33

**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2016-17)**

SIXTEENTH LOK SABHA

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

*[*Action Taken by the Government on the Observations/Recommendations of the
Committee contained in their Twenty-sixth Report (Sixteenth Lok Sabha) on
'Demands for Grants (2016-17)*]*

THIRTY-THIRD REPORT

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2016/Agrahayana, 1938 (Saka)

THIRTY-THIRD REPORT

**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2016-17)**

(SIXTEENTH LOK SABHA)

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

**[Action Taken by the Government on the Observations/Recommendations of the
Committee contained in their Twenty-sixth Report (Sixteenth Lok Sabha) on
Demands for Grants (2016-17)']**

*Presented to Lok Sabha on 16 December, 2016
Laid in Rajya Sabha on 16 December, 2016*

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2016/Agrahayana, 1938 (Saka)

CONTENTS

COMPOSITION OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2016-17)

Shri Anurag Singh Thakur - Chairperson

Lok Sabha

2.	Shri L. K. Advani
3.	Shri Prasun Banerjee
*4.	Shri Harish Dwivedi
5.	Dr. Sunil Gaikwad
6.	Shri Hemant Tukaram Godse
7.	Dr. Anupam Hazra
8.	Dr. Jayakumar Jayavardhan
9.	Shri P. Karunakaran
10.	Shri Virendra Kashyap
11.	Shri Harinder Singh Khalsa
12.	Shrimati Hema Malini
13.	Shri Keshav Prasad Maurya
14.	Dr. K.C. Patel
15.	Shri Raosaheb Danve Patil
16.	Shri Paresh Rawal
17.	Dr. (Shrimati) Bharati Shiyal
18.	Shri Abhishek Singh
19.	Shri D.K. Suresh
20.	Shri Ramdas Tadas
21.	Shrimati R. Vanaroja

Rajya Sabha

22.	Shrimati Jaya Bachchan
23.	Shri P. Bhattacharya
24.	Shri Suresh Gopi
25.	Shri Prabhat Jha
26.	Shri Santiuse Kujur
27.	Shri Derek O'Brien
28.	Shrimati Kahkashan Perween
29.	Dr. K.V.P. Ramachandra Rao
30.	Dr. Vinay P. Sahasrabuddhe
31.	Shri Sachin Ramesh Tendulkar

Secretariat

1.	Shri R.S. Kambo	-	Additional Secretary
2.	Shri Y.M. Kandpal	-	Director
3.	Smt. Reena Gopalakrishnan	-	Deputy Secretary
4.	Shri Abhishek Sharma	-	Executive Assistant

* Nominated to the Committee w.e.f. 19.10.2016 *vide* Bulletin Part-II dated 19.10.2016.

INTRODUCTION

I, the Chairperson, Standing Committee on Information Technology (2016-2017), having been authorised by the Committee, do present the Thirty-third Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Twenty-sixth Report (Sixteenth Lok Sabha) on 'Demands for Grants (2016-17)' of the Ministry of Communications (Department of Posts).

2.   The Twenty-sixth Report was presented to Lok Sabha/laid on the Table of Rajya Sabha on 3rd May, 2016. The Department of Posts furnished their Action Taken Notes on the Observations/Recommendations contained in the Twenty-sixth Report on 1st August, 2016.

3.   The Report was considered and adopted by the Committee at their sitting held on 15th December, 2016.

4.   For facility of reference and convenience, Observations/Recommendations 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 Observations/Recommendations contained in the Twenty-sixth Report of the Committee is given at Annexure-II.

New Delhi;   **ANURAG SINGH THAKUR,**
15 December, 2016   **Chairperson,**
24 Agrahayana, 1938 (Saka)   **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 Observations/Recommendations of the Committee contained in their Twenty-sixth Report (Sixteenth Lok Sabha) on 'Demands for Grants (2016-17)' relating to the Ministry of Communications (Department of Posts).

2.   The Twenty-sixth Report was presented to Lok Sabha/laid in Rajya Sabha on the 3rd May, 2016. It contained 14 Observations/ Recommendations.

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

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

      Rec. Sl. Nos.:- 1, 2, 3, 5, 6, 8 and 10

(ii)   Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government
Rec. Sl. No.: Nil

(iii)   Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and require reiteration
Rec. Sl. Nos.:- 4, 12,13 and 14

(iv)   Observations/Recommendations in respect of which the reply of the Government are of interim in nature
Rec. Sl. Nos.:- 7, 9 and 11

4.   The Committee trust that utmost importance would be given to implementation of the Observations/Recommendations accepted by the Government. The Committee further desire that Action Taken Notes on the Observations/Recommendations contained in Chapter-I and final action taken replies to the Observations /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.

BUDGET ANALYSIS

(Recommendation Sl.No.1)

6.   The Committee, in their Original Report, had recommended as under:-

"The Committee note that the gross expenditure of the Department has been gradually increasing over the years. During the year 2013-14, the Department had incurred Rs.16796.71 crore as gross expenditure which increased to Rs.18556.56 crore during 2014-15. During 2015-16, the gross expenditure of the Department set at BE was Rs.19494.26 crore which was increased to Rs.20184.61 crore at RE. For the year 2016-17, an amount of Rs.23122.60 crore has been set at BE which is Rs.3628.34 crore more that the BE of the previous year. The Committee have been informed that the gross expenditure of the Department was mainly due to Salaries and Pensions which constitute more than 90 percent of the gross expenditure. The Department have contended that it is not possible to cut down the operational expenses due to the increasing costs on one hand and obligation to provide Universal Postal services to the citizens at affordable costs throughout the country on the other. The Committee also note that the expenditure on pension will also gradually increase over the years. The only way to offset the growing gross expenditure of the Department is by increasing its revenue receipts. During the year 2013-14, the revenue receipts of the Department was Rs.10730.47 crore which increased to Rs.11635.98 crore during 2014-15. The estimated revenue of the Department in RE 2015-16 is Rs.12614.01 crore against the Budget Estimate of Rs.12036.87 crore. The estimated revenue in BE 2016-17 is Rs.13827.05 crore which is Rs.1790.18 crore more than the BE of the previous year. The end result can be gauged from the fact that revenue deficit of the Department has increased from Rs.5473.10 crore during 2013-14 to Rs.6258.60 crore during 2014-15. The revenue deficit at RE during 2015-16 stands at Rs. 6925.76 crore whereas revenue deficit at BE for the year 2016-17 is Rs.8619.27 crore. The Committee also note that the revenue receipts of the Department on account of its Postal Operations as well as remunerations in Saving Banks services is gradually witnessing an increasing trend. To increase revenue

receipts, the Committee note that the Department are making investment in Small Savings Schemes, emerging e-commerce market, and parcel products, namely, Express Parcel and Business Parcel, in addition to Speed Post, Logistics Post and Business Post. While appreciating that the Department have been able to consistently maintain the increase in growth of revenue over the years, the Committee recommend that more business opportunities must be created by the Department to further increase their revenue so as to decrease revenue deficit. Considering that revenue deficit can only be reduced by increasing revenue receipts, the Committee desire that the Department should explore opportunities in the market for growing business and increase efficiency through IT induction and mail optimization."

7.   The Department of Posts, in the action taken note, have stated as under:-

(a) The Department has gone through the international and national trends and taken various initiatives in order to augment revenue and reduce deficit. These initiatives include focus and efficiency improvement in premium services, saving bank service and insurance service. Going by the international trends Department of Posts is focusing on the Parcel segment as a key driver for business growth considering the growing market and business prospects. The increasing e-commerce market in India has given a boost to the parcel segment where Business to Customer (B 2 C) parcel volume is on the rise. With this focussed approach, Department of Posts generated a revenue of Rs.149.94 crores under parcel segment during 2015-16 registering an overall increase of 33% over 2014-15. With this focussed approach Department of Posts is expected to increase its revenue earnings and contain the deficit in future. Additionally, to increase the throughput and reduce the time involved in handling of articles, Department is augmenting its infrastructure by providing requisite equipments and induction of appropriate technology.

(b) Department of Posts offers a number of premium services like Speed Post, Business Post, Express Parcel, Business Parcel, Logistics Post etc to generate additional revenue. Further, the Department of Posts periodically reviews its services and products keeping in view the changing Market scenario, customer needs, industry benchmarks etc and takes steps/action to modify service features to improve the postal services and boost the revenue growth of the Department. Technology

integration and infrastructure up gradation is also being done in a systematic manner to increase the efficiency and throughput and reduce the cost of operation, thereby decreasing the revenue deficit. Following are some of the initiatives taken/ being taken to increase the revenue receipt in 2016-17:

(i)   Bharat Electronics Limited (BEL) has entered into an agreement with Department of Posts for sending their consignments though Speed Post from more than 80 locations across the country under Single Point Account Management scheme.

(ii)   Railway tickets are sold through post offices under an agreement signed with the Ministry of Railways. Presently this service is available in 316 post offices across India.

(iii)   Department of Posts has introduced a new initiative of 'Post Shoppe' which is aimed to generate additional revenue by utilizing the vacant space in Post Offices.

(iv)   Government of India has introduced Sovereign Gold Bond scheme (SGB) in the Union Budget 2015-16. During tranche I and II, 4045 Sovereign Gold Bond applications were collected through Post Offices across the country and the Certificates of holding (bonds) were issued by RBI for the same.

(v)   Department is also entering into tie-ups with third parties for use of its network for selling their product/services through post offices e.g. sale of forms of various educational institutions/Universities, sale of mobile phones, address verification etc.

