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**STANDING COMMITTEE
ON COMMUNICATIONS
(1996-97)**

ELEVENTH LOK SABHA

**MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF POST)**

DEMANDS FOR GRANTS (1996-97)

FIRST REPORT

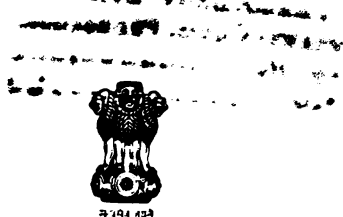


**LOK SABHA SECRETARIAT
NEW DELHI**

September, 1996/Sharvana, 1918 (Saka)

FIRST REPORT
STANDING COMMITTEE ON
COMMUNICATIONS
(1996-97)
ELEVENTH LOK SABHA
MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF POST)
DEMANDS FOR GRANTS (1996-97)

Presented to Lok Sabha on 2.9.96
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LOK SABHA SECRETARIAT
NEW DELHI

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CONTENTS

	Page
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
REPORT	1
MINUTES OF THE SITTINGS.....	
12-8-96	16
21-8-96	18
26-8-96	19

COMPOSITION OF THE STANDING COMMITTEE ON COMMUNICATIONS
(1996-97)

Shri Somnath Chatterjee—*Chairman*

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Shri Ram Autar Ram	—	<i>Deputy Secretary</i>
Shri S.K. Sharma	—	<i>Under Secretary</i>

INTRODUCTION

I, The Chairman, Standing Committee on Communications (1996-97) having been authorised by the Committee to submit the Report on its behalf, present this First Report, on the Demands for Grants 1996-97 relating to Ministry of Communications (Department of Post).

2. The Standing Committee on Communications was constituted on August, 1996. One of the functions of the Standing Committee as laid down in Rule 331 E of the Rules of Procedure and Conduct of Business in Lok Sabha, is to consider the Demands for Grants of the concerned Ministry/Department and make a Report on the same to the Houses.

3. The Committee considered the Demands for Grants pertaining to the Ministry of Communications (Department of Post) for the current year *i.e.* 1996-97 which were laid on the Table of the House on 1.8.1996. Thereafter the Committee took evidence of the representatives of the Ministry of Communications (Department of Post) on 12.8.1996.

4. The Committee wishes to express its thanks to the Officers of the Ministry of Communications (Department of Post) for placing before it the detailed written notes on the subject and for furnishing the information, the Committee desired in connection with the examination of the subject.

5. The Sub-Committee 'A' on Department of Post considered and finalised the draft Report at its sitting held on 21.8.1996 which was then placed before the main Committee.

6. The Report was considered and adopted by the Committee at its sitting held on 26.8.96.

NEW DELHI;
August 27, 1996
Bhadra 5, 1918 (Saka)

SOMNATH CHATTERJEE,
Chairman,
Standing Committee on Communications.

REPORT

Introductory

The Department of Post, which forms a part of the Ministry of Communications, is responsible for the planning, development, expansion, operations and maintenance of Postal Services in the country. It also discharges certain agency functions in respect of Savings Bank and other Small Savings Schemes of the Government, collection of Customs duty on postal articles and disbursement of pension to Military and Railway pensioners, Family Pension to Industrial Employees of Coal Mines etc. The Department administers Postal Life Insurance Scheme also. For the implementations of the various programmes and activities, the Department has a network of 19 Postal circles each under the charge of a Chief Post Master General besides 6 Postal Training Centres.

2. The Department of Post has placed demands before the Parliament as under :-

Postal Services — Demand No. 13

(In thousands of Rupees)

	Revenue	Capital	Total
Voted	2616,28,00	69,71,00	2685,99,00
Charged	1,00	—	1,00
	2616,29,00	69,71,00	2686,00,00
Revenue	Plan	Non—Plan	Total
Voted	85,00,00	26,00,99,00	2685,99,00
Charged	—	1,00	1,00
	85,00,00	26,01,00,00	2686,00,00
Capital	—	—	—
Voted	62,71,00	7,00,00	69,71,00
Charged	—	—	—
	62,71,00	7,00,00	69,71,00

It would, however, be seen that capital expenditure provided during 1995-96 was of the order of Rs. 73.87 crores BE 95-96 whereas this year it has been reduced to Rs. 69.71 crores.

