

**22**

**STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY  
(2020-21)**

**SEVENTEENTH LOK SABHA**

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

**DEMANDS FOR GRANTS  
(2021-22)**

**TWENTY- SECOND REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*March, 2021/ Phalguna, 1942 (Saka)*

**TWENTY- SECOND REPORT**

**STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY  
(2020-21)**

**(SEVENTEENTH LOK SABHA)**

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

**DEMANDS FOR GRANTS  
(2021-22)**

*Presented to Lok Sabha on 10 March, 2021*

*Laid in Rajya Sabha on 10 March, 2021*



**LOK SABHA SECRETARIAT**

**NEW DELHI**

*March, 2021/ Phalguna, 1942 (Saka)*

## CONTENTS

		Page
<b>Composition of the Committee</b>		(ii)
<b>Abbreviations</b>		(iii)
<b>Introduction</b>		(iv)
<b>REPORT</b>		
<b>PART- I</b>		
<b>I.</b>	Introductory	
<b>II.</b>	Implementation status of recommendations of the Committee contained in the Seventh Report on Demands for Grants (2020-21) of the Ministry of Communications (Department of Posts)	
<b>III.</b>	Budget Analysis: Overview of Demands for Grants for 2021-22	
<b>IV.</b>	Department Of Posts Budget (2021-22)	
<b>V.</b>	Revenue Section	
	(i) Gross Expenditure	
	(ii) Revenue Receipts	
	(iii) Recoveries	
	(iv) Revenue Deficit	
<b>VI.</b>	Capital Section	
<b>VII.</b>	Review of plan Schemes	
<b>VIII.</b>	Postal Operations	
	<b>A</b> Rural Business and Access to Postal Network	
	<b>B</b> Mail Operations	
	<b>C</b> Post Office Savings Bank Operations a. Non-availability of reliable broadband connectivity in POSB b. Minimum Available Balance and issues of biometric authentication in POSB c. Revision of rates of remuneration of POSB	
	<b>D</b> Postal Life Insurance Operations And Promotion	
	<b>E</b> IT Induction and Modernisation	
	<b>F</b> Business Development	
	<b>G</b> Philately Operations	
	<b>H</b> Quality of Service	
<b>IX.</b>	Human Resources Management	
<b>X.</b>	Estates Management- Gender Concerns And Accessibility Issues	
<b>XI.</b>	Setting up of India Post Payments Bank	
<b>XII.</b>	Miscellaneous	
	<b>A</b> Grievance Redressal	

	<b>B</b>	Vigilance Administration	
	<b>C</b>	Dormant Accounts	
	<b>D</b>	Claim Settlement And Surrender Of PLI Policies	
	<b>E</b>	COVID Initiatives	
		<b>PART- II</b>	
		<b>Observations/Recommendations</b>	
		<b>Appendices</b>	
<b>I.</b>		Minutes of the Nineteenth sitting of the Committee held on 12 <sup>th</sup> February, 2021	
<b>II.</b>		Minutes of the Twenty first sitting of the Committee held on 8 <sup>th</sup> March, 2021	

# COMPOSITION OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY

(2020-21)

**Dr. Shashi Tharoor - Chairperson**

## Lok Sabha

2. Smt. Locket Chatterjee
3. Shri Karti P. Chidambaram
4. Shri Sunny Deol
5. Dr. Nishikant Dubey
6. Smt. Raksha Nikhil Khadse
7. Dr. Sukanta Majumdar
8. Shri Dhairyasheel Sambhajirao Mane
9. Ms. Mahua Moitra
10. Shri P. R. Natarajan
11. Shri Santosh Pandey
12. Shri Nisith Pramanik
13. Col. Rajyavardhan Singh Rathore
14. Dr. Gaddam Ranjith Reddy
- \*15. Shri Jayadev Galla
16. Shri Sanjay Seth
17. Shri Chandan Singh
18. Shri L.S. Tejasvi Surya
19. Dr. T. Sumathy (A) Thamizhachi Thangapandian
20. Shri Bhanu Pratap Singh Verma
- #21. Smt. Sumalatha Ambareesh

## **Rajya Sabha**

22. Dr. Anil Agrawal
23. Dr. Subhash Chandra
24. Shri Y. S. Chowdary
25. Shri Shaktisinh Gohil
26. Shri Suresh Gopi
27. Shri Md. Nadimul Haque
28. Shri Syed Nasir Hussain
29. Shri Syed Zafar Islam
30. Dr. Narendra Jadhav
31. Shri Nabam Rebia

## Secretariat

- |    |                     |   |                             |
|----|---------------------|---|-----------------------------|
| 1. | Shri Y.M. Kandpal   | - | Joint Secretary             |
| 2. | Shri H. Ram Prakash | - | Director                    |
| 3. | Smt. Rinku Awasthi  | - | Assistant Executive Officer |

## INTRODUCTION

I, the Chairperson, Standing Committee on Information Technology (2020-21), having been authorized by the Committee to submit the Report on their behalf, present this Twenty-second Report on Demands for Grants (2021-22) of the Department of Posts.

2. The Standing Committee on Information Technology (2020-21) was constituted on 13th September, 2020. One of the functions of the Standing Committee, as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, is to consider the Demands for Grants of the Department concerned and make a Report on the same to the Houses.

3. The Committee considered the Demands for Grants pertaining to the Department of Posts for the year 2021-2022 which were laid on the Table of the House on 10<sup>th</sup> February, 2021. The Committee took evidence of the representatives of the Department of Posts on 12<sup>th</sup> February, 2021.

4. The Report was considered and adopted by the Committee at their sitting held on 8<sup>th</sup> March, 2021.

5. The Committee wish to express their thanks to the officers of the Department of Posts for appearing before the Committee and furnishing the information that the Committee desired in connection with the examination of the Demands for Grants.

6. The Committee would also like to place on record their appreciation for the assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

7. For facility of reference and convenience, Observations/Recommendations of the Committee have been printed in bold letters in Part-II of the Report.

**New Delhi;**  
**8 March, 2021,**  
**17 Phalguna, 1942(Saka)**

**DR. SHASHI THAROOR,**  
**Chairperson,**  
**Standing Committee on**  
**Information Technology.**

## **Report**

### **Part-I**

#### **I. Introductory**

1. The Department of Posts, with its network of 1,56,721 Post Offices, is the largest postal network in the world. The origin of this vast postal network can be traced back to the year 1727, when the first Post Office was set up in Kolkata. Subsequently, General Post Offices (GPOs) were set up in the then three Presidencies towns of Kolkata in 1774, Chennai in 1786, and Mumbai in 1793. The Indian Post Office Act of 1837 was enacted to bring about uniformity in postal operations. This Act was followed by the more comprehensive Indian Post Office Act of 1854 which laid the foundation of modern-day postal system in the country. In the same year, Railway Mail Service was introduced and the Sea Mail Service started from India to Great Britain and China. The Indian Post Office Act of 1898 further strengthened the postal system in the country.
2. While the core activity of the Department is processing, transmission and delivery of mail and money remittance across the country, there are also a diverse range of other services undertaken by the Department for more than a century, which include banking and insurance services. Ever since the launch of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) on 2nd February 2006, the Department have also undertaken the disbursement of the benefits under various social security schemes launched by the central and state governments, even in remote rural and inaccessible areas in the

country. To meet the challenges of the new digital environment, the Department is continuously upgrading its services and diversifying into new areas. A major IT induction and modernization project is currently being implemented in the Department with focus on business process re-engineering and improving operational efficiency of the department.

## **II. Implementation status of recommendations of the Committee contained in the 7<sup>th</sup> Report on Demands for Grants (2020-21)**

3. The Seventh Report of the Standing Committee on Information Technology on the 'Demands for Grants' (2020-21) relating to the Ministry of Communications (Department of Posts) was presented to the Lok Sabha/laid in the Rajya Sabha on 13 March, 2020. The Twentieth Report on Action Taken by the Government on the Seventh Report was presented to Lok Sabha and laid in Rajya Sabha on 8 February, 2021. Out of the 14 recommendations contained in the said Report, 6 recommendations were accepted by the Government. The Committee did not desire to pursue 1 recommendation in view of the reply of the Government and had reiterated on 03 recommendations. Four of the replies were interim in nature. The final Action Taken Statement on the recommendations contained in the Twentieth report is awaited.

## **III. BUDGET ANALYSIS: OVERVIEW OF DEMANDS FOR GRANTS FOR 2021-22**

4. The Department of Posts presented the Demand for Grants under Demand No. 8 to Parliament for the year 2021-22 on 10 February, 2021. The Revenue and Capital Expenditure under the voted and charged sections is as under:

**(Rs. in thousands)**

	Revenue	Capital	Total
<b>Charged</b>	8000	0	8000
<b>Voted</b>	342623800	9100900	351724700
<b>Total</b>	342631800	9100900	351732700

#### IV. DEPARTMENT OF POSTS BUDGET (2021-22)

5. At present the Four Central Sector Schemes in the Department of Posts are Postal Operations, Human Resource Management, Estates Management and India Post Payments Bank. The Annual Outlay for FY 2021-22-

Annual Outlay for FY 2021-22-

(Rs. in crore)

Sl. No.	Plan Scheme/Activity	BE 2021-22
1	Postal Operations	
1.1	Rural Business & Access to Postal Network	15.00
1.2	Mail Operations	200.00
1.3	Post Office Savings Bank	10.00
1.4	Postal Life Insurance Operations and Promotion	2.00
1.5	IT Induction & Modernisation	727.47
1.6	Business Promotion, Marketing Research and Product Development	15.00
1.7	Philately Operations	4.00
1.8	Quality of Service	0.50
	<b>Scheme Total</b>	<b>973.97</b>
2	Human Resource Management	25.00
3	Estates Management	55.00
4	Setting up of India Post Payments Bank	200.00
	<b>Grand Total</b>	<b>1253.97</b>

6. The Department have launched the following new programmes in the last one year: -

In the FY 2020-21, Post Office -Common Service Centre services were launched by the department in coordination with Common Service Centre (Unit of Ministry of Electronics and Information Technology). All the citizen centric services like application for birth/death certificates, mobile recharges, electricity connections and nearly 100 other Government to Customer (G2C) and Business to Customer (B2C) services are now available from 10683 post office counters across the nation.

7. As per the Allocation of Business Rules, 1961, the primary mandate of Department of Posts is to handle matters relating to introduction, development and maintenance of all services by the Post office, administration of Post office Savings Bank, Post office Certificates, Post Office Life Insurance Fund, printing of postage/commemorative stamps including postal stationary, premium postal products and any agency function; matters relating to administration of the Indian Post office Act, 1898 and rules made there under as well as other laws or enactments having a bearing on postal activities, not specifically allotted to any other Department and international cooperation in postal matters. Department of Posts ensures delivering mails and parcels, accepting deposits under Small Savings Schemes, providing life insurance cover under Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI) and providing retail services like bill collection, sale of forms, etc. It also acts as an agent for Government of India in discharging other services for citizens such as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) wage disbursement and old age pension payments.

8. A analysis of the Demands for Grants 2021-22 in respect of the Department of Posts indicating the Actual for 2018-19, 2019-20, Budget Estimate, Revised Estimate and Actual for 2020-21 along with Proposed and BE for 2021-22 is as under-

(Rs. in Crore)

Particulars	Actual 2018-19	Actual 2019-20	BE 2020-21	RE 2020-21	Actual 2020-21 upto Dec'20	Proposed 2021-22	BE 2021-22
1	2	3	4	5	6	7	8
<b>Revenue Section</b>							
Gross expenditure	27994.35	29139.74	34057.22	32229.83	23281.58	37707.64	34263.18
Deduct Recoveries	821.29	768.40	953.00	820.00	619.87	935.00	935.00
Net expenditure	27173.07	28371.34	33104.22	31409.83	22661.71	36772.64	33328.18
Postal Receipts	13195.68	13558.20	18710.05	12230.05	8539.43	14830.05	17710.05
Deficit	13977.39	14813.14	14394.17	19179.78	14122.28	21942.59	15618.13
<b>Capital section</b>							
Gross expenditure	811.27	730.56	1131.21	871.05	465.16	1566.1	910.09
Deduct Recoveries							
Net expenditure	811.27	730.56	1131.21	871.05	465.16	1566.1	910.09

## V. REVENUE SECTION

### (i) GROSS EXPENDITURE

9. The details of gross expenditure of the Department of Posts during the last four years i.e. 2018-19 , 2019-20, 2020-21 and also BE 2021-22 are as under:-

(Rs. in Crore)

	2018-19	2019-20	2020-21	2021-22
Proposed	31001.99	33628.97	36730.61	37707.64
BE	28515.04	30412.00	34057.22	34263.18
RE	31001.99	31715.88	32239.17	NA
Actuals	27994.35	29139.74	23281.58*	NA

\* Note: Actual figure of 2020-21 is upto Dec.,2020

10. When the Committee enquired about the reasons for increase in gross expenditure of the Department during 2020-21, the Department responded that the gross expenditure of the Department includes pensions, salaries, wages and other administrative expenses like office expenses, maintenance, medical etc. Ministry of Finance has reduced the gross expenditure budget from BE 2020-21 to RE 2020-21 and there has been a decline in the actual expenditure made by the department due to the austerity measures taken under the guidance of Ministry of Finance circulars. These measures were taken due to Covid 19 pandemic.

11. There has been a decline in the BE 2021-22 allotment to the Department in comparison to BE 2020-21. This decline is primarily due to decrease in the allocation for Central Sector Schemes in BE 2021-22. It is submitted that

almost 90% of the Department's expenditure is on account of pensions, salaries, and wages, which are determined by the GoI regulations. It is pertinent to mention that the Department have been able to manage all operations in spite of number of vacancies in the last 5 years by introduction of IT in its working. Additionally, in order to reduce the operational expenses, the Department is moving mail transmission from rail to road transport network which is significantly cheaper than the other two modes of transmission. Besides, the Department also follows the austerity measures circulated by Ministry of Finance from time to time.

12. When asked on the major obstacles being faced by the Department to control gross expenditure, the Department submitted that the gross expenditure of the Department has been increasing during the last three years. It constitutes two major components i.e., pension and salaries. More than 90% of the gross expenditure is incurred on these two major components. Increase in salaries is due to routine Annual Increment, Leave Travel Concession etc. which are governed by the Government of India regulations. In the remaining 10% of gross expenditure, major liabilities emerge from mail/parcel transportation. However, the Department is steadily moving mail transmission from rail to road transport network which is significantly cheaper than the other two modes of transmission. Besides, the Department also follows the austerity measures circulated by Ministry of Finance from time to time. Further, the Department have also reduced the expenditure on Office Expenses, Expenses on stationery, Advertisement & Publicity, minor works, and for payment for professional Services etc during the year 2020-21. The major obstacles faced by the department to control gross expenditure are:

1. Universal Service Obligation to provide postal services in rural and remote areas where the earnings do not cover the operational expenses

2. Huge burden of Pension and Salaries which are continuously rising

13. On being asked about the possibility for the Department to reduce its gross expenditure and increase revenue receipts, the Department replied as under-

More than 90% of the expenditure of the Department is on account of payment of pension, salaries and wages, which are governed by Government of India regulations. However, the Department have been able to manage all operations in spite of number of vacancies in the last 5 years. In order to enhance its revenues, the Department have launched several new services to meet the varied requirements of its customers. Post Offices are being developed as 'One Stop Solution for Citizen Centric services' in association with various other organisations to generate additional revenue by optimum capacity utilization. In this regard tie-ups have been made with Ministry of Railways for booking of tickets through Passenger Reservation System, UIDAI for Aadhaar enrolment and updation facilities, e-Governance Services Limited to provide services available in Common Service Centres through Post office counters, Ministry of External Affairs for Passport Seva Kendras etc. These tie-ups have helped to generate additional revenues for the Department. It is envisaged that the Department will be able to enhance its revenues in coming years on account of successful implementation of IT in the Department which has enabled the Department to not only improve the quality of its services, launch new IT based services and also reduce the overall establishment cost.

## **(ii) REVENUE RECEIPTS**

14. The details of revenue receipts of the Department of Posts during the last four years i.e. 2018-19 , 2019-20, 2020-21 and also BE 2021-22 are as under:-

(Rs. in Crore)

	2018-19	2019-20	2020-21	2021-22
Proposed	17301.46	18624.78	19283.29	14830.05
BE	16956.11	19203.29	18710.05	17710.05
RE	17301.46	19203.29	12330.05	NA
Actuals	13195.68	13558.20	8539.43*	NA

\* Note: Actual figure of 2020-21 upto Dec.,2020

15. When asked about the major obstacles have been faced by the Department to achieve the target during 2020-21, the Department informed that they are earning revenue from various postal services/items like Speed Post; Business Post; Business Parcel; Bill Mail Service; e-Post; Postage through Franking Machines; Sale of Stamps; Philatelic Ancillaries; MO & IPO; Retail Post; Logistic Post; E. Bill Collection; Railway ticket booking; MGNREGA; Net Receipts from Ministry of Finance, Other Postal Administrations (Other Countries); Savings Bank & Cash Certificate Remuneration etc. It is pertinent to mention that the Ministry of Finance has now linked the POSB reimbursement to minimum account balance. Resultantly the department will not be able to get reimbursement from Ministry of Finance for POSB accounts that fail to maintain a minimum balance of Rs.500. The POSB remuneration target for BE 2020-21 may therefore be difficult to achieve. The revenue receipt targets for the Department of Posts were reduced from Rs 18710.05 Cr in BE 2020-21 to Rs 12330.05 Cr on account of disruption due to Covid lockdown in 2020-21. The Covid lockdown and significant slowdown of economic activity in the country for over 4 months in 2020 has been the major obstacle for achieving the revenue receipt targets.

