

38

**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2012-13)**

FIFTEENTH LOK SABHA

**MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY
(DEPARTMENT OF POSTS)**

**[Action Taken by the Government on the Recommendations/Observations of the Committee
contained in their Thirty-third Report (Fifteenth Lok Sabha) on 'Demands for Grants (2012-13)']**

THIRTY-EIGHTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2012/Agrahayana, 1934 (Saka)

THIRTY-EIGHTH REPORT

**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2012-13)**

(FIFTEENTH LOK SABHA)

**MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY
(DEPARTMENT OF POSTS)**

**[Action Taken by the Government on the Recommendations/Observations of the Committee
contained in their Thirty-third Report (Fifteenth Lok Sabha) on 'Demands for Grants (2012-13)']**

***Presented to Lok Sabha on 18.12.2012
Laid in Rajya Sabha on 18.12.2012***



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2012/Agrahayana, 1934 (Saka)

CONTENTS

COMPOSITION OF THE COMMITTEE	Page No. (ii)
INTRODUCTION	(iii)
CHAPTER I Report.....	1-19
CHAPTER II Recommendations/Observations which have been accepted by the Government.....	20-39
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in view of replies of the Government.....	40
CHAPTER IV Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and require reiteration	41-52
CHAPTER V Recommendations/Observations in respect of which replies are of interim in nature.....	53-60

ANNEXURES

I.	Minutes of the Second sitting of the Committee held on 7 th December, 2012.....	61-62
II.	Analysis of Action Taken by the Government on the Recommendations/ Observations contained in their Thirty-third Report (Fifteenth Lok Sabha).....	63

**COMPOSITION OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2012-13)**

Shri Rao Inderjit Singh - Chairman

Lok Sabha

2. Shri Abdul Rahman
3. Shri Rajendra Agrawal
4. Shri Raj Babbar
5. Shri Nikhil Kumar Choudhary
6. Shri A. Ganeshamurthi
7. Shri Rajen Gohain
8. Smt. Darshana Jardosh
9. Shri H.D. Kumaraswamy
10. Shri Baidya Nath Prasad Mahato
11. Shri Sadashivrao D. Mandlik
12. Dr. Thokchom Meinya
13. Shri Tapas Paul
14. Shri Ramsinh Rathwa
15. Shri Radhe Mohan Singh (Ghazipur)
16. Smt. Seema Upadhyay
17. Vacant
18. Vacant
19. Vacant
20. Vacant
21. Vacant

Rajya Sabha

22. Shri Joy Abraham
23. Shri Mohammed Adeeb
24. Shri Javed Akhtar
25. Shri Salim Ansari
26. Shri Rajkumar Dhoot
27. Shri Bharatsinh Prabhatsinh Parmar
28. Shri Sachin Ramesh Tendulkar
29. Dr. C.P. Thakur
30. Vacant
31. Vacant

Secretariat

- | | | |
|----|-------------------|---------------------|
| 1. | Shri Brahm Dutt | Joint Secretary |
| 2. | Shri Y.M. Kandpal | Additional Director |

INTRODUCTION

I, the Chairman, Standing Committee on Information Technology (2012-13) having been authorized by the Committee to submit the Report on their behalf, present this Thirty-eighth Report on Action Taken by the Government on the Recommendations/Observations of the Committee contained in their Thirty-third Report (Fifteenth Lok Sabha) on 'Demands for Grants (2012-13)' of the Department of Posts (Ministry of Communications and Information Technology).

2. The Thirty-third Report was presented to Lok Sabha/laid on the Table of Rajya Sabha on 2 May, 2012. The Department of Posts furnished their Action Taken Notes on the Recommendations/Observations contained in the Thirty-third Report on 9 August, 2012.

3. The Report was considered and adopted by the Committee at their sitting held on 7 December, 2012.

4. For facility of reference and convenience, Recommendations/Observations of the Committee have been printed in bold in Chapter-I of the Report.

5. An analysis of Action Taken by the Government on the Recommendations/Observations contained in the Thirty-third Report of the Committee is given at Annexure-II.

New Delhi
12 December, 2012
21 Agrahayana, 1934 (Saka)

RAOINDERJIT SINGH,
Chairman,
Standing Committee on
Information Technology

CHAPTER I

REPORT

This Report of the Standing Committee on Information Technology deals with the action taken by the Government on the Recommendations/Observations of the Committee contained in their Thirty-third (Fifteenth Lok Sabha) on 'Demands for Grants (2012-13)' of the Ministry of Communications and Information Technology (Department of Posts).

2. The Thirty-third Report was presented to Lok Sabha/laid in Rajya Sabha on 2 May, 2012. It contained 33 Recommendations/Observations.

3. Action Taken Notes in respect of all the Recommendations/Observations contained in the Report have been received from the Ministry of Communications and Information Technology (Department of Posts) and are categorized as under:-

(i)	Recommendations/Observations which have been accepted by the Government Recommendation Sl. Nos.:- 1, 2, 3, 5, 6, 7,8, 9, 10, 11, 12, 17, 19, 20, 24, 25, 27 & 31	Total Chapter	18 II
(ii)	Recommendations/Observations which the Committee do not desire to pursue in view of the replies of the Government Recommendation Sl. No.:- Nil	Total Chapter	Nil III
(iii)	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and require reiteration Recommendation Sl. Nos.:-13, 16, 18, 23, 26, 28 & 32	Total Chapter	07 IV
(iv)	Recommendations/Observations in respect of which the replies of the Government are of interim in nature Recommendation Sl. Nos.:- 4, 14, 15, 21, 22, 29, 30 & 33	Total Chapter	08 V

4. The Committee trust that utmost importance would be given to implementation of the Recommendations/Observations accepted by the Government. The Committee further desire that Action Taken Notes on the Recommendations/Observations contained in Chapter - I and Final Action Taken Replies to the recommendations contained in Chapter-V of this Report should be furnished to them at an early date.

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

A. STATUS OF GRAMIN DAK SEWAKS EMPLOYEES

(Recommendation Sl. No. 13)

6. The Committee had recommended as under:-

“The Committee note that GDS employees are governed by Gramin Dak Sevaks (Conduct & Engagement) Rules, 2011 which are non-statutory in nature. The Committee also observe that the issue of conferment of status of regular departmental employees to the Gramin Dak Sevaks with 8 hours duty was examined by the Group of Ministers in the year 1998 following the recommendation made by the Justice Talwar Committee but the same was not agreed to. The Committee feel that the Gramin Dak Sevaks are the back bone of the Department for running the rural network of Post Offices and their welfare plans should be accorded due priority. In order to improve the postal operations in rural areas, the Committee feel that they should be granted Departmental employees status and their working hours may be extended by utilizing their services in other activities of the Department. In this regard, the Committee understand that to deal with MGNREGA wages, the Department have been hiring the temporary staff to help the existing workforce to manage the large number of accounts. The Committee are therefore of the view that the services of GDS may also be utilized in this area. This would definitely lead to better services to the people in rural areas by experienced personnel. The Committee are also of the view that the recommendations made by the Justice Talwar Committee need to be seriously re-considered by the Department which would greatly help the Department in improving the Postal Services in the rural areas. They also urge the Department that the other demands of GDSs employees regarding raising bonus and stopping reduction of TRCA in cases of reduction of workload should also given due consideration and the matters may be taken up with the concerned

Ministry/Department for settling the issues. The details of action taken by the Department on the aforesaid issues may also be communicated to the Committee at the earliest."

7. The Department in their Action Taken Note have *inter-alia* stated as under:-

(A) "CONFERMENT OF STATUS OF DEPARTMENTAL EMPLOYEES TO GRAMIN DAK SEVAKS

1. Gramin Dak Sevaks and their working conditions are governed by Gramin Dak Sevaks (Conduct & Engagement) Rules, 2011. The GDS (Conduct & Engagement) Rules are non-statutory in nature. Gramin Dak Sevaks are engaged on terms and conditions which are significantly different from those of regular employees. The job profile, working hours, working conditions, applicability of rules for the regular Departmental employees and that of the Gramin Dak Sevaks are all together different. Gramin Dak Sevaks are only entitled to protection under Article 311(2) of the Constitution of India as held by the Apex Court and not in other matters. While the regular Govt. employee superannuate on completion of age of 60 years, Gramin Dak Sevaks can enter the service on attaining age of 18 years & remain in engagement up to 65 years. Further, the essential qualifications for all the categories of Gramin Dak Sevaks other than Branch Post Masters is 8th and in case of Branch Post Masters it is matriculation whereas the essential qualification of erstwhile Group D now designated as MTS Group C & Postman is Matriculation & that of Postal Assistant is 10+2. Thus, the regular Govt. employees and Gramin Dak Sevaks are two separate and distinct categories. The Gramin Dak Sevaks before engagement are required to give a certificate that they have other sources of income besides the allowances paid or to be paid by the Government for adequate means of livelihood for themselves and their families. They work for a minimum of 3 hours and for a maximum of 5 hours per day. The Hon'ble Supreme Court of India in the matter of Superintendent of Post Offices vs. PK Rajamma (1977) (3) SCC has held that GDS are holders of the civil post outside the regular civil services.

2. Extra Departmental system in vogue since 1866-67 provides for engagement of Gramin Dak Sevaks for a minimum of 3 hours and up to a maximum of 5 hours in a day. Rule 3-A (i) of GDS (Conduct and Engagement) Rules, 2011 provides in clearest term that "a sevak shall not be required to perform duty beyond a maximum of 5 hours in a day". The issue of conferment of status of regular departmental employees to the Gramin Dak Sevaks with 8 hours duty was examined by the Group of Ministers in the

year 1998 following recommendation made by Justice Talwar Committee but the same was not agreed to. Gramin Dak Sevaks are paid Time Related Continuity Allowance on a pro-rata basis as approved by Cabinet. They are also paid discharge benefits like ex-gratia gratuity & severance amount at the time of discharge. The Government has introduced a Service Discharge Benefit Scheme effective from 01.04.2011 for the benefit of Gramin Dak Sevaks working in the Department of Posts on monthly contribution basis (from Department's side only) devised on the basis of New Pension Scheme (NPS)-Lite scheme launched by the Pension Fund Regulatory & Development Authority (PFRDA). This Scheme has been offered in lieu of the existing Severance Amount Scheme on an optional basis for the existing Gramin Dak Sevaks while new Gramin Dak Sevaks entering into service with effect from 01.01.2011 have been mandatorily covered by the Scheme. Their Time Related Continuity Allowance (TRCA), Other Allowances, Group Insurance and Service Discharge benefits have already been revised following implementation of recommendations of Shri RS Nataraja Murti Committee after being approved by Cabinet. Women Gramin Dak Sevak are now made entitled to maternity grant equivalent to 3 months Time Related Continuity Allowance (TRCA) for each child up to the birth of maximum of two children limited to a maximum of two confinements resulting into birth of first two children only during the entire engagement period out of welfare grant. Women GDS can now be granted maternity leave not exceeding six months covering the pre and post confinement period & they are paid maternity grant for three months and leave for another three months without allowances and these provisions have already been made effective from 09 Oct 2009.

3. As per table 4.2.12 of survey carried out by National Sample Survey Organization (NSSO) vide report of October 2008, 41.7% of Gramin Dak Sevaks had working hours up to 3 hours, 17.1% had working hours from 3-4 hours and 36.2% had working hours from 4-5 hours. As per table 4.3.1 of the said survey, 5% of GDS had workload for less than or equal to 50 Points, 12.3% had workload for 51-75 Points, 13.7% had workload for 76-100 Points, 19.8% had workload for 101-150 Points, 12.4% had workload for 151-200 Points, 16% had workload for 201-300 Points and 20.9% had the workload exceeding 300 Points based on pre-revised norms. GDS Committee observed in Para 9.7 of its report that the point system for determining Branch Postmaster's workload with minor changes continues to be adopted for the last 51 years especially the cash handling. On estimation it was revealed that 64.87% to 86% of the workload was mainly on account of cash handling. The said norm had not undergone a review in the last 50 years.

Keeping in view the increase in cost index by 31.49 times and revision of treasury norms downwards by 22.5 times, the Committee recommended credit of one point for every ₹ 20000/- cash handled per month. The norms for assessment of work load of Branch Postmasters based on point system were prevailing from 1932. As per Rajan committee report, the point system was evolved and communicated on 20-3-1932. The standard was for stamp sale and cash handled. This was subsequently refined by Rajan committee in 1958 and introduced point system for various other items of works also. They continued till recently. One-man committee headed by Shri R.S.Nataraja Murti recommended to the department for conducting a study for revision of cash handling norm. The Integrated Finance Wing further wanted that, a comprehensive study be conducted for providing norms for all works performed by the BPMs. The Department after getting conducted a scientific study through SIU, revised the norms of workload assessment of GDS BPM under No. 5-1/2007-WS-1(PT.) dated 16.12.2010. 1 Point of workload denotes a workload of 60 minutes a month and 2.4 minutes of workload in a day. As per norms on the subject, a Branch Post Office qualifies for upgradation to departmental post office in case its workload exceeds 5 hours.

4. Financial parameters prescribed for opening and retention of the Branch Post Offices in Tribal/Hilly/Backward areas is that they should derive income to cover at least 15% of the cost and the Branch Post Offices in respect of normal areas the BO's are expected to generate an income of 33.33% of their cost. The one man Committee conducted a survey and as per the result of the survey reflected in Para 8.22.5, 83.15% of BOs in normal areas were found not generating even the expected percentage of income of their cost. 16.86% of BOs were found deriving income more than the prescribed norm while a meager 1.79% of the BOs were found self supporting and remunerative. In regard to backward/hilly/tribal areas, about 66.75% were found not generating the minimum percentage of income of 15% of the cost and 33.26% were generating income of more than 15% and only 0.96% were found self supporting and remunerative. Under MNREGA, GDSBPM is being allowed incentive @ 0.35 per new account and Rs. 1.50 per MNREGA payment in excess of 20 MNREGA payments daily while the other categories of GDS are paid incentive @ 0.20 per MNREGA payments in excess of 20 MNREGA payments daily as prescribed in this Directorate letter No. 01-14/2009-RB dated 18.01.2010 and the MNREGA work is not prescribed to be reckoned for the calculation of workload of the GDSBPM.

5. Apart from the above, the issue of allowing the same benefits as available to regular departmental employees in the capacity of holders of civil post is already subjudice as three Writ Petitions (Civil) No. 17/2009 in the matter of Vinod Kumar Saxena & ors vs. UOI, WP (civil) No. 468/2009 in the matter of Murari Lal Sharma & ors vs. UOI & Writ Petition (Civil) No. 37/2011 in the matter of Buta Ram & ors vs. UOI (clubbed together) are pending consideration of the Apex Court.