(c) Revenue of the Department is also growing at a steady rate under Financial Services schemes. Kisan Vikas Patras has been reintroduced in 2014 and a new scheme called Sukanya Samridhi Account has been launched in January 2015 which has been great success
With the opening of 85.25 lakh accounts under new scheme a revenue augmentation of Rs -175.26 Cr has been registered during the year 2015-16.
.

(d) The IT Modernization Project of Department of Posts has already entered the implementation Phase. The Project Coordination Committee and all the Project Implementation Committees, are put in place, and are vigorously monitoring the implementation of the Project. It is expected that the implementation of all the eight segments will be over as per the following timelines set for the purpose which will increase efficiency and quality of work.

Tentative Timelines (revised)

Sl. No.	Name of the segment	Time lines set for completion of implementation	Completion of O&M Phase
1	Data Centre Facility	DC functioning WEF April-13 & DRC Powered on during May- 2015	July 2020
2	Rural ICT- RSI	March 2017	March 2026
3	Rural ICT- RH	March 2017	March 2022
4	Core System Integrator	March 2017	June 2021
5	Change management	Continuous activity with other segments	-----
6	Financial Solution Integrator	Completed except some non feasible areas for network connectivity.	May 2021
7	Network Integrator	98% completed. Some difficult locations pending.	Sep 2021
8	Mail operation Hardware	Dec 2016	Dec 2021

Setting Up of Automated Mail Processing Centres: In sync with the requirement due to the changing mail profile i.e. declining letter mail and a consequent shift towards parcels and e-commerce articles, the Department has correlated setting up of future Automated Mail Processing Centres (AMPC) at Mumbai, Chennai, Hyderabad and Bengaluru to conform to this segment.

8.   While appreciating the Department for being able to consistently maintain growth in revenue generation over the years, the Committee had recommended that more business

opportunities must be created by the Department to further increase their revenue and decrease revenue deficit. Considering that the deficit in revenue can be reduced by increasing revenue receipts, the Committee had desired that the Department should increase efficiency through IT induction and mail optimization. The Department, in their Action Taken Replies, have enumerated the initiatives taken by them to increase their revenue receipts. The Committee, however, feel that the Department need to give more focused attention to their IT Modernization Project by setting strict deadlines and meeting them without any compromises. The Committee further feel that since there is limited scope in reducing the revenue expenditure, the only way to move forward is to increase the revenue receipts and trust that the initiatives taken by the Department would go a long way in helping them to improve their revenue receipts, thereby reducing their revenue deficit in the long run.

SETTING UP AUTOMATED MAIL PROCESSING CENTERS (AMPCS)

(Recommendation Sl.No.4)

9.   The Committee, in their Original Report, had recommended as under:-

"The Committee note that the Department are in the process of setting up Automated Mail Processing Centers (AMPCs) at Mumbai, Chennai, Bengaluru and Hyderabad. The AMPC at Delhi is handling 5.6 lakh articles per day (1.6 lakh Speed Post articles and 4 lakh unregistered mail), whereas the AMPC at Kolkata is handling 2.61 lakh articles per day (57000 Speed Post and 2.04 lakh unregistered mail). However, the AMPC at Mumbai had stopped functioning since April 2015 as the sorting machines have over lived their life span. The percentage of Speed Post articles at AMPCs Delhi and Kolkata vis-a-vis total Speed Post mail handled by the Department is approximately 20 percent. The percentage of unregistered mail at AMPCs Delhi and Kolkata vis-a-vis total unregistered mail handled by the Department is approximately 3.5 percent. The Committee understand that the Mumbai International Airport (MIAL) has offered suitable land for setting of AMPC and the Department have accepted the same. The process of signing the agreement is in the final stage and will be executed shortly. The Department have also decided to set up AMPC at Departmental land at MMS Complex Chennai. Suitable land for setting up of AMPC at Bengaluru has been purchased from the Karnataka Industrial Area Development Board (KIADB) near Bengaluru Airport. Similarly, suitable land for setting up of AMPC at Hyderabad has been purchased from the Government of Andhra Pradesh near Hyderabad Airport. In spite of the progress made in acquiring land for setting up of AMPCs in Mumbai, Chennai, Bengaluru and Hyderabad, the Committee note that the scheme could not take off within the envisaged time frame due to non-finalization of the consultant. The Committee recommend that the Request for Proposal (RFP) for hiring consultant which is under process should be finalized and

issued at the earliest. Since the mail profile all over the country has undergone a significant change in the last few years, the Committee are of the view that setting up of AMPCs at these cities will be immensely helpful in streaming the mail delivery mechanism."

10.   The Department of Posts, in the action taken note, have stated as under:-

"In sync with the requirement due to the changing mail profile i.e. declining letter mail and a consequent shift towards parcels and e-commerce articles, the Department has initiated setting up of Automated Mail Processing Centres (AMPC) at Mumbai, Chennai, Hyderabad and Bengaluru to conform to this segment. The Department is also in the process of finalizing a consultant for the Parcel Network Optimization Project (PNOP) for designing an optimum parcel network with a combination of facilities for manual to semi-automatic to automatic processing of parcels on a pan-India basis. These two activities of PNOP and AMPCs will now be synergized. Thus an integrated parcel network will be created, consisting not only of AMPCs at four locations, but also semi-automatic sorting centres at other locations generating significant mail volume thereby synergizing end to end mail processing activities and creating enhanced capacity to handle the growing e-commerce business. Consequently, the EFC memo for the proposed AMPCs is being revised, following which, the RFP for hiring the consultant would be issued."

11.   While noting that in spite of the progress made in acquiring land for setting up of Automated Mail Processing Centres (AMPCs) in Mumbai, Chennai, Bengaluru and Hyderabad, the scheme could not take off within the envisaged time frame due to non-finalization of the Consultant, the Committee had recommended that the Request for Proposal (RFP) for hiring consultant which is under process should be finalized and issued at the earliest. In view of the significant change in the mail profile all over the country in the last few years, the Committee had felt that setting up of AMPCs at these cities would be immensely helpful in streamlining the mail delivery mechanism. The Department, in their Action Taken Replies have stated that apart from setting up of Automated Mail Processing Centres (AMPC) at Mumbai, Chennai, Hyderabad and Bengaluru to conform to the changing mail profile, the Department are also in the process of finalizing a consultant for the Parcel Network Optimization Project (PNOP) which would design an optimum parcel network with facilities for manual to semi-automatic to automatic processing of parcels on pan-India basis. Consequently, the Committee have been informed that the EFC memo for the proposed AMPCs is being revised and the RFP for hiring the consultant would be issued later. While lauding the efforts of the Department to synergize the activities of Parcel Network Optimization Project (PNOP) and Automated Mail Processing Centres (AMPCs) to create an integrated parcel network, the Committee are, however, unhappy to note that the

Department has been coming up with a routine kind of replies in the matter of setting up of AMPCs and would like to know what prevented the Department to float RFP in all these years for AMPCs. The Committee, therefore, reiterate that setting up of AMPCs at major cities like Mumbai, Chennai, Bengaluru and Hyderabad which is long overdue now and needs to be addressed on a priority basis as it is a critical pre-requisite in improving overall efficiency of the entire delivery process should be accorded due priority and the Department should make all efforts to set and meet strict deadlines for the same. The Committee would like to be apprised of the action taken in the matter within a period of three months.

E-COMMERCE SEGMENT

(Recommendation Sl.No.12)

12.   The Committee, in their Original Report, had recommended as under:-

"The Committee are given to understand that one area which holds tremendous opportunity for revenue generation for the Department is the fast growing e-Commerce segment. To fulfill the needs of the e-Commerce sector and to increase its revenue receipts, the Department have taken several measures such as introduction of Cash on Delivery (COD) facility, upgradation of Parcel booking and handling facilities, providing technological support which includes seamless data integration through Application Programme Interface (API) to the e-Commerce companies, introduction of Nodal/Mechanized delivery in 11 major cities, same/next day delivery along with delivery on Public Holiday/Sunday and beyond business hours in 7 cities, establishment of 34 major routes for fast, secure and reliable transmission of parcels, fitting of more than 950 Mail Vans with GPS devices for online monitoring of mail movement, etc. Several major e-Commerce players in the country are being provided delivery services by the Department. The Committee note that there has been considerable increase in revenue generated by Express and Business Parcel. During 2014-15, an amount of Rs. 112.47 crore was earned by the Department, witnessing a growth of 45 percent over the revenue in 2013-14. Revenue generated from these two services in the current financial year, till February 2016, is Rs. 131 crore showing a growth of 65 percent over the corresponding period of the previous year. While observing that numerous steps are being taken by the Department to capture the e-Commerce market, the Committee emphasize that the real challenge is to overcome competition from private courier services which are also actively operating in the market. The Department need to find innovative and alternative measures to meet this challenge in order to gain larger market share in this segment."

13.   The Department of Posts, in the action taken note, have stated as under:-

"Department continuously endeavors to leverage its vast network to develop the business, to reach out to its customers and to contribute to the growth of the country. Regular review of its product offerings and induction of modern technology and equipments to increase the throughput are part of its business strategy. Department is currently having more than 900 e-commerce customers on board to whom fulfillment services are offered. The customer base is increasing day by day and all major e-commerce players like Amazon, Flipkart, Snapdeal, Shopclues, Yepme; Naaptol etc are associated with Department. In order to meet the capacity requirement to cater to the demand of the growing e-commerce market, Department of Posts has established 57 Parcel Booking/ Integrated Parcel Centres and 3 more such centres are being established in the current financial year. These centres are being established at key locations considering the potential and requirements and are not limited only to metro cities. Department has also introduced an SMS alert facility once the articles are received in the delivery Post Offices as well as when articles are sent out for delivery. These actions are taken as per prevailing market practices to provide value to the customers as well as to improve the satisfaction level. These actions will help the Department to be the market leader in delivery of e-commerce consignments."