16.The details of the Revenue Receipts for the last three years is as follows

(Rs. in Crore)

<b>Details</b>	<b>Financial Year 2017-18</b>	<b>Financial Year 2018-19</b>	<b>Financial Year 2019-20</b>
SB & CC Remuneration	8102.32	8262.93	8660.05
Speed Post	1833.37	1922.51	1764.09
Postage through Franking Machines and Pre-postage	848.06	370.60	681.66
Other Activities*	236.94	930.29	595.86
Sale of Stamps	366.69	542.84	249.01
Money Order & Indian Postal Order	228.11	248.63	224.25
Business Parcel	84.46	84.54	135.58
Business Post	747.14	271.47	134.38
Retail Post	108.59	72.98	62.54
Commemorative Stamps	61.96	24.93	33.73
Philatelic Ancillaries	32.23	192.49	33.73
MGNREGA	156.90	31.53	17.48
Postage- Other Schemes**	69.55	344.32	17.01
E. Bill Collection	22.88	25.88	15.13
Express Parcel	54.07	45.56	14.99
Logistic Post	1.54	12.56	12.79
Bill Mail Service	56.74	29.79	12.35
My Stamps	6.21	5.40	5.04
e.Post	4.78	2.13	2.26

Railway ticket booking	2.25	2.25	1.75
Net Receipts / Payments to Other Postal Administration(Other Countries)	-192.03	-227.95	-92.43
Total	12832.8	13195.7	12581.3

Note: -

\* Other activities includes retail activities such as Post Office Passport Seva Kendra, Aadhaar updation, Cable TV Registration Fee, Fee from ATM Interoperable, Other recoveries from Army Postal Service, sale of old records etc

\*\* Postage-Other schemes includes Greeting Post, Direct Post, National Bill Mail, e VPP, e- Commerce Product and International Mails.

17.To a query about the measures taken by the Department to achieve the targets during 2021-22, it has been stated that the focus areas of the Department are its core operations like Mails business, Financial Services (Post Office Savings Bank and India Post Payments Bank), Insurance and other agency services (Common Service Centre, Post Office Passport Seva Kendra, Aadhar Enabled Services etc)

(i) Speed Post continues to remain the flagship mail service of the Department and accounts more for than Rs 1700 Cr annual revenue. As regards the Mail Operations, the department aims to increase its parcel logistics market share to 10% in next 5 years through the following measures:

- a. A new network for parcels consisting of approximately 190 parcel hubs are being created to cater to the ever-increasing demand of E-commerce business.
  - b. The Department have implemented Nodal mechanized delivery of parcels from identified delivery offices and hubs in Metros, state capitals and important cities with the use of 2-wheelers and 4-wheelers.
  - c. Department have planned to implement All India Road Transport Network to provide daily connectivity to all States. 68 national routes involving daily run of over 45000 Km per day have been planned. These will be supplemented by 348 state level routes in a hub & spoke manner.
  - d. A new format of agreement of Many-to-Many model for e-commerce marketplace model has been developed to cater to evolving e-commerce business.
  - e. Trans-shipment centres are being developed outside the major cities near the highways to ensure smooth movements and ensuring that trucks are not stuck in city traffic and ensuring faster shipment transit time.
- (ii) For the banking services, RBI has accorded approval to DoP for participating in various payment gateways like National Electronic Fund Transfer, Real-Time Gross Settlement, Immediate Payment Service, Unified Payment Interface, Aadhaar enabled Payment Service, Payment Gateway, Debit Card for Post Office Savings Bank (POSB) etc. Once implemented, POSB customers will get banking services at par with customers of any

other bank. These services will help the department to achieve overall targets with objective of cashless economy and digital financial inclusion.

- (iii) Efforts are being made to increase the PLI and RPLI premium income achievement by way of (i) revamping of sales and marketing structure, (ii) skill development and training of sales force, (iii) ensuring timely payment of incentive and (iv) simplification of process and improving after sales services to enhance the operational efficiency.

Moreover, efforts are being made to augment revenue through the tie-up with Common Service Centre-Special Purpose Vehicle (CSC-SPV) and post offices for delivery of Citizen Centric Services through Post Office-CSCs. Jeevan Pramaan Centres are functioning in 811 Head Post Offices across the country. Guidelines have also been issued for facilitating Senior Citizens and divyangjans in Post Offices through dedicated counters for service delivery. Additionally, Post Office Passport Sewa Kendras, Post Office Aadhar Enrolment & Updation Centres have also been set up and are emerging as an important source of revenue for the Department.

18. The Committee asked the Department about new avenues that are being explored by the Department to increase its sources of income to which the Department replied that World over the Postal operators are facing the onslaught of declining document volumes due to movement of documents over the internet as well as replacement of money order with online money transfer which is available almost free of cost. As several vibrant postal operators world-wide have responded to this challenge, India Post has also responded to this existential challenge with enhanced focus on merchandise and e-commerce parcels, modern internet enabled banking and insurance services as well as multitude of G2C services such as Mahatma Gandhi National

Rural Employment Guarantee Scheme (MGNREGS) wage disbursement, old age pension payments, services available through Common Service Centres, passport and Aadhar services etc. Despite challenges from the internet and declining mail volumes the Department has been able to enhance its revenues continuously.

Department of Posts is also focusing on drawing business from international market. The aim is to leverage the vast domestic postal network of the department to enable international connectivity to individuals and organizations for moving goods, information and money. By generating business thus, the Department aims to increase the profitability of its operations.

Philately is another important product of the Department which is being promoted to generate additional revenue considering huge potential available there.

19. The Department further submitted that due to the Covid 19 pandemic and the subsequent lockdown situation in the country, means of transportation for the mails (Rail, Air and Road etc) were severely restricted. Post offices in containment zones could also not operate for days together thereby hampering banking and other financial services transactions as well. These have led to a substantial reduction in the revenue in the first two quarters of 2020-21. In the first quarter of the Financial year 2020-21, there was a huge reduction of 78.3% in the postal operations revenue vis a vis the corresponding quarter in the previous financial year. The loss in revenue has been minimized to the extent of 15% in the second quarter of 2020-21. Till January 2021, the department is still short by around 10% of the revenue corresponding to the

previous financial year 2019-20. The Department is making all out efforts to achieve the RE revenue target for the financial year 2020-21.

20.The Committee asked if the Department have entered into any tie-up with the Khadi and Village Industries Commission (KVIC) and similar agencies to supply their products to the Tier II and III cities to which they replied that as of date there is no such tie-up with the Khadi and Village Industries Commission (KVIC) and similar agencies to supply their products to the Tier II and III cities. However, the department is going to set up Dak Ghar Niryat Kendras in around 800 Post Office covering most of the Districts of the country to promote exports of MSMEs from these centres.

**(iii) RECOVERIES**

21.The details of recoveries of the Department of Posts during the last four years i.e. 2018-19 , 2019-20, 2020-21 and also BE 2021-22 are as under:-

(Rs. in Crore)

	2018-19	2019-20	2020-21	2021-22
Proposed	828.68	857.35	953.00	935.00
BE	820.27	857.35	953.00	935.00
RE	828.68	857.35	820.00	NA
Actuals	821.29	768.40	619.87*	NA

\* Note: Actual figure of 2020-21 upto Dec.,2020

22.The Department informed that they are earning recoveries on the various services as detailed below:

- a. Collection of Customs Duty
- b. Commission on payment of pension to Railway pensioners

- c. Commission on disbursement of pension of DOT/ BSNL/ MTNL pensioners
- d. Share of spread margin received from Western Union Money Transfer
- e. Remuneration to the Department for Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI)
- f. Input Tax Credit on GST paid for inputs procured by the department

23.The Department provided the details of the outstanding dues as follows:

(Rs. in Crore)

<b>Department</b>	<b>Amount outstanding as on 31/12/2020</b>
DOT	93.10
Railways	31.83
Employees' Provident Fund Organisation	1.84
Coal Mines Provident Fund Organisation	2.83
<b>Total</b>	<b>129.60</b>

(Rs. in Crore)

<b>Department</b>	<b>Amount outstanding as on 31/12/2020 (in crores)</b>
BSNL/MTNL Rent	310.00

P&T audit charges	190.37
<b>Total amount</b>	<b>500.37</b>

The above amounts are pending for the period January 2019- December 2020. Regular correspondences are being made with these organisations to clear the pending dues.

24. In a reply to another question, the Department further submitted that most of the outstanding amount from the other departments pertains to the commission on pensionary charges towards the payment of pension of their pensioners through post offices. These outstanding amounts are being cleared on a regular basis through the appropriate mechanism established between the Department of Posts and the concerned department/organization.

25. There are some outstanding amounts like P&T audit charges, estates charges from BSNL, MTNL (pertains to pre- and post-bifurcation of P&T department) which are due to difference in the opinion of the departments regarding the actual outstanding amounts. Dispute resolution mechanisms have been formed to settle the cases and most of the outstanding amounts have already been settled except for the amounts mentioned below: -

<b>Department</b>	<b>Amount outstanding as on 31/12/2020 (Rs. in crores)</b>
DOT	93.10
Railway	31.83
Employees' Provident Fund	1.84

Organisation	
Coal Mines Provident Fund Organisation	2.83
<b>Total</b>	129.60
<b>Department</b>	<b>Amount outstanding as on 31/12/2020 (Rs. in crores)</b>
BSBL/MTNL Rent	310.00
P&T audit charges	190.37
<b>Total</b>	500.37

**(iv) REVENUE DEFICIT**

26. The details of revenue deficit of the Department of Posts during the last four years i.e. 2018-19 , 2019-20, 2020-21 and also BE 2021-22 are as under:-

(Rs. in Crore)

	2018-19	2019-20	2020-21	2021-22
Proposed	12871.85	14146.84	16494.32	21942.59
BE	10738.66	10351.36	14394.17	15618.13
RE	12871.85	11655.24	19089.12	NA
Actual	13977.39	13326.09	14086.20*	NA

\* Note: Actual figure of 2020-21 upto Dec.,2020

27. When asked about the items/heads on which the Department incurred revenue deficit and the major obstacles have been faced by the Department to control revenue deficit during 2020-21, the Department in a written note

stated that DOP have primarily two major components of gross expenditure: Pensions and Salaries, which constitute almost 90% of the gross expenditure. Expenditure pertains to salary (Pay and allowances) in on the higher side due to implementation of revised pay and allowances as per 7th Pay Commission. Pensionary charges have also increased due to revision of pension of pre-2006/ 2016 as per 7th pay commission. Number of pensioners has also increased during last few years. Presently, the number of Postal pensioners is 1,68,420 and family Pensioners are 1,06,335 which is more than the number of Departmental employees i.e. 1,70,942.

Further, in order to fulfill Universal Service Obligation, Post Offices in Rural areas are considered justified if they are able to cover 33.33% of the expenditure (15% in hilly/tribal areas) and to keep these offices operational, the necessary cost has to be incurred by the department.

Due to the Covid 19 pandemic, there has been substantial reduction in the revenue from the mail operations as well as agency functions. In the first quarter of 2021, there was a reduction of 78.3% in the revenue vis a vis corresponding quarter in the previous financial year. Till December 2020, the department is still short by 10% of the postal revenue with respect to the previous financial year. Moreover, due to heavy withdrawal and closure of SB accounts by the customers may also lead to substantial reduction in revenue from SBCC operations (POSB operations)

28. The Department have taken the following steps to augment the revenues in the year 2021-22:

- a. The department plans to enhance its revenues from its flagship service of Speed post in the FY 2021-22. For this purpose, tie-up with different Government Ministries/Agencies such as Regional Transport offices, Traffic Police, Ministry of Foreign Affairs, High Courts, etc. have been made to deliver driving licenses, vehicle registration certificates, Traffic Challans, Passports, Summons, etc. To facilitate bulk mailers to get the delivery status of Speedpost articles, department is providing API (Application Programming Interface) integration to all bulk customers. Further national account facility has been provided to bulk customers to post their speed post articles from any destination in the country and a Centralised billing system has been made available to the bulk customers.
- b. Continuous efforts are being made to improve the efficiency of service delivery in post offices especially in rural areas. 1,29,076 Branch post offices which are located in Rural and remote areas have been provided with Sim based hand held devices under Digital Advancement of Rural Post offices for a New India (DARPAN) project which enables these post offices to carry out online postal and financial activities including Banking and insurance transactions. The process will be continued in the FY 2021-22 as well. IT enablement shall reduce the operating cost of Post offices services in the long run.
- c. Parcel Network Optimization Project has been undertaken by Department of Post to provide benefits of e commerce to common man and bring rural India to e commerce mainstream by providing physical connectivity up to the last mile.
- d. Efforts are being made to increase the Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI) premium income achievement by way

of (i) revamping of sales and marketing structure, (ii) skill development and training of sales force, (iii) ensuring timely payment of incentive and (iv) simplification of process and improving after sales services to enhance the operational efficiency. The target is to achieve 950 crores worth of recoveries from PLI operations in 2021-22. In the year 2021-2022, more than 5000 villages are planned to be covered under Bima Gram Sewa and large number of government employees and professionals would be contacted to cover them under Postal Life Insurance.

- e. Department of Posts have leveraged its vast network of Post Offices to promote Citizen Centric Services such as Aadhaar Facility in the Post Offices, Post Office Passport Seva Kendras (POPSKs), India Post Passenger reservation system (IP-PRS) which has not only enhanced the social relevance of the Department but opened new revenue streams. In the FY 2020-21, PO-CSC services were launched by the department in coordination with CSC (Unit of DEITY). All the citizen centric services like application for birth/death certificates, mobile recharges, electricity connections and nearly 100 other Govt. to Customer (G2C) and Business to Customer (B2C) services are now available from 10683 post office counters across the nation. It is proposed to extend the same to all the Departmental Post offices in 2021-22.

All these efforts are likely to lead to substantial increase in revenues.

The Department's major expenditure (90%) goes towards meeting of Pension and Salaries liabilities. It is pertinent to mention that the Department have been able to manage its operations despite number of vacancies by

introduction of IT in its working. Additionally, in order to reduce the operational expenses, the Department is moving mail transmission from rail to road transport network which is significantly cheaper than the other two modes of transmission. Besides, the Department also follows the austerity measures circulated by Ministry of Finance from time to time. Apart from this, monthly review of the expenditure is done by Secretary (Posts) with all the heads of the circles for the control of the expenditure and augmentation of the revenue.

## VI. CAPITAL SECTION

29. The details of gross expenditure on capital section of the Department of Posts during the last four years i.e. 2018-19 , 2019-20, 2020-21 and also BE 2021-22 are as under:-

(Rs. in crore)

	2018-19	2019-20	2020-21	2021-22
Proposed	1444.54	1315.69	1450.54	1566.10
BE	757.52	947.74	1116.21	895.09
RE	824.38	742.98	847.18	NA
Actuals	811.27	532.30	460.35*	NA

\* Note: Actual figure of 2020-21 upto Dec.,2020

30. On the shortfall in utilization of funds during 2020-21, the Department informed that the following are the major items of capital expenditure of the Department in 2020-21:

	(Rs. in Cr.)	
Plan Scheme/Activity	RE 20-21	Expenditure as on 31.12.2020
Supply of modern safes	2.60	1.22
Infrastructure upgrade for Speed Post/ Parcel/ Foreign Post Offices	34.40	12.77
Augmentation of infrastructure for pick-up and delivery	12.30	5.52
Development of Road Transport	4.00	6.86
ATM Cards supply	4.00	2.17
Supply of Hardware to Post Offices/ Administrative Offices/ Accounts Offices -	15.20	5.73
Data Centre & Disaster recovery centre	10.00	3.15
IT System Integrator	502.34	317.22
Setting up of new PTCs and other Building Projects	2.54	1.36
Estates Management	39.80	29.35
Capital infusion into Corporate Entity for India Post Payments Bank (Investment)	220.00	75.00

<b>Total</b>	847.18	460.35
--------------	--------	--------

There has been an overall 54.33% spending under Capital expenditure heads till 31<sup>st</sup> Dec 2020. It is expected that by 31<sup>st</sup> March 2021 the Department shall be able to spend the entire allotment. The remaining shortfall might be on account of stalling of civil works relating to construction of new buildings, parcel hubs etc during the COVID Lockdown.

Regular Review meetings are conducted by the Secretary and Members of the Postal Services Board with Senior Officers of the Directorate, Heads of Circles so that complete utilization of funds is ensured. The Department shall be able to utilize the entire Capital expenditure allotment for 2021-22.

## VII. REVIEW OF THE PLAN SCHEMES

31. The details of expenditure on plan schemes of the Department of Posts during the last four years i.e. 2018-19 , 2019-20, 2020-21 and also BE 2021-22 are as under:-

(Rs. in Crore)

Sl. No.	2018-19	2019-20	2020-21	2021-22
Proposed	3517.21	1970.04	2146.51	2154.79
BE	1160.00	1205.63	1592.23	1253.97
RE	1071.77	883.07	1215.15	NA
Actual	1013.97	873.14	679.18 (upto 31.12.2020)	NA
% of Expenditure w.r.t RE	94.61	98.88	55.89 (upto 31.12.2020)	NA

32. The Department provided the details of allocation of funds for various schemes as follows-

(Rs. in Crore)

Sl. No.	Particulars of Scheme/ Activity	Proposed 2020-21	BE 2020-21	RE 2020-21	Actual 2020-21 (As on 31.12.2020)	Proposed 2021-22	BE 2021-22
	Postal Operations						
1.1	Rural Business & Access to Postal Network	85.10	30.00	16.65	8.02	58.84	15.00
1.2	Mail Operations	469.47	249.00	81.62	48.02	358.05	200.00
1.3	Post Office Savings Bank Operations	15.00	85.00	4.00	2.17	85.00	10.00
1.4	Postal Life Insurance Operations and Promotion	3.17	3.00	1.20	0.85	3.45	2.00
1.5	IT Induction & Modernisation	1312.14	784.43	819.14	497.60	840.32	727.47
1.6	Business Promotion, Marketing Research and Product Development	101.00	45.00	13.00	6.92	94.50	15.00
1.7	Philately Operations	7.10	7.00	2.80	0.73	21.20	4.00
1.8	Quality of Service	1.10	1.10	0.70	0.15	0.50	0.50
	Scheme Total	1994.08	1204.53	939.11	564.46	1461.86	973.97
2	Human Resource Management	67.43	47.20	16.04	10.37	42.93	25.00
3	Estates Management	85.00	120.50	40.00	29.35	150.00	55.00
4	Setting up of India Post Payments Bank	0	220.00	220.00	75.00	500.00	200
	Grand Total	2146.51	1592.23	1215.15	679.18	2154.79	1253.97

33.The Ministry submitted that the reduction of funds by Ministry of Finance has led to the variation in allocation from BE to RE. A reduction in funds by 20% was effected by Ministry of Finance in the first two quarters of the FY 2020-21. The Department shall be able to utilize the allotted scheme funds by 31<sup>st</sup> March 2021 and there shall be no shortfall in achieving the financial targets.