In the light of the aforesaid and in particular keeping in view the viability of the Extra Departmental Post Offices & workload, there is no justification for conferment of status of regular departmental employees to the Gramin Dak Sevaks. Furthermore, the issue is already subjudice before Apex Court.

(B) STATUS ON DEMANDS OF GDS WORKERS REGARDING RAISING BONUS AND STOPPING REDUCTION IN TRCA IN CASE OF REDUCTION OF WORKLOAD

1. Productivity Linked Bonus (PLB) for P&T employees was introduced in the year 1980 after an agreement was reached between the Department and Staff Side of the Department Council of JCM. When the scheme of PLB for Departmental employees was introduced in the year 1980, the issue of extending the payment of similar incentive to ED employees now called as Gramin Dak Sevaks was examined and the bonus payable to GDS was termed as ex-gratia payment. Currently the monthly ceiling applicable to the regular departmental employees is ₹ 3500 for the purpose of productivity linked bonus while it is ₹ 2500 for the purpose of ex-gratia payment to the Gramin Dak Sevaks. The issue of increase in ceiling from ₹ 2500 to ₹ 3500 for the purpose of ex-gratia payment to Gramin Dak Sevaks was taken up only recently but the proposal has been rejected by the Ministry of Finance, Department of Expenditure.

2. The issue of protection of TRCA in case of reduction of workload was recently examined by a Committee constituted for the purpose by the Department. The report of the Committee has since been received and the recommendations made are under consideration. The Integrated Finance Wing has sought impact of the proposal and resultant to the observation, the issue will be further considered on analyzing details as may be received in due course from the Circles.”

8. The Committee note that the matter regarding conferment of status of Departmental employees to Gramin Dak Sevaks is already subjudice before the Apex Court. They are, however, not satisfied

with the reply furnished by the Department in regard to other issues related to bonus and TRCA for the Gramin Dak Sevaks . The Committee reiterate that Gramin Dak Sevaks are the back bone of the Department for running their rural network of Post Offices and their welfare plans need due consideration by the Department which has a direct bearing on the performance of the Department. The Committee do not see any justification in denying the increase in the productivity linked bonus to Gramin Dak Sevaks at par with the regular employees of the Department when they also contribute equally and have been successfully running the rural network of the Department. Their output and contribution should not be undermined in any manner. Moreover, an increase of Rs. 1000/- of ex-gratia payment per GDS is not a substantial amount and rather would induce them to perform better. The Committee, therefore, strongly recommend that the matter should again be taken up by the Department with the Ministry of Finance at the highest level with a positive nod from their side.

The Committee also desire that the issue regarding protection of TRCA in case of reduction of workload should be considered favourably by the Department . The Committee do not see any reason for the reduction of workload when the Department is engaged in so many activities and proposed new ventures and desire that possibilities may be explored to utilize the services of GDS in other areas also.

B. MAIL OPERATIONS

(Recommendation Sl. No. 16)

9. The Committee had recommended as under:-

“With regard to stopping of Certificate of Posting, the Secretary during the course of oral evidence admitted that lately due to many court cases where the Department has to suffer a lot, the Department has stopped certificate of Posting. The Committee do not find this a plausible reason for stopping the Certificate of Posting which provided an assured service to a customer at affordable cost besides being a revenue drivers for the Department. They feel that the reasons cited by the Department for stopping this service could have been dealt with by them in a more

vigilant and effective manner. The Committee therefore would like to know the circumstances under which this service was stopped and would recommend to review their decision and apprise them accordingly.

10. The Department in their Action Taken Note have *inter-alia* stated as under:-

“The decision to discontinue the ‘Certificate of Posting’ has been reviewed. The objective of ‘Certificate of Posting’ was to afford the public an assurance that letters and other articles for which no receipts are granted by the Post Office and entrusted to servants or messengers for posting have actually been posted.

Articles posted under ‘Certificate of Posting’ are ordinary Postal articles which are treated exactly in the same manner as posted in letter box and no documentation is kept in Post-Office at any stage. The services like registration for which receipts are granted by Post Offices are entirely different services provided by the Department and documentation of article is kept from posting to delivery stage. This limits the chances of loss of an article and delay in delivery as the responsibility can be fixed.

The ‘Certificate of Posting’ does not confer any proof of article that has been delivered. Sometimes, agents obtain this certificate of posting fraudulently without actually posting the articles, as a result of which department gets involved in litigation.

The proposal for discontinuation of ‘Certificate of Posting’ was approved by Hon’ble MOC&IT.

The Gazette notification GSR-58(E) dated 31-01-2011 deleting the Rule 195 on ‘Certificate of Posting’ has been laid on tables of both the Houses of Parliament.

Therefore, there seems to be no justification to reintroduce the facility of ‘Certificate of Posting’.”

11. **The Committee note from the reply that the objective of ‘Certificate of Posting’ was to afford the public an assurance that letters and other articles for which no receipts are granted by the Post Office and entrusted to servants or messengers for posting have actually been posted. They are however, not satisfied with the reasons advanced by the Department for stopping this service. The Committee feel that ‘Certificate of Posting’ was an assured service with an affordability element for the common user and was a mark**

of assurance that letters or articles given to employees of Department of Posts have actually been posted. Moreover, as no compensation was being paid on the basis of the certificate, the service was financially viable for the Department. The Committee strongly emphasize that the Department should reconsider their decision to re-start this service again. The Committee also feel that computerization of Post Offices and switching over to electronic mode would certainly provide a solution to check fraudulent use of certificates by agents and the Department should explore the same.

C. AUTOMATED MAIL PROCESSING CENTRES

(Recommendation Sl. No. 18)

12. The Committee had recommended as under:-

“The Committee observe that the Department had proposed to set up AMPCs in Delhi, Kolkata, Chennai, Hyderabad and Bangalore during the Eleventh Plan and the Plan Scheme for setting up of AMPC was approved by the Finance Minister on 19 January, 2010. However, AMPCs could be set up only in Delhi and Kolkata during the Eleventh Plan and AMPC in remaining cities could not be set up due to building related issues. Now that 11643 sq. meters. of land has been approved in Chennai, the Committee would like the Department to take speedy action for setting up of new AMPC in Chennai. Necessary steps should also be taken up by the Department with Mumbai International Airport Limited for early settlement of site for AMPC. The Committee also observe that during the Twelfth Plan, in addition to the Eleventh Plan proposal, the Department proposes to set up AMPCs at Ahmedabad, Jaipur, Kochi, Patna, Lucknow, Bhubaneshwar, Ludhiana and Vashi (Navi Mumbai). The Committee are of the view that setting up of AMPCs would have tremendous impact on the mail delivery and revenue generation of the Department. The Committee are not happy with the reasons cited by the Department for not setting up AMPCs in other cities as alternative sites in those cities could have been explored. The Committee, therefore, recommend that the building related issues for setting up AMPCs at Mumbai, Chennai, Bangalore and Hyderabad may be sorted out at the earliest in consultation with the respective States lest alternative options should be explored by them. Initiatives taken for setting up of AMPCs during the Twelfth Plan may also be completed in a time bound manner and Committee be informed accordingly”

13. The Department in their Action Taken Note have *inter-alia* stated as under:-

“Department submits that 11,643 Sq. mtrs. of land has been approved for locating AMPC/APSO at Chennai. However, in spite of our taking up the matter with Ministry of Civil Aviation/AAI, possession of the land has not yet been given to the Department of Posts. Here it would be pertinent to mention that this Department did take minimum time in assessing and conveying the suitability of the land for the purpose of setting up AMPC/APSO. Further, action for relocation of AMPC/APSO at the new land may be possible only after the Department has been handed over its possession.

Settlement of site with Mumbai International Airport Limited

The issue of identification of alternate site for location of AMPC/APSO at Mumbai still remains unresolved. A meeting in this regard was scheduled to be taken by Secretary, Ministry of Civil Aviation on 15-06-2012 but was postponed. However, the Department is in touch with the Ministry of Civil Aviation and Airport Authority of India with a view to find an early solution to the issues being faced at Mumbai and Chennai with respect to setting up of AMPCs. The Department will make all efforts to expedite the process of setting up of AMPCs in other cities during the XII Plan.”

14. **The Committee are dismayed to note that out of 5 AMPCs approved by the Finance Minister on 19 January, 2010 for Delhi, Kolkata, Chennai, Hyderabad and Bangalore, only two AMPCs could be set up by the Department in Delhi and Kolkata and the matter is still languishing in respect of AMPCs in other cities. Besides, there was a proposal to set up AMPCs at Ahmedabad, Jaipur, Kochi, Patna, Lucknow, Bhubneshwar, Ludhiana and Vashi (navi Mumbai) also. The reply of the Department though indicates some action on their part for settlement of the issues being faced at Mumbai and Chennai Airports, the reply is however, silent about the reasons for delay in setting up of AMPCs at other places already identified during Eleventh and proposed for Twelfth Plan. The Committee would like to be apprised of status update regarding setting up of AMPCs at these places. Besides, the Committee while reiterating their earlier recommendation would like to emphasize that all efforts should be made by the Department to settle the issues with concerned authorities/Departments with regard to setting up of AMPCs at**

Mumbai and Chennai followed by opening of AMPCs at other places in a time bound manner so that AMPCs at the identified locations are set up expeditiously which would enable the Department to consolidate the mail operations and deriving maximum advantage in the area of quality control.

D. ESTATES MANAGEMENT

(Recommendation Sl. No. 23)

15. The Committee had recommended as under:-

“The Committee note that the Department has decided to enter into a PPP to develop Estates in the Commercial locations for revenue generation and an Inter-Ministerial Group has been formed for the purpose. They further note that the Inter Ministerial Group has pointed out deficiencies/discrepancies in the Model Concession Agreement and a decision has been taken to hire the services of a Consultant and for the purpose an EoI is under issue. The Committee are dismayed to observe the slow pace of work of the Department for entering into a Public Private Partnership to develop Estates in the commercial locations for revenue generation. They regret to note that even the Expression of Interest for engaging the service of the Consultant to draft a Model Concession Agreement is still yet to be issued by the Department and are of the view that with this slow pace it will take years to develop Estates in the commercial locations, as a number of formalities would be required to be completed even thereafter. They feel that since, the Department has already done a study to ascertain the potential of revenue earnings through commercial utilization of land by taking into account four sample of plots, the Department should issue EoI for engaging the Consultant at the earliest so that a Model Concession Agreement may be finalized. The Committee would like to be apprised of all the efforts made by the Department in this regard.”

16. The Department in their Action Taken Note have *inter-alia* stated as under:-

“Expression of Interest(EOI) drafted for engaging the Consultant has been got vetted by Internal Finance Wing and will be sent to DAVP shortly for its publication in one of the leading newspaper, It may, however, be submitted for the information of Standing Committee on Information (2011-12) on Demands for Grants (2012-13) that the subject is highly technical and the stakes are very high in the form of precious lands. As per existing instructions, each case of alienation/long term lease of land requires

approval of the Cabinet, until a policy is formulated and approved by the Cabinet. In the light of the above background, every step in the entire exercise of Public Private Partnership (PPP) is taking long time.”

17. **The Committee note from the reply that Expression of Interest (EoI) drafted for engaging the Consultant for developing Estates in the commercial locations has been got vetted by Internal Finance Wing and will be sent to DAVP for its publication. They however, regret to note the slow pace with which the Department moves with such activities which entails revenue generation for them. They feel that timely action by the Department in finalizing these codal formalities would have enabled them to finalise Model Concession Agreement by now. They are not convinced with the assertion of the Department about technicalities involved in the matter and want the Department to study the models adopted by the other Ministries/Departments like Railways who have effectively dealt with such matters and replicate the best of the practices adopted by them with regard to Estates Management. They would like the Department to expedite the finalization of matter and also to be apprised of further progress made in this regard.**

E. IT INDUCTION – POSTAL OPERATIONS

(Recommendation Sl. No. 26)

18. The Committee had recommended as under:-

“The Committee observe poor utilization of funds under the scheme IT Induction-Post Operations during the year 2011-12 where an amount of Rs. 676.50 crore was allocated at BE stage which was reduced to Rs. 142.36 crore at RE stage. The actual utilization upto January, 2012 was only Rs. 50.61 crore which is just 7.48 percent of the BE Outlay. The Committee note that delay in finalization of RFPs was mainly due to review of the entire project to ensure that procurement exercise conform to procedure of public procurements, meeting of the RFP Management Committee consisting of members from DIT/NIC and experienced eminent resource from various IITs/IIITs, queries and clarification to bidders due to complex nature of RFPs etc. The Committee note that now 8 RFPs have been floated and are at various stages of finalization. The Committee feel that the Department has somewhat been negligent in attaching due importance to this important component of Postal industry which would have boosted the

performance of Department considerably. In this regard the Committee feel that plans of the Department relating to mail operations, Core Banking Solutions, setting up of Post Bank of India, PLI software, provision of toll free number for MGNREGA for grievance redressal, operating of call centre for DoP, net working of Post Offices and various other activities are dependent on the success of the implementation of the scheme IT-Induction in Postal Operations. The Committee recommend that necessary steps may be taken for the early finalization of 8 RFPs so that various activities of the Department under this scheme may be initiated during the current Financial Year. The Committee would like to be apprised of an updated status in this regard.”

19. The Department in their Action Taken Note have *inter-alia* stated as under:-

“Department has taken and adopted the below mentioned steps to comply with the observations of the Standing Committee:

The delay in finalization of RFPs was mainly due to review of the entire project to ensure that procurement exercise conform to procedure of public procurements etc. The Department is trying hard to expedite the procurement process and start the entire work so that the benefits can accrue from the integrated IT Project.

Out of eight RFPs floated, five have been finalized and Letters of Intent (LOIs) issued. Among them, contract has been signed in three RFPs.

In case of two other RFPs, the advice has been sought from Ministry of Law. The Department has pursued with Ministry of Law for expeditious advice so that the RFPs can be carried forward.

In the case of the remaining RFP, the RFP was cancelled and fresh bids are being called for through re-tendering.

RFP Name	Status	Project Start Date	Tentative Pilot Completion Date	Tentative Implementation Completion date
Data Centre (DCF)*	Contract Signed	June 2012		2013-14
Network Integration (NI)**	Contract Signed	June 2012	Jan 2013	2013-14
Change Managem	Contract signed	June 2012		May 2014

ent (CM)				
Financial Services (FSI)***	Lol Issued. Finalisation of the contract is under process.	June 2012	March 2013	May 2014
Rural System Integrator (RSI)****	Lol Issued. Finalisation of the contract is under process.	June 2012		
Core System Integrator (CSI)	Evaluation of financial bids to be finalized	Advice from Ministry of Law is awaited.		
Rural Hardware (RH)	Evaluation of financial bids is under process.	Advice from Ministry of Law is awaited.		
Mail Operations Hardware (MOH)	RFP Cancelled on 2.5.2012 after obtaining approval of the Steering Committee in the meeting held on 17.4.2012 (vide minutes dated 24.4.2012)	RFP to be issued for receipt of fresh bids by MOH RFP Management Committee.		

