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**STANDING COMMITTEE ON COMMUNICATIONS AND  
INFORMATION TECHNOLOGY  
(2021-22)**

**SEVENTEENTH LOK SABHA**

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

**DEMANDS FOR GRANTS  
(2022-23)**

**THIRTY THIRD REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*March, 2022/ Phalguna, 1943 (Saka)*

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(DEPARTMENT OF POSTS)**

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*Presented to Lok Sabha on 21.03.2022*

*Laid in Rajya Sabha on 21.03.2022*



**LOK SABHA SECRETARIAT**

**NEW DELHI**

*March, 2022/ Phalguna, 1943 (Saka)*

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**COMPOSITION OF THE STANDING COMMITTEE ON COMMUNICATIONS AND INFORMATION TECHNOLOGY (2021-22)**

**Dr. Shashi Tharoor - Chairperson**

**Lok Sabha**

2. Smt. Sumalatha Ambareesh
3. Ms. Locket Chatterjee
4. Shri Karti P. Chidambaram
5. Dr. Nishikant Dubey
6. Smt. Sunita Duggal
7. Shri Jayadev Galla
8. Smt. Raksha Nikhil Khadse
9. Dr. Sukanta Majumdar
10. Shri Dhairyasheel Sambhajirao Mane
11. Ms. Mahua Moitra
12. Shri Santosh Pandey
13. Shri Natarajan P. R.
14. Col. Rajyavardhan Rathore
15. Dr. Gaddam Ranjith Reddy
16. Shri Sanjay Seth
17. Shri Ganesh Singh
18. Shri Parvesh Sahib Singh
19. Shri Tejasvi Surya
20. Dr. T. Sumathy (A) Thamizhachi Thangapandian
21. **Vacant**

**Rajya Sabha**

22. Dr. Anil Agrawal
23. Shri John Brittas
24. Dr. Subhash Chandra
25. Shri Y. S. Chowdary
26. Shri Ranjan Gogoi
27. Shri Suresh Gopi
28. Shri Syed Nasir Hussain
29. Shri Syed Zafar Islam
30. Shri Jawhar Sircar
31. **Vacant**

**Secretariat**

- |    |                    |   |                             |
|----|--------------------|---|-----------------------------|
| 1. | Shri Y.M. Kandpal  | - | Joint Secretary             |
| 2. | Dr. Sagarika Dash  | - | Director                    |
| 3. | Smt. Rinku Awasthi | - | Assistant Executive Officer |

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Committee constituted w.e.f. 13 September, 2021 *vide* Para No.3184 of Bulletin Part-II dated 9 October, 2021.

## INTRODUCTION

I, the Chairperson, Standing Committee on Communications and Information Technology (2021-22), having been authorized by the Committee to submit the Report on their behalf, present this Thirty third Report on Demands for Grants (2022-23) of the Department of Posts.

2. The Standing Committee on Communications and Information Technology (2021-22) was constituted on 13th September, 2021. 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 2022-2023 which were laid on the Table of the House on 9<sup>th</sup> February, 2022. The Committee took evidence of the representatives of the Department of Posts on 24<sup>th</sup> February, 2022.

4. The Report was considered and adopted by the Committee at their sitting held on 16<sup>th</sup> March, 2022.

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;  
16 March, 2022  
25 Phalgun, 1943(Saka)

DR. SHASHI THAROOR,  
Chairperson,  
Standing Committee on  
Communications and Information Technology.

## Report

### Part-I

#### I. Introductory

1. The Department of Posts, with its network of 1,56,434 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 Presidency 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. The mission of the Department of Posts is to sustain its position as the largest postal network in the world touching the lives of every citizen in the country, to provide mail parcel, money transfer, banking, insurance and retail services with speed and reliability, to provide services to the customers on value-for-money basis, to ensure that the employees are proud to be its main strength and serve its customers with a human touch, to continue to deliver social security services and to enable last mile connectivity as a Government of India platform.

#### II. Implementation status of recommendations of the Committee contained in the 22<sup>nd</sup> Report on Demands for Grants (2021-22)

3. The twenty second Report of the Standing Committee on Communications and Information Technology on the 'Demands for Grants' (2021-22)

relating to the Ministry of Communications (Department of Posts) was presented to the Lok Sabha/laid in the Rajya Sabha on 10 March, 2021. Under Rule 34(1) of 'Rules of Procedure of Department ally Related Standing Committees (DRSCs)', the Ministry/Department concerned is required to furnish a statement showing the action taken by them on the Observations/Recommendations contained in the Report of the Committee within three months from the date of the presentation of the Report. Accordingly, the Action Taken Notes by the Government on the Observations/Recommendations contained in Twenty- Second Report on DFG (2021-22) were supplied by the Ministry and the twenty –eighth Action Taken Report was presented to the Lok Sabha/laid in Rajya Sabha by the Committee on 1 December, 2021. Out of 16 recommendations contained in the said report, 11 recommendations were accepted by the Government, replies to 03 recommendations had not been accepted by the Committee, replies to 02 recommendations had been found to be of interim nature on which final replies have been sought from the Ministry. The final Action Taken Statement on the recommendations contained in the Twenty-eighth Report will be laid in Parliament in due course.