34.The overall allocation of funds for all Central Sector Scheme of Government of India has been reduced from 12.63 lakh Cr in RE 2020-21 to 10.11 Lakh Cr in BE 2021-22. Accordingly, the funds for Central Sector Scheme of DoP have also been reduced from 1592.23 Cr in BE 2020-21 to 1253.97 Cr in BE 2021-22.

#### VIII. POSTAL OPERATIONS

35.The details of BE, RE and Actual during the last four years i.e. 2018-19 , 2019-20, 2020-21 and also BE 2021-22 are as under:-

(Rs. in Crore)

Sl. No	2018-19	2019-20	2020-21	2021-22
Proposed BE	2350.30	1805.05	1994.08	1461.86
RE	661.66	497.61	939.11	NA
Actual	618.12	478.66	679.18*	NA
% of expenditure w.r.t RE	93.41	96.19	85.25	NA

\*Actual in respect of 2020-21 is as on 31.12.2020

36. The Department furnished the reasons for variation from BE to RE during 2020-21 that the reduction of funds by Ministry of Finance has led to the variation in allocation from BE to RE. The Department shall be able to spend most of the allotted scheme funds by 31<sup>st</sup> March 2021 and there shall be no shortfall in achieving the financial targets.

37. The overall allocation of funds for all Central Sector Scheme of Govt of India has been reduced from 12.63 lakh Cr in RE 2020-21 to 10.11 Lakh Cr in BE 2021-22. Accordingly, the funds for CS Scheme of DoP have also been reduced from 1592.23 Cr in BE 2020-21 to 1253.97 Cr in BE 2021-22. Thus, the funds allocated for Postal Operations have also been reduced from 1204.53 Cr in BE 2020-21 to 973.97 Cr in BE 2021-22.

38. The following table gives percentage utilization of scheme funds against the RE allocation for the last 3 years:

(Rs. in Crore)

Financial Achievements - Allocation And Expenditure of Sub Schemes under the Scheme "Postal Operations"										
Sl. No.	Plan Scheme/Activity	RE 2018-19	Actual	% Exp wrt RE	RE 2019-20	Actual	% Exp wrt RE	RE 2020-21	Actual upto Dec, 2020	% Exp wrt RE
	Postal Operations									
1.1	Rural Business & Access to Postal Network	35.80	10.96	30.61%	6.50	8.77	134.92%	16.65	8.02	48.16%
1.2	Mail Operations	98.37	83.89	85.28%	38.70	41.37	106.9%	81.62	48.02	58.83%
1.3	Post Office Savings Bank Operations	9.90	0.02	0.20%	6.00	11.36	189.33%	4.00	2.17	54.25%

1.4	Postal Life Insurance Operations and Promotion	20.00	17.04	85.20%	1.50	1.58	105.33%	1.02	0.85	83.33%
1.5	IT Induction & Modernisation	432.13	442.60	102.42%	426.81	396.79	92.97%	819.14	497.60	60.77%
1.6	Business Promotion, Marketing Research and Product Development	50.00	47.85	95.70%	14.00	14.71	105.07%	13.00	6.92	53.23%
1.7	Philately Operations	10.96	11.33	103.38%	3.00	3.12	104.00%	2.80	0.73	26.07%
1.8	Quality of Service	4.50	4.43	98.44%	1.10	0.96	87.27%	0.70	0.15	21.42%
	Scheme Total	661.66	618.12	93.42%	497.61	478.66	96.19%	939.11	564.46	60.10%

To ensure maximum fund utilization for the sub schemes, regular monitoring is being done at the highest level in the Department.

39. In view of the fact that the Department of Posts is giving thrust to IT modernization for the purpose of not only making its operations more efficient but also to enhance customer satisfaction and revenues, almost 58% of the total scheme allocation has been earmarked for IT modernization sub-scheme. Regular Review meetings are conducted by Secretary, DG and Members of the Postal Services Board with Senior Officers of the Directorate, Heads of Circles so that complete utilization of funds is ensured.

#### **A. RURAL BUSINESS AND ACCESS TO POSTAL NETWORK**

40. The details of the BE, RE and Actual for the sub-Scheme during 2020-21 and also BE 2021-22 are as under:-

(Rs. in Crore)

Sl. No	Particulars of Scheme/ Activity	Proposed 2020-21	BE 2020-21	RE 2020-21	Actual 2020-21 (as on 31.12.2020)	Proposed 2021-22	BE 2021-22
1	Rural Business	85.10	30.00	16.65	8.02	58.84	15.00

41. The Sub-Scheme “Rural Business and Access to Postal Network” was an independent Scheme in the 12th Plan period (2012-13 to 2016-17) which was subsumed in the umbrella Scheme “Postal Operations” from 2016 onwards. This sub-scheme is aimed at rationalizing the rural network and infrastructure of the Branch Post offices (BOs). Under this sub-scheme, BOs are provided with basic infrastructure like chair, tables, office equipment, iron safe, weighing scale, wall clock, stool, etc. The objective of the scheme is to increase access of the postal network, customer satisfaction and infrastructure development of rural branch post offices to provide satisfactory and reliable services to the customers. The scheme also aims at rationalizing the existing postal network for serving the under-served areas of the country. Under this sub scheme, post offices are opened in justified unserved areas of country by redeployment of surplus staff or by relocation of existing post offices. The demand for postal services from unserved areas where opening of BOs & SOs are not justified as per norms for opening of new post offices or due to heavy establishment costs, are fulfilled by opening of Franchise Outlets. The activities proposed to be carried out under the sub-scheme are opening of BOs/SOs in high priority rural areas by relocation/ redeployment, opening of Franchise Outlets, provision for infrastructure equipment for rural BOs, installation of new Letter Boxes in rural

areas, installation of signages at rural BOs, embedding of Iron Safes at rural BOs, support the activities Citizen Centric Services through BOs, and conducting study to explore business opportunities in rural areas.

42. Explaining the reasons for shortfall in achieving the targets during 2020-21, the Ministry explained as follows-

Sl. No.	Plan Scheme/Activity	Physical Targets	Physical Achievements	Reasons for Shortfall
1	Postal Operations			
1.1	Rural Business & Access to Postal Network			
1.1.1	Access to Postal Network			
a	Opening of BOs in high priority areas and LWE districts by creation of new posts and by redeployment/relocation	2890	31	Ministry of Finance did not agree to the proposal to open new BOs in LWE districts
b.	Opening of Franchisee Outlets in urban areas	100	36	Due to COVID-19 Pandemic and reduction in fund allotment
1.2	Rural Infrastructure			
a	Infrastructure for EDBOs	1886	1208	Due to COVID-19 Pandemic and reduction in fund allotment
b	Installation of new improved letter	6769	6507	Nil

	boxes and signages in rural areas			
c	Embedding of cash chests at rural BOs	1760	1258	Due to COVID-19 Pandemic and reduction in fund allotment

43.The details of Physical Targets for BE 2021-22 were submitted as under –

Number of BOs (Branch Offices) to be opened in high priority areas	200
Number of SOs (Sub Post Offices) to be opened on relocation	200
Number of franchisee outlets to be opened	100
Number of new BOs where infrastructure will be improved including letter boxes and signages	1,595
Number of BOs where modern safes will be supplied	5,333

Measures taken to achieve the target: -

- Timely allotment of funds to Circles under various target heads
- Regular monitoring of progress achieved in terms of Physical and Financial Targets

Activities prioritized by the Department under this sub scheme are –

- Opening of BOs in high priority areas
- Opening of SOs on relocation
- Opening of Franchisee outlet
- Improvement of infrastructure of BOs

44. On being asked about major impediments are being encountered in the implementation of the project, the Dept submitted that the activities under the sub scheme “Rural Business and Access to Postal Network” were commenced from 2017-18 and some activities like opening of Post offices in Left Wing Extremism (LWE) districts are facing slight delay as Ministry of Finance has not agreed for opening new Post Offices.

45. To a query on new post offices opened in Left Wing Extremism, aspirational districts and North East Region in the past three years, the Dept. submitted that in the past three years, 6 post offices have been opened in North East circle and 1856 Post Offices have been opened in Left Wing Extremism (LWE) districts and aspirational Districts. The State-wise details are placed below:

<b>Post Offices Opened in Left Wing Extremism, Aspirational Districts In the past three years</b>		
<b>S.No.</b>	<b>Name of States</b>	<b>Number of POs opened</b>
1	Andhra Pradesh	105
2	Arunachal Pradesh	1
3	Bihar	51
4	Chhattisgarh	740
5	Jharkhand	654
6	Kerala	1
7	Karnataka	1
8	Maharashtra	142
9	Manipur	2
10	Mizoram	3
11	Odisha	80
12	Punjab	1
13	Rajasthan	1
14	TN	1
15	Telangana	68
16	UP	2
17	WB	3
<b>Total</b>		<b>1856</b>

46. The Committee had noted in Recommendation no. 4 and 7 in the 3<sup>rd</sup> and 7<sup>th</sup> Report of the Committee respectively, that the target set for opening 2000 Branch Offices in 2019-20 in LWE areas as per the mandate given by Cabinet Committee on Security could not be achieved because Ministry of Finance did not accord permission for creation of posts of Branch Post Masters/Assistant Branch Postmasters required for these BOs. The Department submitted that the target of opening 2000 Branch Post offices(BPO) could not be met during 2020-21, as required permission from MoF for creating of additional establishment for these proposed Post Offices was not received. Out of the identified 4903 Branch Post Offices in 90 districts, 1789 Branch Post Offices have been opened in the first phase by creation of new posts and also by relaxation of population & income.

## **B. MAIL OPERATIONS**

47. The Sub-scheme involves investment in the mail and parcel network of the Department of Posts to not only increase efficiency of mail processing and transmission but also to create infrastructure for handling and delivery of parcels.

48. The details of the BE, RE and Actual for the sub-Scheme during 2020-21 and also BE 2021-22 are as under:-

(Rs. in Crore)

Sl. No	Particulars of Scheme/	Proposed 2020-21	BE 2020-21	RE 2020-21	Actual 2020-21 (as on	Proposed 2021-22	BE 2021-22

	Activity				31.12.2020)		
1	Mail Operations	469.47	249.00	81.62	48.02	358.05	200.00

49. The details of physical targets at BE and RE and achievements made during 2020- 21 were submitted as under-

	Mail Operations	Physical Targets	Physical Achievements
1	Infrastructure upgrade for Speed Post etc	Mail Offices - 275. Parcel - 50	Mail Offices - 213. Parcel - 58
2	Plastic seals and labels for security of closed bags including procurement of standardized bags	Plastic seals - 1.6 crore Plastic labels- 1.6 crore, Security Bags - 70,000	Plastic seals & labels - 72.28 lakh, Security Bags - 7.24 lakh
3	Augmentation of infrastructure for pickup and delivery (Parcel, IR&GB)	90	35

4	Infrastructure for pickup and delivery/ Development of Road Transport/ Rail based* Network and Transhipment Centres/ Air Transport Network Freighter	150	69
5	Development of Road Transport	8	1

50. The Department further submitted the details of Physical Targets at BE 2021-22 as under-

Number of Mail Offices where Infrastructure upgradation will be done for Speed Post Centres	249
Number of plastic seals and labels procured for security of closed bags (in lakh)	180
Number of standardized bags procured	45000
Number of routes on which Development of Road Transport Network will be done	68
Establishment of Nodal Delivery Centre (NDC) (in number)	78
Establishment of new Office of Exchange (OE) (in number)	1
Upgradation of existing OE (in number)	2
Establishment/Upgradation on of Sub Foreign Post Offices (in number)	5
Establishment/Upgradation on of International Business Centre (in number)	6

Measures taken to achieve the target were -

- Timely allotment of funds to Circles under various target heads

- Regular monitoring of progress achieved in terms of Physical and Financial Targets

51. On the impediments that are being encountered in the implementation of the project and state the measures taken to address the problems, the Department has submitted that being a vast network with predominantly rural footprint, difficult areas in J&K, A&N, Lakshadweep and NE States the major challenge being faced by the Department is to ensure and provide uninterrupted IT operations across the country on day-to-day basis. On account of network connectivity and network latency varying drastically from place to place in the country, some difficulties are being faced. Further, the e-Commerce industry being a highly competitive and innovative sector, benchmarking with changing industry best practices due to rapid change in technology remains a challenge for the Department.

In order to ensure uninterrupted network connectivity, the Department have explored multiple network service providers in order to reduce the number of technically non-feasible sites, which presently stand at only 633. Besides, a study of the industry best practices has been done and necessary changes in the mail operations IT module of the Department are being suggested to make the system more efficient and state-of-the-art. Also, staff's ability to cope with the changes is being simultaneously addressed through workshops and regular training sessions (online/offline)

### **C. POST OFFICE SAVINGS BANK OPERATIONS**

52. The details of the BE ,RE and Actual for the sub-Scheme during 2020-21 and also BE 2021-22 are as under:-

(Rs. in Crore)

Sl. No	Particulars of Scheme/ Activity	Proposed 2020-21	BE 2020-21	RE 2020-21	Actual 2020-21 (as on 31.12.2020)	Proposed 2021-22	BE 2021-22
1	POSB	15.00	85.00	4.00	2.17	85.00	10.00

53. The Department of Posts operates POSB Schemes on behalf of Ministry of Finance Government of India. The facility is provided through a network of 1.56 lakh post offices across the country. The operation has moved away from completely manual mode to fully interconnected mode through which Any Time Any Where Banking is possible. Department of Posts under the IT Modernization Project 2012 introduced Core Banking Solution, e-Banking, ATM Banking for 24X7 services to POSB customers. Department have recently received license from RBI for implementing NEFT, RTGS, IMPS, UPI, AePS, Payment Gateway, Debit Card for POSB. Once implemented, POSB customers will get banking services on par with customers of any bank. These services will help Department to achieve overall objective of cashless economy and digital financial inclusion. Department is also implementing e-KYC for its POSB operation and integrating its system with NSDL & Income Tax for seamless exchange of data. This will further facilitate paperless account opening and transactions. It will result in substantial saving in terms of cost of paper, printing, inventory, manpower etc. Saving of papers will also contribute towards sustainable development while protecting the environment. Such integration will bring better transparency in financial transaction, better regulatory compliance and fraud prevention.

Department have already installed 1000 ATMs across the country. ATM cards are being issued to POSB customers on demand. These cards are under the process of being replaced with NCMC cards.

**a. Non-availability of reliable broadband connectivity in POSB**

54. The Committee have been informed that non availability of network connectivity in remote rural areas is a major challenge and has resulted in absence of CBS roll-out in more than 1700 Post Offices. Resultantly, ATM cards could not be issued to customers of such Post Offices. In order to reduce the number of Post offices where both networks (NSP 1 and NSP 2) are not available, efforts are being made to either relocate the Post office to locations where network can be made available or to consider the feasibility of providing DARPAN rural hand-held devices by downgrading the Post office to a Branch Post Office.

55. The Committee wanted to know whether the nagging problem of internet connectivity has hit post office operations adversely and the measures taken by the Department to address incidents of link failure/low speed of internet across the network and streamline the services to which they responded that the Department of Posts have provided connectivity through two service providers at all locations- primary and secondary service provider (NSP1 & NSP2). The primary connectivity at departmental post offices is mainly through BSNL/MTNL. The impact of link failure of NSP-1 has been minimized by providing secondary connectivity at more than 90% of the post offices. Department has also issued order for 4G routers at 3000 locations in 2020-21. Funds have been allotted to the circles for provision of 4G dongles in about 41,000 BOs.

56. Further, the Committee asked whether primary and secondary Network Service providers are able to provide reliable connectivity in post offices, to which the Department responded that Network Service is available in Department of Posts through the Network Integrator Contract of India Post IT Modernisation Project 2012. Two Network Service Providers are envisaged through this Contract-Primary Network Service Provider (NSP1) and Secondary Network Service Provider (NSP2). BSNL/MTNL is the NSP1 and Sify acts as NSP2. All post offices rolled out in Wide Area Network (WAN) with dual network service connectivity viz. Primary [NSP1 (BSNL/MTNL)] & Secondary [NSP2 (Sify)], so that at least one link is always available. As on 01.01.2021, the Primary Network Connectivity (NSP1) services is provided in 24456 Post Offices through MPLS (Multiprotocol Label Switching) technology, Fibre to the home (FTTH), National Optical Fibre Network (NOFN), APSFL, 3rd party internet and IDR/VSAT (Very small aperture terminal) etc and nowhere NSP1 connectivity has been provided on 2G and 3G Technology. For NSP2, connectivity at 15479 locations has been provided on 3G and 2G technology. However, the Department have decided to upgrade all these 3G dongles into 4G connectivity in a phased manner. Accordingly, 3000 locations are to be upgraded to 4G connectivity and 1606 locations to RF Media during this Financial Year. The remaining locations will also be upgraded in a phased manner, as and when required.

57. The Department submitted that they have identified all Post Offices for upgrading NSP2 to 4G connectivity. Department plans to implement this upgradation in a phased manner at the post offices across the country. Orders for upgrading to 4G connectivity at 3000 locations in the current financial year

has already been issued. Rest of the Post Offices will be upgraded in a phased manner.

58. The Committee wanted to know whether the Dept is constrained to avail broadband services from State-owned service providers only and how has it affected the modernisation and expansion of post offices and whether there is any plan to offer Wi-Fi service in post offices as a source of revenue. The Department replied that Department currently avails services through NSP1 (BSNL/MTNL) and NSP2 (Sify) as per terms and conditions laid down in NI Contract. vide Department of Telecommunications OM No.19-1/2019-SU-I dated 12.10.2020, it has been made mandatory for all departments and ministries of Government of India to utilize the network of BSNL/MTNL for internet/broadband and leased line services. However, wherever BSNL/MTNL is unable to provide network connectivity, department is providing network connectivity through alternate network options such as Fibre to the home (FTTH), National Optical Fibre Network (NOFN), Radio Frequency (RF) media and 4G dongles. For provisioning alternative network connectivity, Department is not constrained for choosing any feasible network service provider including state owned service providers provided BSNL/MTNL is unable to provide feasible connectivity.