In brief, five out of eight RFPs are awaiting start of work and two RFPs are awaiting response from Ministry of Law. One RFP is awaiting re-tendering. Upon signing of the contract with the vendors, it is expected that the implementation will begin soon. The Project is expected to be rolled out by 2014."

20. **The Committee feel that IT induction which is a PAN India project is not being accorded due importance by the Department without which the Department would not be able to improve their service levels to customers and increase the productivity of employee and revenue of the Department. The Committee note with regret the slow pace of work in respect of the 8 RFPs which had already been floated and were at the various stages of finalization.**

They further note that five out of eight RFPs are still awaiting start of work and two RFPs are awaiting response from the Ministry of Law. One RFP is awaiting re-tendering. The Committee would like to be apprised whether the work in respect of the three RFPs namely; Data Centre, Network Integration, Change Management for which contracts have already been signed has commenced in the scheduled time which was June, 2012 . They wonder if the work in respect of two RFPs namely; Financial Services (FSI) and Rural System Integrator (RSI) for which finalization of contracts are still under process as stated by the Department, would have commenced by the scheduled time i.e. June, 2012. Further, in regard to two RFPs i.e. Core System Integrator(CSI) and Rural Hardware (RH) which are awaiting response from the Ministry of Law, the Committee would like to know the period since when the proposals are pending with the Ministry and desire to get the advice of the Ministry expedited so as to ensure early execution of these two RFPs as well. They also desire that the retendering of RFP in respect of Mail Operations Hardware (MOH) may also be expedited and all requisite exercise be done at the earliest. The Committee would also like to be apprised of status update in respect of all the 8 RFPs.

F. STATUS OF BROADBAND CONNECTIVITY

(Recommendation Sl. No. 28)

21. The Committee had recommended as under:-

“On the status of broadband connectivity, the Department has informed that the proposals of providing broadband connectivity in 8270 Departmental Post Offices have been submitted to the Steering Committee for approval and if the same is approved, 8270 Departmental Post Offices will be provided with Broadband by 30th April, 2012. The Committee are however, dismayed to note that this important activity to connect Post Offices with the Broad band connections is still under approval stage and the Department does not seem to have taken timely steps to expedite the matter. The Committee feel that this will mark a new beginning for the India Post. The Committee would therefore, like the Department to take all necessary steps in this regard including advance coordination meetings with the executing agency to finalize details so that the proposal do not suffer for want of other formalities as soon

as the same is cleared by the Steering Committee and the work is started at the right earnest."

22. The Department in their Action Taken Note have *inter-alia* stated as under:-

"Broadband connectivity has been provided in 19890 computerized Post Offices out of total 24969 computerized Post Offices upto 31-03-2012."

23. The Committee are dismayed to note from the reply that 5079 Computerized Post Offices are still without Broadband connection which shows slow performance of the Department in providing Broadband connectivity to all Post Offices. The Committee would like to draw the attention of the Department to their Fifteenth Report (Para Nos. 3, 4, 5, 6 and 9) on "Modernization of Post Offices" whereby computerization of Post Offices was emphasized as many core activities of the Department are related to the computerization. With this slow pace of computerization and broadband connectivity, the Committee wonder how the Department would enhance their efficiency and address the challenges before the Department. The Committee would like to know the fate of broadband connectivity in the remaining Post Offices and desire that all efforts should be made to cover all remaining Post Offices with the Broadband connection in this financial year itself. The Committee also desire that computerization of all post offices should be accorded top priority and may be done at the earliest. The Committee would also like to know the status of broadband connectivity in Extra Departmental Post Offices (EDBOs)

G. MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT

(Recommendation Sl. No. 32)

24. The Committee had recommended as under:-

"The Committee observe that during the year 2011-12 (upto January, 2012), the total number of MGNREGA accounts opened with the Department have increased however the amount disbursed have declined as the account holders have the option of other institutions like banks and the decision of the state governments regarding amount of such wages to be distributed through Post

Offices. The Committee have also been informed that the total disbursements by Posts and Banks have declined during 2011-12 and the total disbursement till January, 2012 has been Rs. 12,467 crore. The Committee wonder if the decline in the amount disbursed by the Post Offices during the period is due to the deficient services by Postal Department in comparison to Banks. They feel that if the services provided by Posts are comparable with the banks then the increase in the opening of accounts would have led to increase in the amount disbursed. As the Department have greater network than banks in the rural areas necessary steps should be taken to increase amount of wages disbursed through Posts by way of improving their services and projecting themselves. In this regard, the services of GDSs in mobilizing the account holders can be of immense helpful.

The Committee also note that during 2011, 252 complaints relating to delay in payment, less payment, wrong payment, non-payment of wages, etc have been reported and 239 cases have been settled. The Committee are dismayed to note that the toll free number for redressal of grievances in various States/UTs has still not been set up. The Committee are of the view that to deal with such cases a strong grievance redressal mechanism is essential within the Department. The Committee recommend that toll free number for grievance redressal should be set up in all States in order to help the Department to address the complaints of the MGNREGA labourers in an efficient and effective manner which would also increase their confidence in the Department.

The Committee are also seriously concerned to note that 94 officials have been found involved in corrupt practices. Disciplinary action has been initiated against 69 corrupt officials and in 25 cases criminal proceedings under IPC and Prevention of Corruption Act have been initiated. The Committee are of the view that such cases have shown the Department in poor light. The Committee strongly recommend that the Department should identify such loopholes in their system which has led to corruption and deal sternly with the corrupt officials to instill confidence of account holders in the Department. The Committee also hope that the recommendations made in their Twenty Fifth report on the subject would be followed in letter and spirit by the Department. The Committee would like to be apprised of the action taken on all of the above issues."

25. The Department in their Action Taken Note have *inter-alia* stated as under:-

“Department of Posts has taken following steps to improve the services under MGNREGS in order to ensure speedy disbursement of wages to workers:-

- I. Line limits for cash conveyance at various levels of Post Offices have been reviewed and revised keeping in view the need for large cash requirement to pay wages.
- II. The Circles have been instructed to follow dynamic line limit method for conveyance of cash as well as maintaining the cash balances.
- III. Standing instructions have been issued to all concerned whereby cash up to the requirement can be supplied beyond the normal line limits when wage payment liability is high. For this purpose, funds have been provided for hiring of vehicles for transporting cash.
- IV. Arrangements have also been made to utilize the services of all the manpower including those of other officials at the post offices at the time of making payments to MNREGA wage earners to ensure prompt disbursement of wages.
- V. State governments have been requested to ensure rolling funds with the concerned Head Post Offices so that payment of wages starts immediately on receipt of wage bills and need to wait for cheque clearance is avoided.

Phone numbers of nodal officers have already been made available for display at work place. In case of any grievance wage earners may directly contact the concerned officers for their immediate redressal.

The Department is having efficient internal mechanism to deal with all types of cases of corruption. Department has taken all possible steps to wipe out the cases of corruption.”

26. The Committee note that the Department has taken certain steps to improve the services under MGNREGS in order to ensure speedy disbursement of wages to workers. They are, however, unhappy to note that their recommendation for a toll free number for grievance redressal in various States/UTs has not been taken seriously by the Department. The Department seem to be rather contented with the display of phone numbers of nodal officers at work place. The Committee feel that 24 hours toll free help line is a

more efficient and effective manner to redress the grievances of wage earners which can be made use of at any place and time rather than using the phone numbers of nodal officers which in most cases are not accessible. They, therefore, reiterate their recommendation to set up and display at work place a toll free number by all States in addition to phone numbers of nodal officers as a grievance redressal mechanism under MGNREGA.

CHAPTER-II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

GROSS EXPENDITURE

(Recommendation Sl. No. 1)

The Committee note that the Gross Expenditure of the Department is gradually increasing over the years. The actual gross expenditure of the Department which was Rs. 13346.94 crore in the year 2009-10 has increased to Rs. 13793.67 crore in 2010-11. During 2011-12, the Gross Expenditure at BE stage was Rs. 13522.36 crore which increased to Rs. 13763.91 at RE stage and the actual expenditure upto January, 2012 was Rs. 11590.30 crore. The Committee are of the view that the Gross Expenditure might have increased further with the closing of the Financial Year 2011-12. According to the Department, the gross expenditure has increased in the year 2008-09 onwards mainly due to payment of arrears of Pay and admissible allowances and arrears of pensionary charges due to implementation of Sixth Central Pay Commission Report. Implementation of the Gramin Dak Sewak One Man Committee Report in 2009-10 also led to payment of arrears of Time Related Continuity Allowance to the GDS. The Committee are of the view that since the main components of the gross expenditure are salary and pensionary charges which are subjected to annual increase, prudent utilization of resources would help the Department in reducing the working expenses. The Committee hope that the Department would be able to contain working expenses during 2012-13 by better management of areas of growing expenditure and devise measures to contain growing expenditure in such areas by having an objective analysis of the same. The Committee would like to be apprised about the concrete initiatives taken by the Department in this regard.

Reply of the Government

It is fact that the Gross Expenditure of the Department of posts under Revenue section has been increasing year after year. It was ₹ 13793.67 crore in 2010.11, ₹ 14163.70 crore in 2011-12 and projected at ₹ 14379.71 crore in BE 2012-13. There are two major components of the Gross expenditure viz. (1) salaries (2) pension which are increased annually due to annual increment in Pay and increase in DA on pay and pension. The rise in pay on MACP and payment of 10 days leave encashment on LTC have also increased both the components. However the Department of Posts has been issuing the instructions to their subordinates circles/units from time to time to keep the expenditure within the budgetary grant and also making best efforts to control the expenditure by conducting monthly Video Conference to review the expenditure vis-a-vis allotment and applying austerity measures as suggested by the Ministry of Finance.

RECOVERIES

(Recommendation Sl. No. 2)

The Committee appreciate that the recoveries received by the Department are gradually increasing. They however, also note that recoveries are still pending from a few departments besides declining trend of recoveries under certain Heads. The actual recoveries in 2010-11 were Rs. 485.72 crore thus showing an increase of Rs. 46.78 crore from the previous year. However, during the year 2011-12, the recoveries at BE stage were projected at Rs. 695.11 crore which were reduced to Rs. 572.05 crore at the RE stage. The actual recoveries upto January, 2012 were Rs. 54.90 crore. As regards the reasons for this slow recoveries in 2011-12, the Department have stated that out of the estimated recoveries of Rs. 572.05 crore at RE in the year 2011-12, Rs. 449.00 crore is related to PLI/RPLI recoveries and the target would thus be achieved when the recoveries on account of PLI/RPLI are booked in the account of the Department at the closing of the Financial year. The Committee note that recoveries under the heads 'Commission on WUMTS' and 'WUFSI' have declined considerably in 2010-11 as compared to the previous year. The Committee also note with concern that as on 31st December, 2011, Rs. 19 crore was due from EPF, Rs. 10 crore from CMPF and Rs. 6 crore from DoT. The Committee feel that the Department is not making sincere efforts to effect these recoveries and need to intensify their efforts further in the matter. In this direction, the Committee recommend that efforts should also be made by the Department to increase the total share of Department in money remittance through Western Union by extending its services to more Post Offices and locations in the Country. As regards recoveries to the amount of Rs. 35 crore due from EPF, CMPF and DoT, the Committee strongly recommend to intensify their efforts to recover the outstanding amount from these Departments by taking up the matter at an appropriate level.

Reply of the Government

The total number of post offices offering International Money Transfer Service (IMTS) in association with Western Union is 7190. Further expansion of this service to more locations depends upon business potential in particular area which is being explored.

With a view to offer more options to the customers to receive money from abroad, Department has entered into an agreement with Money Gram Payment Systems Inc. which is another company providing International Money Transfer Service in more than 190 countries. This service was first launched in 100 post offices and thereafter extended to 2046 post offices. It is expected that with this service, Department may be able to generate sufficient additional revenue.

Further, necessary steps have been taken up with the concerned departments to recover the outstanding dues and it is expected that maximum amount shall be recovered during the year.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

REVENUE RECEIPTS

(Recommendation Sl. No. 3)

The Committee note that the revenue receipts of the Department are gradually increasing. The actual revenue receipts in 2010-11 was Rs. 6962.33 crore which was Rs. 695.63 crore more than the actual revenue receipts of the previous year. During the year 2011-12, the revenue receipts at BE stage were Rs. 7517.70 crore which were increased to Rs. 7522.02 crore at the RE stage. The actual revenue receipts upto January, 2012 were Rs. 6240.18 crore. The item wise analysis of the revenue receipts indicates that under the heads 'PRC on Ordinary Services' and 'Sale of Postage Stamps', revenue receipts have declined in the year 2010-11 when compared with the previous year. The Committee also note that to increase revenue receipts the Department has signed MoUs with UIDAI for enrollment and dispatch/delivery of Aadhar letters, dispatch and delivery of Smart ID Cards for Registrar General of India, Business from e-Commerce Companies like Naptol.com, e-Vitaran etc, signing MoU with Air India for introduction of Air Logistics Services. The Committee are of the view that the Department have huge potential for revenue generation which is not being tapped properly. While acknowledging the various initiatives taken by the Department to increase its revenue receipts, the Committee feel that there is an urgent need to make the postal services cost effective and viable and the Department should make efforts to earn maximum revenue so as to meet its working expenses from its revenue receipts. With the entry of private players in the core function of postal Department, the Department has to face new challenges everyday. In order to compete with them, the Committee strongly feel that the Department should come out with new initiatives which should not only be competitive but also cost effective, at the same time not deviating from its social responsibility. The Committee also recommend that while making efforts to increase its revenue receipts by taking new initiatives, the Department should also not deviate from its core activity that is mail delivery. The Committee desire that they should be apprised of the initiatives taken by the Department.

Reply of the Government

Under mail operations, the Department has, among other things, undertaken two major initiatives with a view to improve the quality of mail related services. The erstwhile mail networks for Speed Post, First Class and Second mail have been restructured. The optimized network

for Speed Post has led to faster processing and delivery of mail. The strengthening of tracking system for Speed Post has resulted in availability of end-to-end information on the website for a majority of Speed Post articles. An online performance monitoring system has also been developed. The network for first and second class mail has been restructured recently and it is expected that the same would lead to faster processing and delivery of these mails as well. The Department has also set up Automated Mail Processing Centres (AMPCs) in Delhi and Kolkata and installed Letter Sorting Machines and Mixed Mail Sorters in these cities. These machines would help in faster sorting of letters/flats/packages, which in turn, would lead to expedited delivery of mail. The performance of post offices with respect to mail delivery is also being monitored regularly with a view to improve the quality of mail operations at every stage.