Objectives of the 8th Plan

3. The basic objectives of the 8th Plan are:

- (i) To transform the postal system into a modern one with necessary technological inputs;
- (ii) Introduction of new services based on modern technology;
- (iii) Emphasis on upgrading Estates management, and
- (iv) Expansion of postal network to cover rural areas not yet having postal facilities.

4. To this the Secretary, Post added in evidence that modernisation of the Department would improve productivity, reduce deficit, public complaints and the loss on fraud and theft. The Department was also stated to be trying to bring about a close interface between employees satisfaction and consumer satisfaction. In the Eighth Plan, Department of Post had asked for an outlay of Rs. 43.65 crores for expansion of Postal network, Rs. 271.35 crores for modernisation programme including upgradation of technology and Rs. 425.50 crores for estate management for building and staff quarters programmes and other schemes. As against this, the Planning Commission approved an outlay of Rs. 325 crores for the Eighth Plan. Out of this Rs. 325 crores, an outlay of Rs. 23.65 crores for expansion of postal network, Rs. 132.5 crores was for upgradation of technology and Rs. 121.35 crores for buildings. The physical target for expansion of postal network was 3600 Extra Departmental Branch Offices (EDBOs) and 650 Departmental Sub Offices (DSOs), installation of 5000 multi-purpose counter machines for upgradation of technology and 1262 construction of buildings and staff quarters was fixed as the target under these schemes. During the first 4 years of the Eighth Plan, 1310 EDBOs and 315 DSOs were opened exceeding the target set in annual plans for this scheme. However, in the subsequent years of the plan, due to a policy shift in favour of less expensive alternative to provide postal facility to villages, Panchayat Sanchar Sewa Yojana was mooted.

5. Given the allocations, the physical target in each of these schemes had to be reduced and the performance of the department *vis-a-vis* the reduced allocations has been 71% in respect of upgradation of technology, 133% in respect of buildings and staff quarters and 73% in respect of postal network.

6. Basic objectives of the Eighth Plan has been to modernise the postal system by injecting necessary technological inputs; introduction of new services based on modern technology and expansion of postal network to cover rural areas not having postal facilities. With these objectives in view the Department of Post formulated Schemes proposing and outlay of Rs. 43.65 crores for expansion of Postal Network, Rs. 271.35 crores for modernisation programme which included upgradation of technology and Rs. 425.50 crores for asset management for buildings and staff quarters. However, the Planning Commission approved outlay of Rs. 23.65 crores for expansion of postal network, Rs. 132.5 crores for upgradation of technology and Rs. 121.35 crores for buildings etc. In view of the lower allocation of funds physical targets for each of these schemes were lowered as has been brought out in the successive paragraphs. In fact the Committee find that the plan allocation during 1996-97 is Rs. 69.71 crores as against Rs. 73.87 crores provided last year which in real terms amounts to much lower allocation if one considers the escalation that has taken place during the year. Even this reduced targets are not likely to be achieved during the plan period as the achievement are anticipated to be 71 percent in respect of upgradation of technology and 73 percent in respect of postal network. In the case of buildings achievements are expected to be 133 percent. But it is no consolation as it is on lower allocation of Rs. 121.35 crores against the projected demand of Rs. 425 cores. It is highly deplorable as the Department of Post which is engaged in the vital sector of infrastructure has been deprived of the much needed funds. Whatever may have been the justification of constraints, it reflects poorly on implementation of Plan. The Committee feel that lower allocations and consequent downward revision of physical targets has deprived a large section of people particularly in rural areas of the much needed postal facilities . In fact this vital social sector of the economy is being starved of funds.

7. The Committee urge that the postal services should not be viewed as commercial service but as social service like health, education and welfare. It should, therefore, be allocated funds according to approved plans.

Availability of Funds

8. The Department of Post had proposed Annual Plan Outlay of Rs. 119 crore for the year 1994-95. However, the Planning Commission/Ministry of Finance allocated Rs. 77 crores (BE) to the Department which was enhanced in the Revised Estimates to Rs. 92 crores whereas the actual utilisation was Rs. 92.66 crores. For the years 1995-96, the Department was allocated Rs. 85 crores against proposed estimated plan of Rs. 150.96 crores which was fully utilised.