14.   The Committee had noted that one area which holds tremendous opportunity for revenue generation for the Department is the fast growing e-Commerce segment. To fulfill the needs of the e-Commerce sector and to increase its revenue receipts, the Department have taken several measures such as introduction of Cash on Delivery (COD) facility, upgradation of Parcel booking and handling facilities, providing technological support which includes seamless data integration through Application Programme Interface (API) to the e-Commerce companies, introduction of Nodal/Mechanized delivery in 11 major cities, same/next day delivery, etc. While noting these steps, the Committee had emphasized that the real challenge in capturing the e-Commerce market is overcoming competition from private courier services which are also actively operating in the market. The Department, in their Action Note, have stated that they are currently having more than 900 e-commerce customers on board to whom fulfillment services are being offered and all major e-commerce players like Amazon, Flipkart, Snapdeal, Shopclues, Yepme; Naaptol etc are associated with Department. In order to meet the capacity requirement to cater to the demand of the growing e-commerce market, Department of Posts have established 57 Parcel Booking/ Integrated Parcel Centres and 3 more such centres are being established in the current financial year. Department have also introduced an SMS alert facility once the articles are received in the delivery Post Offices as well as when articles are sent out for delivery. While appreciating the various steps taken to improve customer satisfaction and

garner more market share in the e-Commerce segment, the Committee feel that there is a lot more to be done by the Department to tap the huge potential of e-commerce market in order to increase its revenue earnings and reiterate the need to focus on the emerging e-Commerce segment as a major source of future revenue and take a holistic approach to establish itself as a delivery partner of choice for e-Commerce companies. The Committee feel that emergence of e-Commerce is a great opportunity for the Department to position itself as a service provider of choice and also augment its revenue receipts to curtail its revenue deficit. The Committee would like to be apprised of further initiatives taken by Department in this direction.

IT INDUCTION AND MODERNIZATION

(Recommendation Sl.No.13)

15.   The Committee, in their Original Report, had recommended as under:-

"The Committee note that IT Induction and Modernization is an important scheme of the Department that got the maximum outlay of Rs. 3046.75 crore amongst all the schemes for the Twelfth Five Year Plan. The Department have submitted that there was low utilization of fund in the years 2012-13 to 2014-15 due to the complexity of the project and the delay at the end of various authorities/agencies involved in the approval and implementation of projects. The Committee have been informed that through effective monitoring of implementation, the project is being brought on track and there have been significant achievements under the IT Modernization Project in 2015-16. During the year 2015-16, an amount of Rs. 276.40 crore was allocated at BE which was increased to Rs.331.10 crore at RE and the actual utilization upto February, 2016 was Rs.197.11 crore. The Committee note that out of the 8 segments under the scheme, Data Centre & DR has already been completed. With regard to the remaining 7 segments, the Department have stated that Network Connectivity will be completed by March, 2016, subject to technical feasibility/alternate solutions; Financial Solution will be completed by April, 2016 in technically feasible sites; Mail Operation Hardware will be completed by December 2016; and the remaining 4 segments, viz. Rural ICT-Application, Core System Integrator, Rural H/W & Connectivity, and Change Management will be completed by March 2017. The Committee note that the scheme has been subsumed in the Scheme Postal Operations w.e.f. 2016-17. With regard to the status of computerization of Post Offices, the Department have stated that all the 25297 Post Offices are computerized as on date. As on 29-03-2016, the number of departmental post offices, RMS offices and other administrative offices networked under the Single Wide Area Network is 28,296. The Committee have been apprised that to ensure completion of the Scheme as per the timeline, various committees at different levels such as Steering Committee, Project Coordination Committee, Project Implementation Committee, Circle Monitoring Committees/Regional Monitoring Committees, etc. have been constituted to review implementation of different parameters and monitor progress on a regular

basis and to ensure that the project timelines are observed and outcomes achieved within the stipulated time. In addition to this, the Secretary (Posts) and Member (Tech.), Department of Posts, and other senior officers personally monitor the key issues relating to the implementation of the Project. The Committee are of the view that IT induction will bring a positive impact, including transparency, accountability, and efficiency in the functioning of the Department. Since the remaining 7 segments of the Scheme are to be completed by March 2017, the Committee recommend that necessary measures should be taken to ensure timely completion of the project."

16.   The Department of Posts, in the action taken note, have stated as under:-

 "The recommendations of the committee have been noted. The various Project Implementation committees which are in place are vigorously monitoring the Project to ensure completion of its implementation by March, 2017."

17.   Though the Committee were of the view that IT induction will bring a positive impact, including transparency, accountability, and efficiency in the functioning of the Department, as 7 out of the 8 segments of the Scheme are scheduled to be completed by March 2017, only the Committee had recommended that necessary measures should be taken to ensure their timely completion to reap the benefits of the project. The Department, in their action taken note, have stated that the various Project Implementation committees which are in place to monitor the implementation of the Project will ensure its completion by March, 2017. The reply of Department is, however, silent about other concrete steps taken by Department to ensure timely completion of project.   The Committee have serious apprehensions about the Department meeting the deadlines and hence would again urge the Department to make sincere efforts to ensure that the revised timelines set for execution of core components of the scheme are met obviating any further spill over of the project and would like to be apprised of steps taken by the Department and targets achieved so far along with reasons for delay, if any.

<u>ESTATES MANAGEMENT</u>

(Recommendation Sl.No.14)

18.   The Committee, in their Original Report, had recommended as under:-

"The Committee note that the Scheme is being implemented to fulfill the Universal Service Obligation by providing a congenial environment for customer transaction and also provide a good working atmosphere to the employees. Since DoP have computerized all the Departmental Post Offices in the country, it has become all the more necessary to provide these Offices with Departmental buildings as a basic pre-requisite for computerization; hence the scheme is being continued in the 12th Plan. The Committee note that during the year 2015-16, an amount of Rs.34.87 crore has

been allocated at BE which was reduced to Rs.27.15 crore at RE and the actual utilization upto February, 2016 was only 17.26 crore. Out of the 10 sub-schemes under it, the Committee observe poor physical achievements under 5 sub-schemes, viz. construction of Post Offices, construction of boundary walls, construction of ATM Rooms, installation of Solar Power Packs, and construction of Rain Water Harvesting Structures. The Committee also note that 1763 vacant plots of land are presently available with the Department, with Karnataka having 351 vacant plots, followed by Andhra Pradesh with 220, Rajasthan with 162, and Tamil Nadu with 149. The Committee have been informed that 285 plots are situated at prime locations. The Department have further informed that the average size of the vacant plots is 1390.55 sq. mts and the average size of the plot is viable for construction of Post Office building/Staff Quarters. The Committee note that the proposal to undertake commercial utilization of land under Public Private Partnership could not be implemented since most of the vacant plots of land situated on prime locations were originally allotted for construction of Post Office buildings and Staff Quarters at Government rates and subsidized rates by State Governments, Trust and Local Bodies for Postal Operations; that being so, these vacant plots cannot be used for any other purpose as per allotment terms and conditions or else allotment will get cancelled. The Committee further note that impediments are being faced in the construction of Post Office buildings/Staff Quarters at the vacant plots owned by the Department since land title is not readily available, in the absence of which municipal approval gets delayed, while some the plots are located in inaccessible areas. 209 vacant plots are also stated to be under encroachment. In this regard, necessary instructions have already been issued to all the Heads of Postal Circles that eviction of unauthorized personnel from the encroached land of the Department may be done after seeking assistance of the law enforcing agencies for all the plots of the Department of Posts. Boundary walls and barbed wire fencing on important/sensitive plots are being constructed, subject to availability of Plan funds. The Committee express dissatisfaction over the performance of the Department as far as activities under real estate management is concerned. It needs to be realized that DoP now are gradually assuming centrestage after being part of delivery platform for 'Digital India' Programme and being chosen to operate Payments Bank, apart from witnessing transformation with IT induction and modernization. Therefore, it is essential that congenial environment and better working atmosphere is provided for which construction of Post Office buildings/Staff Quarters are to be accorded priority. The Committee recommend that the Department should address the impediments cited in this regard and come up with a plan for construction of buildings/Staff Quarters. The Committee expect better performance on this front and would like to be apprised of steps taken in this regard."

19.   The Department of Posts, in the action taken note, have stated as under:-

"The Committee has noted that the physical achievement in activities like Construction of Post Office, Construction of boundary walls, Construction of ATM rooms, Installation of Solar Power Pack and Construction of Rain water harvesting structure has been poor. In this context, it is stated that though an amount of Rs. 20.46 crores was allotted in BE in 2015-16 with target of Construction of 12 Post Office buildings, an amount of Rs. 14.86 crores was available at RE stage with target of 9 Post Office buildings. During the year 2015-16, a total of 8 PO building projects

were completed in the funds available. Apart from this, the targets for Construction of boundary wall, Solar Power Packs and Rain water harvesting have been completed. As far as construction of ATM rooms was concerned, no fund was allotted in BE. However, the spillover work was completed and 105 ATM rooms were constructed with the available funds. Therefore, in view of the above, the physical achievement in various activities under Plan Scheme Estates Management for the year 2015-16 has not been poor as observed by the Committee. It is further noted that 100% of the funds allotted in FG 2015-16 i.e. Rs. 25.55 crores has been utilized.