The Department remains committed to improving the quality of mail operations, which would result in more traffic and revenue. At the same time, the Department also provides mail related services at an affordable rate in every corner of the country as part of its social responsibility.

Department has also undertaken the following initiatives:

- (a) 'The Marketing and Product Management efforts of the India Post have resulted into a consistent Speed Post growth of about 20-21% for the past three financial years. The percentage increase in the year 2009-10 was 19.15%. The increase in the year 2010-11 was 21.95%. The revenue figures for 2011-12 show an increase of 20%.
- (b) The Department has signed MoUs with UIDAI for enrolment and dispatch/delivery of aadhar letters. The total expected revenue is approx. ₹ 1200 crore for handling of 60 crore articles. As of now, 77.24 lakh enrolments have been done at post offices and approx. 17.72 crore aadhar letters have been booked and 16.10 Crores articles have been delivered.
- (c) The Department is in the process of making arrangement for dispatch and delivery of Smart ID Cards (NPR) for Registrar General of India.
- (d) The Department is taking initiative to rope in the e-commerce companies. In this regard the Department is trying to get the business from e-commerce companies like Naptol.com, e-Vitaran etc. The Department has also taken initiative to deliver the Driving Licenses in Maharashtra and other Circles through Speed Post. Passports are also being delivered through Speed Post.
- (e) In the present era when e-commerce has been growing at a very fast rate, business and customers are looking at a reliable medium of sending and receiving the goods ordered through electronic portals. The customers as well as the e-commerce

companies are looking for a service where they can dispatch and track the item through a convenient, cheap, fast and reliable method. To fulfill the needs of customers as well as e-commerce companies, the Department of Posts is in the process of formulating **Cash on Delivery** as an add-on facility on Speed Post service. This facility is likely to attract e-commerce companies. The standard operating procedure has been prepared and modification of software is underway.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

SHARE OF POSTS IN VARIOUS SERVICES

(Recommendation Sl. No. 5)

The Committee note that in insurance sector, the share of the Department is 2.5 per cent in terms of premium income and 8 per cent in terms of number of policies. As per the market survey carried out by M/S IMRB, the Department of Posts has the largest number of customers of small saving accounts when compared with all scheduled Commercial Banks. The share of Posts in International Money Transfer Services is 2.4 per cent. The Committee are of the view that Department is earning revenue in the form of 'recoveries' and 'remuneration' through insurance, International Money Transfer Service and maintaining small saving accounts. The Committee recommend that the Department should make sincere efforts to increase its share in the above-mentioned areas by adopting a proper marketing strategy. Further, in regard to the share of Department in Insurance sector, the Committee feel that the Postal Life Insurance (PLI) can be made a key revenue driver for the Department and for that the Department need to relook at its entire operating strategy, including a structural framework in the insurance division and to develop a roadmap for the future including an analysis of insurance market.

The Committee also observe that the amount of remittance transacted through India Posts has declined from Rs. 6502.92 crore in 2009-10 to Rs. 4918.41 crore in 2010-11. The Total amount of remittance transacted through India Posts in 2011-12 (upto February, 2012) is Rs. 3939.40 crore. The Committee are of the view that with proper marketing strategy, the share of India Posts in international money remittance can still grow tremendously. The Committee, therefore, recommend that the Department should make an endeavour to increase its share in various services by adopting proper marketing strategy by analyzing market forces coupled with proper publicity campaigns. The Committee would like to be apprised of the steps taken in this regard.

Reply of the Government

The recovery at RE stage for 2011-12 for insurance activities of the Department of Posts was projected at ₹ 449 crores. The actual

recovery was, however, ₹ 389.63 crores. In 2009-10 the recovery was ₹ 297.84 crores and in 2010-11, it was ₹ 381.60 crores. In order to increase the revenue share of Insurance Activities of the Department , following initiatives in the sphere of sale and after sales service, marketing , business monitoring , technology induction etc have been taken in the recent past :-

- (i) Decentralization of sale and after sale operations of PLI and RPLI up to Divisional level
- (ii) Publicity activities through various media including print and electronic media, printed brochure, leaflet etc., display on hoardings, road shows, seminars and RPLI & PLI melas to popularize the schemes among clientele
- (iii) Raising the outer limit of sum assured of PLI and RPLI from ₹ 10 lac to ₹ 20 lac and from ₹ 3 lac to ₹ 5 lacs respectively
- (iv) Fixing the business targets in terms of premium income and monitoring by designated nodal officers across Circles
- (v) Training activities in an extensive manner. During 2007-08 to 2011-12, we have imparted training to 17,923 marketing personnel and 1228 Circle office staff. Licentiate training has been imparted to Direct Agents and marketing personnel numbering about 3500 personnel through Insurance Institute of India, Mumbai in order to enhance marketing skills of the sales persons .
- (vi) Engagement of more than 9500 PLI and RPLI Direct Agents for sale of PLI and RPLI policies.
- (vii) Facility for online deposit of PLI and RPLI premium by customer has been implemented.

Further, Joint Publicity campaigns along with Money Transfer Service partners are regularly undertaken so as to popularize the service through post offices. This includes public campaigns, shows and launching of award schemes among the customers taking payment through post offices. Publicity of service is also undertaken by distribution of leaflets through Postmen and Stamping of inward and outward foreign mail with information on availability of Money Transfer Service in Post Offices.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

RATE OF REMUNERATION

(Recommendation Sl. No. 6)

The Committee observe that the Department has accepted the decision of the Ministry of Finance (Department of Economic Affairs) on fixation of revised rate of remuneration based on the recommendations of the Expert Committee. Revised rate as applicable in the year 2011-12 is Rs. 151.76 per live account, Rs. 51.64 per Savings Certificate, Rs. 13.67 per IVP and Rs. 20.93 per silent account. With regard to MGNREGA account, it is stated as 'Not Yet Fixed' and in the matter regarding remuneration on Zero Balance Deposit/Balance

Accounts and yearly escalation in the rate of remuneration, the Department have not furnished any information. The Committee are of the view that disbursement of wages to labourers under MGNREGA is an important activity, hence the rate of remuneration account should be settled at an early date with the Ministry of Finance so that an early decision in this regard is taken which would also help the Department in increasing their revenue and reducing the deficit. In the matter regarding status of remuneration on Zero Balance Deposits/Balance Accounts and yearly escalation in the rate of remuneration, the Committee would like to be apprised of the latest position in this regard."

Reply of the Government

In order to meet the administrative expenditure while disbursing MGNREGA wages by the Department of Posts, a Plan scheme 'Support for payment of wages to MGNREGS workers through post offices' was introduced by the Planning Commission during the financial year 2008-09. An amount of Rs. 80 crore was approved by EFC for the 2008-09 Annual Plan under the aforesaid scheme. A provision for ₹ 100 crores was made at BE stage for this plan scheme under the Annual Plan for 2009-10. Memo for consideration of EFC was approved by Ministry of Finance. The Finance Minister conveyed his approval with the observation that the entire fund of Rs. 100 crore would come from the administrative expenses part of budget of Ministry of Rural Development under MGNREGA. MoRD however expressed its inability to set aside this amount from the administrative expenses part of MGNREGA and referred the matter to the Prime Minister's Office.

Details of administrative expenses incurred year-wise have again been intimated to MoRD by DoP and the matter is under consideration of MoRD.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

REVENUE EARNED PER PERSON

(Recommendation Sl. No. 7)

The Committee observe from the information made available by the Department that the percentage increase in revenue earned per person is 13 per cent during the year 2010-11 as against 10.6 per cent during the year 2009-10. The Committee are however perturbed to note that the number of employees of the Department are also declining which does not depict a fine picture of the Department about revenue earned per person. The total number of employees in 2009-10 was 475000 which declined to 466903 in 2010-11. The Committee recommend that the Department should work out a more appropriate means for working out the information relating to revenue earned per person. The Committee hope that this would help the Department in realizing its potential and tracking the efficiency and productivity of the humans resources of the Department.

Reply of the Government

The Revenue per employee was worked out by dividing the total revenue earned during the year by the total number of the employees working during that particular year. This was shown only as statistical expression for MIS purpose. The Department does not adopt this method to measure productivity of its human resources and with the help of its field units will explore the possibility of devising more appropriate method for reviewing and tracking the effective and productivity of human resources.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

(Recommendation Sl. No. 8)

The Committee also recommend that the Department should take all necessary steps to fill up the existing vacancies in the Department and apprise them accordingly.

Reply of the Government

The action to fill up the posts, which fall vacant due to promotions, retirement, resignation, death or leave of the incumbents during the year, is an ongoing process throughout the year. Till such time the vacant posts are filled up on regular basis the work is managed by redistribution and combination of duties, rationalization of procedures, by engagement of Short Duty Staff in the Post Offices and paid substitutes for delivery of postal articles. Examinations are being held on regular basis to ameliorate the staff position.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

CAPITAL SECTION

(Recommendation Sl. No. 9)

The Committee find that the under utilization of Outlays under the Capital Section has been a matter of concern. The total allocation at BE stage during the entire period of the Eleventh Plan was Rs. 1895.30 crore which was reduced to Rs. 1243.58 crore at the RE stage. The actual utilization upto January 2012 was Rs. 976.43 crore only. The Committee are not satisfied at all with the reasons advanced by the Department for the under utilization of funds under capital section during the Eleventh Plan period. The Committee find that during the years 2008-09, 2009-10 and 2010-11 most of the schemes were approved and ready for implementation, however, due to the poor performance of the Department during the first six months of each year of the Eleventh Plan, the Ministry of Finance had to reduce the funds at RE stage. What is more disturbing to note that even the reduced allocation could not be utilized by the Department In 2011-12, the major activities under IT induction did not materialize due to delay

in completing the codal formalities for finalizing the RFPs. The above observations indicate the lack of efforts and sincerity on the part of the Department to utilize the funds under Capital Section. The Committee clearly disapprove the non-seriousness of the Department with regard to the under utilization of funds allocated under capital section in each year of the Eleventh Plan even when most of the Plan schemes were approved and funds were readily available for the purpose. The Committee feel that there is some serious problem with the planning and execution process of schemes in the Department which results in under utilization of funds under Capital Section during each year. They, therefore, recommend that the entire mechanism for the same in the Ministry needs an introspection and review by the Department. In this regard as stated by the Secretary during the course of oral evidence that the Department have learnt lessons from the Eleventh Plan, the Committee hope that the Department would analyze their failures, clearly identify the areas where the Department were found lacking and improve upon them so that there could be better utilization of funds during the twelfth plan.

Reply of the Government

An expenditure to the tune of Rs. 517 cr. has been incurred for the activities covered under EFC Phase I of IT Modernization Project during 2008-09; 2009-10 and 2010-11 ie., in Computerization of double handed Post Offices, Setting up of Data Centre and supply of hardware to the Post Offices already computerized during XI Plan.

The implementation of activities under EFC Phase II, it was intimated that contracts have been signed in 2 RFP projects viz, Data Centre Facility (DCF) RFP and Network Integrator (NI) RFP on 14.5.2012 and 16.5.2012 respectively. Contract for Change Management (CM) project RFP was signed on 25-6-2012.

Once the vendors are on board, funds requirements will be more and accordingly, funds to the tune of ₹ 516 crore has been projected in the BE for 2012-13. Hence fund allocation and expenditure will be synchronized with implementation of RFPs as per payment schedule.

Based on the current status of the vendor selection process, the timelines defined for the approved project period have been revised. The Project is now expected to be rolled out by 2013-14.

In order to avoid delays in approval of schemes and further non/under utilisation of funds, Department has already initiated action for preparation of EFC /SFC appraisal memos for the schemes proposed to be implemented in twelfth plan. Once the approved outlays of Twelfth plan are communicated by Planning Commission, department will try to ensure that all the schemes are approved by competent authority during the first year of the plan period itself so that the schemes can be implemented smoothly in another four years of plan period and allocated funds can be utilised to full extent. A monitoring mechanism would also be adopted by the Department for speeding up

the plan approval procedure. Thus Department aims at better utilisation of funds during XII plan period by taking care of the all the lapses that occurred in XI Plan.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

UTILIZATION OF PLAN OUTLAYS

(Recommendation Sl. No. 10)

The Committee observe that there has been under-spending of Plan Outlays by the Department during the Eleventh Plan. Out of Rs. 4180 crore which was the total approved outlay for the Plan Schemes during the Eleventh Plan, the total budgetary allocation at BE stage was Rs. 2995 crore which was brought down at RE stage to Rs. 1865 crore. The actual utilization upto February, 2012 was only Rs. 1474.54 crore. The Committee are dismayed to note that due to under utilization of Plan Outlays in as many as 31 activities under various schemes, the physical achievements in the entire plan period have been shown as nil. The Committee are not convinced by the reasons furnished by the Department, such as, delay in approval of plan schemes and delay in adjustment of DGS&D Bill well within the stipulated time for under utilization of plan funds. The Committee note that most of the schemes were approved by the year 2009-10 and even delay in adjustment of DGS&D Bill of a year could have been adjusted in the next Financial Year. The Committee also regret to note that some of the projects which were already cleared were not followed up by the Department. The Department has now stated that during Twelfth Plan efforts are being made by the Department for obtaining the approval of the Schemes during the first year of Twelfth Plan itself. The Committee recommend that to better utilize funds under Plan Outlay during Twelfth Plan, a specific time frame should be drawn to obtain the approvals of the schemes during the first year of the Twelfth Plan by taking a lesson from the failures in Eleventh Plan. In this regard the Committee while drawing the attention of the Department to their earlier recommendation made in their Fifth Report reiterate that the Department should make an analysis of the implementation of Plan Outlays scheme-wise and take concrete action accordingly. Details of the concrete action taken in this regard may also be communicated to the Committee.

Reply of the Government

The observations made by the Committee are taken note of. A proposal for continuation of the Plan Scheme – “Access to the Postal Network” during 12th Plan Period, has been submitted to the Planning Commission for consideration and approval. The approval of the Planning Commission to the proposal is awaited. As soon as approval of the Planning Commission is received, action will be initiated for carrying out the activities and utilization of funds under the aforesaid scheme.