9. For the year 1996-97, the Department had proposed Annual Plan of Rs. 148.84 crores and the outlay approved is Rs. 85 crores (BE) as detailed below:-

Sl. No.	Schemes	Outlay (in crores)	
		Proposed to Planning Commission (in Rs. crores)	Budget Estimate
1.	Expansion of Postal	9.71	5.00
2.	Upgradation of Technology	74.05	45.73
3.	Training	3.25	3.06
4.	Materials Management	0.96	0.96
5.	Mails Motor Services	1.50	0.25
6.	Postal Life Insurance	2.00	1.63
7.	Marketing	1.20	1.20
8.	P.O. Bldgs. and Staff Quarters	53.00	24.00
9.	P.M.S. Van	1.75	1.75
10.	Speed Post	1.42	1.42
		148.84	85.00

10. The Department of Post candidly admitted that lower allocations in respect of three schemes *i.e.* expansion of postal network, upgradation of technology and postal buildings would have adverse impact on full implementation of Department's Plan programme.

11. The Committee find that Department of Post had projected a Plan Outlay of Rs. 148.84 crores to Planning Commission for the year 1996-97. However, the Budget Estimates approved and proposed are of the order of Rs. 85 crores. Last year also, the funds approved and allocated were of the

order of Rs. 85 crores against the projection of Rs. 150.96 crores made by the Department of Post. The schemes which have suffered the most are vital to achieve the plan targets viz. Expansion of Postal Network, Upgradation of technology and Buildings for post offices and staff quarters. The outlays on these schemes allocated for the year are Rs. 5 crores, 45.73 crores and Rs. 24 crores against the proposal of Rs. 9.71 crores, Rs. 74.05 crores and Rs. 53 crores respectively. The Department of Post has clearly admitted that lower allocation of funds on these schemes would adversely affect implementation of Departments' Plan Programme. The Committee consider it a retrograde step which is negation of planning.

I. Expansion of Postal Network

12. The main activities proposed under this Plan scheme initially were:

- (i) Opening of extra departmental branch offices (EDBO);
- (ii) Upgradation of EDBOs to Departmental Sub Offices (DSO); and
- (iii) Supply of Letter Boxes to rural and tribal areas.

The scope of this plan scheme has since been enhanced to introduce the following additional activities viz.

- (a) Provision of upgraded operational equipments to Post Offices; and
- (b) Introduction of innovative schemes like Panchayat Sanchar Sewa Yojana to extend basic postal facilities at reduced cost.

13. One of the primary objectives of the 8th Plan is to expand the postal network to rural areas not yet having postal facilities. At present, basic postal facilities in terms of daily delivery of mail is available all over the country. It is also Department's endeavor to extend the facility of letter box to all villages with population over 500 by the end of the 8th Plan.

14. The country has 5.78 lakh villages and 2,20,972 Panchayat villages in the country. Out of them 1,10,943 have been provided with Post Offices. During the 8th Five Year Plan initially 3000 EDBOs and 500 DSOs were proposed to be opened at the rate of 600 EDBOs and 100 DSOs each year. Thereafter, in 1993-94 these

'A' targets were revised upward to 3600 EDBOs and 650 DSOs. However, in 1994-95 on the basis of the direction from the Ministry of Finance targets have been brought down to 1440 EDBOs and 650 DSOs. 80 EDBOs and 150 DSOs were proposed to be opened each year during 1995-96 and 1996-97. Accordingly, physical targets were lowered. The requirement of funds to open 80 EDBOs and 150 DSOs per year and to meet the recurring expenditure on them is stated to be Rs. 5.30 crores in 1994-95, Rs. 6.59 crores in 1995-96 and Rs. 7.86 crores in 1996-97.

15. The physical target of opening of 3600 EDBOs and 650 DSOs we subsequently reduced to 1440 EDBOs and 650 DSOs. Already 1310 EDBOs and 315 DSOs were opened during the first four years of the current plan and it is proposed to implement the balance 130 EDBOs and 335 DSOs in the last year of the plan. The short fall if any in the last year is expected to be marginal. Excepting in the case of DSOs,

16. The Department of Post has stated that in the wake of the Ministry of Finance's directive to reduce the number of EDBOs that were to be opened from 600 to 80 per year in the subsequent years of the plan period due to a policy shift in favour of less expensive alternative to provide postal facility to villages, they have formulated a scheme of Panchayat Sanchar Sewa Yojana which intends to price postal facilities on contractual basis by using existing panchayat infrastructure. So far 497 Panchayat Sanchar Sewa Kendras have been opened which provide basic facility of sale of stamps and stationery, delivery of mail, facility for small savings schemes and clearance of letter boxes. However, the Secretary, Department of Post when asked about the performance of Panchayat Sanchar Sewa Kendras frankly admitted that their experience with it has not been a happy one.