In 2030 perspective plan projected to NITI Aayog, already construction of post offices/staff quarters on all the existing vacant plots of land has been taken up. Where ever, the approval of a project appears to be getting delayed, the project for construction of temporary structures will be taken up. Further, efforts would be made to outsource the construction of the PO buildings to CPWD and/or other organizations who are already carrying out construction activities. This will help in covering more land under construction and will therefore, help in avoiding encroachment issues. In the meantime, the boundary walls are proposed to be constructed on the vacant plots to save against encroachment."

20.   While expressing dissatisfaction over the performance of the Department as far as activities under real estate management are concerned the Committee had recommended that the Department should address the impediments cited in this regard and come up with a plan for construction of buildings/Staff Quarters. The Department, in their action taken note, have stated that in the 2030 perspective plan projected to NITI Aayog construction of post offices/staff quarters on all the vacant plots of land owned by the Department has been taken up. Further, efforts would be made to outsource the construction of the buildings to CPWD or other organizations and boundary walls would be constructed on vacant plots to save against encroachment. But, the Committee are of the view that such temporary measures will not bring solutions and only expeditious utilization of real estate assets can ward off encroachments. They, therefore, urge the Department to be proactive in utilizing land assets and apprise the Committee of the immediate steps taken in this regard along with proposed plan of action. The Committee would reiterate that with DoP gradually assuming centrestage being part of delivery platform for 'Digital India' Programme and chosen to operate Payments Bank, apart from the transformation with IT Induction and

Modernization, it is essential that a congenial working environment is made available in the form of suitable Post Office buildings and staff quarters.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

BUDGET ANALYSIS

(Recommendation Sl.No.1)

The Committee note that the gross expenditure of the Department has been gradually increasing over the years. During the year 2013-14, the Department had incurred Rs.16796.71 crore as gross expenditure which increased to Rs.18556.56 crore during 2014-15. During 2015-16, the gross expenditure of the Department set at BE was Rs.19494.26 crore which was increased to Rs.20184.61 crore at RE. For the year 2016-17, an amount of Rs.23122.60 crore has been set at BE which is Rs.3628.34 crore more that the BE of the previous year. The Committee have been informed that the gross expenditure of the Department was mainly due to Salaries and Pensions which constitute more than 90 percent of the gross expenditure. The Department have contended that it is not possible to cut down the operational expenses due to the increasing costs on one hand and obligation to provide Universal Postal services to the citizens at affordable costs throughout the country on the other. The Committee also note that the expenditure on pension will also gradually increase over the years. The only way to offset the growing gross expenditure of the Department is by increasing its revenue receipts. During the year 2013-14, the revenue receipts of the Department was Rs.10730.47 crore which increased to Rs.11635.98 crore during 2014-15. The estimated revenue of the Department in RE 2015-16 is Rs.12614.01 crore against the Budget Estimate of Rs.12036.87 crore. The estimated revenue in BE 2016-17 is Rs.13827.05 crore which is Rs.1790.18 crore more than the BE of the previous year. The end result can be gauged from the fact that revenue deficit of the Department has increased from Rs.5473.10 crore during 2013-14 to Rs.6258.60 crore during 2014-15. The revenue deficit at RE during 2015-16 stands at Rs. 6925.76 crore whereas revenue deficit at BE for the year 2016-17 is Rs.8619.27 crore. The Committee also note that the revenue receipts of the Department on account of its Postal Operations as well as remunerations in Saving Banks services is gradually witnessing an increasing trend. To increase revenue receipts, the Committee note that the Department are making investment in Small Savings Schemes, emerging e-commerce market, and parcel products, namely, Express Parcel and Business Parcel, in addition to Speed Post, Logistics Post and Business Post. While appreciating that the Department have been able to consistently maintain the increase in growth of revenue over the years, the Committee recommend that more business opportunities must be created by the Department to further increase their revenue so as to decrease revenue deficit. Considering that revenue deficit can only be reduced by increasing revenue receipts, the Committee desire that the Department should explore opportunities in the market for growing business and increase efficiency through IT induction and mail optimization.

Reply of the Government

(a) The Department has gone through the international and national trends and taken various initiatives in order to augment revenue and reduce deficit. These initiatives include focus and efficiency improvement in premium services, saving bank service and insurance service. Going by the international trends Department of Posts is focusing on the Parcel segment as a key driver for business growth considering the growing market and business prospects. The increasing e-commerce market in India has given a boost to the parcel

segment where Business to Customer (B 2 C) parcel volume is on the rise. With this focussed approach, Department of Posts generated a revenue of Rs.149.94 crores under parcel segment during 2015-16 registering an overall increase of 33% over 2014-15. With this focussed approach Department of Posts is expected to increase its revenue earnings and contain the deficit in future. Additionally, to increase the throughput and reduce the time involved in handling of articles, Department is augmenting its infrastructure by providing requisite equipments and induction of appropriate technology.

(b) Department of Posts offers a number of premium services like Speed Post, Business Post, Express Parcel, Business Parcel, Logistics Post etc to generate additional revenue. Further, the Department of Posts periodically reviews its services and products keeping in view the changing Market scenario, customer needs, industry benchmarks etc and takes steps/action to modify service features to improve the postal services and boost the revenue growth of the Department. Technology integration and infrastructure up gradation is also being done in a systematic manner to increase the efficiency and throughput and reduce the cost of operation, thereby decreasing the revenue deficit. Following are some of the initiatives taken/ being taken to increase the revenue receipt in 2016-17:

(i)   Bharat Electronics Limited (BEL) has entered into an agreement with Department of Posts for sending their consignments though Speed Post from more than 80 locations across the country under Single Point Account Management scheme.

(ii)   Railway tickets are sold through post offices under an agreement signed with the Ministry of Railways. Presently this service is available in 316 post offices across India.

(iii)   Department of Posts has introduced a new initiative of 'Post Shoppe' which is aimed
to generate additional revenue by utilizing the vacant space in Post Offices.

(iv)   Government of India has introduced Sovereign Gold Bond scheme (SGB) in the Union Budget 2015-16. During tranche I and II, 4045 Sovereign Gold Bond applications were collected through Post Offices across the country and the Certificates of holding (bonds) were issued by RBI for the same.

(v)   Department is also entering into tie-ups with third parties for use of its network for selling their product/services through post offices e.g. sale of forms of various educational institutions/Universities, sale of mobile phones, address verification etc.

(c) Revenue of the Department is also growing at a steady rate under Financial Services schemes. Kisan Vikas Patras has been reintroduced in 2014 and a new scheme called Sukanya Samridhi Account has been launched in January 2015 which has been great success. With the opening of 85.25 lakh accounts under new scheme a revenue augmentation of Rs -175.26 Cr has been registered during the year 2015-16.
.

(d) The IT Modernization Project of Department of Posts has already entered the implementation Phase.   The Project Coordination Committee and all the Project Implementation Committees, are put in place, and are vigorously monitoring the implementation of the Project. It is expected that the implementation of all the eight

segments will be over as per the following timelines set for the purpose which will increase efficiency and quality of work.

<div align="center">Tentative Timelines (revised)</div>

Sl	Name of the segment	Time lines set for completion of implementation	Completion of O&M Phase
1	Data Centre Facility	DC functioning WEF April-13 & DRC Powered on during May- 2015	July 2020
2	Rural ICT- RSI	March 2017	March 2026
3	Rural ICT- RH	March 2017	March 2022
4	Core System Integrator	March 2017	June 2021
5	Change management	Continuous activity with other segments	-----
6	Financial Solution Integrator	Completed except some non feasible areas for network connectivity.	May 2021
7	Network Integrator	98% completed. Some difficult locations pending.	Sep 2021
8	Mail operation Hardware	Dec 2016	Dec 2021

Setting Up of Automated Mail Processing Centres: In sync with the requirement due to the changing mail profile i.e. declining letter mail and a consequent shift towards parcels and e-commerce articles, the Department has correlated setting up of future Automated Mail Processing Centres (AMPC) at Mumbai, Chennai, Hyderabad and Bengaluru to conform to this segment.

(Ministry of Communications/Department of Posts No.F.28-3/2016/BGT (PA)/26th Report dated 01-08-2016)

<div align="center">

Comments of the Committee
(Please see Para No. 8 of Chapter I)

</div>

REVIEW OF THE PLAN SCHEMES

<div align="center">

(Recommendation Sl.No.2)

</div>

The Committee note that during the year 2015-16, an amount of Rs.468.61 crore has been allocated at BE which was increased to Rs.520 crore at RE for financing the Plan Schemes. The Committee have been informed that expenditure upto 31st March, 2016 is expected to be about

Rs.502 crore which is about 90 percent of the RE. This is a substantial improvement in utilization of Plan funds since only Rs.366.71 crore had been spent during 2014-15. For the year 2016-17, an amount of Rs.600 crore has been allocated at BE for the implementation of various schemes under Plan. The Department have stated that the actual utilization of funds in the year 2015-16 and Budget Estimates 2016-17 are within the approved Plan outlays of all the Plan schemes under the 12th Five Year Plan. However, the Plan provision made by the Ministry of Finance for the financial year 2016-17 is lower than the demand made by the Department. The Committee have been informed that the pace of implementation of the IT Modernization Project has accelerated in 2015-16. It is anticipated that the pace of expenditure will be satisfactory during the remaining period of the 12th Plan. The Department have informed the Committee that during the year 2016-17, after discussion with the Ministry of Finance, six schemes, viz. Mail operations, Postal Life Insurance, Rural Business and Access to Postal Network, Premium Services, IT Induction and Modernization and Philately operations will be clubbed with the 'Postal Operations' Scheme, thereby reducing the number of XII Five Year Plan Schemes to four, viz. Postal Operations, Financial Services, Human Resource Management and Estate Management. With the rationalization of the Plan schemes into 4 schemes, it is anticipated that there will be more rationalized administrative convenience, greater synergy in the implementation process and better management and monitoring of schemes. The Committee feel that it is a step in the right direction and the Department will reap the benefit of such rationalization in the long run.