The Twelfth plan outlays are yet to be communicated by Planning Commission. Once the outlays are communicated, all efforts will be made by the Department to obtain the approval of schemes before the end of the first year of plan period itself. All Plan implementing divisions have been directed to keep ready details of the activities and plans for execution/implementation of schemes so that once 12th Plan allocations are communicated EFC proposals can be processed immediately depending on the date of communication of Plan outlays. All efforts will be made to get plan proposals approved within the succeeding two quarters of the Financial Year. Periodical monitoring of the progress of EFC proposals will be done and all efforts will be made to liaise with other agencies concerned such as Ministry of Finance, Planning Commission and other subject matter Ministries to get the requisite approvals.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

BUDGETARY ALLOCATION FOR NORTH-EAST

(Recommendation Sl. No. 11)

The Committee observe that the utilization under revenue section during the Eleventh Plan upto January, 2012 for the North-East was Rs. 233.98 crore, whereas during the same period the utilization under Capital Section was Rs. 21.13 crore. The Committee are happy to note that the utilization of plan outlay under the revenue section during the years 2008-09, 2009-10 and 2010-11 has increased with the exception of the year 2011-12. They hope that this trend of utilization of funds in the region will continue in future also. The Committee would however, like to know the impact of this increasing utilization being felt in the region alongwith the specific sectors where the impact is clearly visible. The Committee, also recommend that Department should make earnest efforts to utilize the funds allocated under Capital Section also during the period of Twelfth Plan keeping in mind the necessities and geographical factors. The Committee also desire that the Department should also identify the underlying reasons for the perennial non-utilization of funds under Capital Section in the region and to take remedial action to address these problems.”

Reply of the Government

The impact of funds spent under North East are:

- i. Officials at all levels have been imparted training based on IT Induction, Business orientation and various PLI services.
- ii. Setting up of Postal Finance Marts have enabled customers to access all financial services under one window.
- iii. Philatelic Exhibitions have been held at district and state levels.
- iv. Infrastructural Equipment have been provided to Branch Post Offices.

- v. Provision of GPS in vehicles has helped in tracking movement of vehicles.
- vi. Computerization & Networking has enabled Post Offices to offer e-enabled services to customers.
- vii. Construction of Post Offices and Staff Quarters has created a congenial atmosphere for both customers and staff.
- viii. Instant Money Order Services are being provided in post offices.
- ix. Franchisee outlets have been opened, branch post offices and sub post offices have been relocated as part of increasing Access to Postal Network.
- x. Motor cycles have been provided as part of Mechanisation of delivery.
- xi. Parcel post centres, Speed Post centres and Logistic post centres have been set up.

Due to the approval process being under way for IT Induction and major portion of capital segment being covered under IT Induction, funds allocated under plan segment could not be utilized as anticipated. The observations of the Committee are taken note of by the Department and all efforts will be made by the Department in XII Plan to ensure utilization of funds allocated under capital segment to the extent possible.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

ACCESS TO POSTAL NETWORKS

(Recommendation Sl. No. 12)

The Committee have been persistently recommending for the opening of new Post Offices in the country. The Committee find from a reply to an Unstarred Question number 478 dated 3 August, 2011 that as on 31 March, 2011, there were 1,39,848 villages with Post Offices and 4,89,300 villages without Post Offices. The Committee are surprised to note that almost three fourth of villages in the country still do not have Post Offices. With regard to the number of Post offices, the Committee are dismayed to observe that there was a decline of 113 Post offices in the Country within a period of one year from 31.03.2010 to 31.03.2011.

The Committee observe that during Financial Years (2008-09, 2009-10 and 2010-11), 1350 proposals for opening of Post Offices were received, out of which 440 proposals were found justified and 421 new Post offices have been opened. 19 proposals are pending with the Department due to various reasons such as delay in getting approval in 5 cases, non availability of building in 3 cases, proposals under process in 10 cases and 1 Post office could not be opened due to public agitation. The Committee have also been informed that the proposal for opening 400 EDBOs by creating equal number of GDS Posts has not been accepted by the Internal Finance Wing of the Department and for

the year 2012-13, the Department has taken up with the Ministry of Finance for creation of additional GDS Posts.

The Committee wonder how the Department would achieve their target to provide postal services to the last person of the society with this pace of progress. The Committee are perturbed to note that inspite of the fact that there is a Plan scheme of the Department which has been continued during the Twelfth Plan with emphasis on rural business, a lot of relocation of Post Offices are being done and the Department seems to be contended with the existing number of Post Offices in the country. The Committee strongly recommend that all desired initiatives should be taken by the Department as per the proposals received from various State Governments /UTs. They also recommend that in view of declining number of Post Offices in rural areas, the proposal to open 400 EDBOs should be reconsidered by the Department by creating equal number of GDS Posts. besides, settling the issue of creation of additional GDS Posts for 2012-13 with the Ministry of Finance at the earliest.

The Committee also strongly recommend that the Department should take necessary steps to open 19 Post offices which are pending with the Department and make all efforts to fulfill the annual plan target of opening 652 BOs during 2012-13. “

Reply of the Government

Opening of Post Offices is an on-going process. The proposals for opening of new Post Offices as received from various State Governments/ UTs are examined as per the prescribed norms for opening of new Post Offices and new Post Offices are opened by redeployment/relocation at places where proposals are found justified.

The “Opening of Post Offices (Rural)” is one of the sub-schemes under the Plan Scheme – “Access to the Postal Network” which provides for opening of new Post Offices in rural areas by creation of equal number of GDS posts.

A proposal for continuation of the Plan Scheme – “Access to the Postal Network” alongwith its sub-scheme – “Opening of Branch Post Offices (Rural)” during 12th Plan Period, has been submitted to the Planning Commission for consideration and approval. The approval of the Planning Commission to the proposal is awaited. As soon as approval of the Planning Commission is received, action will be initiated/ appraisal memo will be prepared for obtaining the approval of the competent authority for opening of new BOs by creating equal number of GDS posts under the aforesaid Plan Scheme.

The recommendation/ observation of the Committee has been noted for compliance. All efforts will be made to open 19 Post Offices pending with the Department and also to fulfill the annual plan target of opening of BOs during 2012-13.

SPEED POST

(Recommendation Sl. No. 17)

The Committee observe that Speed Post Service was introduced to provide fast and time bound delivery of services. The Committee have also been informed that now 68 per cent of the Speed Post is being delivered within two days of posting. The Committee are however dismayed to note that despite the numerous efforts made by the Department to improve Speed Post, the standard of service delivery by the Speed Post is still deficient in comparison to the private courier services. The Committee recommend that the Department should find ways and means to improve this service by way of improving their monitoring mechanism, besides providing pick up, SMS intimation facilities to the Customers.

Reply of the Government

The Department has restructured the operational network for Speed post with a view to improve the quality of Speed Post service. A comprehensive monitoring mechanism has also been set up and the performance of the field units is being monitored closely and reviewed at the highest level every fortnight through video conference with the Circles. The processes followed with respect to Speed post operations have been redesigned. These initiatives have led to improved delivery performance of Speed Post articles, better supervision and monitoring over operations and improved track and trace system for the public. Speed Post operations are constantly being reviewed and strengthened in order to further improve the quality of service.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

WET LEASING OF AIRCRAFTS AND SEA MAIL

(Recommendation Sl. No. 19)

The Committee observe that freighter operations for Metros were discontinued w.e.f. 1st April, 2010 due to inability of Air India to provide consistent and reliable services. Further, the freighter operations in North East were also discontinued in April 2011 due to withdrawal of the Aircraft by Air India. The Committee are of the view that the carriage of mail in these sectors might have been seriously affected with the withdrawal of aircrafts by Air India. Besides, the Committee also note that the Department have decided to do away with the Sea Mail. With these impediments, the Committee wonder how the Department is going to run their business and compete with other players in the field. They are perturbed to note that no serious thought seems to have been given by the Department to these

problem having a cascading effect on the overall performance of the Department. The Committee have been recommending the Department to explore the possibility of owning an aircraft like other private players in the field. The Committee recommend that serious efforts should be made by the Department in this direction at the right earnest and restart freighter operations for Metros and North-East by exploring the option of engaging private airlines. Besides, the Committee would also like to know the reasons for stopping the sea mail and would recommend that the Department should reconsider their decision to restart this service.

Reply of the Government

The transmission of mail on the metro routes has not been affected on account of termination of freighter operations. The Department uses the services of Air India as well as other private scheduled airlines for the purpose of transmission of mail across the country. While the Department does not face any problem in mail transmission by air in rest of the country, the capacity offered by airlines in the North East sector is found inadequate at times. Therefore, the Department has proposed under the 12th Plan to charter an aircraft/helicopter for the purpose of transmission of mail, parcel and logistics in the North East Region. The options available in terms of air transmission in the rest of the country are adequate.

Department of Post has not discontinued international sea mail service entirely. Only outward Parcel Service through surface mail has been discontinued. The service was discontinued due to following reasons:

- (i) Traffic under this service declined to negligible levels over the years, indicating a near-zero level of demand.
- (ii) The outward surface parcels service had higher postage rates compared to Surface Air Lifted (SAL) service provided by Department of Posts. SAL service provides air transmission between the origin country and destination country. This ensures rapid delivery at reasonable rates avoiding any inconvenience to customers. Hence this is an appropriate and cost-effective alternative to customers.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

(Recommendation Sl. No. 20)

With regard to having their own aircraft by the Department, the Committee also recommend that the Department may first examine whether they have the technical expertise to own and operate its own freighter operations. In this regard they recommend that the Department should first do a cost effective analysis between operating its own aircraft and utilizing the aircraft of other agency, before taking a decision.

Reply of the Government

The Department does not face any problem with respect to transmission of mail by air on metro routes, and therefore, the Department does not intend to either own or charter aircraft for carriage of mail on these routes. The Department does not have the technical expertise or wherewithal to manage aircraft operations on its own. During the earlier freighter operations, the Department had chartered the aircraft from Air India, who had the responsibility for operations and maintenance of these aircraft. Therefore, the Department does not intend to own or operate its own aircraft for the purpose of carriage of mail on the metro routes. For the North east region, the Department has proposed under 12th Plan to charter an aircraft/helicopter for carriage of mail wherein the responsibility of aircraft operations and maintenance would be that of the service provider, and the Department would only pay composite charges for the charter.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

PROTECTION OF LAND AVAILABLE WITH THE DEPARTMENT OF POSTS

(Recommendation Sl. No. 24)

Comparison of data furnished by the Department while examining Demands for Grants (2011-12) and Demands for Grants (2012-13) have revealed the contrasting figure with regard to the number of plots available, number of plots under encroachment and number of cases under litigation. Within a period of one year, the number of plots under encroachment have declined from 232 to 223 and the number of cases under litigation from 62 to 59. While it is appreciable that the number of plots under encroachment and litigation have declined, the Committee are surprised to note that within one year of the examination Demands for Grants (2011-12), the total number of plots have declined from 1871 to 1802. Taking serious note of the discrepancies in the number of plots available, the Committee would like the Department to furnish a detailed factual reply at the earliest. Besides, the Committee also recommend that matter regarding encroachment of plots in the States may be taken up by the Department with the concerned authorities there and efforts should also be made to erect boundary walls in all the vacant plots belonging to the Department. They also recommend that the application of satellite imagery for getting upto date status of encroachment at the postal plots which is under examination should also be completed at the earliest.

Reply of the Government

The department submits that the figure of 1871 as total number of plots was completed in the year 2007-08 in connection with Parliamentary Standing committee on Information Technology on "Real

Estates Management". This was reviewed in 2011-12 and the figure was found to have come down to 1802. The discrepancy is only to the extent of plots on which construction has been done during the intervening period. Further, during the year 2011-12, an amount of ₹ 5.69 crores was released for construction of 84 boundary walls. Heads of Circles have been persuaded to take immediate action including litigation so that all the Departmental plots are evicted of encroachments. The Heads of Circles have also been advised to complete documentation of lands and buildings.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

POSTS OFFICES OPERATING FROM RENTED ACCOMMODATION

(Recommendation Sl. No. 25)

The Department has furnished the information that 19941 Post Offices are functioning from rented accommodation in various Postal Circles. The amount of money spent towards payment of rent was ₹ 54.60 crore in 2008-09, ₹ 69.39 crore in 2009-10 and ₹ 74.65 crore in 2010-11. With regard to Circle wise scenario maximum number of rented Post Offices are in Andhra Pradesh, Gujarat, Karnataka, Kerala, Maharashtra, Tamil Nadu, West Bengal and Orissa. As the amount of money spent towards rent payment is increasing year after year, the Committee recommend that the Department should seriously consider having its own buildings for Post Offices especially in the Circles where there are high number of Post Offices functioning from rented accommodation. The Department should also explore the option of hiring municipal/Panchayat and government building instead of hiring offices from the private and other commercial establishment at huge rent.

Reply of the Government

Shortage of civil engineering staff (CE, SEs and Executive Engineers) is affecting the construction projects adversely. However, instructions have been issued to all Heads of Circles to explore the option of hiring Municipal/Panchayat and Govt. building instead of hiring private and other commercial establishment at huge rent.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

(Recommendation Sl. No. 27)

Further, the Committee note that India Post IT Project 2012 is the biggest public procurement activity of the DoP and during the process of procurement there were complaints received by the office of the Hon'ble MoCIT and hence there was a direction from the Hon'ble MoCIT to review the entire project to ensure that the procurement exercise has been made as per the total formalities and conform to procedures

of public procurement. The Committee observe that to ensure transparent procurement, 8 RFPs were floated based on open tender with competitive bidding. To the extant rules and instructions issued by nodal ministries such as Ministry of Finance and CVC etc were followed for preparation and processing of the RFPs. The tenders are being hosted on the website also. The Committee recommend that since IT Modernization Project 2012 is the biggest public procurement activity of the DoP all necessary steps must be taken by the Department to ensure that the project do not suffer due to lack of transparency and accountability and that the procurement process is transparent and e-enabled. The Committee would also like to know the various measures taken by the Department in this regard.

Reply of the Government

Request for Proposal Management Committee was constituted for each RFP consisting of members from Administrative Ministry, representatives from Internal Finance Wing/ Department of Information Technology/ NIC and academics from IT/ Finance disciplines so that the various issues involved in public procurement were deliberated upon on and codal formalities were followed.

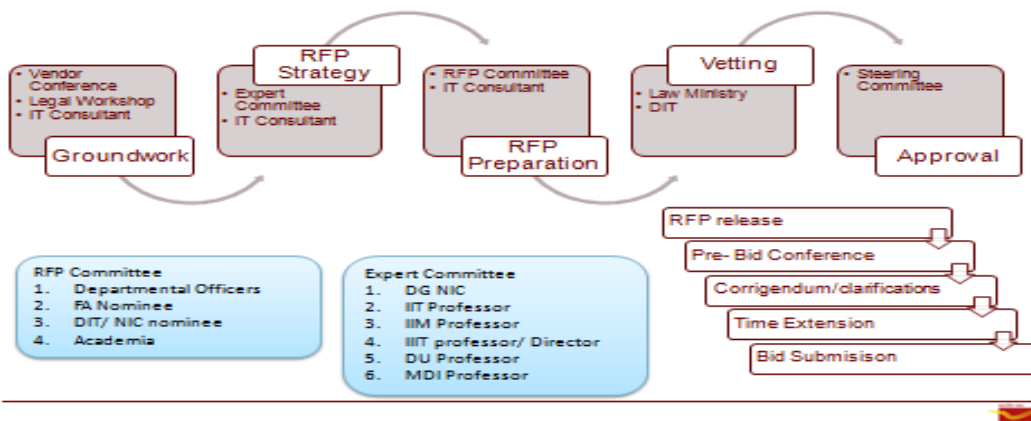
Each of the RFP was an open tender exercise and in each RFP, a well structured pre-bid conference was held to take into account vendor's inputs and industry practices.