The DOP had fixed a target of 500 Panchayat Dak Sewa Kendras in 1995-96 and 250 are targetted for 1996-97 Eighth Plan target in this regard is 2500 Kendras.

17. The Committee has been informed that during 1994-95, against the target of 80 EDBOs and 150 DSOs, only 4 EDBOs and 31 DSOs were opened thereby achieving target of 0.5 percent and 20 percent respectively. Supply of letter boxes also was only 42175 against the target of 56000 during 1994-95.

18. Explaining the procedure followed in opening new EDBOs or DSOs, the Department of Post in a note submitted to the Committee have stated that every proposal for opening of Extra Departmental Branch Office (EDBO) or Departmental Sub-Office (DSO) has to satisfy requisite norms regarding distance,

population and income. While the data regarding distance and population is readily available, information about likely income to be generated has to be assessed in case of each proposal *i.e.* income generated should meet at least one-third or 15 per cent of the expenditure likely to be incurred on each of the EDBOs set up in normal or in hilly/tribal areas respectively. The proposals thus formulated are to be approved by the Ministry of Finance before these are sanctioned. As it is a time consuming process the approvals are usually issued at the fag end of the year while post offices are opened thereafter after securing suitable accommodation in the case of DSOs and a satiable ED Branch Post Master in the case of EDBOs.

19. The Department further stated that recurring cost on each EDBO is Rs. 35000 approx. and for DSO is Rs. 1,50,000 approx. per annum. The Budgetary provisions have been calculated by taking into account annual recurring cost of the Post Offices already opened in the previous year and the anticipated cost for 6 months in the case of new proposals to be implemented during the year.

20. Since most of the post offices are sanctioned in reality at the fag end of the year, the financial provisions made in this regard have not been fully utilised even though physical targets are achieved. The Committee was assured that in order to rectify this position, efforts would be made to expedite approvals to the extent possible.

21. Asked about the dismal performance of the Department of Post in opening new EDBOs and DSOs which has been 4 and 31 respectively in 1994-95, the Secretary, post stated:—

"When we had the power to sanction post offices, our performance had been 1,310 post offices and target was 1,448. Thereafter this power was withdrawn from us. As a matter of fact, we have to go every time for sanction. That is why the performance is so low.

The same case happened in respect of Departmental Post Offices. We have asked for sanction of 600 posts so that we can meet the target for EDBOs.'

22. One of the basic objectives of the 8th Plan is to expand postal network to rural areas not yet having postal facilities by opening Extra Departmental Branch Offices (EDBOs) and upgradation of DEBOs to Departmental Sub-Offices (DSOs) and supply of Letter Boxes to rural and tribal areas. The

Committee find that of the 2,20,972 Panchayat Villages in the country 1,10,943 almost half of them have been provided with Post Offices so far. Initially 3000 EDBOs and 500 DSOs were proposed during the plan period. This target was revised upward to 3600 EDBOs and 650 DSOs in 1993-94. However, in 1993-94, on the direction of the Ministry of Finance these targets were again revised downward to 1440 EDBOs and 650 DSOs. The targets laid for 1995-96 and 1996-97 were 80 EDBOs and 150 DSOs each year. The Committee is at loss to understand why the targets were drastically curtailed to less than half of the original target of 3000 EDBOs.

23. It is further perturbing to note that in 1994-95 against the target of 80 EDBOs and 150 DSOs only 4 EDBOs and 31 DSOs were opened thereby achieving the targets by 0.5 per cent and 20 per cent respectively. Supply of Letter Boxes also fell short of the targets as only 42175 were supplied against the target of 56000 Letter Boxes which is highly deplorable.

24. The Committee are gravely concerned to note that the Plan target of 2500 Panchayat Sanchar Sewa Kendras is not likely to be achieved. Only 500 Kendras were proposed in 1995-96. Another 250 are proposed for the year 1996-97 which is the final year of the Plan. Thus the Committee find that there would be a shortfall of at least 1750 Kendras. It is highly deplorable. More so in the light of the fact that this scheme has been thought of being inexpensive. It was formulated as a substitute of EDBOs whose target has been drastically curtailed on the advise of Ministry of Finance.