Reply of the Government

Plan schemes of the Department of Posts have been rationalised from 10 to 4 schemes as per direction from Ministry of Finance which are detailed as under:-

Sl. No.	Plan Scheme	Sub Scheme
1	Postal Operation	Postal Operation
		Rural Business & Access to Postal Network
		Mail Operation
		Philately Operations
		IT Induction & Modernization
		Premium Services
2	Financial Services	Postal Life Insurance
		India Post Payment Bank
		Saving Bank & Remittances
3	Human Resources Management	Training and Capacity Building
4	Estate Management	Purchase of Land
		Construction of Building

It is anticipated that there will be more rationalized administrative convenience, greater synergy in the implementation process and management and monitoring of schemes.

(Ministry of Communications/Department of Posts No.F.28-3/2016/BGT (PA)/26th Report dated 01-08-2016)

MAIL OPERATIONS, INCLUDING INTERNATIONAL MAILS AND GLOBAL BUSINESS

(Recommendation Sl.No.3)

The Committee note that the objective of this scheme is to streamline mail operations for speedy transmission of mails. Some of the important Plan schemes include Mail Network Optimization Project, Setting up of AMPCs, National Address Database Management Project, Development of Road Transport Network, Upgradation of Speed Post Centres, etc. During the year 2015-16, an amount of Rs.52.03 crore was allocated at BE which was reduced to Rs.46.05 crore at RE and the actual utilization upto February, 2016 was only 26.78 crore. This was because of non-utilization of funds allocated for the Parcel Network Optimization Project (PNOP) consultancy due to non-finalization of the consultant, allocation of funds to circles under the Mail Network Optimization Project (MNOP) and Upgradation of Speed Post Centres only after receipt from the Ministry of Finance in July. The major components of expenditure under the referred schemes include procurement of hardware, operational equipment and site preparation, which takes time and, therefore, the funds could not be utilized by December 2015. The Committee also note that the Scheme has been merged into the Postal Operations Scheme from 2016-17. It is expected to have a positive impact on the ongoing Plan activities of the Mail Business Division. It is also anticipated that there will be more administrative convenience, greater synergy in the implementation process and better management and monitoring of schemes.

Under the Mail Network Optimization Project (MNOP) undertaken by the Department to improve the quality of service of mail products, articles having complete tracking information on the website have increased from 63 lakh (December 2009) to 2.74 crore (January 2016) and also have reduced percentage of mail being mis-routed due to improved monitoring of Speed Post articles with the help of KPIs. During 2015-16, booking and delivery information for more than 93% Speed Post and 80% articles have been made available online, 5 new national sorting hubs have been set up in the North East region to effectively monitor the performance of Speed Post mail in each of the North East States, more than 83 percent Speed Post articles booked at the Post offices are delivered within 3 days of booking of the articles, as compared to 78 percent during the previous year, and new e-Commerce article based KPIs have been developed for the monitoring of the booking, delivery and transmission time of Speed Post e-Commerce articles which has contributed to the growth in the booking of e-Commerce articles by the Department. While appreciating the achievements made under MNOP, the Committee stress that the Department should optimize utilization of available funds meant for various schemes under Mail operations. The Committee trust that with the merger of the scheme with Postal operations, there ought to be better utilization of funds resulting in greater achievements under the scheme.

Reply of the Government

In order to optimally utilize the funds under the plan schemes of Postal Operation (MNOP or Speed Post Centres) the funds are allocated to the Postal Circles indicating the specific purpose (site preparation, operational equipments, computers, etc.) for which the aforesaid funds are to be utilized in specific Mail offices. The utilization of funds by the circles is closely monitored at the Directorate.

(Ministry of Communications/Department of Posts No.F.28-3/2016/BGT (PA)/26th Report dated 01-08-2016)

FINANCIAL SERVICES (SAVINGS BANK AND REMITTANCES)

(Recommendation Sl.No.5)

The Committee note that the scheme is being implemented by the Department with the objective to fully realize the potential of the vast customer base and credibility of India Post in the area of banking and promote the habit of thrift and savings among citizens of the country. The Committee are concerned to find gross under-utilization of Plan funds during 2015-16 under the scheme. An amount of Rs. 3.35 crore was allocated at BE which was increased to Rs.12.35 crore at the RE stage, while the utilization was only Rs.7.43 lakh up to February, 2016. However, the Public Investment Board (PIB) in their meeting held on 19th January, 2016 recommended that the implementation of project and flow of funds is to commence from 2016-17 onwards. Hence, Rs.8 crore allocated at RE 2015-16 for the Plan activity Setting up of India Post Payments Bank were surrendered at Final Grant (FG) stage. For the year 2016-17, the Department had sought an allocation of Rs. 320.00 crore. However, it has been reduced to Rs. 161.70 crore at the BE stage. The Committee have been informed that "Setting up of India Post Payments Bank" is one of the schemes that would be affected due to the cut in the BE allocation for 2016-17. Rs. 300 crore was proposed at BE 2016-17 for the project against which Rs. 150 crore has been allocated. The balance fund of Rs.150 crore would be sought at the first batch of Supplementary Demand for Grants for FY 2016-17. The scheme Financial Services (Savings Bank and Remittances) Scheme and the Postal Life Insurance Scheme have been merged into the umbrella Financial Services Scheme w.e.f. 2016-17 with a view to having better management, administrative convenience, improved monitoring and achieving synergy in implementation. The Committee observe that these steps taken by the Department for bringing improvement in the system are noteworthy and be oriented towards better utilization of funds.

Reply of the Government

`The utilization of the plan funds is being monitored closely which would ensure that the allocated funds are fully utilised. The Cabinet has approved the project on 1/6/2016 for setting up of India Post Payments Bank   with a direction to roll out all the 650 branches by September 2017 against the earlier timeline of March 2022. The license   for RBI for setting of the Payments Bank is to be obtained by March 2017 and the roll out of the project has to commence immediately. The time schedule available for roll out of the project is very limited. There are many pre-operational expenditure to be incurred at a far more accelerated pace so that necessary build out for the project

can be expedited. Thus additional fund to the extent of Rs 350 crore has been sought from Ministry of Finance.

Request for additional funds in first batch of supplementary Demand for Grants 2016-17 was placed with Ministry of Finance as detailed below:-

<div align="right">(in crores)</div>

Sl No	Name of the activity	Head of Account	Amount allocated at BE stage 2016-17	Additional amount sought at supplementary grant stage
1	Capital Infusion into Corporate Entity for IPPB and Grants in aid	5201.00.101.06.01.54 & 3201.03.101.12.01.31/35	150.00	350.00
		Total	150.00	350.00

The additional funds of only Rs. 150 crore, has been granted for capital infusion by Ministry of Finance in First supplementary grant for the financial year 2016-17.

(Ministry of Communications/Department of Posts No.F.28-3/2016/BGT (PA)/26th Report dated 01-08-2016)

CENTRALIZED BANKING FOR POST OFFICE SAVINGS BANK (POSB)

(Recommendation Sl.No.6)

The Committee have been apprised that the Department have a plan for providing Core Banking Solution (CBS) in all the Departmental Post Offices in a phased manner. Till 19 March 2016, 807 Head Post Offices and 19687 Sub Post Offices (total 20494) have been provided with CBS facilities. All offices are likely to be covered by the end of April-May 2016. The Committee have also been informed that M/s Infosys Ltd., the Financial Services System Integrator (FSI), is implementing CBS and installing 1000 ATMs. The Department have stated that 749 ATMs have been installed in Post Office premises and they have applied for inter-operability of India Post ATM network with the ATM network of the existing commercial banks from RBI. While hoping that all the Departmental Post Offices will be provided with CBS by the end of April-May 2016, the Committee recommend that targeted number of ATMs of the DoP should be installed in a time-bound manner. To ensure that the ATMs installed are put to optimum utilization, the Committee also desire that the Department should take up the matter of early clearance for inter-operability of India Post ATMs network with RBI.

Reply of the Government

As on date 22723 post offices have been migrated to CBS and 946 ATMs have been installed in Post Office Premises. For optimum utilization of ATMs, Department has already taken

up the matter of inter-operability with RBI. The same has also been approved by RBI on 04.07.2016.

(Ministry of Communications/Department of Posts No.F.28-3/2016/BGT (PA)/26th Report dated 01-08-2016)

DIGITAL INDIA PROGRAMME

(Recommendation Sl.No.8)

The Committee are given to understand that under the Digital India Programme, a total of 150,000 Post Offices are proposed to be converted into multi service centres. The Committee note that the India Post Payments Bank will drive the benefits of financial inclusion by bringing a host of payments/financial products to suit the needs of different strata of society with special focus on the marginalized sections and citizens in rural areas. Some of these benefits are direct benefits transfer (DBT) of social security payments of various Ministries; utility bill payments for electricity, water, telephone, gas, etc.; facilitating payments of various Central and State Government and Municipal dues and fees of Universities/educational institutions; person to person remittances, both domestic and cross-border- special focus will be on providing, economical, safe and convenient money transfer facilities to migrant labourers, NRIs remitting money to relatives, institutions, etc.; demand Deposits (Current account and Savings Account)- with special focus on MSMEs, small entrepreneurs, Village Panchayats & SHGs; distribution of third party financial products such as Insurance (health & general), mutual funds and Pension products; and access to formal credit products by acting as Banking Correspondent of banks & MFIs. Considering that Digital India is a flagship programme of the Government of India, it is the considered view of the Committee that the Department should leave no stone unturned to ensure the success of the programme. The Committee would also like to emphasize that the provision of the above services to the masses, especially in the rural areas, will considerably help in achieving financial inclusion in the country.