The two-bid process of technical and financial bid was scrupulously adhered to in each of the RFP as laid down by CVC guidelines.

Evaluation of RFP was done as per codal formalities laid down by Nodal Ministry.

Wherever allegations were raised by the bidders/Hon'ble MPs, the issues were examined. Wherever required advice was obtained from Department of Information Technology and Ministry Of Law before the matter was finally decided by the Inter Ministerial Steering Committee.

The diagram in the next page broadly represents the process undergone in preparation and evaluation of these RFPs. The elaborate process was in order to ensure transparency and accountability.



(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

IMPLEMENTATION OF UIDAI PROJECT BY THE DEPARTMENT OF POSTS

(Recommendation Sl. No. 31)

The Committee note that the Department has signed MoU with UIDAI for enrollment and dispatch/delivery of Aadhar letters. The Committee also observed that as of now 73.3 lakh enrollments have been done and approximately 8.5 crore Aadhar letters have been booked. The Committee have been informed that at present UIDAI has a total mandate of issuing 60 crore Aadhar numbers and the total revenue expected is Rs. 1200 crore by way of delivery of these letters. The Committee are of the view that the initiative taken by the Department of Posts with UIDAI hold tremendous challenges for the Department in terms of revenue generation and preparedness of the Department to deliver Aadhar numbers throughout the length and breadth of the Country. The Committee recommend that the Department of Posts should set up more enrollment Centres and launch widespread publicity campaigns so as to ensure maximum enrollment. The issue of delay in delivery should also be addressed so that the Aadhar number could be delivered to the enrolled person in time. Any difficulty encountered by the Department in this regard may be communicated to the Committee.

Reply of the Government

As per the UIDAI portal, a total of 7125272 successful enrolments have been done by the Department of Posts as on 24-05-2012.

During the first phase of UID enrolment project the Department of Posts had identified more than 4000 enrolment stations. However 903 enrolment stations were active during the period. Number of enrolment stations will be increased in the 2nd phase of UID enrolment to ensure maximum enrolments.

As far as delivery of Aadhar letters is concerned the Department of Posts is not facing any major difficulties. Some of the operational issues crop up from time to time which is resolved in a time bound manner. Further, dedicated teams have been set up at each circle level to monitor the delivery of Aadhar letters.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

CHAPTER-III

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

-NIL-

CHAPTER-IV

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

STATUS OF GRAMIN DAK SEVAKS EMPLOYEES

(Recommendation Sl. No. 13)

The Committee note that GDS employees are governed by Gramin Dak Sevaks (Conduct & Engagement) Rules, 2011 which are non-statutory in nature. The Committee also observe that the issue of conferment of status of regular departmental employees to the Gramin Dak Sevaks with 8 hours duty was examined by the Group of Ministers in the year 1998 following the recommendation made by the Justice Talwar Committee but the same was not agreed to. The Committee feel that the Gramin Dak Sevaks are the back bone of the Department for running the rural network of Post Offices and their welfare plans should be accorded due priority. In order to improve the postal operations in rural areas, the Committee feel that they should be granted Departmental employees status and their working hours may be extended by utilizing their services in other activities of the Department. In this regard, the Committee understand that to deal with MGNREGA wages, the Department have been hiring the temporary staff to help the existing workforce to manage the large number of accounts. The Committee are therefore, of the view that the services of GDS may also be utilized in this area. This would definitely lead to better services to the people in rural areas by experienced personnel. The Committee are also of the view that the recommendations made by the Justice Talwar Committee need to be seriously re-considered by the Department which would greatly help the Department in improving the Postal Services in the rural areas. They also urge the Department that the other demands of GDSs employees regarding raising bonus and stopping reduction of TRCA in cases of reduction of workload should also given due consideration and the matters may be taken up with the concerned Ministry/Department for settling the issues. The details of action taken by the Department on the aforesaid issues may also be communicated to the Committee at the earliest.

Reply of the Government

(A) CONFERMENT OF STATUS OF DEPARTMENTAL EMPLOYEES TO GRAMIN DAK SEVAKS

1. Gramin Dak Sevaks and their working conditions are governed by Gramin Dak Sevaks (Conduct & Engagement) Rules, 2011. The GDS (Conduct & Engagement) Rules are non-statutory in nature. Gramin Dak Sevaks are engaged on terms and conditions which are significantly different from those of regular employees. The job profile,

working hours, working conditions, applicability of rules for the regular Departmental employees and that of the Gramin Dak Sevaks are all together different. Gramin Dak Sevaks are only entitled to protection under Article 311(2) of the Constitution of India as held by the Apex Court and not in other matters. While the regular Govt. employee superannuates on completion of age of 60 years, Gramin Dak Sevaks can enter the service on attaining age of 18 years & remain in engagement up to 65 years. Further, the essential qualifications for all the categories of Gramin Dak Sevaks other than Branch Post Masters is 8th and in case of Branch Post Masters it is matriculation whereas the essential qualification of erstwhile Group D now designated as MTS Group C & Postman is Matriculation & that of Postal Assistant is 10+2. Thus, the regular Govt. employees and Gramin Dak Sevaks are two separate and distinct categories. The Gramin Dak Sevaks before engagement are required to give a certificate that they have other sources of income besides the allowances paid or to be paid by the Government for adequate means of livelihood for themselves and their families. They work for a minimum of 3 hours and for a maximum of 5 hours per day. The Hon'ble Supreme Court of India in the matter of Superintendent of Post Offices vs. PK Rajamma (1977) (3) SCC has held that GDS are holders of the civil post outside the regular civil services.

2. Extra Departmental system in vogue since 1866-67 provides for engagement of Gramin Dak Sevaks for a minimum of 3 hours and up to a maximum of 5 hours in a day. Rule 3-A (i) of GDS (Conduct and Engagement) Rules, 2011 provides in clearest term that "a sevak shall not be required to perform duty beyond a maximum of 5 hours in a day". The issue of conferment of status of regular departmental employees to the Gramin Dak Sevaks with 8 hours duty was examined by the Group of Ministers in the year 1998 following recommendation made by Justice Talwar Committee but the same was not agreed to. Gramin Dak Sevaks are paid Time Related Continuity Allowance on a pro-rata basis as approved by Cabinet. They are also paid discharge benefits like ex-gratia gratuity & severance amount at the time of discharge. The Government has introduced a Service Discharge Benefit Scheme effective from 01.04.2011 for the benefit of Gramin Dak Sevaks working in the Department of Posts on monthly contribution basis (from Department's side only) devised on the basis of New Pension Scheme (NPS)-Lite scheme launched by the Pension Fund Regulatory & Development Authority (PFRDA). This Scheme has been offered in lieu of the existing Severance Amount Scheme on an optional basis for the existing Gramin Dak Sevaks while new Gramin Dak Sevaks entering into service with effect from 01.01.2011 have been mandatorily covered by the Scheme. Their Time Related Continuity Allowance (TRCA), Other Allowances, Group Insurance and Service Discharge benefits have already been revised following implementation of recommendations of Shri RS Nataraja Murti Committee after being approved by Cabinet. Women Gramin Dak Sevak are now made entitled to maternity grant equivalent to 3 months Time Related Continuity Allowance (TRCA) for each child up to the birth of maximum of two children limited to a maximum of two confinements resulting into birth of first two children only during the entire engagement period out of welfare grant. Women GDS can now

be granted maternity leave not exceeding six months covering the pre and post confinement period & they are paid maternity grant for three months and leave for another three months without allowances and these provisions have already been made effective from 09 Oct 2009.

3. As per table 4.2.12 of survey carried out by National Sample Survey Organization (NSSO) vide report of October 2008, 41.7% of Gramin Dak Sevaks had working hours up to 3 hours, 17.1% had working hours from 3-4 hours and 36.2% had working hours from 4-5 hours. As per table 4.3.1 of the said survey, 5% of GDS had workload for less than or equal to 50 Points, 12.3% had workload for 51-75 Points, 13.7% had workload for 76-100 Points, 19.8% had workload for 101-150 Points, 12.4% had workload for 151-200 Points, 16% had workload for 201-300 Points and 20.9% had the workload exceeding 300 Points based on pre-revised norms. GDS Committee observed in Para 9.7 of its report that the point system for determining Branch Postmaster's workload with minor changes continues to be adopted for the last 51 years especially the cash handling. On estimation it was revealed that 64.87% to 86% of the workload was mainly on account of cash handling. The said norm had not undergone a review in the last 50 years. Keeping in view the increase in cost index by 31.49 times and revision of treasury norms downwards by 22.5 times, the Committee recommended credit of one point for every ₹ 20000/- cash handled per month. The norms for assessment of work load of Branch Postmasters based on point system were prevailing from 1932. As per Rajan committee report, the point system was evolved and communicated on 20-3-1932. The standard was for stamp sale and cash handled. This was subsequently refined by Rajan committee in 1958 and introduced point system for various other items of works also. They continued till recently. One-man committee headed by Shri R.S.Nataraja Murti recommended to the department for conducting a study for revision of cash handling norm. The Integrated Finance Wing further wanted that, a comprehensive study be conducted for providing norms for all works performed by the BPMs. The Department after getting conducted a scientific study through SIU, revised the norms of workload assessment of GDS BPM under No. 5-1/2007-WS-1(PT.) dated 16.12.2010. 1 Point of workload denotes a workload of 60 minutes a month and 2.4 minutes of workload in a day. As per norms on the subject, a Branch Post Office qualifies for upgradation to departmental post office in case its workload exceeds 5 hours.

4. Financial parameters prescribed for opening and retention of the Branch Post Offices in Tribal/Hilly/Backward areas is that they should derive income to cover at least 15% of the cost and the Branch Post Offices in respect of normal areas the BO's are expected to generate an income of 33.33% of their cost. The one man Committee conducted a survey and as per the result of the survey reflected in Para 8.22.5, 83.15% of BOs in normal areas were found not generating even the expected percentage of income of their cost. 16.86% of BOs were found deriving income more than the prescribed norm while a meager 1.79% of the BOs were found self supporting and remunerative. In regard to backward/hilly/tribal areas, about 66.75% were found not

generating the minimum percentage of income of 15% of the cost and 33.26% were generating income of more than 15% and only 0.96% were found self supporting and remunerative. Under MNREGA, GDSBPM is being allowed incentive @ 0.35 per new account and Rs. 1.50 per MNREGA payment in excess of 20 MNREGA payments daily while the other categories of GDS are paid incentive @ 0.20 per MNREGA payments in excess of 20 MNREGA payments daily as prescribed in this Directorate letter No. 01-14/2009-RB dated 18.01.2010 and the MNREGA work is not prescribed to be reckoned for the calculation of workload of the GDSBPM.

5. Apart from the above, the issue of allowing the same benefits as available to regular departmental employees in the capacity of holders of civil post is already subjudice as three Writ Petitions (Civil) No. 17/2009 in the matter of Vinod Kumar Saxena & ors vs. UOI, WP (civil) No. 468/2009 in the matter of Murari Lal Sharma & ors vs. UOI & Writ Petition (Civil) No. 37/2011 in the matter of Buta Ram & ors vs. UOI (clubbed together) are pending consideration of the Apex Court.

In the light of the aforesaid and in particular keeping in view the viability of the Extra Departmental Post Offices & workload, there is no justification for conferment of status of regular departmental employees to the Gramin Dak Sevaks. Furthermore, the issue is already subjudice before Apex Court.

(B) STATUS ON DEMANDS OF GDS WORKERS REGARDING RAISING BONUS AND STOPPING REDUCTION IN TRCA IN CASE OF REDUCTION OF WORKLOAD

1. Productivity Linked Bonus (PLB) for P&T employees was introduced in the year 1980 after an agreement was reached between the Department and

Staff Side of the Department Council of JCM. When the scheme of PLB for Departmental employees was introduced in the year 1980, the issue of extending the payment of similar incentive to ED employees now called as Gramin Dak Sevaks was examined and the bonus payable to GDS was termed as ex-gratia payment. Currently the monthly ceiling applicable to the regular departmental employees is ₹ 3500 for the purpose of productivity linked bonus while it is ₹ 2500 for the purpose of ex-gratia payment to the Gramin Dak Sevaks. The issue of increase in ceiling from ₹ 2500 to ₹ 3500 for the purpose of ex-gratia payment to Gramin Dak Sevaks was taken up only recently but the proposal has been rejected by the Ministry of Finance, Department of Expenditure.

2. The issue of protection of TRCA in case of reduction of workload was recently examined by a Committee constituted for the purpose by the Department. The report of the Committee has since been received and the recommendations made are under consideration. The Integrate Finance Wing has sought impact of the proposal and

resultant to the observation, the issue will be further considered on analyzing details as may be received in due course from the Circles.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

**Comments of the Committee
(Please see para 8 of the Chapter-I)**

(Recommendation Sl. No. 16)

With regard to stopping of Certificate of Posting, the Secretary during the course of oral evidence admitted that lately due to many court cases where the Department has to suffer a lot, the Department has stopped certificate of Posting. The Committee do not find this a plausible reason for stopping the Certificate of Posting which provided an assured service to a customer at affordable cost besides being a revenue drivers for the Department. They feel that the reasons cited by the Department for stopping this service could have been dealt with by them in a more vigilant and effective manner. The Committee therefore would like to know the circumstances under which this service was stopped and would recommend to review their decision and apprise them accordingly.

Reply of the Government

The decision to discontinue the 'Certificate of Posting' has been reviewed. The objective of 'Certificate of Posting' was to afford the public an assurance that letters and other articles for which no receipts are granted by the Post Office and entrusted to servants or messengers for posting have actually been posted.

Articles posted under 'Certificate of Posting' are ordinary Postal articles which are treated exactly in the same manner as posted in letter box and no documentation is kept in Post-Office at any stage. The services like registration for which receipts are granted by Post Offices are entirely different services provided by the Department and documentation of article is kept from posting to delivery stage. This limits the chances of loss of an article and delay in delivery as the responsibility can be fixed.

The 'Certificate of Posting' does not confer any proof of article that has been delivered. Sometimes, agents obtain this certificate of posting fraudulently without actually posting the articles, as a result of which department gets involved in litigation.

The proposal for discontinuation of 'Certificate of Posting' was approved by Hon'ble MOC&IT.

The Gazette notification GSR-58(E) dated 31-01-2011 deleting the Rule 195 on 'Certificate of Posting' has been laid on tables of both the Houses of Parliament.