25. The Committee find that requirement of funds to meet recurring cost on new EDBOs and DSOs and funds required for opening of 80 EDBOs and 150 DSOs is estimated to be Rs. 7.86 crores for the year 1996-97. Against this the funds allocated for this purpose are only Rs. 5 crores. The Committee, therefore, apprehend that the targets for 1996-97 are not likely to be accomplished.

Shortage of staff

26. The Committee pointed out that many a time there was abnormal delay in delivery of mail and enquired about the reasons for it. In reply, Secretary, Department of post stated that since 1984-85 traffic of mail which was 11672 million articles has increased by 9 per cent. However, DOP has not been provided staff in that proportion.

27. The Department of Post is stated to have made a proposal for 878 posts of postmen and 88 sorting postmen in 1992 to improve delivery system. The Ministry of Finance had sought some clarifications and those were furnished. The latter has again sought further clarifications. Besides, the DOP has asked for 600 ED posts for new Extra Department Branch post offices which are to be opened.

28. It was further stated that shortage of delivery staff and postal assistant is one of the reasons for increase in overtime allocation which contribute to the deficit of the Department.

29. One of the constraints felt by DOP is that they are not competent to sanction posts for expansion of postal network. Every proposal in this regard is processed by the Ministry of Finance. This process is cumbersome and time consuming resulting in inordinate delays. The Committee find that a proposal for 878 posts of postmen and 88 sorting postmen made as early as 1992 to improve the delivery system has not yet been approved by the Ministry of Finance. While the latter has been seeking clarifications all these years, postal delivery system has been crippled resulting in inordinate avoidable delays more so in rural and backward areas. Not only this, the delay of more than 4 years has been one of the causes for increase in overtime allowance which in turn has been contributing to the deficit of the Department. Besides the sanction for the posts of Postmen, the DOP is also awaiting sanction of 600 EDPOs in the rural areas. The Committee recommend that the matter should be taken up at the highest level with the Ministry of Finance immediately. The Committee may also be apprised of the action taken in this regard.

Extra-Departmental (ED) Employees

30. The Department of Post has 3,08,623 Extra-Departmental employees (ED) on its rolls as on 31.3.1995. The emoluments paid to the Extra-Departmental Agents range from 695/p.m to Rs 1650/-p.m. and they are also entitled to some additional allowances depending upon the specific defied entrugled. The Committee was informed that a One Man Committee (Justice Talwar Committee) has been set up to look into their conditions of service, emoluments and other facilities available to ED employees. The Committee has not submitted its final report so far. However, it has made three interim reports. Out of these three interim reports, Government has already accepted one relating to grant of ten per cent interim relief. The other two reports regarding compensation for ED Mail Carriers (EDMC) detained for more than 5 hours in office and merger of 97 per cent DA with basic allowances

for purpose of payment of enhanced quantum of ex-gratia gratuity are still under consideration.

31. The Committee note that Government has accepted and implemented one Interim Report of Justice Talwar Committee relating to payment of 10 per cent interim relief. Out of the 3 Interim Reports given by it. The other two interim Reports regarding compensation for ED Mail carriers detained for more than 5 hours of normal duty and merger of 97 per cent of DA with basic quantum of Ex-gratia gratuity are still under consideration. The Committee will like these recommendations to be processed expeditiously.

II. Upgradation of Technology:

32. The emphasis in the Department's 8th Plan is on transforming the postal service into a modern one through induction of appropriate technology, the Department is stated to have taken up the following major activities under this scheme:

1. Supply of upgraded operational equipment and machines,
2. In-House computerisation,
3. Integrated Mail Processing System (IMPS),
4. Smart Card based "Premium Savings Banks Service (PSBS),
5. Electronic Franking, Machines,

33. Department had asked for an outlay of Rs. 271.35 crores for modernisation programmes including upgradation of technology in the 8th Plan. However Planning Commission has approved an outlay of Rs. 132.5 crores.

34. The major activity under this scheme was to provide 5000 multi-purpose counter machines during the Plan. These machines are expected to computerise the counter operations in post offices and are expected to bring about a qualitative change in the services rendered by the Department. It would enhance customer satisfaction and also provide greater satisfaction to the employees through clear and modern work environment and improved ergonomics. It is also expected to enable the department to offer new value added services. Against the target of 5000 counter machines 2300 have been installed in 680 post offices. It was also stated that it would be possible for the department to install 1900 multipurpose counter machines at the end of 8th Plan leaving a shortfall of about 800 multipurpose counter machines. Asked about the reasons for shortfall, it was stated that

this shortfall would be mainly on account of increase in price of hardware items, delayed response from the vendors in implementing the programme and also the delay the programme suffered in the initial years of the plan period.