Reply of the Government

Department of Posts, through its IT Modernization Project, is making all out efforts to digitise 1,55,000 Post Offices across the nation. These digitised post offices will play important role in financial inclusion of the marginalized population of the country. These digitized post offices will also cater to the e-Commerce need of the population who are living in semi urban and rural India.

The IT Modernization Project of the Department of Posts, once enters the operational phase, shall bridge the Digital Divide of Rural and Urban India and support the "Digital India" programme of Government of India. The Project is being monitored at the highest level in the Department and it shall be the endeavour of the Department to successfully deliver the project within the shortest possible time frame. In sync with the digital revolution sweeping the country, Payments Bank will deploy the state of the art internet and mobile banking platforms, digital wallets and other pre-paid instruments to ease customers acquisition, enhance customer convenience and encourage a gradual shift towards a less cash economy.

Deployment of RICT/RH devices will help the DoP for its enhanced role in disbursement of social sector benefits under DBT and citizen centric services. Deployment of RICT/ RH devices in 1.29 lakh Rural Branch Post offices is expected to be completed by March-2017.

(Ministry of Communications/Department of Posts No.F.28-3/2016/BGT (PA)/26th Report dated 01-08-2016)

PREMIUM SERVICES

(Recommendation Sl.No.10)

The Committee note that due to increasing competition from a large number of players, the Department have to focus on improving service delivery, transparency and customer sensitivity and introducing a wide range of generic and customized premium products and services. During the year 2015-16, an amount of Rs.11.55 crore was allocated at BE which was marginally increased to Rs. 11.85 crore at RE and the actual utilization upto February, 2016 was Rs.9.11 crore. The Scheme has now been clubbed together with Postal Operations from 2016-17. The Committee also note that for the growth of Speed Post in the country, especially in the rural areas, the Heads of Circles have been empowered to expand Speed Post booking service in the area under their jurisdiction, keeping in view connectivity, customer's requirement and market potential. Further, Cash on Delivery (COD) facility has been introduced in Speed Post as well as Express and Business Parcel so that rural customers can also get the benefits of the e-Commerce market. As per the CAG report laid in the Parliament in May 2015, Speed Post has been ranked as the best express mail delivery service across the country in comparison to all private couriers. The Department have collected and remitted more than Rs. 1250 crore till February-2015 since its introduction in December 2013 to the e/tele commerce customers. In 2014-15, 3.44 lakh Speed Post CoD articles were booked where as in 2015-16, till February, 2016, more than 10 lakh SP-CoD articles have been booked. During 2014-15, through Speed Post, the Department had earned revenue of Rs.1372.21 crore which was 8.78 percent more than 2013-14. The revenue earned under the same item during 2015-16 upto February, 2016 was Rs.1423.86 crore which is 11.38 percent more than the amount earned during the corresponding period of the previous year. While appreciating the commendable performance of the Speed Post, the Committee recommend that continuous efforts must be made by the Department to remain as the best express mail delivery service across the country.

Reply of the Government

Premium Services: In order to monitor and improve the quality of service of Speed Post articles, especially e-Commerce articles, the Department has recently developed certain Key Performance Indicators viz. transmission time of Book Now Pay Later (BNPL) Speed Post articles, booking hub wise delivery status of Speed Post e-Commerce articles booked by various e-Commerce companies, etc. Besides, for reliable and secured transmission of Speed Post, especially e-Commerce articles, dedicated road transport network is being developed for point to point transmission of parcels between 35 routes across the country.

The Speed Post revenue during the financial year 2015-16 stands at Rs.1600.34 crores thereby registering a growth of 7% in comparison to financial year 2014-15. The efficient & reliable services rendered to customers have also been appreciated by the Comptroller and Auditor General of India(C&AG) in its report laid in Parliament in May 2015.

Department has introduced Cash on Delivery facility in Speed Post in addition to Express/Business Parcel w.e.f. 02.12.2013 to cater the needs of the e-commerce customers. In order to provide complete supply chain management solution by providing the return management solution, Department has also formulated a service namely 'Business Reply Speed Post Articles'. Further, apart from the existing web based Track & Trace facility, the Department has also introduced Track and Trace facility through a mobile application. All these efforts will help establish the Department as the best express mail delivery service provider across the country.

(Ministry of Communications/Department of Posts No.F.28-3/2016/BGT (PA)/26th Report dated 01-08-2016)

CHAPTER III

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

-Nil-

CHAPTER IV

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

SETTING UP AUTOMATED MAIL PROCESSING CENTERS (AMPCS)

(Recommendation Sl.No.4)

The Committee note that the Department are in the process of setting up Automated Mail Processing Centers (AMPCs) at Mumbai, Chennai, Bengaluru and Hyderabad. The AMPC at Delhi is handling 5.6 lakh articles per day (1.6 lakh Speed Post articles and 4 lakh unregistered mail), whereas the AMPC at Kolkata is handling 2.61 lakh articles per day (57000 Speed Post and 2.04 lakh unregistered mail). However, the AMPC at Mumbai had stopped functioning since April 2015 as the sorting machines have over lived their life span. The percentage of Speed Post articles at AMPCs Delhi and Kolkata vis-a-vis total Speed Post mail handled by the Department is approximately 20 percent. The percentage of unregistered mail at AMPCs Delhi and Kolkata vis-a-vis total unregistered mail handled by the Department is approximately 3.5 percent. The Committee understand that the Mumbai International Airport (MIAL) has offered suitable land for setting of AMPC and the Department have accepted the same. The process of signing the agreement is in the final stage and will be executed shortly. The Department have also decided to set up AMPC at Departmental land at MMS Complex Chennai. Suitable land for setting up of AMPC at Bengaluru has been purchased from the Karnataka Industrial Area Development Board (KIADB) near Bengaluru Airport. Similarly, suitable land for setting up of AMPC at Hyderabad has been purchased from the Government of Andhra Pradesh near Hyderabad Airport. In spite of the progress made in acquiring land for setting up of AMPCs in Mumbai, Chennai, Bengaluru and Hyderabad, the Committee note that the scheme could not take off within the envisaged time frame due to non-finalization of the consultant. The Committee recommend that the Request for Proposal (RFP) for hiring consultant which is under process should be finalized and issued at the earliest. Since the mail profile all over the country has undergone a significant change in the last few years, the Committee are of the view that setting up of AMPCs at these cities will be immensely helpful in streaming the mail delivery mechanism.

Reply of the Government

In sync with the requirement due to the changing mail profile i.e. declining letter mail and a consequent shift towards parcels and e-commerce articles, the Department has initiated setting up of Automated Mail Processing Centres (AMPC) at Mumbai, Chennai, Hyderabad and Bengaluru to conform to this segment. The Department is also in the process of finalizing a consultant for the Parcel Network Optimization Project (PNOP) for designing an optimum parcel network with a combination of facilities for manual to semi-automatic to automatic processing of parcels on a pan-India basis. These two activities of PNOP and AMPCs will now be synergized. Thus an integrated parcel network will be created, consisting not only of AMPCs at four locations, but also semi-automatic sorting centres at other locations generating significant mail volume thereby synergizing end to end mail processing activities and creating enhanced capacity to handle

the growing e-commerce business. Consequently, the EFC memo for the proposed AMPCs is being revised, following which, the RFP for hiring the consultant would be issued

(Ministry of Communications/Department of Posts No.F.28-3/2016/BGT (PA)/26th Report dated 01-08-2016)

<div align="center">

Comments of the Committee
(Please see Para No. 11 of Chapter I)

(Recommendation Sl.No.12)

</div>

The Committee are given to understand that one area which holds tremendous opportunity for revenue generation for the Department is the fast growing e-Commerce segment. To fulfill the needs of the e-Commerce sector and to increase its revenue receipts, the Department have taken several measures such as introduction of Cash on Delivery (COD) facility, upgradation of Parcel booking and handling facilities, providing technological support which includes seamless data integration through Application Programme Interface (API) to the e-Commerce companies, introduction of Nodal/Mechanized delivery in 11 major cities, same/next day delivery along with delivery on Public Holiday/Sunday and beyond business hours in 7 cities, establishment of 34 major routes for fast, secure and reliable transmission of parcels, fitting of more than 950 Mail Vans with GPS devices for online monitoring of mail movement, etc. Several major e-Commerce players in the country are being provided delivery services by the Department. The Committee note that there has been considerable increase in revenue generated by Express and Business Parcel. During 2014-15, an amount of Rs. 112.47 crore was earned by the Department, witnessing a growth of 45 percent over the revenue in 2013-14. Revenue generated from these two services in the current financial year, till February 2016, is Rs. 131 crore showing a growth of 65 percent over the corresponding period of the previous year. While observing that numerous steps are being taken by the Department to capture the e-Commerce market, the Committee emphasize that the real challenge is to overcome competition from private courier services which are also actively operating in the market. The Department need to find innovative and alternative measures to meet this challenge in order to gain larger market share in this segment.