Therefore, there seems to be no justification to reintroduce the facility of 'Certificate of Posting'.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

Comments of the Committee
(Please see para 11 of the Chapter-I)

AUTOMATED MAIL PROCESSING CENTRES

(Recommendation Sl. No. 18)

The Committee observe that the Department had proposed to set up AMPCs in Delhi, Kolkata, Chennai, Hyderabad and Bangalore during the Eleventh Plan and the Plan Scheme for setting up of AMPC was approved by the Finance Minister on 19 January, 2010. However, AMPCs could be set up only in Delhi and Kolkata during the Eleventh Plan and AMPC in remaining cities could not be set up due to building related issues. Now that 11643 sq. meters. of land has been approved in Chennai, the Committee would like the Department to take speedy action for setting up of new AMPC in Chennai. Necessary steps should also be taken up by the Department with Mumbai International Airport Limited for early settlement of site for AMPC. The Committee also observe that during the Twelfth Plan, in addition to the Eleventh Plan proposal, the Department proposes to set up AMPCs at Ahmedabad, Jaipur, Kochi, Patna, Lucknow, Bhubaneshwar, Ludhiana and Vashi (Navi Mumbai). The Committee are of the view that setting up of AMPCs would have tremendous impact on the mail delivery and revenue generation of the Department. The Committee are not happy with the reasons cited by the Department for not setting up AMPCs in other cities as alternative sites in those cities could have been explored. The Committee, therefore, recommend that the building related issues for setting up AMPCs at Mumbai, Chennai, Bangalore and Hyderabad may be sorted out at the earliest in consultation with the respective States lest alternative options should be explored by them. Initiatives taken for setting up of AMPCs during the Twelfth Plan may also be completed in a time bound manner and Committee be informed accordingly.

Reply of the Government

Department submits that 11,643 Sq. mtrs. Of land has been approved for locating AMPC/PSO at Chennai. However, in spite of our taking up the matter with Ministry of Civil Aviation/AAI, possession of the land has not yet been given to the Department of Posts. Here it would be pertinent to mention that this Department did take minimum time in assessing and conveying the suitability of the land for the purpose of setting up AMPC/PSO. Further, action for relocation of AMPC/PSO at the new land may be possible only after the Department has been handed over its possession.

Settlement of site with Mumbai International Airport Limited

The issue of identification of alternate site for location of AMPC/APSO at Mumbai still remains unresolved. A meeting in this regard was scheduled to be taken by Secretary, Ministry of Civil Aviation on 15-06-2012 but was postponed. However, the Department is in touch with the Ministry of Civil Aviation and Airport Authority of India with a view to find an early solution to the issues being faced at Mumbai and Chennai with respect to setting up of AMPCs. The Department will make all efforts to expedite the process of setting up of AMPCs in other cities during the XII Plan.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

Comments of the Committee (Please see para 14 of the Chapter-I)

ESTATES MANAGEMENT

(Recommendation Sl. No. 23)

The Committee note that the Department has decided to enter into a PPP to develop Estates in the Commercial locations for revenue generation and an Inter-Ministerial Group has been formed for the purpose. They further note that the Inter Ministerial Group has pointed out deficiencies/discrepancies in the Model Concession Agreement and a decision has been taken to hire the services of a Consultant and for the purpose an EoI is under issue. The Committee are dismayed to observe the slow pace of work of the Department for entering into a Public Private Partnership to develop Estates in the commercial locations for revenue generation. They regret to note that even the Expression of Interest for engaging the service of the Consultant to draft a Model Concession Agreement is still yet to be issued by the Department and are of the view that with this slow pace it will take years to develop Estates in the commercial locations, as a number of formalities would be required to be completed even thereafter. They feel that since, the Department has already done a study to ascertain the potential of revenue earnings through commercial utilization of land by taking into account four sample of plots, the Department should issue EoI for engaging the Consultant at the earliest so that a Model Concession Agreement may be finalized. The Committee would like to be apprised of all the efforts made by the Department in this regard."

Reply of the Government

Expression of Interest(EOI) drafted for engaging the Consultant has been got vetted by Internal Finance Wing and will be sent to DAVP shortly for its publication in one of the leading newspaper, It may, however, be submitted for the information of Standing Committee on Information (2011-12) on Demands for Grants (2012-13) that the subject is highly technical and the stakes are very high in the form of precious lands. As per existing instructions, each case of alienation/long term lease of land requires approval of the Cabinet,

until a policy is formulated and approved by the Cabinet. In the light of the above background, every step in the entire exercise of Public Private Partnership (PPP) is taking long time.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

**Comments of the Committee
(Please see para 17 of the Chapter-I)**

IT INDUCTION – POSTAL OPERATIONS

(Recommendation Sl. No. 26)

The Committee observe poor utilization of funds under the scheme IT Induction-Post Operations during the year 2011-12 where an amount of ₹ 676.50 crore was allocated at BE stage which was reduced to ₹ 142.36 crore at RE stage. The actual utilization upto January, 2012 was only ₹ 50.61 crore which is just 7.48 percent of the BE Outlay. The Committee note that delay in finalization of RFPs was mainly due to review of the entire project to ensure that procurement exercise conform to procedure of public procurements, meeting of the RFP Management Committee consisting of members from DIT/NIC and experienced eminent resource from various IITs/IIITs, queries and clarification to bidders due to complex nature of RFPs etc. The Committee note that now 8 RFPs have been floated and are at various stages of finalization. The Committee feel that the Department has somewhat been negligent in attaching due importance to this important component of Postal industry which would have boosted the performance of Department considerably. In this regard the Committee feel that plans of the Department relating to mail operations, Core Banking Solutions, setting up of Post Bank of India, PLI software, provision of toll free number for MGNREGA for grievance redressal, operating of call centre for DoP, net working of Post Offices and various other activities are dependent on the success of the implementation of the scheme IT-Induction in Postal Operations. The Committee recommend that necessary steps may be taken for the early finalization of 8 RFPs so that various activities of the Department under this scheme may be initiated during the current Financial Year. The Committee would like to be apprised of an updated status in this regard."

Reply of the Government

Department has taken the adopted the below mentioned steps to comply with the observations of the Standing Committee:

The delay in finalization of RFPs was mainly due to review of the entire project to ensure that procurement exercise conform to procedure of public procurements etc. The Department is trying hard to expedite the procurement process and start the entire work so that the benefits can accrue from the integrated IT Project.

Out of eight RFPs floated, five have been finalized and Letters of Intent (LOIs) issued. Among them, contract has been signed in three RFPs.

In case of two other RFPs, the advice has been sought from Ministry of Law. The Department has pursued with Ministry of Law for expeditious advice so that the RFPs can be carried forward.

In the case of the remaining RFP, the RFP was cancelled and fresh bids are being called for through re-tendering.

RFP Name	Status	Project Start Date	Tentative Pilot Completion Date	Tentative Implementation Completion date
Data Centre (DCF)*	Contract Signed	June 2012		2013-14
Network Integration (NI)**	Contract Signed	June 2012	Jan 2013	2013-14
Change Management (CM)	Contract signed	June 2012		May 2014
Financial Services (FSI)***	Lol Issued. Finalisation of the contract is under process.	June 2012	March 2013	May 2014
Rural System Integrator (RSI)****	Lol Issued. Finalisation of the contract is under process.	June 2012		
Core System Integrator (CSI)	Evaluation of financial bids to be finalized	Advice from Ministry of Law is awaited.		
Rural Hardware (RH)	Evaluation of financial bids is under process.	Advice from Ministry of Law is awaited.		
Mail Operations Hardware (MOH)	RFP Cancelled on 2.5.2012 after obtaining approval of the Steering Committee in the	RFP to be issued for receipt of fresh bids by MOH RFP Management Committee.		

	meeting held on 17.4.2012 (vide minutes dated 24.4.2012)	
--	--	--

In brief, five out of eight RFPs are awaiting start of work and two RFPs are awaiting response from Ministry of Law. One RFP is awaiting re-tendering. Upon signing of the contract with the vendors, it is expected that the implementation will begin soon. The Project is expected to be rolled out by 2014.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

Comments of the Committee
(Please see para 20 of the Chapter-I)

STATUS OF BROADBAND CONNECTIVITY

(Recommendation Sl. No. 28)

On the status of broadband connectivity, the Department has informed that the proposals of providing broadband connectivity in 8270 Departmental Post Offices have been submitted to the Steering Committee for approval and if the same is approved, 8270 Departmental Post Offices will be provided with Broadband by 30th April, 2012. The Committee are however, dismayed to note that this important activity to connect Post Offices with the Broad band connections is still under approval stage and the Department does not seem to have taken timely steps to expedite the matter. The Committee feel that this will mark a new beginning for the India Post. The Committee would therefore, like the Department to take all necessary steps in this regard including advance coordination meetings with the executing agency to finalize details so that the proposal do not suffer for want of other formalities as soon as the same is cleared by the Steering Committee and the work is started at the right earnest."

Reply of the Government

Broadband connectivity has been provided in 19890 computerized Post Offices out of total 24969 computerized Post Offices upto 31-03-2012. Details of Computerized Post Offices having broadband connectivity is listed in Annexure A.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

Comments of the Committee
(Please see para 23 of the Chapter-I)

MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT

(Recommendation Sl. No. 32)

The Committee observe that during the year 2011-12 (upto January, 2012), the total number of MGNREGA accounts opened with the Department have increased however the amount disbursed have declined as the account holders have the option of other institutions like banks and the decision of the state governments regarding amount of such wages to be distributed through Post Offices. The Committee have also been informed that the total disbursements by Posts and Banks have declined during 2011-12 and the total disbursement till January, 2012 has been ₹ 12,467 crore. The Committee wonder if the decline in the amount disbursed by the Post Offices during the period is due to the deficient services by Postal Department in comparison to Banks. They feel that if the services provided by Posts are comparable with the banks then the increase in the opening of accounts would have led to increase in the amount disbursed. As the Department have greater network than banks in the rural areas necessary steps should be taken to increase amount of wages disbursed through Posts by way of improving their services and projecting themselves. In this regard, the services of GDSs in mobilizing the account holders can be of immense helpful.

The Committee also note that during 2011, 252 complaints relating to delay in payment, less payment, wrong payment, non-payment of wages, etc have been reported and 239 cases have been settled. The Committee are dismayed to note that the toll free number for redressal of grievances in various States/UTs has still not been set up. The Committee are of the view that to deal with such cases a strong grievance redressal mechanism is essential within the Department. The Committee recommend that toll free number for grievance redressal should be set up in all States in order to help the Department to address the complaints of the MGNREGA labourers in an efficient and effective manner which would also increase their confidence in the Department.

The Committee are also seriously concerned to note that 94 officials have been found involved in corrupt practices. Disciplinary action has been initiated against 69 corrupt officials and in 25 cases criminal proceedings under IPC and Prevention of Corruption Act have been initiated. The Committee are of the view that such cases have shown the Department in poor light. The Committee strongly recommend that the Department should identify such loopholes in their system which has led to corruption and deal sternly with the corrupt officials to instill confidence of account holders in the Department. The Committee also hope that the recommendations made in their Twenty Fifth report on the subject would be followed in letter and spirit by the Department. The Committee would like to be apprised of the action taken on all of the above issues.

Reply of the Government

Department of Posts has taken following steps to improve the services under MGNREGS in order to ensure speedy disbursal of wages to workers:-

- I. Line limits for cash conveyance at various levels of Post Offices have been reviewed and revised keeping in view the need for large cash requirement to pay wages.
- II. The Circles have been instructed to follow dynamic line limit method for conveyance of cash as well as maintaining the cash balances.
- III. Standing instructions have been issued to all concerned whereby cash up to the requirement can be supplied beyond the normal line limits when wage payment liability is high. For this purpose, funds have been provided for hiring of vehicles for transporting cash.
- IV. Arrangements have also been made to utilize the services of all the manpower including those of other officials at the post offices at the time of making payments to MNREGA wage earners to ensure prompt disbursement of wages.
- V. State governments have been requested to ensure rolling funds with the concerned Head Post Offices so that payment of wages starts immediately on receipt of wage bills and need to wait for cheque clearance is avoided.

Phone numbers of nodal officers have already been made available for display at work place. In case of any grievance wage earners may directly contact the concerned officers for their immediate redressal.

The Department is having efficient internal mechanism to deal with all types of cases of corruption. Department has taken all possible steps to wipe out the cases of corruption.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

**Comments of the Committee
(Please see para 26 of the Chapter-I)**

CHAPTER-V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES ARE OF INTERIM IN NATURE

REVENUE DEFICIT

(Recommendation Sl. No. 4)

The Committee note that the Department could contain revenue deficit to some extent during the years 2010-11 and 2011-12 when compared to the respective previous year. The actual revenue deficit in 2010-11 was Rs. 6345.62 crore as compared to Rs. 6641.30 crore in the year 2009-10. The actual revenue deficit upto January, 2012 was Rs. 5295.13 crore. The Department has now projected the Revenue deficit at Rs. 5921.35 crore at BE for the year 2012-13 which shows an increase of Rs. 611.8 crore over the revenue deficit at BE stage of the previous year. The Department has stated that this is due to increase in Gross Expenditure of the year 2012-13, decline in recoveries in BE 2012-13 and approved SB/CC Revenue of Rs. 3793.31 crore in the year 2012-13 by the Ministry of Finance whereas the Department expects to earn more revenue in 2012-13. The Department expects that the revenue deficit as projected in BE 2012-13 would come down as the remuneration rate of SB/CC work for 2012-13 was enhanced by the Ministry of Finance. As revenue deficit is the difference between the gross expenditure and the total revenue receipts, the Department need to adopt various strategies to increase revenue receipts which include proper implementation of Plan Schemes relating to IT Modernization, aggressive marketing of its products, expansion of scope and activity relating to insurance, banking activities, efficient management of the human resources, optimization of its network for better delivery of mails, exploring new initiatives for business expansion with a view to increase revenue earnings of the Department and by introducing customer friendly and competitive devices so as to attract customers for various services provided by the Department of Posts. The Committee would like the Department to take concrete action on the suggested lines and also remind them of the mandate given to them during the previous plan to become deficit free.

Reply of the Government

The following are the areas of revenue generation which would help the Department to reduce its deficit :

PLI

In 2011-12 (RE), the recoveries for insurance was projected at ₹449 crores while the estimate for 2012-13 (BE), is ₹ 536 crores. However, for the year 2011-12, the actual recovery was ₹ 389.63 crores. Therefore, an increase in amount of recovery by ₹146.37 crores in the year 2012-13 has been targeted. Matter of expansion of scope of insurance activities has also been taken up with Ministry of Finance.