35. In view of the reduced plan outlay the effort is, however, to complete the on going schemes and give support to the integrated programme for upgradation of counter services and the front office by providing improved ergonomics.

36. The Committee is distressed to find that 8th Plan target of transformation of postal services into a modern one through induction of appropriate technology is likely to be achieved only partially. The Department had planned to instal 5000 PC based multipurpose counter machines in post offices. So far only 2300 machines have been installed and 1900 more are expected during current year. There could thus be a shortfall of 800 machines. The reasons for slow progress are stated to be *inter-alia* time required to formulate the necessary software; inadequate response from vendors etc. and increase in the prices. The Committee are perplexed to find that DOP ventured on such a scheme of critical importance without making in-depth studies. Had the scheme been taken after detailed scrutiny about the formulation of software required and vendors response progress would not have been sluggish. The Committee expect that utmost efforts would be made to achieve the target set for the year 1996-97 of 1900 PC counter machines.

III. Construction of Postal Building and Staff Quarters:

37. This scheme has been the focus of plan activity in the Department in the past. The Department's effort has been to provide its own buildings wherever possible for post offices since such specifically designed buildings would suit its operational requirements. Similarly, there is a need to provide residential accommodation for the staff, particularly for those functioning in offices which are located in far flung areas. In view of the importance of this activity, the DOP had proposed an outlay of Rs. 425.50 crores for the plan. However, planning Commission approved an outlay of Rs. 121.35 crores only. Originally, DOP, planned to construct 262 departmental buildings and 1000 staff quarters with the approved outlay. However, in the Midterm plan appraisal building activity was restrained resulting in reduced outlay. The achievement during the first four years of the Plan are stated to be 510 departmental buildings and 1414 staff quarters. The utilisation of funds for these programmes has been to the tune of Rs. 165.43 crores against the allocation of Rs. 133.02 crores. Asked about the rate of satisfaction in respect of housing among postal employees, the DOP subsequently informed the Committee that it was 7.49 per cent.

38. The Committee is distressed to note that sufficient funds have not been allocated under the Plan for construction of quarters for postal employees which the DOP has proposed an outlay of Rs. 425 crores for construction of departmental buildings and staff quarters, the Planning Commission approved an outlay of Rs. 121.35 crores. The Department intend to construct 1414 staff quarters during the Plan period which the Committee feel is grossly inadequate although these are much more than the Plan target. In view of the very low rate of satisfaction in respect of housing which is 7.49 per cent as compared to about 20 per cent in other Departments, the Committee strongly recommend that larger number of quarters should be constructed and adequate funds allotted for this purpose. The Committee feel that rate of satisfaction in respect of housing should be almost at par with that in other Government Departments.

Perspective Planning

39. Expansion of Postal network has been the key element of the DOP's successive Five Year Plans. There were 23,344 post offices in the country in 1948-49 and the number has gone upto 152,792 as on 31.3.95. The objective has been stated to be to cover all villages where opening of Post Office is justified as per departmental norms either by opening post office or other suitable scheme for providing basic postal facilities. However, as per the norms more than 8000 more post offices are required to be opened all over the country. In Bihar alone, 2354 villages justify opening of post offices. Of these 843 are justified in districts having tribal areas. In view of the growth in mail and increased urbanisation besides the need to open more post offices in rural areas, the Committee enquired if any attempt has been made to formulate a perspective plan, the Secretary, DOP admitted the need to have a perspective plan. He stated that the DOP is engaged in drafting a perspective plan to cover the period upto 2010. This exercise has not yet been completed.

40. The Committee note that DOP has initiated formulation of perspective plan for the Department covering period upto 2010 AD and the exercise has not yet been completed. The Committee desire that utmost efforts should be made for early formulation of the Perspective Plan with a view to gauge the magnitude of the problem and the resources required to be mobilised as well as the formulation of the desired schemes.

National Postal Policy

41. The DOP in a note to the Committee have stated that it had taken up the work for formulating a National Postal Policy in 1992 in pursuance of discussion in the Consultative Committee of the Ministry of Communication. However, it has not finalised National Postal Policy so far.