**(i)** Network Integrator (NI) contract is one of the Silos of IT modernisation Project 2012 and the rates of BSNL/MTNL were discovered through a transparent bidding process. Department have, from time to time, provisioned alternative connectivity in absence of NSP1 connectivity through any other feasible network service provider including state owned service providers such as AP State Fiber Network Ltd for which approval has been accorded recently for providing alternative connectivity for 53 locations in Andhra Pradesh. Department said that they will explore the feasibility of providing WiFi through

Post Offices as a revenue generation activity.

**b. Minimum Available Balance and issues of biometric authentication in POSB**

59. The Committee asked whether the Minimum available balance has been fixed at Rs. 500 in case of savings accounts which may be high for poor citizens dependent only on certain financial support provided by the Govt. to which the Department replied that as per DEA vide OM No. GSPR 2018 MoF Gazette notification dated 12.12.2019 the minimum balance requirement has been increased from Rs. 50 to Rs. 500. The matter has been taken up with the DEA, MoF to reconsider the decision in the interest of public, especially the poor and low-income depositors who use POSB services.

60. The Committee wanted to know the number of accounts of disabled persons with guardianship as part of inclusive growth to which the Department responded that there is a provision for opening of POSB accounts of disabled person with guardianship or through a literate person. However, the number of such accounts are not available separately.

61. To a query on Department's plan to resolve the issue of failure of biometric authentication caused by erosion of fingers due to manual work in rural areas and thus necessitating multiple visits to the bank, they said that in case biometric authentication through finger print scanning fails, the IRIS scanning is being done to carry out the biometric authentication.

62. Further, on the doorstep banking model for amputees who are unable to provide fingerprints, the IPPB has enabled customer authentication through fingerprint as well as IRIS authentication. In case, the customer is unable to transact using fingerprints, the transactions can be performed using IRIS authentication.

### c. Revision of rates of remuneration of POSB

63. When the Committee enquired about the existing rates of remuneration that need any revision, they submitted that the rates of remuneration in respect of Post Office Savings Banks/ Small Savings Schemes are decided by the Department of Economic Affairs, Ministry of Finance. The remuneration rates for the FY 2019-20 and 2020-21 are the same and are as follows:

Item/Category	Rate per unit (Rs)
Savings Bank Accounts	219.23
Savings Certificates (NSC/KVP)	73.92
Indira Vikas Patra	19.59
Silent Accounts	35.61

The number of different types of Savings Bank Account and Remuneration for the last two years is given below:

Year	Savings Bank Accounts (in crores)	Bank (in crores)	Remuneration (in crores)
2018-19		36.40	8272.11
2019-20		36.75	8660.05

Existing rates of remuneration should be in line with expenditure incurred by department to provide small savings scheme facilities to customers through 1.57 lakh post offices. Since the expenditure incurred in providing facilities is rising, the rates of remuneration need to be revised.

64. The Committee wanted to know the status of the review of Indian Post Office Act, 1898 and the details of the provisions of the Act which are being amended

to which the Department replied that the Indian Post office Act, 1898 provides the legal basis for the functioning of the post offices. A review was undertaken by the Department and an amendment was done in March, 2017 vide which powers of the legislation to revise the tariff of various postal services/ products contained in the First Schedule of Indian Post Office Act, 1898 were delegated to the executive which is sufficient to meet the current requirements of the post offices in India.

65. The Committee asked the Department to furnish scheme-wise comparative statement for Small Saving Schemes offered by the Department showing the cost of operation of the account, total number of accounts, remuneration reimbursed by the Ministry of Finance for the last three years to which they responded that the cost per transaction is being calculated through Annual Costing Exercise for Savings bank, Savings Certificates and IVP. As per the Annual Costing Exercise, the cost per transaction during the previous 3 years is as follows:

<b>Year</b>	<b>Service</b>	<b>No of transactions (in Lacs)</b>	<b>Unit cost (in Rs.)</b>
2018-19	Savings Bank	10554.74	106.04
	Savings Certificate and Kisan Vikas Patra	533.94	198.16
2017-18	Savings Bank	11453.17	100.77
	Savings Certificates and Kisan Vikas Patra	623.15	188.13

	Indira Vikas Patra	0.67	50.05
2016-17	Savings Bank	11217.53	101.34
	Savings Certificate and Kisan Vikas Patra	344.17	189.24
	Indira Vikas Patra	0.37	50.35

The costing exercise for the years 2019-20 is underway. Cost of POSB services is determined by Ministry of Finance and remuneration is fixed accordingly. Based on the costing done by Ministry of Finance, yearly rate of remuneration for POSB services is fixed by Department of Economic Affairs.

The number of different types of Savings Bank Accounts is as follows:

<b>Sl. No.</b>	<b>Service</b>	<b>No. of Accounts 2017-18</b>	<b>No. of Accounts 2018-19</b>	<b>No of Accounts 2019-20</b>
1	SB Live accounts	371098934	364031071	367993200
2	National Savings Certificate /Kisan Vikas Patra	62333876	51734251	48375223
3	Indira Vikas Patra	8626	4197	3851
4	Silent accounts	37339196	49944881	66177481

The number of different types of Savings Bank Account and Remuneration for the last three years is given below.

<b>Year</b>	<b>Savings Bank Accounts (in crores)</b>	<b>Remuneration (in Rs crores)</b>
2017-18	37.10	8112.64
2018-19	36.40	8272.11
2019-20	36.79	8660.05

66. The Committee wanted to know which saving schemes/accounts are incurring maximum loss vis-à-vis operating cost to the Department of Posts and the measures being taken by the Department to reduce the operating cost. The Department informed that as per the Annual Costing Exercise, the cost per account, remuneration received and loss incurred in the year 2018-19 is as follows:

<b>Type of Account</b>	<b>Cost per Account</b>	<b>Remuneration received from Ministry of Finance</b>	<b>Loss incurred by DoP</b>
Savings Bank	307.45	212.33	95.12
Cash Certificates	205.48	71.59	133.89

Presently, the remuneration being offered is not enough to cover the cost of POSB transactions. The Department have already implemented Core Banking

Solution (CBS) for its POSB. The operating cost for Savings bank transactions is sought to be further reduced by making SB operations completely online and system driven.

67. In another reply, the Department further submitted that the services provided by the department are loss making owing to very high establishment cost and owing to the department's mandate to fulfil the Universal service obligation towards the citizen. In order to fulfil the Universal Service Obligation, Post Offices in Rural areas are considered justified if they are able to cover 33.33% of the expenditure (15% in hilly/tribal areas). DOP have primarily two major components of gross expenditure: Pensions and Salaries, which constitute almost 90% of the gross expenditure. Expenditure on salary (Pay and allowances) is on the higher side due to implementation of revised pay and allowances as per 7th Pay Commission. Pensionary charges have also increased due to revision of pension of pre- 2006/ 2016 as per 7th pay commission. Number of pensioners have also increased during the last few years. Presently, the number of Postal pensioners is 1,68,420 and family Pensioners are 1,06,335 which is more than the number of Departmental employees i.e.1,70,942.

Department of Posts is engaged in providing a number of products/services, amongst them the list of major loss bearing products/services is attached in the table below. The loss/deficit in the list is derived on the basis of costing exercise carried out on annual basis.

<p style="text-align: center;"><b>STATEMENT SHOWING COST, REVENUE, DEFICIT/SURPLUS OF POSTAL SERVICES FOR THE YEAR 2018-19(ACTUAL)</b></p>
--

Sl. No.	Name of Service	Total Unit Cost in paise	Revenue per Unit in paise	Difference per Unit in paise	Traffic (in lacs)	Deficit(-) & Surplus (+) (Rs. In crores)
<b>A</b>	<b>Traditional Services</b>					
1.	Post Card	1208	50	-1158	1347	-156
2	Letter Card	1203	250	-953	2524	-240
3	Letter	1370	826	-545	7276	-396
	<b>REGD.NEWS PAPERS</b>					
4	RNP-Single	1394	33	-1361	1151	-157
5	Printed Books	1911	214	-1697	765	-130
6	Parcel	8764	4098	-4666	352	-164
7	Registration	9054	1700	-7354	1774	-1304
8	Foreign Letter Post	21039	3480	-17559	212	-372
<b>B</b>	<b>Premium Products</b>					
9	Speed Post	8193	3578	-4615	5373	-2480
10	Bill Mail Service	962	152	-809	2186	-177
<b>C</b>	<b>Financial Services</b>					
11	Money Order	49801	18457	-31345	133	-417
12	I.P.O.	32474	449	-32025	59	-189
13	Savings Bank	10604	7485	-3120	10555	-3293
14	S.C. & K.V.P.	19816	6936	-12880	534	-688
15	RPLI	3825	2105	-1720	1584	-272
	<b>Total</b>					-10435

The Department have discontinued the Express Parcel, Instant Money Order, Mobile Money Order service based upon the review of the necessity of these products. At present, there is no plan to discontinue any further product/services.

#### **D. POSTAL LIFE INSURANCE OPERATIONS AND PROMOTION**

68.The details of the BE, RE and Actual for the sub-Scheme during 2020-21 and also BE 2021-22 are as under:-

(Rs. in Crore)

Sl. No	Particulars of Scheme/ Activity	Proposed 2020-21	BE 2020-21	RE 2020-21	ACTUAL 2020-21(as on 31.12.2020)	Proposed 2021-22	BE 2021-22
1	PLI	3.17	3.00	1.20	0.85	3.45	2.00

69.Further, the targets for 2021-22 were provided as under-

Stated objective	Physical Targets for 2021-22	Measures being taken to achieve the targets	Whether the amount allocated at BE will be sufficient to achieve the targets?
Training of marketing and back office personnel- improving marketing skills, product knowledge and customer relationship management of sales force of PLI and	30,000	Circles are being instructed to conduct necessary in-house/licentiate training to sales force of PLI and RPLI at Divisional/Regional/Circle level.	The allocation under the BE 2021-22 would be sufficient to achieve the targets.

RPLI			
------	--	--	--

## E. IT INDUCTION AND MODERNISATION

70. The details of the BE, RE and Actual for the sub-Scheme during 2020-21 and also BE 2021-22 are as under:-

(Rs. in Crore)

Sl. No	Particulars of Scheme/ Activity	Proposed 2020-21	BE 2020-21	RE 2020-21	Actual 2020-21 (as on 31.12.2020)	Proposed 2021-22	BE 2021-22
1	IT Induction and Modernisation	1312.14	784.43	819.14	497.60	840.30	727.47

71. IT Modernization Project of Department of Posts is being undertaken with a total outlay of Rs. 4909 crores. The Project involves computerization and Modernization and networking of 1,56,000 Post Offices in the country, including 1,30,000 Branch Post Offices in rural areas run by the Gramin Dak Sevaks. The project involves providing Central Server based integrated, modular and scalable solution for all the operations of Department of Posts including Mails, Human Resource, Banking, Insurance and Finance &Accounts. It also involves creation of IT Infrastructure like Data Centre, Disaster Recovery Centre, setting up of a Wide Area Network (WAN) and providing solar powered and portable hand-held computing devices (Micro ATM compliant) to all the Branch Post Offices. The objectives of the sub-scheme as follows:

- a. Modernization and computerization of all the non-computerized Post offices in the country including Gramin Dak Sevak (GDS) Branch Post offices in rural areas, mail offices, administrative and other offices;
- b. Development of scalable, integrated and modular software covering all operations of the Department of Posts;
- c. Establishment of required IT Infrastructure including Data Centre, Wide Area Network (WAN)based networking of the departmental post offices; and
- d. DARPAN - RICT (Digital Advancement of Rural Post Offices for a New India-Rural Information Communication Technology (Rural ICT)) infrastructure.

The Project is implemented through eight different segments: Data Centre Facility (DCF), Network Integrator (NI), Financial Services System Integrator (FSI), Core System Integrator (CSI), Digital Advancement of Rural Post Office for A New India (DARPAN) - Rural System Integrator (RSI) and Rural Hardware (RH), , Mail Operations Hardware (MOH), and Change Management (CM). The All these eight segments are integrated with overall solution architecture under the purview of CSI.

Results outlined to be achieved by the project:

Computerization and Networking of all post offices, Development of Integrated Modular Software and Establishment of IT infrastructure would result in the following benefits:

- a. All Post Offices will be able to improve their quality of services, increase their productivity on account of improved IT system

- b. Increase in access to the post office through web portal, mobile and call centers would give better services to the customers.
- c. Number of transactions in postal, banking, insurance and retail activities of the post office are likely to increase as the reach of these services will be extended.
- d. Computerization of all the post offices with central data architecture will create an enabling environment for mail track and trace and other web based and mobile based services
- e. Reduction in paper work, particularly in administrative and accounts offices
- f. Management of post offices and monitoring can be made more effective. Accessibility of information from centralized database will enable improved decision making and responsive administration.
- g. Overall benefit will be to the customers and stake holders through more reliable, speedy operations and transparent availability of information to the customers.

72. On being asked to furnish the details of physical targets at BE and RE and achievements made during 2020-21 and shortfall in achieving the targets during 2020-21, the Department have stated the following-

SI No.	Name of the activity	Physical target	Achievement	Shortfall/Remarks
1	Supply of Hardware to Post Offices/ Administrative Offices/ Accounts Offices	3048 Computer and Peripherals	2214 Computer and Peripherals have been procured. Procurement of 813 Computers and Hardware is under process, will be achieved by end of Financial Year 2020-	Nil

			21	
2	Data Centre and DRC (DCF)	Operations and Maintenance of Data Centre and Data Recovery Centre.	Completed	
3	Network Integration (NI)	(i) Operations and Maintenance of Network at approximately 27000 locations. (ii) Procurement of new hardware which has reached End of Life/End of Support.(EOL/EOS)	Completed	
4	Supply of MOH and RH	.RH(Rural Hardware/)DARPAN(Digital Advancement of Rural Post Offices and Network):	Completed	

		Operation and Maintenance of DARPAN handheld devices at 1,29,157 Branch Post Offices	
5	Development of RICT Solution RSI	RSI( Rural System Integrator ) Operation and Maintenance of DARPAN/RSI applications at 1,29,157 Branch Post Offices	Completed
6	Development & Deployment of Banking & solution(FSI) & of PLI	Operation and Maintenance of Core Banking, Core Insurance solutions at approx 23,400 and 25,000 post offices and 1000 interoperable ATMs	Completed
7	Core System Integrator (CSI) & Change Management (CM)	Operation and Maintenance of CSI solution for 501 Divisions and 13 independent offices.	Completed

It has been informed that funds to the tune of Rs. 1408.45 crores were sought in RE 2020-21 under the sub scheme but the allotment was only 803.92 crores. Hence for the activities under IT Modernisation project 2012, additional funds to the tune of approximately Rs.600 Crore will be required. It is proposed that the shortfall of requirement will be projected in RE 2021-22 after incurring the

funds allotted in BE 21-22. Operation and Maintenance of the activities under IT Modernisation Project 2012 is prioritised.

73. The Committee wanted to know the major impediments that are being encountered in the implementation of the project to which the Department replied that the Project is being implemented through eight different segments: Data Centre Facility (DCF), Network Integrator (NI), Financial Services System Integrator (FSI), Core System Integrator (CSI), Digital Advancement of Rural Post Office for A New India (DARPAN) - Rural System Integrator (RSI) and Rural Hardware (RH), Mail Operations Hardware (MOH), and Change Management (CM). DCF, NI, FSI, CSI and DARPAN are in various stages of Operations and Maintenance Phase. CM project is completed. Hence, all the segments have completed their implementation phases. However, due to issues of network connectivity, certain post offices have not been able to implement certain silos like CSI, Core Banking Solution part of FSI and DARPAN. To resolve this issue, Department has at various stages made an effort to include these offices into Wide Area Network with different alternative options like Managed Leased Line Network, (MLLN), Fibre to the Home (FTTH), Optical Fibre Cable (OFC) etc. available to make the site feasible. Based on proposals submitted by Postal Circles to connect the TNF using different alternatives like NOFN/FTTH/OFC etc, funds have been allotted to the different Circles for provisioning connectivity in these locations. Such provisioning was made recently for 598 locations in different circles across the country, which has helped to bring NSP1 connectivity to earlier non-feasible locations. DoP BSNL Coordination meetings are being held on a monthly basis to resolve pending network issues and to bring better connectivity at all locations. For Secondary NSP (NSP2) Connectivity, 4G connectivity and RF Connectivity is provisioned for

approximately 18000 (3000 Devices to be procured in 2020-21) and 1606 locations respectively across the country by the department. The deployment of this solution will help restore secondary connectivity in many NSP2 TNF locations and offices with unstable NSP2 connectivity.

Minor impediments like integration of various segments, making changes to the system for new business requirements also arise. However, these are dealt or resolved by department using Project Implementation Committees of each segment as envisaged in the Project Governance Structure.

**F. BUSINESS PROMOTION, MARKETING RESEARCH AND PRODUCT DEVELOPMENT**

74.The details of the BE ,RE and Actual for the sub-Scheme during 2020-21 and also BE 2021-22 are as under:-

(Rs. in Crore)

Sl. No	Particulars of Scheme/ Activity	Proposed 2020-21	BE 2020-21	RE 2020-21	ACTUAL 2020-21 (as on 31.12.2020)	Proposed 2021-22	BE 2021-22
1	Marketing	101.00	45.00	13.00	6.92	94.50	15.00

75.The sub – scheme Plan activity of Business Promotion, Marketing Research & Product Development (earlier called Marketing Functions of the Department of Posts) aims to cater to promotion, publicity and marketing activities of all postal products & services including financial services and market research and other ancillary activities required to introduce and establish a new service/

product or value addition as per market demand with a view to create additional revenue for the Department. The objective of the Plan activity of Business Promotion, Marketing Research & Product Development, especially in the present rapidly changing and competing market is to enhance the visibility and awareness about existing as well as new products of the Department. It is essential not only to retain the existing customer base for the products and services of the Department but also to expand it especially in young customer segment and new markets like e-commerce, digital money remittance, insurance, Direct Post and Retail Post etc. The scheme is to support the vision of the department that India Post's products and services will be customer's first choice and generate additional revenue for the Department with increased visibility and awareness amongst the target groups/ citizens.