MNERGA

The scheme of disbursement of MGNREGA wages through post office accounts is operational in 19 postal Circles (26 States and 5 UTs) of the country excepting Delhi, J&K and Tamil Nadu Postal Circles (Tamil Nadu and Puducherry). The disbursal of MGNREGA wages through Post Offices involves works associated with opening and maintaining the Savings Bank accounts and administrative activities to meet statutory obligations under MGNREGA. The Department of Posts therefore needs to be compensated for this work. So far, no compensation has been received by the Department from 01.04.2009 for disbursing MGNREGA wages. The issue has been firmly taken up with MoRD/MoF. Department is optimistic that the issue will be sorted out shortly and Department will get remuneration which will further reduce deficit of the Department.

Mails

As part of Mail Network Optimization Project, the Department has optimized the mail network for Speed Post and other categories of mail. This initiative includes restructuring and consolidation of the countrywide operational network, streamlining and standardization of processes followed, i.e., from booking to delivery, in mail operations and putting in place an effective system of mail monitoring. These efforts have led to a simplified operations, effective monitoring and faster processing and delivery of mail. As part of 12th Plan proposals, the Department plans to further improve mail network and operations. These initiatives are expected to bring in more business which will ultimately reduce the revenue deficit.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

FRANCHISEE OUTLETS

(Recommendation Sl. No. 14)

The Committee observe a poor performance of the Department under the activity of opening of Franchisee Outlets during the entire Eleventh Plan. As against the proposal of opening 8100 Franchisee Outlets, only 463 could be opened during entire Eleventh Plan. The Committee feel the need for opening more Post offices/Franchisee Outlets in urban outgrowths. The Department have however, not been able to receive sufficient applications for opening Franchisee Outlets in these areas, because of voluntary nature of scheme. In this regard, the Committee are surprised to note that instead of making the scheme more attractive, the Department have decided not to change the rate of commission under the Franchisee Schemes for the time being which would have attracted more parties to come forward. The Committee wonder if this could be one of the reasons for the private parties not volunteering to come forward in the matter of franchisee outlets. The Committee are of the view that the activity 'Opening of Franchisee Outlets' is a novel idea of making private participation in the activity of the Department of Posts. If implemented earnestly, this scheme would be able to meet the demand for opening of Post Offices in the urban outgrowth areas. As recommended in their Twenty-fourth

Report, all initiatives should be taken by the Department to open more Franchisee Outlets in upcoming urban townships, new industrial centres, colleges, etc. even if it necessitates reviewing of their decision not to change the rate of commission. The Committee also recommend that a thorough review of the functioning of Franchisee Outlets may be undertaken so as to increase their business performance.

Reply of the Government

The Franchise Scheme was launched in February, 2007 to provide postal facilities in such urban & semi-urban areas where there is justification for opening of post office but it is not possible to open new post offices due to some reasons. There are 1670 Franchise Outlets (as on 31.3.2012) functioning in the country.

A proposal for expansion of the range of services to be offered by the franchisees, extension of the area of activity of franchise scheme and for provision of additional commission beyond the prescribed amount of transactions under the franchise scheme, is under consideration of the Department. This will make the scheme more attractive and remunerative to the parties.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

MAIL OPERATIONS

(Recommendation Sl. No. 15)

The Committee observe that the main focus under this Scheme during the Twelfth Plan will be on rationalization of the mails network and expediting transmission and delivery to improve the quality of mail operations. The Department has undertaken consolidation and optimization of mail network, track and Trace system for speed post, installation of AMPC in Delhi and Kolkata, enhancing the usage of Pin Code, mechanization of mail delivery in North-East and GPS enabled for MMS vehicles in North-East. The Secretary during the course of the oral evidence informed about first class mail that the Department are going to have test letter programmes which will be run by a private agency for which the Department is calling tenders. While appreciating the efforts made by the Department to improve mail delivery and the achievement made in delivery of Speed Post articles, the Committee are of the view that a more stringent monitoring needs to be done so as to ensure better delivery of mail. The Committee also recommend that the Department besides paying attention to Speed Post should also improve the service delivery of ordinary mails so as to increase customer confidence in ordinary mails as reliable and cost effective option of sending mail.

Reply of the Government

The Department has put in place a comprehensive online monitoring system for Speed Post operations. The performance of the Circles is monitored on a day-to-day basis on various operational

parameters defined as Key Performance Indicators (KPIs) in terms of booking at post offices, processing of these articles at Speed Post Sorting Hubs and delivery through post offices. A special emphasis has been laid upon providing delivery information on the website for Speed Post articles for the benefit of the people using Speed Post. A review is also done on a fortnightly basis by the Secretary through video conference where all Chief Postmasters General participate. A similar performance monitoring system is currently being designed for Registered mail. The monitoring system will contain tools to measure the transit time between cities and within cities as well as adherence to processes such as scan compliance. Once this is completed, online performance monitoring for registered mail through this online system would be done. The operational network for ordinary and registered mail has also been restructured recently. The processes being followed in mail offices have been redesigned, operational lay out has been changed and new equipments have been introduced to strengthen mail operations. A monitoring system for unregistered mail has also been developed. Through this system, it is measured whether the new network flow between mail offices is being complied with. As informed earlier, the process for engaging an independent agency for undertaking the test letter programme is going on. As an interim measure, the Department has also put in place an internal web-based test letter programme for monitoring the transit time for unregistered mail. This would help the Department in measuring the transit time for mail across the country in a more effective manner.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

POST BANK OF INDIA

(Recommendation Sl. No. 21)

The Committee observe that the aim of Post Bank of India is to provide full banking services primarily to the rural poor who still do not have the privilege of modern banking facilities and have to depend on the informal sector for their credit requirements. PBI is envisaged as a profit generating institution, which would enable the Department of Posts to reduce its deficit. The Committee feel that an enormous amount of thought, structuring effort would be needed to make the new entity a success and fulfill its development role. The Committee also feel that the bank will have to become an efficient deposit taker and provider of better financial services like payments and remittances. To achieve the objective, the Committee recommend that the proposed Post Bank of India will have to take core banking to rural areas provide ATM facilities in the remote areas. This will immensely help in mobilizing small savings from rural areas. The Committee are however, perturbed to note that this proposal is still at a conceptual stage since Eleventh Plan. The Committee would therefore like the Department to work out all details including finalization of the Expression of Interest/Request for Proposal to engage a Consultant so that a detailed project report on establishing a Post Bank of India may be completed at the earliest. As the proposal has to be put up to Reserve Bank of India and Ministry of Finance for further approval, the

Committee would like the Department to draw proper timelines so that Post Bank of India could become a reality within the Twelfth Plan.

Reply of the Government

Department has floated Expression of Interest (EOI) on Creation of Post Bank of India (PBI). EOI has been received from various bidders and the process of short listing the firms for issue of RFP is under progress. Department intends to issue RFP for engaging a consultant firm for preparing Detailed Project Report(DPR) in the month of July 2012 so that DPR exercise can be completed by December 2012.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

FINANCIAL INCLUSION

(Recommendation Sl. No. 22)

The Committee note that 5.39 crore MGNREGA accounts have been opened with the Department upto January, 2012 and the Department on its own is utilizing its network and limited resources to reach to the unbanked level population to bring them into the fold of small saving schemes. The Committee are however surprised to note that since Department of Posts is not doing full-fledged Banking Activities, its efforts on financial inclusion are not being recognized at the national figure of financial inclusion. The Committee also observe that the Department had highlighted its activities particularly opening of MGNREGA accounts to Planning Commission, Cabinet Secretariat as well as the Finance Ministry to include its data in the National Statistics of Financial Inclusion but despite this, it was not agreed to by the Ministry of Finance. The Committee are of the view that apart from MGNREGA accounts, the Department are also operating RPLI and small saving schemes in rural areas and there is no reason why the Department should not be included in the national statistics of financial inclusion. As the Department have vast rural networks and rural Post Offices are engaged in various financial activities, the Committee recommend that the Department should take it up afresh with the Ministry of Finance at the highest level in a forceful manner by way of projecting clear picture of the activities of the Department.

Reply of the Government

The Department had taken up this issue at the highest level and the reply has been received from Minister of State For Finance (Expenditure & Financial Services). However, as recommended by the Committee, this issue will be taken up again.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

PROVISION OF COMPETITIVE RATES OF INTEREST UNDER VARIOUS SMALL SAVINGS SCHEMES.

(Recommendation Sl. No. 29)

The Committee note that MoF have not agreed to provide autonomy to DoP to fix interest rates provided under various Small Saving Schemes, however, on the recommendations of an Expert Committee headed by the Dy. Governor of RBI, MoF have decided to review interest rates of Small Savings Schemes before the start of each financial year based on the market rate of auction of Government Securities on comparable maturity. While examining the Action Taken Note on Demands for Grants (2011-12), the Committee note that the Department were of the view that interest rates on small saving schemes should be market linked in line with the recommendation of the Committee. The Committee also note that the main reason for the reduction in accounts under various saving schemes is because Department of Posts have not been provided autonomy for fixing rate of interests. As recommended by the Committee consistently, the Department should take up the matter with the Ministry of Finance to provide autonomy to the Department of Post in the matter of fixing interest rates under various small saving schemes.

Reply of the Government

All funds mobilized under Small Savings Schemes are managed by Min. of Finance. On the recommendations of the Committee for giving autonomy to Department of Posts in the matter of fixing interest rates under various Small Savings Schemes, Min. of Finance reviewed interest rates through an Expert Committee headed by then Dy. Governor of RBI. Based on the recommendations of that Committee, Min. of Finance has decided to review interest rates every year which it was not doing since 2003. As a result of Committee's recommendation, Interest rates were first revised from 1.12.2011 and then from 1.4.2012 and now Min. of Finance is suitably appraised and taking care of Small Savings Scheme interest rates.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

EXTENSION OF CLIENTELE AND INTRODUCTION OF NEW PRODUCTS UNDER PLI/RPLI

(Recommendation Sl. No. 30)

With regard to the extension of clientele and introduction of new products under PLI/RPLI, the Committee note that the Ministry of Law have given the opinion that it would be advisable for the Department of Posts to carry out insurance business with the proposed new schemes as a Government Department by making use of the exception accorded under section 118(C) of the Insurance Act, 1938. However, the Ministry of Finance have stated that no expansion of the insurance activity by the Department of Posts can be permitted and the present operations of the Department of Posts will have to be supervised by IRDA. On the basis of the opinion of the Ministry of Law, several

correspondences have taken place with the Department of Financial Services, Ministry of Finance. The Secretary during the course of oral evidence apprised the Committee that the matter would be taken to Cabinet Secretary particularly when two different opinions of two different Departments have emerged. The Committee while taking note of the status of the long pending issue raised by the Committee consistently in the Report, emphasize that the matter should be taken up with the Cabinet Secretary so as to sort out the matter expeditiously. While taking any decision in this regard, the Committee would also like to reiterate their cautionary observation to maintain the identity of Posts.

Reply of the Government

For introduction of new products, the case was taken up again with Ministry of Finance at the level of Secretary (Posts) on 14.02.2012. However, there was no change in the stand of MoF as per their reply received on 02.04.2012. Therefore, to resolve the issue regarding of introduction of new products and for extension of clientele base, the matter has now been taken up by the Minister of Communications & IT with Minister of Finance on 20.04.2012. Response from Ministry of Finance is awaited.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

INCENTIVES FOR OPENING NEW MGNREGA ACCOUNTS/PAYMENT /LEDGER ENTRIES

(Recommendation Sl. No. 33)

The Committee during the Study visit to Kolkata in the year 2011 were apprised of the rate of incentives being given to the Postal officials for opening new MGNREGA account/ MGNREGA payment/ ledger entries by the Circle Office, the details of which have been given in the Part –I of the Report. The Committee observe that the incentives being given to postal officials for opening the new account for making payment and for making ledger entries are too low and wonder if this could be one of the reasons for the Department's inability to tap their full potential. The Committee feel that increase in incentives would induce the postal officials to deliver better services and therefore, recommend that the Department should explore the possibility of increasing the incentives under these heads in order to motivate the postal officials to intensify their efforts to bring more MGNREGA workers within the ambit of Department and thus increasing the number of Accounts and disbursal.

Reply of the Government

The existing MGNREGA incentive structure to the post office staff involved in MGNREGA related work is under review. A Committee was constituted to review the existing MGNREGA incentive structure. The recommendation of the Committee is under consideration.

(Ministry of Communications & IT/Department of Posts F. No. 20-2/2012-Bgt(PA)/33rd Report dated 07-08-2012)

New Delhi
12 December, 2012
21 Agrahayana, 1934 (Saka)

RAO INDERJIT SINGH,
Chairman
Standing Committee on
Information Technology

**STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2012-13)**

MINUTES OF THE SECOND SITTING OF THE COMMITTEE

The Committee sat on Friday, the 7th December, 2012 from 1500 hours to 1630 hours in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Rajendra Agarwal – In the Chair

MEMBERS

Lok Sabha

2. Shri Abdul Rahman
3. Shri A. Ganeshamurthi
4. Dr. Thokchom Meinya
5. Shri Radhe Mohan Singh (Ghazipur)
6. Smt. Seema Upadhyay

Rajya Sabha

7. Shri Salim Ansari
8. Shri Rajkumar Dhoot
9. Shri Bharatsinh Prabhatsinh Parmar
10. Dr. C.P. Thakur

SECRETARIAT

1. Shri Brahm Dutt - Joint Secretary
2. Dr. Sagarika Dash - Deputy Secretary

2. In the absence of the Chairman, the Committee chose Shri Rajendra Agrawal, a Member of the Committee to act as the Chairman for the sitting in accordance with Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. At the outset, the Chairman welcomed the Members to the sitting of the Committee. The Committee then took up for consideration of the Draft Action Taken Reports on Demands for Grants (2012-13) relating to the Department of Posts and xxxxxx. After some discussion, the Committee adopted the same without any modification. The Committee, then, authorized the Chairman to finalize and present the reports to the House during the ongoing Session of Parliament.

4. xxxxx xxxxx xxxxx xxxxx xxxxx.

5. xxxxx xxxxx xxxxx xxxxx xxxxx.

The Committee, then, adjourned.

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE
RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THEIR THIRTY-THIRD REPORT
(FIFTEENTH LOK SABHA)**

[Vide Paragraph No. 5 of Introduction]

- (i) Recommendations/Observations which have been accepted by the Government

Para Nos.:- 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 17, 19, 20, 24, 25, 27 & 31

Total 18

Percentage 54.54

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the replies of the Government

Para No.:- Nil

Total Nil

Percentage 0.00

- (iii) Recommendations/Observations in respect of which replies of the government have not been accepted by the Committee and require reiteration

Para Nos.:-13, 16, 18, 23, 26, 28 & 32

Total 07

Percentage 21.22

- (iv) Recommendations/Observations in respect of the reply which is of interim nature

Para Nos.:- 4, 14, 15, 21, 22, 29, 30 & 33

Total 08

Percentage 24.24