42. It has been admitted that formulation of National Postal Policy has now become necessary to reflect objectively the various priorities before the DOP in the context of rapid socio-economic changes in the country. The exercise for formulating the National Postal Policy has been resumed.

43. In reply to a question to form National Postal Policy the Secy. DOP informed the Committee that a draft was prepared which had undergone some changes and this process had been initiated at official level. It will have to come before the Government and the Consultative Committee for finalisation.

44. The Committee trust that formulation of National Postal Policy will be taken up in right earnest and process involved would be expedited.

Deficit

45. Upto date status regarding the deficit of the DOP after realisation of dues from other Departments is stated to be as under :

		(Rs. in crores)	
	RE 1995-96	Position 1995-96	Position 1995-96
Revenue Receipts	1315.00	1144.69	1150.42
Gross Expenditure	2398.62	2443.41	2471.81
Recoveries	659.00	410.63	668.31
Net expenditure	1739.62	2032.78	1809.50
Deficit	424.62	888.09	659.08

46. During 1996-97, the DOP will incur an expenditure of Rs. 2616.29 crores and will earn revenue receipt of Rs. 1350.00 crores. There will be a deficit of Rs. 612.29 crores after deducting Rs. 654.00 crores of recoveries from other Departments/Governments agencies. During 1995-96 there was a deficit of Rs. 659.08 crores against projection of Rs. 424.62 crores (RE).

47. The reasons for continuous deficits are stated to be *inter-alia* incompatibility of lower rate of tariff in comparison to higher cost of services; inadequate realisation of Agency charges in respect of activities performed on behalf of the Department; higher costs/charges paid to other Government Departments like Railways, State Transport, Airlines etc; shortage of staff resulting in payment of overtime allowance etc. The DOP in a further note has furnished the following details of agency charges.

From Railways :

48. In respect of Railways the rate of agency charges realised for payment of railway Pensioners/Family pensions is Rs. 7.40 per transaction prevailing from 1987-88. The present 1995-96 rate as per costing is Rs. 24.75 per transaction. These charges are yet to be realised from Ministry of Railways.

From State Government (s)

49. Revenue Stamps are purchased from State Treasuries and sold to public by the Department of Post. No agency/incidental charges are paid to the Department. In 1990, Ministry of Finance have agreed for 15% rebate at sale point to the Department, which has to be realised with the approval of the concerned State Governments.

From Central Board of Excise and Customs :

50. In respect of customs duty the present rate of 5% realisation was fixed in 1960. There is justification for it to be raised to 10%.

From Department of Telecommunication :

51. There is about Rs. 12.69 Crores accumulated arrear towards rental etc. for occupying Postal Buildings.

52. The Committee note that operations of DOP during the year 1995-96 resulted in a deficit of Rs. 659.08 crores (provisional) against Rs. 424.62 crores (RE) . During current year deficit is expected to go upto Rs. 612.59 crores (BE). The reasons for ever increasing deficit are stated to be *inter-alia* incompatibility of lower rate of tariff, inadequate realisation of Agency Charges in respect of activities performed on behalf of other Departments; higher service charges paid to other Government Departments/agencies and payment of overtime. The Com-

mittee will like DOP to take up the matter of inadequate agency charges and higher service charges paid with the concerned Government Departments to bring them in relation to the services rendered/cost incurred. Since the rates have not been revised for pretty long time, Department of Post has a genuine grievance in this regard. The Committee trust that other Departments/agencies availing services of the department would respond positively to the proposals made by DOP in this regard.

NEW DELHI;

August 27, 1996

5 Bhadra, 1918 (Saka)

SOMNATH CHATTERJEE,

Chairman,

Standing Committee on Communications.

MINUTES OF THE THIRD SITTING OF THE COMMITTEE ON COMMUNICATIONS (1996-97)

The Committee sat on Monday, the 12th August, 1996 from 1100 hrs. to 1310 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri K. L. Sharma
3. Shri Harin Pathak
4. Dr. S.N. Jatiya
5. Prof. Rasa Singh Rawat
6. Smt. Sheela Gautam
7. Smt. Bhavna Chikhalia
8. Shri Pankaj Chaudhary
9. Shri Somjibhai Damor
10. Shri Thomas Hansda
11. Shri M.P. Veerendra Kumar
12. Shri R. Devadas
13. Shri V.P. Shanmuga Sundram
14. Shri Kothapalli Subbarayudu
15. Shrimati Geeta Mukherjee
16. Shri Churchill Alemao

