefited at the earliest.

#### **Action Taken by the Department**

The shortcomings of the scheme and the need of the customers are being ascertained to take a holistic view of the desirability to continue with the scheme.

#### **Recommendation (Para No. 82)**

The Committee notes that Postal Life Insurance was extended to rural areas in March, 1995 and in the first year of its operation, the

number of Rural Postal Insurance Policies was 2,37,557 and the sum assured was Rs. 733.56 crores. It has come down to 2,00,570 policies with sum assured at Rs. 577.22 crores. The decrease in the number of Insurance policies is stated to be for want of additional hand for Rural PLI work. The Committee takes a serious note that PLI business is being allowed to suffer for want of staff. The Committee recommends that the matter be taken up with the Ministry of Finance at the highest level.

#### **Action Taken by the Department**

Rural Postal Life Insurance was started to cover rural areas under the umbrella of insurance. The work was taken up without sanction of any staff for the purpose. There has been a down trend in the Rural Postal Life Insurance business primarily due to inadequacy of staff necessary for proper marketing and proper servicing of policies. To rectify this, proposal for sanction of dedicated staff for managing Rural Postal Life Insurance business is being processed and will be submitted to the Ministry of Finance for consideration.

#### **Recommendation (Para No. 105)**

The Committee notes with some satisfaction that the department is examining the proposal for opening a training centre in North-East. It hopes that keeping in view the urgent training needs and difficulties faced by the Postal employees in North-East the Department of Posts will soon take a decision in this matter.

#### **Action Taken by the Department**

The proposal for opening a new Postal Training Centre at Guwahati to cater to the training needs of NE Region is under consideration in consultation with the CPMG, Assam circle, Guwahati, CPMG, NE circle and PTC Darbhanga on the basis of training needs, the existing training infrastructure and the available manpower resources.

NEW DELHI;  
11 March, 1999  
20 Phalgun, 1920 (Saka)

SOMNATH CHATTERJEE,  
Chairman,  
Standing Committee on Communications.

## APPENDIX I

### MINUTES OF THE TWENTY-FIFTH SITTING OF THE STANDING COMMITTEE ON COMMUNICATIONS (1998-99)

The Committee met on Tuesday, the 9th March, 1999, from 15.00 hours to 16.00 hours in Committee Room 'C', Parliament House Annexe, New Delhi.

#### PRESENT

Shri Somnath Chatterjee — *Chairman*

#### MEMBERS

*Lok Sabha*

2. Shri Mahendra Baitha
3. Shri M. Durai
4. Shri A. Ganeshamurthi
5. Smt. Sheela Gautam
6. Shri T. Govindan
7. Shri Jay Krishna Mandal
8. Shri Shantilal Purushottamdas Patel
9. Shri Balasaheb Vikhe Patil
10. Shri Madan Vishwanath Patil
11. Shri Bajjnath Rawat
12. Shri K. Asungba Sangtam
13. Shri Harpal Singh Sathi
14. Shri Krishan Lal Sharma
15. Shri Braja Kishore Tripathy

*Rajya Sabha*

16. Shri Kartar Singh Duggal
17. Shri Kanak Mal Katara
18. Smt. Chandresh Kumari
19. Shri R. Margabandu
20. Shri Narendra Mohan
21. Shri Kuldip Nayyar
22. Ms. Mabel Rebello
23. Smt. Veena Verma

## SECRETARIAT

1. Shri S.K. Sharma — *Deputy Secretary*
2. Shri A.S. Chera — *Under Secretary*
3. Shri Bhupesh Kumar — *Assistant Director*

2. The Committee took up for consideration the following Draft Reports:—

(i) \*\*\*\*\* \*\*\*\*\* \*\*\*\*\*

(ii) Draft Tenth Report on Action taken by Government on recommendations of the Committee contained in its Second Report (Twelfth Lok Sabha) on Demands for Grants (1998-99) relating to the Ministry of Communications (Department of Posts).

(iii) \*\*\*\*\* \*\*\*\*\* \*\*\*\*\*

3. The Committee adopted the Draft Reports without any modifications/amendments.

4. The Committee authorised the Chairman to finalise and present/lay the Reports in both the Houses of Parliament.

*The Committee then adjourned.*

## APPENDIX II

(*Vide* Introduction of Report)

### ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE SECOND REPORT OF STANDING COMMITTEE ON COMMUNICATIONS (TWELFTH LOK SABHA)

(i) Recommendations/observations which have been accepted by the Government :

Para Nos. 23, 24, 26, 27, 28, 29, 43, 69, 70, 83, 85, 94, 102 and 109

Total 14

Percentage 43.75%

(ii) Recommendations/observations which the Committee does not desire to pursue in view of the reply of the Government :  
Para Nos. 22, 41, 42, 47, 56, 57, 62, 74, 92, 98 and 99

Total 11

Percentage 34.37%

(iii) Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration :  
Para Nos. 30, 55 and 93

Total 03

Percentage 9.37%

(iv) Recommendations/observations in respect of which replies one of the interim nature :  
Para Nos. 25, 78, 82 and 105

Total 04

Percentage 12.5%