The various activities undertaken under this sub-scheme are as under:

- a. Multi media campaigns viz. Print, Radio, TV, Outdoor to increase the visibility and awareness
- b. Organizing of melas, camps, exhibitions
- c. Direct Marketing, SMS marketing
- d. Connecting youth through Social Media and Internet advertisements
- e. Market Research and Customer Satisfaction Surveys for identification of relevant and emerging markets and introduction of value-added services on existing products and introduction on new products.

## **G. PHILATELY OPERATIONS**

76.The details of the BE ,RE and Actual for the sub-Scheme during 2020-21 and also BE 2021-22 are as under:-

(Rs. in Crore)

Sl. No.	Particulars of Scheme/ Activity	Proposed 2020-21	BE 2020-21	RE 2020-21	ACTUAL 2020-21 (as on 31.12.2020)	Proposed 2021-22	BE 2021-22
1	Philately	7.10	7.00	2.80	0.73	21.20	4.00

77.All strategic initiatives are oriented towards Growth of Philately as a popular Hobby among the youth of the country as well as making Philately a key contributor to the Revenue Stream of India Post. The initiatives are:

- (i) Promotion through direct communication on Social Media platforms with engaging interactive content on Philately as a trending hobby – to spark a Call to Action to open Philatelic Deposit Accounts.
- (ii) Innovative Stamp Designs and Printing – encouraging public to provide innovative ideas for Stamp design and novel features Public involvement leads to greater popularity.
- (iii) Focus on Thematic Issues on grass roots culture of the country for Commemorative Postage Stamps, for awareness building.

#### H. QUALITY OF SERVICE

78. The details of the BE ,RE and Actual for the sub-Scheme during 2020-21 and also BE 2021-22 are as under:-

(Rs. in Crore)

Sl. No	Particulars of Scheme/ Activity	Proposed 2020-21	BE 2020-21	RE 2020-21	Actual 2020-21 (as on 31.12.2020)	Proposed 2021-22	BE 2021-22
1	Quality of Service	1.10	1.10	0.70	0.15	0.50	0.50

79. The objective of the initiative is to develop a standard using which we can over a period of time, improve the delivery of our service and reach a level where the quality of these services can be evaluated objectively by an outside agency. Operationally, the implementation of Sevottam entails implementation of three modules viz. Citizens' Charter, Public Grievances Redressal and Service Delivery Capability. Sevottam (IS 15700: 2005) is a model for benchmarking excellence in service delivery standards and developed by the Bureau of Indian Standards (BIS). The IS 15700: 2005 Certification for the Post Offices could be obtained for achieving service standards in counter services, savings bank services, mail delivery services and other premium services offered by the Post Offices, standards of which are declared in the Citizens' Charter of the Department available in the public domain.

#### IX. HUMAN RESOURCE MANAGEMENT

(i) The details of the BE, RE and Actual for the sub-Scheme during 2020-21 and also BE 2021-22 are as under:-

(Rs. in Crore)

Sl. No	Particulars of Scheme/ Activity	Proposed 2020-21	BE 2020-21	RE 2020-21	Actual 2020-21 (as on 31.12.2020)	Proposed 2021-22	BE 2021-22
1	HRM	67.43	47.20	16.04	10.37	42.93	25.00

The scheme deals with provisions of training delivery to be imparted through conventional and innovative methods like e-learning particularly blended learning and distance learning. As per National Training Policy 2012, in order to make available a vast resource of learning material and courses online, a learning management solution “MEGH SHISHAK” is being developed. It is a Cloud-based e-Learning Systems which include features Like Online Registration and Approval, Single Sign-on, Interface for Upload of Course and Assessment Content, MIS etc. The scheme also covers the provision provided under iGOT Mission Karmayogi, the National Programme for Civil Services Capacity Building (NPCSCB), which is making use of e-learning technologies to cover the training needs of a large number of officials who currently have little or no access to opportunities for quality training. In addition, in order to strengthen the training infrastructure, the provisions of upgradation of all Postal Training Centres and upgradation of Workplace Training Centres also form part of the scheme.

#### **X. ESTATES MANAGEMENT- GENDER CONCERNS AND ACCESSIBILITY ISSUES**

80. The details of the BE, RE and Actual for the sub-Scheme during 2020-21 and also BE 2021-22 are as under:-

(Rs. in Crore)

Sl.No.	Particulars of Scheme/ Activity	Proposed 2020-21	BE 2020-21	RE 2020-21	ACTUAL 2020-21 (as on 31.12.2020)	Proposed 2021-22	BE 2021-22
1	Estates Mgt.	85.00	120.50	40.00	29.35	150.00	55.00

81. The key objective of the Estates Management Scheme is to ensure development of an appropriate infrastructure to provide a congenial work environment and improve the delivery of postal services in a cost-effective way for the benefit of the customers. The Scheme includes construction of postal buildings including Post Offices, mail offices, administrative offices, staff quarters, besides preservation and conservation of heritage buildings and reconstruction of dilapidated buildings. The Scheme also includes construction of toilets, installation of Roof Top Solar Power Packs and Rain Water Harvesting structures to contribute towards Sustainable Development Goals and also to contribute to Swachha Bharat Abhiyan. Providing ramps and rails under the Sugamya Bharat Abhiyan for improving the accessibility of Post Offices for differently abled persons are also part of this scheme.

82. The Department stated the details of physical targets at BE and RE and achievements made during 2020-21 as under-

Activity	Target at BE	Target at RE	Achievement till 31.01.2021	Reason for shortfall
Construction of postal buildings	8	8	1	The works are in

Renovation of Postal Buildings	138	82	29	progress. However, some shortfall might be there in achieving physical targets on account of disruption of civil-electrical works during the Covid-19 lockdown
Preservation of Heritage Buildings	15	13	0	
Installation of Solar Power Packs	41	26	3	
Construction of Rain Water Harvesting Structure	115	115	54	
Construction of ramps & rails	82	82	34	

83. The Department in BE 2021-22 have projected a demand of Rs 150 Cr for this sub-scheme. Against this projection, an amount of Rs 55 Cr has been allocated in BE 2021-22. The physical targets for the sub-scheme have therefore been adjusted according to the funds allocated. Main prioritized activities include construction of new buildings of smaller size for rural areas with locally available material, construction of Head Post Offices where lands are available and are operational from rented building, preservation of Departmental heritage buildings and renovation of old postal buildings.

84. The details of Physical Target at BE 2021-22 were provided as under-

<b>Estates Management</b>	<b>Target</b>
Number of small post offices to be constructed	20
Facelifting of Postal buildings/ Administrative office/Office space	50
Gender concerns (construction of retiring rooms, toilets)	15
Number of heritage buildings to be preserved	5

Measures taken to achieve the target: -

- Timely allotment of funds to Circles under various target heads
- Regular monitoring of progress achieved in terms of Physical and Financial Targets

85. Elaborating on the major impediments being encountered in the implementation of the project, the Department informed the same as (a) outbreak of COVID-19 pandemic resulting in nationwide lockdown (b) not getting timely approval from Municipal Corporations and other State Government authorities for starting construction process, (c) cancellation of tendering process due to single/high bidding, (d) non-settlement of litigation process/court cases pertaining to the land owned by the Department and (e) encroachment of Departmental vacant lands. The Circles have been advised to personally visit the offices of local authorities and State Government authorities to expedite the approval. The Circles have been instructed to submit BE proposals for 2021-22 in the month of February, 2021 itself and to give priority to the pending projects over the new proposed projects so as to ensure timely completion of projects and optimum utilization of allotted funds.

The Circles have been advised to personally monitor the court cases and resolve the pending issues as early as possible.

86. When the Department was asked to furnish details of the postal buildings plans that have received approval ten or more years ago but are yet to see progress, they submitted that all projects which have been approved 10 years ago have either been completed or the work is in progress.

87. When asked about the delay in construction of post offices in the State of Kerala, the Department, during oral evidence, submitted as under-

“ Chairman, Sir, I humbly submit that yes, the delay has been there and it is unpardonable. मैं स्वीकार करता हूँ, जो प्रोजेक्ट्स वर्ष 2015-16 में approve हुए थे, and delay in construction has been due to delayed municipal clearance or change in drawing or other reasons.

Whatever point the hon. Member has raised, it is a fact, and we take note of all this. We have to prioritise all these things. We assure that as far as Karamana post office is concerned, the project stands approved .

In Poojapura case also, the project already been approved. Shastmangalam project is also approved. We have taken all of them in our plan projects as sensitised by this Committee, and particularly by you; and of course by the Hon. Chairman also.

So, we stand committed to it; and hopefully, this time we would not shift from whatever action has been taken. We will expedite it.”

88. On the issue of gender concerns, the Department submitted that the gender concerns are adequately reflected in the construction of new postal buildings, by constructing ladies rest rooms. During the last 3 years, the details of ladies

rest rooms, retiring rooms constructed under Estate Management are (State wise as under):-

<b>Construction of ladies rest rooms</b>				
<b>Sr. No.</b>	<b>State</b>	<b>Year</b>		
		<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
1	Andhra Pradesh	1	3	3
2	Assam	2	0	0
3	Bihar	0	3	0
4	Chhattisgarh	1	2	1
5	Delhi	2	2	0
6	Gujarat	1	2	1
7	Haryana	4	2	0
8	Himachal Pradesh	0	2	2
9	Jammu &kashmir	0	2	0
10	Jharkhand	1	2	0
11	Karnataka	2	3	0
12	Kerala	0	2	1
13	Madhya Pradesh	3	3	1
14	Maharashtra	2	3	1
15	North East	0	0	0
16	Odisha	6	2	1
17	Punjab	0	2	2
18	Rajasthan	1	3	1
19	Tamil Nadu	2	2	1
20	Telangana	0	2	1

21	Uttar Pradesh		3	0
22	Uttarakhand	2	2	0
23	West Bengal		3	0
<b>Total</b>		<b>30</b>	<b>50</b>	<b>16</b>
<b>Construction of ladies retiring rooms</b>				
Sr. No.	State	Year		
		2017-18	2018-19	2019-20
1	Delhi			1
2	Haryana	2		
3	Karnataka			1
<b>Total</b>		<b>2</b>		<b>2</b>

89. On the issue of ramps, adaptive rest rooms, railings, Braille signages, tactile flooring and auditory signals constructed /installed in post offices for the differently-abled during the last three years and the construction of new buildings is done in accordance with the requirements of the Rights of Persons with Disabilities Act, 2016, the Department replied that the construction of new buildings is done in accordance with requirement of the Rights of Persons with Disabilities Act, 2016. All the building constructed in the last three years have followed all the statutory norms. During the last three years, 347 postal buildings have accordingly been retrofitted.

90. The Committee further asked whether any access audit of the post office buildings has been conducted in the last five years in order to enforce accessibility standards and guidelines, the Department replied that no such audit, of the postal buildings, has been conducted in the last 5 years.

#### **XI. SETTING UP OF INDIA POST PAYMENTS BANK (IPPB)**

91.The details of the BE, RE and Actual for the sub-Scheme during 2020-21 and also BE 2021-22 are as under:-

(Rs. in Crore)

Sl. No.	Particulars of Scheme/ Activity	Proposed 2020-21	BE 2020-21	RE 2020-21	Actual 2020-21 (as on 31.12.2020)	Proposed 2021-22	BE 2021-22
1	IPPB	0.00	220.00	220.00	75.00	500.00	200.00

92.India Post Payments Bank (IPPB) has been setup with the vision to build the most accessible, affordable and trusted bank for the common man in India. The fundamental mandate of India Post Payments Bank is to remove barriers for the unbanked & underbanked and reach the last mile by leveraging the reach of the Postal network of over 1,55,000 post Offices and more than 2,00,000 Postmen who have the ability to touch each and every household at their doorstep. Since its launch in September 2018, IPPB has enabled 1,36,000+ Post Offices to provide a complete suite of banking services, out of which 1,10,000 are in rural India, thereby increasing the rural banking infrastructure by almost 2.5 times. Over 2,00,000 Postmen & GDS have been equipped with a smartphone and a biometric device to provide banking services at the doorstep. IPPB has established an interoperable banking infrastructure for public good that can serve customers of ANY BANK. Customers of ANY BANK can access their Aadhaar linked bank account by simply using their fingerprint for cash withdrawal, balance enquiry and transfer of funds into an operating IPPB A/c, right at their doorstep through the Postmen and Gramin Dak Sevaks. The infrastructure created by IPPB addresses the accessibility challenges faced by customers (base of the pyramid) in the traditional banking ecosystem. It

fulfils the Gol's objective of having an interoperable banking access point within 5 KM of any household and creating alternate accessibility for customers of ANY BANK. IPPB aims to leverage its Digital Financial Infrastructure and Physical reach of Department of Posts to enhance penetration of Digital Financial Services in the country, digitize value chains in rural/semi urban areas and promote digital payments.

93. The details of physical targets at BE and RE and achievements made during 2020-21-

4	Setting up of India Post Payments Bank	Physical Targets	Physical Achievements	Reasons for Shortfall
4.1	Grant in aid to India Post Payments Bank	Capital infusion into the bank		Nil
4.2	Capital infusion into Corporate Entity for India Post Payments Bank (Investment)			Nil

94. On being asked the major impediments that are being encountered in the implementation of the project, the Department submitted that-

- i. aggressive timeline for Roll out of 650 IPPB branches and IPPB banking access points spread over approximately 1.55 lakh Post offices across the country which effectively increased the rural banking infrastructure in the country by approx. 2.5 times.
- ii. Infrastructural issues in rural areas in particular lack of reliable network connectivity. IPPB services could not be rolled out to approx.

18000+ Post Offices classified as Technically not feasible access points as IPPB depends on provision of network connectivity by DoP in the post offices. Action has been initiated to ensure network connectivity and other basic infrastructure at these locations for rolling out IPPB (India Post Payments Bank) services.

- iii. In the initial proposal it was envisaged that there would be a gradual ramp up of operations and branch/access point rollouts. However, Cabinet mandated that all the 650 Branches and access points should be rolled out in one go. This led to re-calibration of the execution strategy and the focus of the project shifted to rollout as compared to the banking operations. This resulted in front loading of the expenses with respect to on-boarding of Banking professionals for manning the branches and upfront expenses towards building infrastructure for all branches without any corresponding revenue stream.
- iv. Training and capacity building of existing Post office staff in Banking service operations so that they can act as Banking services providers was one of the major challenges. Over 1 crore man-hour of training was imparted to more than 2 lakhs Doorstep Service providers (Postmen/GDS) and Post Office Counter staff so as to enable them to be able to provide Banking service through Post office.
- v. During the Project Conceptualization and approval phase certain assumptions were made with respect to the revenue streams and revenue volumes. However, due to regulatory headwinds (Zero MDR charges on NEFT/RTGS), cost sensitivity of the target customer group (No Doorstep charges for DBT Disbursement at Doorstep) and technological changes these revenue projections could not

materialize. This has impacted the financial position of the Bank and has posed challenges in rolling out initiatives and has also adversely impacted efforts towards marketing and popularizing of its products and services.

- vi. Payments Bank have various limitation in terms of limited products like savings and current account with maximum end of the day limit of Rs. One lac. Further, Payments bank cannot offer other saving products like time deposit, recurring deposits which restrict the prospective customers. Due to this limitation of one lac Payments bank is not in position to offer end to end service to any business verticals either government or private.

95. When asked about conversion of small finance bank, the Department explained that conversion of IPPB into a Small Finance Bank shall help the overall objective of furthering financial inclusion by provision of savings vehicles, and supply of credit to small business units, small and marginal farmers, micro and small industries and other unorganized sector entities, through the medium of the post office and postman. As per, Draft Guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector released by RBI on September 13, 2019, Public Sector entities are not eligible to apply for a SFB license. Hence, relaxation will be required in the regulatory guidelines issued by RBI for transition of IPPB into a Small Finance Bank.

96. The Department further informed that IPPB is offering a range of banking services through mobile Apps like IPPB Mobile banking App, Micro ATM and DakPay. IPPB also offers an Assisted Mode on behalf of customers who are not digitally/financially literate (or may not have a smartphone) thus helping bridge the digital divide in terms of access to modern Financial/Payments services.

This assisted mode is provided through the help of Postman and Gramin Dak Sevaks (GDS). Further customers are being trained through demonstration by these Doorstep Service Providers (Postman/GDS) to use IPPB mobile banking app while opening of their account to avail all IPPB services digitally.

97.The Department, during oral evidence, submitted as under-

“Last time also, we mentioned this and recently we had a discussion with RBI Governor and requested to consider conversion of India Post Payment Bank into Small Finance Bank so that it can earn greater revenue. And also remove this restriction of maximum deposit of Rs. one lakh in account. If these are allowed, there is a very good scope for India Post Payment Bank to become financially viable.

The RBI has to give the clearance and the Department of Financial Services of the Ministry of Finance also has to give approval.”