<div align="center">

Reply of the Government

</div>

Department continuously endeavors to leverage its vast network to develop the business, to reach out to its customers and to contribute to the growth of the country. Regular review of its product offerings and induction of modern technology and equipments to increase the throughput are part of its business strategy. Department is currently having more than 900 e-commerce customers on board to whom fulfillment services are offered. The customer base is increasing day by day and all major e-commerce players like Amazon, Flipkart, Snapdeal, Shopclues, Yepme; Naaptol etc are associated with Department. In order to meet the capacity requirement to cater to the demand of the growing e-commerce market, Department of Posts has established 57 Parcel Booking/ Integrated Parcel Centres and 3 more such centres are being established in the current financial year. These centres are being established at key locations considering the potential and requirements and are not limited only to metro cities. Department has also introduced an SMS alert facility once the articles are received in the delivery Post Offices as well as when articles are sent out for delivery. These actions are taken as per prevailing market practices to provide value to the

customers as well as to improve the satisfaction level. These actions will help the Department to be the market leader in delivery of e-commerce consignments.
(Ministry of Communications/Department of Posts No.F.28-3/2016/BGT (PA)/26th Report dated 01-08-2016)

Comments of the Committee
(Please see Para No. 14 of Chapter I)

IT INDUCTION AND MODERNIZATION

(Recommendation Sl.No.13)

The Committee note that IT Induction and Modernization is an important scheme of the Department that got the maximum outlay of Rs. 3046.75 crore amongst all the schemes for the Twelfth Five Year Plan. The Department have submitted that there was low utilization of fund in the years 2012-13 to 2014-15 due to the complexity of the project and the delay at the end of various authorities/agencies involved in the approval and implementation of projects. The Committee have been informed that through effective monitoring of implementation, the project is being brought on track and there have been significant achievements under the IT Modernization Project in 2015-16. During the year 2015-16, an amount of Rs. 276.40 crore was allocated at BE which was increased to Rs.331.10 crore at RE and the actual utilization upto February, 2016 was Rs.197.11 crore. The Committee note that out of the 8 segments under the scheme, Data Centre & DR has already been completed. With regard to the remaining 7 segments, the Department have stated that Network Connectivity will be completed by March, 2016, subject to technical feasibility/alternate solutions; Financial Solution will be completed by April, 2016 in technically feasible sites; Mail Operation Hardware will be completed by December 2016; and the remaining 4 segments, viz. Rural ICT-Application, Core System Integrator, Rural H/W & Connectivity, and Change Management will be completed by March 2017. The Committee note that the scheme has been subsumed in the Scheme Postal Operations w.e.f. 2016-17. With regard to the status of computerization of Post Offices, the Department have stated that all the 25297 Post Offices are computerized as on date. As on 29-03-2016, the number of departmental post offices, RMS offices and other administrative offices networked under the Single Wide Area Network is 28,296. The Committee have been apprised that to ensure completion of the Scheme as per the timeline, various committees at different levels such as Steering Committee, Project Coordination Committee, Project Implementation Committee, Circle Monitoring Committees/Regional Monitoring Committees, etc. have been constituted to review implementation of different parameters and monitor progress on a regular basis and to ensure that the project timelines are observed and outcomes achieved within the stipulated time. In addition to this, the Secretary (Posts) and Member (Tech.), Department of Posts, and other senior officers personally monitor the key issues relating to the implementation of the Project. The Committee are of the view that IT induction will bring a positive impact, including transparency, accountability, and efficiency in the functioning of the Department. Since the remaining 7 segments of the Scheme are to be completed by March 2017, the Committee recommend that necessary measures should be taken to ensure timely completion of the project.

Reply of the Government

The recommendations of the committee have been noted. The various Project Implementation committees which are in place are vigorously monitoring the Project to ensure completion of its implementation by March, 2017.

(Ministry of Communications/Department of Posts No.F.28-3/2016/BGT (PA)/26th Report dated 01-08-2016)

Comments of the Committee
(Please see Para No. 17 of Chapter I)

ESTATES MANAGEMENT

(Recommendation Sl.No.14)

The Committee note that the Scheme is being implemented to fulfill the Universal Service Obligation by providing a congenial environment for customer transaction and also provide a good working atmosphere to the employees. Since DoP have computerized all the Departmental Post Offices in the country, it has become all the more necessary to provide these Offices with Departmental buildings as a basic pre-requisite for computerization; hence the scheme is being continued in the 12th Plan. The Committee note that during the year 2015-16, an amount of Rs.34.87 crore has been allocated at BE which was reduced to Rs.27.15 crore at RE and the actual utilization upto February, 2016 was only 17.26 crore. Out of the 10 sub-schemes under it, the Committee observe poor physical achievements under 5 sub-schemes, viz. construction of Post Offices, construction of boundary walls, construction of ATM Rooms, installation of Solar Power Packs, and construction of Rain Water Harvesting Structures. The Committee also note that 1763 vacant plots of land are presently available with the Department, with Karnataka having 351 vacant plots, followed by Andhra Pradesh with 220, Rajasthan with 162, and Tamil Nadu with 149. The Committee have been informed that 285 plots are situated at prime locations. The Department have further informed that the average size of the vacant plots is 1390.55 sq. mts and the average size of the plot is viable for construction of Post Office building/Staff Quarters. The Committee note that the proposal to undertake commercial utilization of land under Public Private Partnership could not be implemented since most of the vacant plots of land situated on prime locations were originally allotted for construction of Post Office buildings and Staff Quarters at Government rates and subsidized rates by State Governments, Trust and Local Bodies for Postal Operations; that being so, these vacant plots cannot be used for any other purpose as per allotment terms and conditions or else allotment will get cancelled. The Committee further note that impediments are being faced in the construction of Post Office buildings/Staff Quarters at the vacant plots owned by the Department since land title is not readily available, in the absence of which municipal approval gets delayed, while some the plots are located in inaccessible areas. 209 vacant plots are also stated to be under encroachment. In this regard, necessary instructions have already been issued to all the Heads of Postal Circles that eviction of unauthorized personnel from the encroached land of the Department may be done after seeking assistance of the law enforcing agencies for all the plots of the Department of Posts. Boundary walls and barbed wire fencing on

important/sensitive plots are being constructed, subject to availability of Plan funds. The Committee express dissatisfaction over the performance of the Department as far as activities under real estate management is concerned. It needs to be realized that DoP now are gradually assuming centrestage after being part of delivery platform for 'Digital India' Programme and being chosen to operate Payments Bank, apart from witnessing transformation with IT induction and modernization. Therefore, it is essential that congenial environment and better working atmosphere is provided for which construction of Post Office buildings/Staff Quarters are to be accorded priority. The Committee recommend that the Department should address the impediments cited in this regard and come up with a plan for construction of buildings/Staff Quarters. The Committee expect better performance on this front and would like to be apprised of steps taken in this regard.

Reply of the Government

The Committee has noted that the physical achievement in activities like Construction of Post Office, Construction of boundary walls, Construction of ATM rooms, Installation of Solar Power Pack and Construction of Rain water harvesting structure has been poor. In this context, it is stated that though an amount of Rs. 20.46 crores was allotted in BE in 2015-16 with target of Construction of 12 Post Office buildings, an amount of Rs. 14.86 crores was available at RE stage with target of 9 Post Office buildings. During the year 2015-16, a total of 8 PO building projects were completed in the funds available. Apart from this, the targets for Construction of boundary wall, Solar Power Packs and Rain water harvesting have been completed. As far as construction of ATM rooms was concerned, no fund was allotted in BE. However, the spillover work was completed and 105 ATM rooms were constructed with the available funds. Therefore, in view of the above, the physical achievement in various activities under Plan Scheme Estates Management for the year 2015-16 has not been poor as observed by the Committee. It is further noted that 100% of the funds allotted in FG 2015-16 i.e. Rs. 25.55 crores has been utilized.

In 2030 perspective plan projected to NITI Aayog, already construction of post offices/staff quarters on all the existing vacant plots of land has been taken up. Whereever, the approval of a project appears to be getting delayed, the project for construction of temporary structures will be taken up. Further, efforts would be made to outsource the construction of the PO buildings to CPWD and/or other organizations who are already carrying out construction activities. This will help in covering more land under construction and will therefore, help in avoiding encroachment issues. In the meantime, the boundary walls are proposed to be constructed on the vacant plots to save against encroachment.

(Ministry of Communications/Department of Posts No.F.28-3/2016/BGT (PA)/26th Report dated 01-08-2016)

Comments of the Committee
(Please see Para No. 20 of Chapter I)

CHAPTER V

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

POST BANK OF INDIA

(Recommendation Sl.No.7)

The Committee find that that Reserve Bank of India had granted 'in principle' approval for setting up of the India Post Payments Bank(IPPB) on 7th September 2015 with a timeline of 18 months to complete all formalities and apply for license to RBI, i.e. by 6th March 2017. The proposal has also been approved at the Public Investment Board (PIB) in their meeting held on 19th January, 2016. Now, approval of the CCEA for setting up the India Post Payments Bank under the Department of Posts has to be obtained. After approval from CCEA, the entire process of obtaining the initial set of approvals from RBI/RoC would commence, followed by selection of top management, recruitment of staff, etc., before IPPB can apply for formal license from RBI within the prescribed deadline. A draft Cabinet Note has been forwarded to PMO on 18th March 2016. It is anticipated that the Cabinet approval is likely to be obtained in early April 2016. All efforts are being made by the Department to complete all formalities and approach the RBI for grant of license within the prescribed deadline. The Committee note that IPPB will set up up to 650 branches co-located with Head/ sub-post offices at the District level. The existing network of Head, sub and branch post offices under each District will be linked to the corresponding IPPB branch and used as access points (front offices) of the IPPB. The Committee have been informed that Payments Banks are differentiated banks, in so much as, unlike the traditional universal banks, they are not allowed to undertake credit directly; also they are mandated to work towards financial inclusion with special focus in rural areas and among the under-banked segments. The concept of payments bank as a differentiated bank is unique to India. The Department have stated that in view of the local, loyal and experienced human resources of the post office in delivering its services to the target clientele, it is likely to be best placed vis-a-vis its competitors in achieving real financial inclusion. Apart from facing challenges from other payments banks, universal banks and small finance banks, as well as from prepaid instrument (PPI) operators and companies engaged in domestic and international remittance business, major challenges that the IPPB will face will be in adopting latest technology, ensuring consistent service quality over the entire network of 1.55 lakh post offices and earning enough revenue to be self-sustaining and contribute to revenue generation for DoP. The Committee note that the IPPB will address the lack of access to basic financial services for citizens in rural and under-served areas, thus reaching out to customers in hitherto un-remunerative areas. While acknowledging that this is a landmark measure, the Committee note that the Department are not sure whether the present scope of activities will generate sufficient revenue to sustain a national network of the size of the DoP – IPPB combine. Observing that this poses an enormous challenge in terms of achieving technological induction, selection of top management, recruitment of staff, etc., the Committee feel that strenuous efforts will have to be made by the Department before operationalising the IPPB. The Committee may be apprised of further progress made in this direction.