Rajya Sabha

17. Shrimati Veena Verma
18. Shri Iqbal Singh
19. Shri Govindram Miri
20. Shri Md. Salim

SECRETARIAT

1. Shri J. P. Ratnesh — *Joint Secretary*
2. Shri S.K. Sharma — *Under Secretary*

**REPRESENTATIVES OF THE MINISTRY OF COMMUNICATIONS
(Department of Post)**

1. Shri R. U. S. Prasad	Secretary (Post)
2. Shri D. Parthasarthy	Member (P)
3. Shri V. Radhakrishnan	Member (O)
4. Shri K. Diesh	Member (D)
5. Shri K. S. Menon	J. S. & FA
6. Shri S. C. Dutta	DDG (CPT)

2. At the outset, the Chairman welcomed the Secretary, Department of Post and the officials accompanying him.

3. The Committee sought certain clarifications on the issues relating to the Demands for Grants for 1996-97 as well as points arising out of the written replies to the questionnaire furnished by the Department on Demands for Grants 1996-97.

4. A verbatim record of sitting has been kept.

5. The Chairman thanked the officials for furnishing valuable information to the Committee and for free and frank views given on various points raised by the Members.

The Committee then adjourned

MINUTES OF THE FIRST SITTING OF THE SUB-COMMITTEE 'A' OF COMMITTEE ON COMMUNICATIONS (1996-97)

The Sub-Committee sat on Wednesday, the 21 st Agust, 1996 from 1500 to 1540 hrs. in Committee Room 'C' , Parliament House Annexe, New Delhi.

PRESENT MEMBERS

- | | | |
|---------------------------|---|------------------------------------|
| 1. Shri K. L. Sharma | — | <i>Convener</i> |
| 2. Prof. Rasa Singh Rawat | | |
| 3. Smt. Sukhbans Kaur | | |
| 4. Shri Churchill Alemao | | |
| 5. Shri Ahmed Patel | | |
| 6. Shri Govindram Miri | | |
| 7. Shri Ish Dutt Yadav | | |
| 8. Shri Girdhar Gamango | — | <i>Member of Sub-Committee 'C'</i> |

SECRETARIAT

- | | | |
|--------------------|---|-------------------------|
| Shri Ram Autar Ram | — | <i>Deputy Secretary</i> |
| Shri S. K. Sharma | — | <i>Under Secretary</i> |

2. The Sub-Committee considered the Draft Report on Demands for Grants 1996-97 relating to Ministry of Communications (Department of Post) and approved with some amendments/modifications.

The Sub-Committee also desired that recommendations on Panchayat Sanchar Sewa Yojana and construction of staff quarters be modified in the light of discussions held in the meeting.

The Sub-Committee then adjourned.

MINUTES OF THE EIGHTH SITTING OF THE COMMITTEE ON COMMUNICATIONS (1996-97)

The Committee met on Monday, the 26th August, 1996 from 16.15 to 1700 hrs. in Committee Room No. 53, Parliament House, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri K. L. Sharma
3. Prof. Rasa Singh Rawat
4. Smt. Sheela Gautam
5. Smt. Bhavna Chikhalia
6. Shri Th. Choaba Singh
7. Shri R. Devadas
8. Shri V. P. Shanmuga Sundram
9. Shrimati Geeta Mukherjee
10. Shri Keshab Mahanta

Rajya Sabha

11. Shrimati Veena Verma
12. Shri S. S. Ahluwalia
13. Shri Ahmed Patel
14. Dr. Ramendra Kumar Yadav Ravi
15. Shri Ish Dutt Yadav
16. Shri Satish Pradhan

SECRETARIAT

Shri J. P. Ratnesh	—	<i>Joint Secretary</i>
Shri Ram Autar Ram	—	<i>Deputy Secretary</i>
Shri S. K. Sharma	—	<i>Under Secretary</i>

2. The Committee took up for consideration the Draft Reports on Demands

for Grants (1996-97) relating to the Ministry of Communications—Department of Post & Department of Telecommunications and Ministry of Information & Broadcasting and adopted the same without any modifications/amendments.

3. Thereafter the Committee Authorised the Chairman to finalise and present/lay the report in both the Houses of Parliament.

The Committee then adjourned.