## **XII. MISCELLANEOUS**

### **A. GRIEVANCE REDRESSAL**

98.The Committee asked the Department to provide the data regarding grievances received, resolved and pending during the year 2020-21 and the efforts being made to expedite the resolution to which they responded as follows-

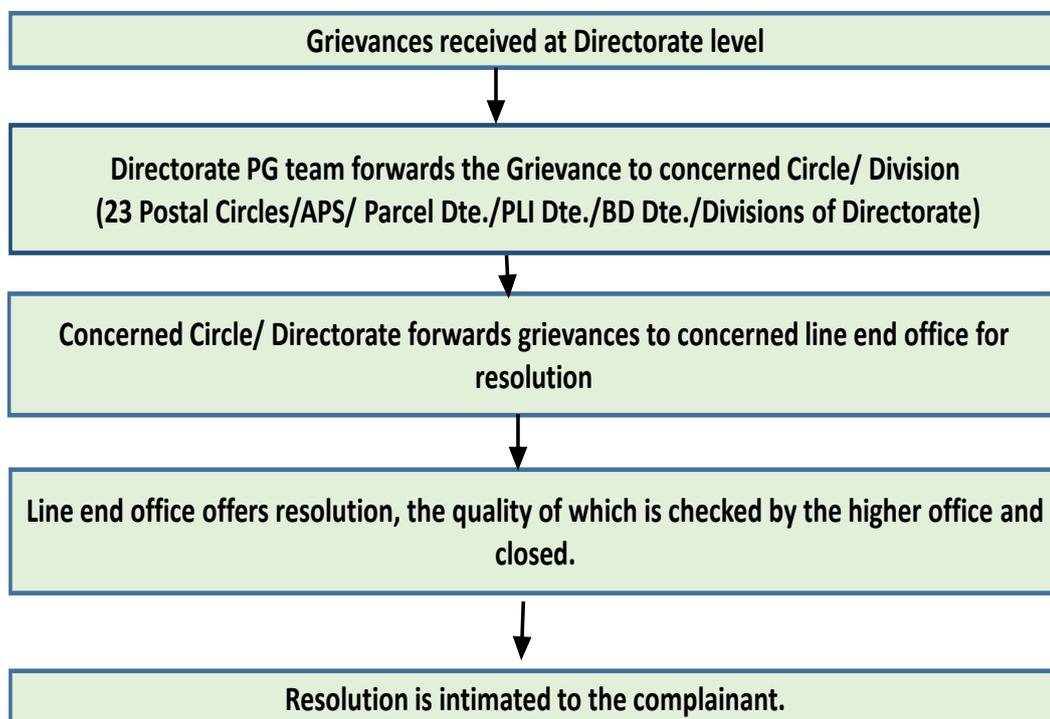
Process of Grievance Redressal: -

- (i) The Department has a well laid out procedure for handling public grievances for its services. A monitoring mechanism to ensure the quality of services and prompt redressal of public grievances is in place.
- (ii) There are various channels available for the customer to lodge their grievances like Centralized Public Grievance Redress and Monitoring

System (CPGRAMS), Social Media (Twitter, Facebook & Instagram), Customer Relationship Management (CRM), India Post Call Centre (IPCC) with IVRS facility.

Flowchart of Grievance Redressal Mechanism is as under: -

## Flowchart of Grievance Redressal Mechanism (GRM) of DoP



## Levels of Grievances Resolution at various platforms

S. No.	Name of the Platform	Level at which resolution of the grievance is provided to the complainant.
1.	Centralized Public Grievance Redress And Monitoring System (CPGRAMS)	Chief Postmaster General of the Circle/ Head of the Division in the Directorate
2.	Social Media Platform (Twitter, Facebook & Instagram)	Chief Postmaster General of the Circle/ Head of the Division in the Directorate
3.	India Post Call Centre (IPCC) & Customer Relationship Management (CRM) Portal	Concerned Post Office

The grievances received on the above platforms are processed by navigating them to the correct destination by mapping categories of the grievances along with 1.55 lakh post offices.

Grievances received, resolved and pending during the year 2020-21 is as under:

-

Sl. No.	Name of the Platform	Grievance Received during 2020-21 including B/F	Grievance Resolved during 2020-21 including B/F	Grievance Pending as on 31.01.2021
1.	CPGRAMS	56094	53934	2160
2.	Social Media	199843	198397	1446
3.	IPCC	49190	48028	1162
4.	CRM	630445	587218	43227
	Total	935572	887577	47995

\* B/F: Brought Forward

Efforts made to expedite the resolution are as follows:

- i) Technology upgradation has been implemented across various CRM platforms. MIS reports generated on these platforms are helpful in expediting resolution of grievance.
- ii) All Circles have nominated Public Grievance Nodal Officers to monitor the grievances.
- iii) Video Conference with all Circles is held regularly to discuss the quality of replies and progress in resolution of grievances at various levels.
- iv) PG Division conducts bi-monthly VC with the Circles/ Directorate to sensitize the Nodal PG officers on the new features of software and lacunae observed in resolution of grievances.
- v) The time-tested institution of quarterly Dak Adalat at Divisional/ Regional/ Circle levels ensures quality resolution and a personal touch with the aggrieved.
- vi) Special grievance redressal drives are being run by the PG Division of the Directorate to resolve the pending grievances on each portal.

99. The Department provide details of grievance redressal mechanism in the Citizens' Charter. Citizens' Charter of the Department is periodically updated and is available at Department's official website i.e. [www.indiapost.gov.in](http://www.indiapost.gov.in). The last two updations were done in December 2017 and February 2019. The current Citizens' Charter is in the process of updation in the Department.

100. The Department further submitted that the average time for the grievance redressal by the Department on CPGRAMS Portal for the last five years (2016-2020) is 15 days. 6042 Dak Adalats have been held by the Department in the last five years. The details of the Dak Adalats held in the last five years are as below :-

<b>S. No.</b>	<b>Name of the State/UT</b>	<b>No. of Dak Adalats held in 2016</b>	<b>No. of Dak Adalats held in 2017</b>	<b>No. of Dak Adalats held in 2018</b>	<b>No. of Dak Adalats held in 2019</b>	<b>No. of Dak Adalats held in 2020</b>
1	Andhra Pradesh	66	76	66	62	57
2	Arunachal Pradesh	4	4	4	3	0
3	Assam	8	5	5	3	3
4	Bihar	4	4	4	4	3
5	Chhattisgarh	0	2	2	5	8
6	Delhi	7	9	6	18	25
7	Goa	22	24	24	4	4
8	Gujarat	113	114	115	112	91
9	Haryana	20	18	18	15	16
10	Himachal Pradesh	40	40	40	40	40
11	Jharkhand	4	4	3	3	2
12	Karnataka	128	131	133	127	107
13	Kerala	93	97	87	99	57
14	Madhya Pradesh	38	34	33	39	25
15	Maharashtra	155	162	154	107	86
16	Manipur	1	3	0	0	1
17	Meghalaya	0	0	1	1	0

18	Mizoram	2	1	1	1	2
19	Nagaland	0	0	1	0	0
20	Odisha	76	76	74	74	77
21	Punjab	4	4	4	4	0
22	Rajasthan	120	120	119	114	115
23	Sikkim	0	0	0	0	0
24	Tamil Nadu	201	201	195	187	138
25	Telangana	21	19	17	20	5
26	Tripura	8	7	8	8	4
27	Uttar Pradesh	118	109	106	100	89
28	Uttarakhand	22	22	21	30	30
29	West Bengal	10	13	18	18	9
	UT					
30	Andaman & Nicobar Islands	0	0	0	0	0
31	Chandigarh	0	0	0	0	0
32	Daman & Diu	0	0	0	0	0
33	Dadar & Nagar Haveli	0	0	0	0	0
34	Lakshadweep Islands	2	2	2	0	1
35	Puducherry	0	0	0	0	0
36	Jammu & Kashmir	0	0	0	0	0
37	Laddakh	0	0	0	0	0

	<b>Total</b>	<b>1287</b>	<b>1301</b>	<b>1261</b>	<b>1198</b>	<b>995</b>
--	--------------	-------------	-------------	-------------	-------------	------------

101. As regards grievances of PLI and RPLI customers, the same are settled at Central Processing Centre in all Head Post Offices across the country, in Divisional Offices at District level and in Regional/Circle Offices at State level. For providing grievances redressal and servicing of policies, a Call Centre has been established, wherein information about status of PLI/RPLI policies, lodging of complaint, status of complaint, submission of servicing requests like updating of mobile number/email ID and agent details may be sought for by PLI and RPLI policyholders. For the purpose of addressing the grievances of PLI and RPLI, following service standards are being followed:

<b>Sl No.</b>	<b>Nature of Work</b>	<b>Qualifying description</b>	<b>Service standards (in days)</b>
1	Issue of acceptance letter and policy bond	Time taken from the receipt of completed documents	15
2	Revival/Conversion	Time taken from the receipt of completed documents	15
3	Loan, change of nomination, assignment of policy, issue of duplicate	Time taken on receipt of request	10

	policy bond		
4	Change of address	Time taken on receipt of request	5
5	Maturity claim / surrender/paid up value / survival benefit payment	Time taken from the receipt of completed documents	15
6	Settle of PLI/RPLI death claims	With/without nomination (Time taken from the receipt of completed documents)	30
		Involving investigation	90

102. They further submitted that since PLI/RPLI doesn't come under the purview of IRDA, there is no provision of insurance ombudsman in postal circles. However, all the grievances are dealt with properly by the appropriate authority in the Department.

#### **B. VIGILANCE ADMINISTRATION**

103. The Committee wanted to know the cases of disciplinary proceedings have been initiated against postal employees on charges of misappropriation to which they responded that as on 31.12.2020, a total of 1395 major penalty proceedings (Rule-14 & Rule-9) and 1232 minor penalty proceedings were pending against the Departmental officials/ officers. However, the exact

number of disciplinary cases initiated in connection with misappropriation out of the above disciplinary cases, is not readily available.

104. The Committee further wanted to know whether incidences of pilferages by postal employees of MNREGA wages and /or pensions and /or Sukanya Samriddhi deposits have been reported in the last three years to which they replied that for MNREGA, Pensions and Sukanya Samriddhi deposits, it is intimated that the said information is also not readily available for these accounts/ schemes as of now.

### C. DORMANT ACCOUNTS

105. The Department informed the Committee that as on 30<sup>th</sup> Sept 2019, Rs.11435.35 crores unclaimed amount has been intimated to Ministry of Finance by DoP.

106. The Committee wanted to know how many small saving scheme accounts are there including Savings Account, Term Deposit, Kisan Vikas Patra, MIS and National Savings Scheme in which nomination records are not available with the Department. The Dept. replied that there are 5 major and some other small schemes which are there in POSB Banking operations. Scheme-wise information as sought is as below: -

Name of the Scheme	No. of accounts having no nomination
Saving Banks (SB)	141121410
Term deposits (TD)	5369522
Monthly Income Scheme (MIS)	3036647
National Saving Certificates	26730044

(NSC)	
KisanVikas Patras (KVP)	25416658
Other Schemes	71394332
Total	273068613

The customers are advised to register and modify nominations. Now the accounts can be opened only with the nomination and KYC details. Post offices have been instructed in this regard. Reviewing the nomination records is an ongoing exercise.

107. All-out efforts are being made to settle maximum unclaimed accounts by giving wide publicity and by launching special drives at Circle level including notices and publicity in newspapers. Door to door campaign and special drives are also being launched at Divisional /Regional/Circle level through the Gramin Dak Sevaks/Postman. Further continuous monitoring is also being made with all the Head of Circles for settlement of maximum accounts as per the existing rules. With the combined efforts of all Circles, 62,271 accounts with an amount of Rs 105.56 Crores have been settled under SCWF all over the country till September-2020. The data of such account is also displayed in the [Indiapost.gov.in](http://Indiapost.gov.in) web-portal.

108. The Dept further submitted that the Circles have been asked to get Sukanya Samriddhi Accounts and POSB Accounts revived by launching special drives, organizing melas and contacting the depositors. An all-out effort is being made to settle maximum unclaimed accounts by giving wide publicity and by launching special drives at Circle level including notices and publicity in newspapers. Door to door campaign and special drives are also being launched at Divisional/Regional/Circle level through the Gramin Dak Sevaks/Postmen.

109. The details for all savings Certificate Schemes of DoP such as Kisan Vikas Patra, etc. are as given below:

Kisan Vikas Patra and National Savings Scheme		
Year	No. of matured unclaimed certificates lying with DoP (in lakhs)	Value /Amount of matured unclaimed certificates lying with DoP (Rs. in Crores)
2017-18	0.00	0.19
2018-19	0.21	14.19
2019-20	0.47	16.56
2020-21	Report will be available only at the end of the financial year	

110. The Committee enquired about the suo-moto measures taken to contact the beneficiaries of such unclaimed/ dormant saving accounts/certificates to which the Dept. submitted that an all-out effort is being made to settle maximum unclaimed accounts by giving wide publicity and by launching special drives at Circle level including notices and publicity in newspapers. Door to door campaign and special drives are also being launched at Divisional/Regional/Circle level through Gramin Dak Sevaks/Postmen. Further continuous correspondence is also being made with all Heads of the Circles from the Directorate for settlement of maximum accounts as per the existing rules. With the combined efforts of all the Circles, 62271 accounts with an amount of Rs.105.56 crores have been settled under SCWF all over the country till September 2020.

### **C. CLAIM SETTLEMENT AND SURRENDER OF PLI/RPLI POLICIES**

111. The details of claim settlement for PLI/RPLI are as given below:

(i) PLI

Year	No. of claims received by DoP	No. of claims settled by DoP	No. of claims rejected by DoP	Value / Amount of claims settled by DoP	Claim Settlement Ratio
2017-18	2,07,449	2,00,068	519	31,07,97,09,498	0.96
2018-19	2,66,635	2,60,710	456	47,02,55,92,710	0.98
2019-20	2,92,850	2,86,500	690	58,40,44,25,009	0.98
2020-21	2,47,203	2,31,479	3,534	52,40,79,39,978	0.94

Year	No. of policies lapsed during the year	No. of policies surrendered during the year
2017-18	3,34,789	25,037
2018-19	4,74,667	29,097
2019-20	-	29,217
2020-21	-	23,654

(ii) RPLI

Year	No. of claims received by DoP	No. of claims settled by DoP	No. of claims rejected by DoP	Value / Amount of claims settled by DoP	Claim Settlement Ratio
2017-18	2,86,292	2,68,596	606	13,03,30,53,312	0.94
2018-19	3,01,649	2,91,912	675	16,55,30,71,473	0.97
2019-20	3,43,224	3,34,515	697	19,54,15,32,447	0.97
2020-21	3,15,015	2,91,653	6,343	18,25,88,06,131	0.93

Year	No. of policies lapsed during the year	No. of policies surrendered during the year
2017-18	13,19,542	66,717
2018-19	10,95,438	46,611
2019-20	-	47,362
2020-21	-	40,615

#### **D. COVID INITIATIVES**

112. The Committee wanted to know whether the DoP have any plans for newly tailored social services for self-isolating customers like delivering school work, home check in services for the elderly, parcel pick-up services, etc., during current Coronavirus pandemic to which the Department replied that in view of the unprecedented situation aroused out of the Covid-19 Pandemic, Department of Posts started the “Service at Doorstep on request” to facilitate the customers particularly the Senior Citizens & Divyangjans by providing the essential postal services at their doorstep. This helped in providing the necessary postal services in emergency situations like sudden outburst of the Covid-19. Till Date 314557 Service Requests have been disposed of since its launch on 24th April, 2020.

113. The Committee asked the Department to furnish a note on the problems faced by the Department in carrying out its activities due to Covid 19 pandemic and measures taken to overcome it and whether any special arrangements have been made to aid transmission of parcels in aspirational districts including medicines and essential commodities during COVID-19. The Department made the following submission- During the unprecedented situation caused by spread of COVID-19 pandemic and the consequential nationwide lockdown, rail, road and air connectivity initially came to a halt. Department of Posts have traditionally relied on railways and airlines to transport mails and parcels across the country. With restricted trains services and air services, mail and parcel movement across the country also came to a stand-still. To retain a reliable communication link of migrant workers with their home & also to transfer goods to their families & to meet the urgent national requirement at a

critical time, a dedicated nationwide Road Transport network (RTN) for shipment of essential items especially ventilators, medicines, Covid Kits etc. was planned and operationalized by the Department for the first time in its history of 166 years. 56 national routes connecting 75 important cities & 266 regional routes were operationalised from 24 April 2020. Around 3700 tonnes of essential items in 7.5 lakh bags were transported during the lockdown through this network. This Road Transport network (RTN) for shipment of essential items especially ventilators, medicines, Covid Kits etc was planned to connect tier -2 and tier-3 cities and reach out to the rural areas including aspirational districts, state & district level road transport routes were also operationalized. These routes were connected to the National routes in a hub and spoke mechanism. Most of the aspirational districts were covered under state & district level routes. During COVID 19, Special arrangements were made by Head of Circles to ensure mail / parcel transmission & delivery in all districts including all aspirational districts.

114. The Department further submitted, in another reply, that in the pre-lockdown period, the Department of Posts was using multimodal transport system of Rail, Air and Road for transmission of mail. The Department was using accommodation provided by the Indian Railways in 156 trains. Department was also using the services of Air India and other Private airlines and Cargo flights as well. Besides, Department was also using its own fleet of nearly 1,500 vehicles and other contractual vehicles. Consequent upon the suspension of trains & flights services across the country from 25/03/2020 due to the imposition of lock down, the entire mail transmission network was severely impacted. In order to provide an alternative mail transmission network for entire country, an all-India Road Transport Network (RTN) comprising Inter-state and intra-state RTN routes, was put in place to provide

for the transmission of mail across the country. Further, cargo flights operated by various air operators and special parcel trains were also used to connect metros and major cities. After the nationwide lockdown came to an end, Railways have resumed the operations of trains in a limited manner and many regular train services continue to be suspended. At present, Department of Posts is using railways accommodation in 43 trains as against 156 trains in the pre-lockdown period. Available flight services are being used for transmission of air mail. 1,500 Departmental vehicles together with contractual vehicles/ Road Transport Buses etc. are also being used for conveyance of mail.

115. On the issue of capacity utilisation of Railway Mail Service and the Air Mail service in the wake of the pandemic and the extent to which the operations have been hampered including the transmission of Blind Literature Packets, the Department replied that in the pre-lockdown period, the Department of Posts was using multimodal transport system of Rail, Air and Road for transmission of mail. The Department was using accommodation provided by the Indian Railways in 156 trains. Department was also using the services of Air India and other Private airlines and Cargo flights.

Consequent upon the suspension of trains & flights services across the country from 25/03/2020 due to the imposition of lock down, the entire mail transmission network was severely impacted. In order to provide an alternative mail transmission network for entire country, an all-India Road Transport Network (RTN) comprising Inter-state and intra-state RTN routes, was put in place to provide for the transmission of mail across the country. Further, cargo flights operated by various air operators and special parcel trains were also used to the extent of available load, to connect metros and major cities.

After the unlock period, Railways have resumed the operations of mail carrying trains in a limited manner and many regular train services continue to be suspended. At present, Department of Posts is using mail sections in 45 trains. RMS capacity available in these 45 trains is being used to the maximum extent to expedite the transmission of mail. Flight services on air routes presently available are being used for transmission of air mail.

During the initial phase of lockdown, transmission of mail including blind literature packets had been adversely affected due to suspension of train and air services. Subsequently, an all-India Mail Road Transport Network (RTN) was put in place to provide for the transmission of mail including blind literature across the country.