Payments Bank will target the hitherto financially excluded population in rural and underserved areas and innovate on technology and service delivery models to make access to financial services easy for the target clientele. Thus the activities of the Payments Banks would be geared towards very low margin products and the the only way for them to be viable would be to achieve high volumes of transactions while keeping operational costs to the minimum. In rural areas and pockets of urban India where, financially excluded population, comprising mostly of migrant labourers and urban poor reside, there is at present, little comfort or trust in using digital financial products and almost all financial transactions are in cash. Thus the IPPB's business model of offering both cash and cashless products and facilitating the same through accounts in the neighboring post office and through assisted digital transactions at door step through the trusted postmen is likely to be most successful in bringing first time users into the formal financial services and catalyse the change from a predominantly cash to a less cash economy.

Cabinet has approved the proposal of Setting up of India Post Payments Bank on 01.06.2016. Process of incorporation of entity and recruitment of top management has been initiated. Request for Proposal (RFP) for selection of System Integrator for Setting up of India Post Payments Bank has been issued on 02.07.2016. All efforts are being made to complete all regulatory requirements before 6th March 2017 and approach RBI for grant of formal banking license.

 (Ministry of Communications/Department of Posts No.F.28-3/2016/BGT (PA)/26th Report dated 01-08-2016)

RURAL BUSINESS AND ACCESS TO POSTAL NETWORK

(Recommendation Sl.No.9)

The Committee note that the scheme is being implemented by the Department with the objective to increase access to the postal network, keeping in view the Universal Service Obligation, and to bring postal facilities within the reach of every citizen of the country. During the year 2015-16, an amount of Rs.24.03 crore was allocated at BE which was increased to Rs.25.01 crore at RE and the actual utilization upto February, 2016 was Rs.18.79 crore. The Committee note that Franchise Scheme is being implemented as one of the activities/sub-schemes under the Scheme with the objective to increase access to the postal facilities in urban and semi-urban areas where there is need and justification for opening of Post Offices but the Department is not in a position to open new Post Offices due to various reasons. The performance of Franchise Outlets (FOs) during the year 2015-16 has indicated that there has been an increase in their performance under items like Stamps/Stationery sold, Speed Post Articles, and Other Retails. However, its performance has declined under items like Registered Post Articles and Money Orders. The Committee also note that there is a proposal for opening 1,050 new Franchise Outlets during the 12th Plan. The number of FOs has gradually increased from 1749 in 2012-13 to 1790 in 2013-14; there were 2066 FOs operating during 2014-15. Another ambitious plan launched in September, 1995 with the objective to provide basic postal facilities to Gram Panchayat Headquarters without Post Offices is the Panchayat Sanchar Sewa Yojana (PSSY). This scheme is being implemented by the Gram Panchayats through agents appointed by them where opening of

post office is justified but it cannot be opened for some reason. During the year 2014-15, there were 2658 PSSKs in the country as against 2795 PSSKs in 2013-14. These 2658 PSSKs have sold stamps/stationery worth Rs.734.185 lakh and booked 10,14,860 Registered Post articles during 2014-15. The Committee have been informed that this Scheme has not been effective, with most of the PSSKs showing nil or negligible transactions. The Committee are of the view that proper implementation of FOs and PSSKs can help the DoP in effectively meeting the requirement for opening more Post Offices in urban and rural areas. The Committee feel that the schemes need to be made more attractive. The Committee hope that the merger of the Scheme into the Postal Operations Scheme (w.e.f 2016-17) will improve efficiency, leading to better planning and implementation of the scheme.

Reply of the Government

Decline in the performance of the Franchisee Outlets(FOs) under items like Registered post and Money orders, may be attributed to the rising popularity of Speed post as an available substitute for time bound and address specific delivery with almost comparable rates. As far as money orders are concerned with the option of bank ATMs and India Post ATMs, there is an overall decline in availing of the MO facility by public.

A revised scheme on PSSKs is under consideration with proposed expansion of the range of services, extension of the area of activity and enhanced commission to the agents. These revised features will make the scheme more attractive and beneficial.

(Ministry of Communications/Department of Posts No.F.28-3/2016/BGT (PA)/26th Report dated 01-08-2016)

(Recommendation Sl.No.11)

One item under Premium Service which has not been able to witness growth like Speed Post during the last three years is the Logistics Post service of the Department. The status of revenue generated under Logistics Post indicated that an amount of Rs.15.25 crore was earned during the year 2013-14 which increased to Rs.24.43 crore in 2014-15 and during 2015-16 upto February 2016, an amount of Rs.13.21 crore has been earned by the Department. The Committee note that the Registrar General of India, Pawan Hans Helicopters Limited, State Government Text Books Corporations, etc. are the major customers availing Logistics Post services of the Department. In order to expand the coverage of Logistics Post services and generate more revenue, the Department have signed a 'Memorandum of Understanding' with Air India to provide air transmission facility to Logistics Post consignments. This facility is available between 15 stations. Transporters have been empanelled and Circles have been empowered to make local arrangements also, if required. The Committee are of the view that there exists tremendous opportunity for growth of Logistics in the country and hence efforts must be made to make this brand more visible and accessible to the citizens. The Committee, therefore, recommend to the Department to strive ceaselessly to tap the market potential of Logistics post in the country.

Reply of the Government

In order to exploit huge potential for growth in Logistics Post service, Department is making continuous efforts and approaching potential customers to get the logistics post business but efforts till now at some postal regions have shown increase in business while others are yet to realize the business potential. Service features are being reviewed and action is being taken to spread awareness and visibility for the product.

(Ministry of Communications/Department of Posts No.F.28-3/2016/BGT (PA)/26th Report dated 01-08-2016)

New Delhi; **ANURAG SINGH THAKUR,**
<u>**15 December, 2016**</u> **Chairperson,**
24 Agrahayana, 1938 (Saka) **Standing Committee on**
  Information Technology.

MINUTES OF THE FIFTH SITTING OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2016-17) HELD ON 15TH DECEMBER, 2016

The Committee sat on Thursday, the 15th December, 2016, from 1515 hours to 1600 hours in Committee Room 'B', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Anurag Singh Thakur- Chairperson

MEMBERS

Lok Sabha

2. Shri L. K. Advani
3. Shri Prasun Banerjee
4. Dr. Sunil Baliram Gaikwad
5. Shri Virender Kashyap
6. Shri Keshav Prasad Maurya
7. Dr. K.C. Patel
8. Shri Raosaheb Danve Patil
9. Shri Abhishek Singh
10. Shri Ramdas C. Tadas

Rajya Sabha

11. Smt. Jaya Bachchan
12. Shri P. Bhattacharya
13. Shri Suresh Gopi
14. Smt. Kahkashan Perween
15. Dr. K.V.P. Ramachandra Rao

SECRETARIAT

1.	Shri R. S. Kambo	-	Additional Secretary
2.	Shri Y. M. Kandpal	-	Director
3.	Dr. Sagarika Dash	-	Additional Director
4.	Smt. Reena Gopalakrishnan	-	Deputy Secretary
5.	Shri Shangreiso Zimik	-	Under Secretary

2.   At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to consider and adopt the following four Draft Action Taken Reports:-

  I. xxxxx……..xxxxx……..xxxxx……..xxxxx……..xxxxx……..xxxxx……..xxxxx……..xxxxx……..xxx….;

 II. xxxxx……..xxxxx……..xxxxx……..xxxxx……..xxxxx……..xxxxx……..xxxxx……..xxxxx……..xxx…;

III. xxxxx……..xxxxx……..xxxxx……xxxxx……..xxxxx……..xxxxx……..xxxx……xxxxx……..xxx..; and

IV. Action Taken Report on the Twenty-sixth Report on 'Demands for Grants (2016-17)' of the Department of Posts.

3.   The Committee, thereafter, took up for consideration the above Reports and after due deliberation adopted the same without any modification.

4.   The Committee, then, authorised the Chairperson to present the Action Taken Reports to the House during the current session of Parliament.

The Committee, then, adjourned

*****

_____
…..xxxxx Matter not related to the Report.

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/ RECOMMENDATIONS CONTAINED IN THEIR TWENTY-SIXTH REPORT

(SIXTEENTH LOK SABHA)

[Vide Paragraph No. 5 of Introduction]

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

Para Nos.:- 1, 2, 3, 5, 6, 8 and 10

	Total	7
	Percentage	50.00

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

Para Nos.:- 4, 12, 13 and 14

	Total	04
	Percentage	28.57

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

Para Nos.:- 7, 9 and 11

	Total	03
	Percentage	21.43