116. The key learnings for the Department of Posts from the pandemic are as follows:

(i) Contactless delivery—Covid-19 pandemic has reinforced the need for contactless delivery and to completely do away with the need for obtaining the addressee signature. Department needs to complete the roll-out of contactless delivery through the Postman Mobile app (PMA) at the earliest by covering all the urban and rural delivery beats. Already more than 50,000 mobile phones have been supplied to the postmen in the urban areas and more than 1 Lakh in the rural areas for real-time delivery updation.

(ii) Smart Delivery Box –Besides PMA, there is also a need to provide contactless delivery services to the customers through the smart delivery box. These smart delivery boxes can be installed in prominent places in a city and delivery of articles can be taken by the customers from these boxes at their

own convenience. Smart delivery box pilot was in progress just before the covid outbreak happened.

**(iii)** Self-Booking Kiosk - There is also a need to provide alternatives to the customers so that they can book their articles without attending queue on the post office counters. Department have already initiated steps in this regard and automatic booking kiosks are being installed to make it easy for the public to access the booking services. Two such kiosks have been made operational in Bengaluru on a pilot basis.

**(iv)** DOP owned transmission network– Pre-lockdown inter-city mail network of the Department is mainly consisting of rail and air services with some destinations being connected through road transport. Consequent to the suspension of trains & flights services across the country from 25/03/2020 due to the imposition of lockdown, the entire mail transmission network was severely impacted. Mail transmission services were only restored with the help of Department-owned All India Road Transport Network. Hence, there is a need for the Department to reduce dependence on rail & airlines for transmission of mail.

**(v)** Service Request: Department developed a web-based service request facility for the public (especially to senior citizens) to register their request for various services like mail booking, mail delivery, money order delivery, pick-up from the doorstep and various other financial services. The demand for such a request could be met with available resources.

**(vi)**Door Step Banking (Bank apkedwaar): Aadhaar enabled Payment system (AePS) has been a game changer in the lockdown, when most of the ATMs were functioning in the limited way, Department was able to give the cash to

the needy at the doorstep. This may be a trend for the cash withdrawal banking in the county and the department can play a major role due to its reach.

**PART-II**  
**RECOMMENDATIONS**

**Department of Posts Budget**

1. The Department of Posts have laid the Detailed Demands for Grants (2021-22) for a total amount of Rs. 35173.27 crore consisting of Rs. 34263.18 crore under Revenue Section and Rs. 910.09 crore under Capital Section. An analysis of the budgetary allocation during 2020-21 indicates that under Revenue section, an amount of Rs.34057.22 crore had been allocated at BE which was reduced to Rs. 32229.83 crore at RE and the actual utilisation made till December, 2020 was Rs. 23281.58 crore. Under Capital section in 2020-21, an amount of Rs. 1131.21 crore had been allocated at BE which was reduced to Rs. 871.05 crore at RE and the actual utilisation made till December, 2020 was Rs. 465.16 crore. The Committee note that the gross revenue expenditure of the Department has been gradually increasing over the years from Rs. 27994.35 crore in 2018-19, Rs. 29139.74 crore in 2019-20 and Rs. 23281.58 crore (till December, 2020) in 2020-21 . The Committee note a sharp increase in the expected revenue expenditure for the year 2021-22 to the tune of Rs. 34263.18 crore at BE. The Committee further note that the gross capital expenditure of the Department which was Rs. 811.27 crore in 2018-19 dropped to Rs. 730.56 crore in 2019-20 and was Rs. 465.16 crore (upto December, 2020). The gross capital expenditure of the Department show an increase during BE 2021-22 to the tune of Rs. 910.09 crore.

The Committee note that 90% of the Department's expenditure is on account of pensions, salaries, and wages, which are determined by the GoI regulation, increase in salaries due to routine Annual

Increment, Leave Travel Concession etc. In the remaining 10% of gross expenditure, major expenses are for mail/parcel transportation, etc. However, the Department is steadily moving mail transmission from rail to road transport network which is significantly cheaper than the other two modes of transmission. Besides, the Department also follow the austerity measures circulated by Ministry of Finance from time to time. Further, the Department have stated that the expenditure on office expenses, stationery, Advertisement & Publicity, minor works, and payment for professional Services etc. has been reduced during the year 2020-21. The Committee observe that the major obstacles faced by the Department to control gross expenditure are Universal Service Obligation to provide postal services in rural and remote areas where the earnings do not cover the operational expenses and the huge burden of Pension and Salaries which are continuously rising. They also observe that the Department is one of the oldest Departments of the Govt. and has an enormous brand reach. Its Universal Service Obligation needs to be allied with its role as a service provider. The Committee are of the opinion that the Department need to follow the best practices of the postal departments of other countries in order to reduce their spending and earn more revenue from their overseas activities and look forward to better operational efficiency as a service provider. The Committee while being aware of the challenges being encountered by the Department to control gross expenditure feel that the Department may not be sustainable in the long run if adequate steps are not taken timely to boost their revenue. Instead of relying on budgetary support to offset some of their expenditure, they desire that the Department must focus on efficient utilization of available resources and identify areas where technology can be brought in to ensure efficiency and profitability. They also desire that all possible steps be taken to ensure

optimum utilization of existing manpower and resources. In this regard, a number of suggestions have been aired in the hearings of the Committee. The Committee would like to be apprised of the initiatives taken by the Department in this regard.

### **Revenue Receipts**

2. The Committee note that the revenue receipts of the Department have increased from Rs. 13195.68 crore in 2018-19 to Rs. 13558. 20 crore in 2019-20. The receipts have been pegged at Rs. 8539.43 crore (till December, 2020) for 2020-21 and the BE for 2021-22 witnesses an optimistic target of Rs. 17710.05 crore. The Committee note that the Department are earning revenue from various postal services/items like Speed Post; Business Post; Business Parcel; Bill Mail Service; e-Post; Postage through Franking Machines; Sale of Stamps; Philatelic Ancillaries; MO & IPO; Retail Post; Logistic Post; E. Bill Collection; Railway ticket booking; MGNREGA; Net Receipts from Ministry of Finance, Other Postal Administrations (Other Countries); Savings Bank & Cash Certificate Remuneration etc. Pertinently, the Ministry of Finance have now linked the POSB reimbursement to minimum account balance and resultantly the Department will not be able to get reimbursement from the Ministry of Finance for POSB accounts that fail to maintain a minimum balance of Rs.500. The POSB remuneration target for BE 2020-21 may therefore be difficult to achieve. The Committee are given to understand that the revenue receipt targets for the Department of Posts were reduced from Rs 18710.05 Cr in BE 2020-21 to Rs 12330.05 Cr on account of disruption due to Covid lockdown in 2020-21 which has been the major obstacle for achieving the revenue receipt targets.

Notably, the Department aim to increase their parcel logistics market share to 10% in next 5 years by the measures such as creating a new network for parcels consisting of approximately 190 parcel hubs and Nodal mechanized delivery of parcels from identified delivery offices and hubs in Metros, state capitals and important cities with the use of 2-wheelers and 4-wheelers. In addition, the Department have planned to implement All India Road Transport Network to provide daily connectivity to all States. 68 national routes involving daily run of over 45000 Km per day have been planned. These will be supplemented by 348 state level routes in a hub & spoke manner. A new format of agreement of Many-to-Many model for e-commerce marketplace model has been developed to cater to evolving e-commerce business. Trans-shipment centres are being developed outside the major cities near the highways to ensure smooth movements and ensuring that trucks are not stuck in city traffic and ensuring faster shipment transit time.

The Committee are well aware, the Postal Department is facing the prospects of declining document volumes due to movement of documents over the internet in digital and soft mode as well as replacement of money order with online money transfer which is available almost free of cost. The Committee note that India Posts have responded to this existential challenge with enhanced focus on merchandise and e-commerce parcels, modern internet enabled banking and insurance services as well as multitude of G2C services such as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) wage disbursement, old age pension payments, services available through Common Service Centres, passport and Aadhar services etc. Department of Posts are also focusing on drawing business from international market with an aim to leverage the vast

domestic postal network of the Department to enable international connectivity to individuals and organizations for moving goods, information and money. By generating business, the Department thus aim to increase the profitability of their operations. Philately is being promoted to generate additional revenue considering huge potential available there.

While expressing hope that these initiatives will be helpful in increasing the profitability of the Department, the Committee are, however, surprised to note that the Department have no tie-ups with Govt. agencies like KVIC, Tribes India, etc., which could be a big potential revenue driver for them. They, therefore, feel that such avenues may also be explored with aggressive marketing through tie ups with KVIC, Tribes India etc., selling spare vehicle capacity to e-Commerce companies, revision of rentals, monetisation of land parcels, construction of warehouses under PPP mode on land owned by the Department. etc. The Department may also act as financial intermediary for mutual funds, IPOs etc. in mobilising funds. The Committee are of the opinion that the Department should also exploit their unparalleled reach by tie up with e-commerce companies, etc. to augment their revenue earnings. The use of post office buildings to provide other services should also be explored. The Committee recommend that the Department should aggressively explore such opportunities in the market for growing business and continue with efforts to augment revenue and reduce deficit.

### **Recoveries**

3. The Committee note that the Department are earning recoveries on the various services such as Collection of Custom Duty, Commission on payment of pension to Railway, Commission on disbursement of pension of DOT/ BSNL/ MTNL, Share of spread margin received from Western Union Money

**Transfer, Remuneration to the Department for Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI), Input Tax Credit on GST paid for inputs procured by the department etc. The income earned from the Recoveries was Rs. 821.29 crore in 2018-19, Rs. 768.40 crore in 2019-20, Rs. 619.87 crore in 2020-21 (till Dec, 2020) with an ambitious target of Rs. 935 crore in 2021-22. However, the Committee have also been informed that an amount of Rs. 129.60 crore has been pending as dues with different Central Govt. Departments like Department of Telecommunications, Railways, Employees' Provident Fund Organisation and Coal Mines Provident Fund Organisation. Also, a sum of Rs. 500.37 crore is pending with BSNL/MTNL as Rent and P&T audit charges. The above amounts are pending for the period January 2019-December 2020 despite regular communications regarding the same.**

**The Committee are concerned to note that such a huge amount is still due from the Organisations and it certainly reflects on the poor management of funds. The Committee desire that all the pending dues must be cleared without any further delay and all efforts may be directed towards the same including highest level interventions. The Committee further recommend that the Department while taking advantage of their nationwide reach should also make efforts to use their network as a shared service for the Government as a whole and market their nationwide reach to earn more revenue from associating with Census exercise, other activities like COVID vaccinations, enrolment for Voter I-cards, Public Distribution System etc. in order to increase their receipts.**

**Rural business and access to postal network-opening of Branch Offices in LWE and aspirational districts**

4. The Committee note that the Department had a target of opening 2890 post offices in high priority areas and LWE districts in 2020-21. The Committee are, however, distressed to note that as against the physical targets of 2890, a mere 31 was met as the Ministry of Finance were opposed to the proposal. The Committee further note that the target for opening BOs in high priority areas has been downsized to a minuscule 200 for the Financial year 2021-22 . The Committee are surprised to note that such an important proposal to open Post Offices in high priority areas has not been accorded due priority by the Ministry of Finance despite the proposal having been cleared by the Cabinet Committee on Security. They, therefore, desire that the proposal may be taken up at the highest level by the Department.

Further, the Department have stated that in the past three years, six post offices have been opened in North East circle and 1856 Post Offices have been opened in Left Wing Extremism (LWE) districts and aspirational Districts. It was further brought to the notice of the Committee that out of 1862 post offices, in the last three years, only one post office was opened in the State of Arunachal Pradesh, Kerala, Karnataka, Punjab, Rajasthan and Tamil Nadu, two in Manipur and UP, three in Mizoram and West Bengal. This lamentable state of affairs apparently points to the neglect of the geographically challenged North Eastern States and is evidence of the apathy. Amongst other reasons, scarcity of post offices will also lead to a setback to the financial inclusion agenda of the Government. The Committee, taking cognizance of the above facts, in addition to the LWE districts, exhort that aspirational and NER districts may be given priority in opening new BOs and impediment to this end

may be removed by taking up the matter with the other Ministries including M/o Finance, DONER and Niti Ayog/ Cabinet Secretariat.

**Reliable broadband connectivity in POSB**

5. The Committee note that non availability of network connectivity in remote rural areas is a substantial challenge and has resulted in absence of Core Banking Solution roll-out in more than 1700 Post Offices and non-issue of ATM Cards. Further, the Department of Posts have provided connectivity through two service providers at all locations- primary and secondary service provider (NSP1 & NSP2). The primary connectivity at Departmental Post Offices is mainly through BSNL/MTNL. The impact of link failure of NSP-1 has been minimized by providing secondary connectivity at more than 90% of the post offices. Funds have been allotted to the circles for provision of 4G dongles in about 41,000 BOs.

The Committee note that as on 01.01.2021, the Primary Network Connectivity (NSP1) services is provided in 24456 Post Offices through MPLS (Multiprotocol Label Switching) technology, Fibre to the home (FTTH), National Optical Fibre Network (NOFN), APSFL (Andhra Pradesh State FiberNet Limited), 3rd party internet and IDR/VSAT (Very small aperture terminal) etc. and nowhere NSP1 (Network Service Provider) connectivity has been provided on 2G and 3G Technology. For NSP2, connectivity at 15479 locations has been provided on 2G and 3G technology. The Department have decided to upgrade all these 3G dongles into 4G connectivity in a phased manner. Accordingly, 3000 locations are to be upgraded to 4G connectivity and 1606 locations to RF (Radio Frequency) Media during this Financial Year.

The Committee further observe that it has been made mandatory for all the Departments and the Ministries of Government of India to utilize the network of BSNL/MTNL for internet/broadband and leased line services. However, for provisioning alternative network connectivity, Department is not constrained for choosing any feasible network service provider including State owned service providers provided BSNL/MTNL is unable to provide feasible connectivity. The Committee recommend that the alternative connectivity may be provided through other Central or State PSUs or private NSPs in that order through a transparent bidding process, considering that BSNL/MTNL have not yet upgraded to 4G. The Committee also emphasise that the SLAs (Service Level Agreement) as pre-decided for the awarding of the contract must also include a minimum of 95% of uninterrupted connectivity with competitive speed along with penal provisions. The Committee further enjoin the Department to update them about the status of utilization of the funds allocated for 4G dongles and routers, State-wise. The Committee also recommend that the relaxation of the mandate from using the network of BSNL/MTNL may also be considered in order to set them at liberty for the grant of NSP1.

**Minimum Available Balance and biometric authentication - Issues of inclusive growth in POSB**

6. The Committee note that the Minimum available balance has been increased from Rs. 50 to Rs. 500 in case of savings accounts of POSB ( Post Office Savings Bank) which may be high for poor citizens particularly people belonging to BPL category who are dependent only on certain financial support provided by the Govt. As per the Department, the matter has been

taken up with the Department of Economic Affairs, Ministry of Finance to reconsider the decision in the interest of the public. It is manifest that such a decision would be detrimental to the account holders, notably the Jan Dhan accounts. The Committee strongly recommend the Department that the MOF should not treat Department of Posts like PSU banks and impose unreasonable conditions and withdraw such conditions. The Committee desire the Department to follow up with the Ministry of Finance in the larger interest of the deprived populace as this may well be against the agenda of financial inclusion.

Additionally, the Committee note that there is a provision for opening of POSB accounts of disabled person with guardianship or through a literate person. However, the number of such accounts is not available separately with the Department which is out of sorts with the inclusive growth policy. The Committee desire the Department to update their data with the State-wise details of such accounts and direct their efforts towards promotion of such a facility through different media.

Furthermore, the Committee appreciate that for amputees who are unable to provide fingerprints or in cases of failure of biometric authentication caused by erosion of fingers due to manual work, the Department have enabled Iris authentication as well thus taking them into the fold of doorstep banking which is particularly relevant in times of a pandemic. The Committee appreciate such an initiative taken by the Department and applaud the efforts in this direction.

**Revision of rates of remuneration of POSB and rationalisation of Postal Services**

7. The Committee note that the Post Office Saving Bank holds 36.79 crore Saving Bank Live accounts and 4.84 crore National Saving Certificates/Kisan Vikas Patras. As per the Annual Costing Exercise which reflects the cost per account in the year 2018-19, the Department is incurring a loss of Rs. 95.12 per saving account and Rs. 133.89 per cash certificate on an yearly basis. The costing exercise for the years 2019-20 is underway. Considering the huge number of the POSB accounts and certificates, the low rate of remuneration at present translates into an annual loss of Rs.3499.46 crores for SB accounts and Rs.647.69 crores for the Savings Certificates. The Committee, therefore, recommend that the Ministry of Finance may consider revising the rates of remuneration to the POSB in order to offset their losses.

The Committee further note that the traditional services like postcard, printed books, parcel, speed post are priced much lower than their actual unit cost. A postcard costing Rs. 12.08 is sold for 50 paise while a money order costing Rs. 49.80 is priced at Rs. 18.45. The Committee note that the loss incurred per post card is Rs. 11.58 which amounts to a loss of Rs. 156 crores in the year 2018-19 on post cards. The aggregate loss for the year 2018-19 on postal services stood at Rs. 10435 crores. While the traditional offerings like Post Card/ Money Orders are priced below their cost price, the Committee are of the opinion that the unit cost of postcard at Rs. 12.08 and unit cost of Money Order at Rs. 49.80 appears to be very high and the Department should explore all possibilities to reduce the cost per unit of these postal services so that their losses are minimized and their Universal Service Obligation mandate is also fulfilled. The Committee desire that the Department should conduct a

study to find out the financial viability of these traditional services keeping in view their demand and apprise the Committee of the initiatives taken in this regard.

**Estates Management- Gender Concerns and Accessibility issues**

8. The Committee note that under the Sugamya Bharat Abhiyan, the Department are providing ramps and rails for improving the accessibility of Post Offices for differently abled persons as part of the Estate Management scheme. The Committee were informed that construction of new buildings is done in accordance with requirement of the Rights of Persons with Disabilities Act, 2016 and during the last three years, 347 postal buildings have accordingly been retrofitted and 34 ramps and rails were constructed till 31 Jan, 2021 which is a minuscule figure in the 156721 strong network of post offices. The Department are conspicuously silent on the number of adaptive rest rooms, Braille signages, tactile flooring and auditory signals constructed /installed in post offices for the differently-abled during the last three years. Singularly, it is also noted that no access audit of the post office buildings has been conducted in the last five years in order to enforce accessibility standards and guidelines. Further, the Committee note that only four ladies retiring rooms and 96 ladies rest rooms were constructed during three years in the entire post office network. It is also advised that gender concerns may be adequately reflected in the construction of new postal buildings and /or repair of existing ones. The Committee, therefore, recommend that annual access audits may be conducted countrywide and they may be apprised of the audit conclusions and the steps taken on the same.

### **Estates Management- Pending projects**

9. The Committee note that the Estates Management Scheme includes construction of postal buildings including Post Offices, mail offices, administrative offices, staff quarters, besides preservation and conservation of heritage buildings and reconstruction of dilapidated buildings. The Committee have been informed that only one postal building was constructed and 29 postal buildings were renovated till 31 Jan, 2021 which provides the ground for the fact that they were able to utilize only Rs. 29.35 crores out of Rs. 120.50 crores allocated to them. They have also informed that all projects which have been approved 10 years ago have either been completed or the work is in progress. However, this statement does not hold credibility since the pendency of 3 projects namely Poojappura, Sasthamangalam and Karamana in the State of Kerala for which approvals have been given long ago has been admitted and regretted by the Department . The Department have set ambitious targets for themselves in BE 2021-22 as they intend to construct 20 buildings and provide facelift to another 50. Evidently, they need to concentrate on the pending projects including in the State of Kerala while planning for new ones. The Committee urge the Department to redouble their efforts to completing the pending projects and apprise them of the progress in the matter, State-wise.

### **Human Resource Management**

10. The Committee note that the Human Resource Management scheme deals with provisions of training to be imparted through conventional and innovative methods like e-learning particularly blended learning and distance learning. The BE for 2020-21 stands at Rs. 47.20 crores which plummeted to

**Rs. 16.04 crores and the utilisation till 31 Dec, 2020 was Rs. 10.37 crores. As per National Training Policy 2012, in order to make available a vast resource of learning material and courses online, a learning management solution “MEGH SHIKSHAK” is being developed. It is a Cloud-based e-Learning Systems which include features Like Online Registration and Approval, Single Sign-on, Interface for Upload of Course and Assessment Content, MIS etc. The scheme also covers the provision provided under iGOT Mission Karmayogi, the National Programme for Civil Services Capacity Building (NPCSCB), which is making use of e-learning technologies to cover the training needs of a large number of officials who currently have little or no access to opportunities for quality training. In addition, in order to strengthen the training infrastructure, the provisions of upgradation of all Postal Training Centres and upgradation of Workplace Training Centres also form part of the scheme.**

**The Committee are all praises for the scheme, however, considering that the post office is a one stop shop for a plethora of services and is competing with international commerce including the BFSI sector, advise that the personnel need to be sensitised and trained for competitive awareness. The Committee feel that being a major service Department, they should be ready with training modules for understanding the role of customers, need to manage customer relationships and at the same time be ready to handle technology related changes in the working of the Department. The training module should contain both social commitment portion and service oriented module for services delivered by the Department and the HR Exercise should marry both of these in training. The staff and officials must therefore, be given training on motivational counselling and IT Training in order to prepare them for the working culture into an all encompassing role along with preparing**

them to deal with the unlettered and/ or senior citizens which form a large chunk of customers in a rapidly ageing populace.

**Conversion of IPPB into small finance bank**

11. The Committee note that the fundamental mandate of India Post Payments Bank is to remove barriers for the unbanked & underbanked and reach the last mile by leveraging the reach of the Postal network. The IPPB faces regulatory headwinds (Zero MDR charges on NEFT/RTGS), cost sensitivity of the target customer group (No Doorstep charges for DBT Disbursement at Doorstep) and limitations like savings and current account with maximum end of the day limit of Rs. One lakh. Further, it is noted that Payments bank cannot offer other saving products like time deposit, recurring deposits which restrict the prospective customers. Due to this limitation of Rs. one lakh, Payments bank is not in a position to offer end to end service to any business verticals either government or private. The Committee recognise that conversion of IPPB into a Small Finance Bank shall help the overall objective of furthering financial inclusion agenda of the Government by provision of savings vehicles, and supply of credit to small business units, small and marginal farmers, micro and small industries and other unorganized sector entities, through the medium of the post office and postman. Even so, as per Draft Guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector released by RBI on September 13, 2019, public Sector entities are not eligible to apply for a SFB license. The Committee desire that IPPB should move to the next level from a payment bank to small finance bank and recommend the Department to take up the matter with the RBI and the MoF for relaxation in the regulatory guidelines issued by RBI. The Committee also

expect that Ministry of Finance/Reserve Bank of India may favourably consider such a request from the IPPB.

**Grievance Redressal in the Department**

12. The Committee note that Department has a well laid out procedure for handling public grievances including various channels available for the customer to lodge their grievances like Centralized Public Grievance Redress and Monitoring System (CPGRAMS), Social Media (Twitter, Facebook & Instagram), Customer Relationship Management (CRM), India Post Call Centre (IPCC) with IVRS facility. The Committee note that out of 935572 grievances received during 2020-21, more than 5 % i.e. 47995 were still pending as on 31 Jan, 2021. Updatons to the Citizens Charter are infrequent with only two updatons in the last three years. By the same token, it is also noted that out of a total of 6042 Dak Adalats held in the last five years, the NER received a raw deal with only 15 held in Arunachal Pradesh, 24 in Assam, 5 in Manipur, 2 in Meghalaya, 7 in Mizoram and lamentably, none in Sikkim. Comparably, only 19 were held in Bihar, 17 in Chhattisgarh, 16 each in Jharkhand and Punjab. None were held in the Union Territories of Andaman & Nicobar Islands, Chandigarh, Daman & Diu, Dadar & Nagar Haveli, Puducherry, Jammu & Kashmir and Laddakh. To the dismay of the Committee, no Ombudsman has been appointed by the Department for PLI/RPLI grievances. The Committee emphasize that the Department need to shore up by appointing an Ombudsman for PLI and RPLI and pivot their efforts on increasing the frequency of Dak Adalat with special attention to North East, LWE areas, aspirational districts and remote areas alongwith updatons to the Citizens Charter every six months. The Committee also recommend the diarising of

receipt of complaint through email on dedicated MIS and would like to be apprised of the progress made in resolution of pending grievances.

### **Vigilance Administration**

13. The Committee note that a total of 1395 major penalty proceedings (Rule-14 & Rule-9) and 1232 minor penalty proceedings were pending against the Departmental officials/ officers as on 31.12.2020. These have been initiated as part of vigilance administration against postal employees, but the Department could not provide the data regarding the exact number of disciplinary cases initiated in connection with misappropriation out of the above disciplinary cases.

The Committee also note that information regarding incidences of pilferages of MNREGA wages and /or pensions and /or Sukanya Samriddhi deposits by errant postal employees that have been reported in the last three years was not readily available with the Department. Such evasive replies point to gross negligence on part of the Department and fail to act as deterrent to such offenders. The Committee strongly deprecate the laxity of the Department on such serious disciplinary matters and expect them to make amends and recommend that the Department must conduct and close the proceedings at the earliest. The Committee also desire that the Department should ensure prudent surveillance including measures like installation of CCTVs in post offices to impede such offenders. The Committee would like to be apprised of the status.

### **Dormant Accounts**

14. The Committee note that all-out efforts are being made to settle maximum unclaimed accounts by giving wide publicity and by launching

special drives at Circle level including notices and publicity in newspapers. Door to door campaign and special drives are also being launched at Divisional /Regional/Circle level through the Gramin Dak Sevaks/Postman. Further continuous monitoring is also being made with all the Head of Circles for settlement of maximum accounts as per the existing rules. The Committee note that Rs.11435.35 crores unclaimed amount has been lying with the Department as on 30th September, 2019.

The Committee have also been informed of a huge number of accounts with no nomination. The numbers are very large with 141121410 accounts for Saving Banks, 5369522 accounts for term deposits, 3036647 accounts for Monthly Income Scheme, 26730044 accounts for National Saving Certificates, 25416658 accounts for Kisan Vikas Patras, 71394332 accounts for other schemes making a total of 273068613 accounts. With the combined efforts of all Circles, 62,271 accounts with an amount of Rs 105.56 Crores have been settled under Senior Citizen Welfare Fund all over the country till September-2020. Nonetheless, the amount is a mere 0.92 % of the total unclaimed amount of Rs.11435.35 crores. The Committee are unhappy to note that such large amount of public money is lying unclaimed with the Department and also the lack of serious efforts by them to identify the beneficiaries of such accounts. The Committee recommend that the Department should make registering of Mobile numbers and seeding the Aadhaar numbers with these accounts as mandatory for receiving alerts for various services and an annual exercise at a specified period to renew the nomination records in order to avoid hassles at the time of settlement. They may also publicise the information regarding dormant accounts through print and electronic media and apprise the Committee of the headway made in this matter.

**Claim settlement and surrender of PLI/RPLI policies**

15. The Committee note that the PLI (Postal Life Insurance) and RPLI (Rural Postal Life Insurance) policies have an impressive claim settlement ratio ranging from 0.84 to 0.97 in case of PLI and 0.80 to 0.97 in case of RPLI since 2017-18. 23239 PLI and 39709 RPLI policies were surrendered in 2017-18, 26265 PLI and 41484 RPLI policies were surrendered in 2018-19, 23921 PLI and 41941 RPLI policies were surrendered in 2019-20, 2589 PLI and 3440 RPLI policies were surrendered in 2020-21. However, the Department could not provide the number of lapsed policies. The Committee feel that the figures must stir the Department to action thus necessitating the need for stemming the surrender of policies. The Committee feel that concrete action must be taken to revive the lapsed policies by suitable relaxations and other measures. The Committee note that insurance is highly competitive business and already a number of companies are in the field and hence the Department must also consider to introduce new innovative and attractive plans in order to appeal to a large customer base so as to ensure earning more revenues. The Committee recommend that the country has a significant youth population which can be targeted for insurance product tailor made for them. The Committee further recommend the Department to utilise the network they have built in the rural/ tribal and hilly areas and many tier II/III cities and aspirational districts by introducing specific features to target the customers for the PLI/RPLI policies and would like to be apprised of the action taken in this regard.

**COVID Initiatives**

16. The Committee note that Department of Posts started the “Service at Doorstep on request” during the sudden outburst of the Covid-19 (

Coronavirus Disease) to facilitate the customers particularly the Senior Citizens & Divyangjans by providing the essential postal services at their doorstep which helped in providing the necessary postal services. About 314557 Service Requests have been disposed of since its launch on 24th April, 2020. To retain a reliable communication link of migrant workers with their home & also to transfer goods to their families & to meet the urgent national requirement at a critical time, a dedicated nationwide Road Transport network (RTN) for shipment of essential items especially ventilators, medicines, Covid Kits, etc., was planned and operationalized by the Department for the first time in its history of 166 years. 56 national routes connecting 75 important cities & 266 regional routes were operationalised from 24 April 2020. Around 3700 tonnes of essential items in 7.5 lakh bags were transported during the lockdown through this network. This Road Transport network (RTN) for shipment of essential items especially ventilators, medicines, Covid Kits etc was planned to connect tier -2 and tier-3 cities and reach out to the rural areas including aspirational districts, State & District level road transport routes were also operationalized. These routes were connected to the National routes in a hub and spoke mechanism. Most of the aspirational districts were covered under State & district level routes. During COVID 19, Special arrangements were made by Head of Circles to ensure mail / parcel transmission & delivery in all districts including aspirational districts. The Committee while appreciating the efforts made by the Department hope that the Department would continue with their efforts and also explore new opportunities/avenues to tap the market potential during pandemic times to boost their revenue and also to turn the slogan

**'Apda me Avsar' into a reality.**

**New Delhi;  
March, 2021,  
Phalguna, 1942(Saka)**

**DR. SHASHI THAROOR,  
Chairperson,  
Standing Committee on  
Information Technology.**

**STANDING COMMITTEE ON INFORMATION TECHNOLOGY  
(2020-21)**

**MINUTES OF THE NINETEENTH SITTING OF THE COMMITTEE**  
-----

The Committee sat on Friday, the 12 February, 2021 from 1400 hours to 1555 hours in Committee Room 'C', Parliament House Annexe , New Delhi.

**PRESENT**

**Dr. Shashi Tharoor -Chairperson**

**MEMBERS**

***Lok Sabha***

2. Smt. Locket Chatterjee
3. Shri Jayadev Galla
4. Shri Santosh Pandey
5. Dr. Gaddam Ranjith Reddy
6. Shri Sanjay Seth
7. Dr. T. Sumathy (A) Thamizhachi Thangapandian
8. Shri Bhanu Pratap Singh Verma

***Rajya Sabha***

9. Shri Y. S. Chowdary
10. Shri Suresh Gopi
11. Shri Syed Nasir Hussain
12. Shri Syed Zafar Islam

**SECRETARIAT**

- |    |                       |   |                     |
|----|-----------------------|---|---------------------|
| 4. | Shri Y.M. Kandpal     | - | Joint Secretary     |
| 5. | Shri H. Ram Prakash   | - | Director            |
| 6. | Dr. Sagarika Dash     | - | Additional Director |
| 7. | Shri Shangreiso Zimik | - | Deputy Secretary    |

## **Representatives of the Department of Posts, Ministry of Communications**

<b>Sl. No.</b>	<b>Name</b>	<b>Designation</b>
1.	Shri Pradipta Kumar Bisoi	Secretary
2.	Shri Vineet Pandey	Director General (Posts)
3.	Shri Ashok Kumar Poddar	Additional DG
4.	Col. Sukhdev Raj	Member (Planning & HRD)
5.	Dr. Santosh Kumar Kamila	Member (Personnel)
6.	Shri Alok Sharma	Member (PLI)
7.	Ms. Sandhya Rani	Member (Banking)
8.	Mr. Charles Lobo	Member (Operation)
9.	Ms. Smita Kumar	Member (Technology)
10.	Shri Anil Kumar Nayak	AS & FA
11.	Shri Prannoy Sharma	Secretary (PSB)

2. At the outset, the Chairperson welcomed the representatives of the Department of Posts (DoP) to the sitting of the Committee convened to hear the views on Demands for Grants (2021-22) of the Department. He drew their attention to various issues concerning the Department viz. poor status of utilization of funds during 2020-21 especially under Capital Section, dipping revenue receipts, leveraging of the existing facilities of India Post, impact of the pandemic on the Department, expanding business opportunities of Post offices by taking up e-commerce deliveries in rural areas, leveraging huge post office network for Government's benefit and public convenience , etc .

3. The Members also sought clarifications on issues such as revenue generating measures for the Department, rising expenditure of the Department, cases of misappropriation by postal employees, strategic role played by the Department, competing in hyper local e-commerce space, reorganization of the Postal Department, leveraging the postal network to reach for voter registration, census and COVID vaccinations, monetization of assets including land parcels, payment of funds lying in dormant accounts, restrictions on functioning of India Post Payments Bank, existing vacancies, facilities of ATMs in post offices, Postal Life Insurance Policies

and Post Office Savings Bank, issues in payment of MNREGA wages through Postal network, etc.

4. Thereafter, the representatives of Department of Posts highlighted the digital advancement of post offices through IT Induction, implementation of Core Insurance Solution, increased use of road transport viz-a-viz rail network during Covid situation, initiatives taken during COVID -19 like digital life certificate and doorstep delivery of cash, operation of Post office Passport Sewa Kendra, Aadhaar enrolment cum updation center from Post office premises, opening of Post office Common Services Center, rationalisation of rates of products and services vis-a-vis their cost, conversion of IPPB into a small finance bank, etc. The Members then raised queries about various issues including estate management, long and inordinate delays in construction of new post offices which have been approved which were then replied to by the representatives of the Department.

5. The Chairperson, then, thanked the representatives of the Department of Posts for deposing before the Committee and directed them to send replies to the points which were not replied to within a week to the Secretariat.

The witnesses then withdrew.

Verbatim proceedings of the sitting have been kept on record.

**The Committee, then, adjourned.**

\*\*\*\*\*

**Confidential**

**STANDING COMMITTEE ON INFORMATION TECHNOLOGY  
(2020-21)**

**MINUTES OF THE TWENTY FIRST SITTING OF THE  
COMMITTEE**

-----

The Committee sat on Monday, the 8<sup>th</sup> March, 2021 from 1400 hours to 1530 hours in Committee Room no. 3, Extension to Parliament House Annexe, New Delhi.

**PRESENT**

**Dr. Shashi Tharoor -Chairperson**

**MEMBERS**

***Lok Sabha***

2. Shri Santosh Pandey
3. Ms. Mahua Moitra
4. Shri P. R. Natarajan
5. Col . Rajyavardhan Singh Rathore
6. Shri Sanjay Seth
7. Shri Bhanu Pratap Singh Verma

***Rajya Sabha***

8. Shri Y. S. Chowdary
9. Shri Shaktisinh Gohil
10. Shri Syed Nasir Hussain
11. Shri Syed Zafar Islam

**SECRETARIAT**

1. Shri Y.M. Kandpal - Joint Secretary
2. Dr. Sagarika Dash - Additional Director

3. Shri Shangreiso Zimik - Deputy Secretary

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to consider and adopt Draft Reports on Demands for Grants (2021-22) relating to the Ministries/Departments under their jurisdiction.

3. The Committee, then, took up the following draft Reports for consideration and adoption.

- (i) Draft Report on Demands for Grants (2021-22) of the Ministry of Communications (Department of Posts)
- (ii) xxxxx....xxxxx.....xxxxx....xxxxx.....xxxxx....xxxxx.....xxx  
xx...;
- (iii) xxxxx....xxxxx.....xxxxx....xxxxx.....xxxxx....xxxxx.....xxx  
xx...; and
- (iv) xxxxx....xxxxx.....xxxxx....xxxxx.....xxxxx....xxxxx.....xxx  
xx...

4. After due deliberations, the Committee adopted the Reports with slight modifications.

5. The Committee authorized the Chairperson to finalize the draft Reports arising out of factual verification, if any, and present the Reports to the House during the current Session of Parliament.

6. The Committee also decided to undertake a study visit to the Southern and Western States during the last week of April, 2021.

**The Committee, then, adjourned.**

---

xxxx....Matters not related to Report.