**III. Budget Analysis: Overview of Demands for Grants for 2022-23**

4. The Department of Posts presented the Demand for Grants under Demand No. 8 to Parliament for the year 2022-23 on 9 February, 2022. The Revenue and Capital Expenditure under the voted and charged sections is as under:

**(Rs. in Crore)**

	<b>Revenue</b>	<b>Capital</b>	<b>Total</b>
<b>Charged</b>	8000	0	8000



<b>Voted</b>	35506.47	8886.2	36395.09
<b>Total</b>	35507.27	8886.2	36395.89

#### IV. Revenue Section

5. Financial Position of the Department for the year 2020-21 onwards is as under:

(₹ in Crore)

Particulars	BE	RE	Actual	BE	RE	BE
	2020-21	2020-21	2020-21	2021-22	2021-22	2022-23
1	2	3	4	6	7	8
<b>Revenue Section</b>						
Gross Expenditure	34057.22	32239.17	29261.46	34263.18	32247.88	35507.27
Less-Recoveries	953.00	820.00	933.87	935.00	815.00	850.00
Net Expenditure	33104.22	31419.17	28327.59	33328.18	31432.88	34657.27
Revenue Receipts	18710.05	12330.05	10632.50	17710.05	13398.34	14725.87
Deficit	14394.17	19089.12	17695.09	15618.13	18034.54	19931.40
<b>Capital Section</b>						
Capital Outlay	1131.21	861.71	897.41	910.09	932.33	888.62
Total Budgetary Support	15525.38	19950.38	18592.50	16528.22	18966.87	20820.02

#### V. Gross Expenditure

6. The details of the gross expenditure for revenue section for the year 2019-20, 2020-21, 2021-22 and the BE for the year 2022-23 are as under-

(₹ in Crore)

	2019-20	2020-21	2021-22	2022-23
<b>Proposed</b>	33628.97	36730.61	37707.64	39753.4
<b>BE</b>	30412.00	34057.22	34263.18	35507.27

<b>RE</b>	31715.88	32239.17	32247.88	NA
<b>Actuals</b>	29139.74	29261.46	24276.64 *	NA

7. The details of the gross expenditure for capital section for the year 2019-20, 2020-21 , 2021-22 and the BE for the year 2022-23 are as under-

(Rs. in crore)

	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
<b>Proposed</b>	1315.69	1450.54	1566.10	1861.34
<b>BE</b>	947.74	1116.21	910.09	888.62
<b>RE</b>	742.98	847.18	932.33	NA
<b>Actuals</b>	730.56	897.41	522.57*	NA

\*Note: Actual figure of 2021-22 up to Dec., 2021.

8. When asked about the measures being taken to restrict the gross expenditure for the year 2022-23, the Department through a written submission have replied that there has been an increase in the BE 2022-23 allotment to the Department in comparison to BE 2021-22. This increment is primarily due to increase in the allocation for pensionary charges in BE 2022-23. Almost 90% of the Department's expenditure is on account of pensions, salaries, and wages, which are determined by the Gol 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.

9. When the Committee desired to know the obstacles being faced with regard to the controlling of gross expenditure, the Department stated that it is a fact that the gross expenditure of the Department have 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 2021-22. 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. Huge burden of Pension and Salaries are also rising. It is pertinent to mention that unlike most of other Central Government Ministries/Departments, DoP bears the burden of pensions from its own budget.

**VI. Revenue Receipts**

10. The details of the revenue receipts for the year 2019-20, 2020-21 , 2021-22 and the BE for the year 2022-23 are as under-

(Rs. in Crore)

	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
<b>Proposed</b>	18624.78	19283.29	14830.05	15000.00
<b>BE</b>	19203.29	18710.05	17710.05	14725.87
<b>RE</b>	19203.29	12330.05	13398.34	NA
<b>Actuals</b>	13558.20	10632.50	8449.18*	NA

\*Note: Actual figure of 2021-22 upto Dec., 2021.

11. On being asked about the revenue receipts and obstacles faced by the Department in achieving the revenue target during 2021-22, 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 commission on payment; Net Receipts from 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 remuneration to minimum account balance. Resultantly the Department will not be able to get remuneration from Ministry of Finance for POSB accounts that fail to maintain a minimum balance of Rs.500. The POSB remuneration target for BE 2021-22 may therefore be difficult to achieve. The revenue receipt targets for the Department of Posts were reduced from Rs 17710.04 Cr in BE 2021-22 to Rs 13398.34 Cr on account of disruption due to Covid lockdown in 2021-22. The Covid lockdown in the country for over 4 months in 2021 has been the major obstacle for achieving the revenue receipt targets.

12. The Committee desired to know the measures taken by the Department to increase revenue receipts during 2022-23. To this, the Department

submitted that the focus areas of the Department are its core operations like parcels, Financial Services (Post Office Savings Bank and India Post Payments Bank), Insurance and other agency services (Common Service Centre, Post Office Passport Seva Kendra, Aadhaar Enabled Services etc.)

(i) Speed Post continues to remain the flagship mail service of the Department and accounts for more than Rs 1200 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 Postal 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 of e-commerce marketplace business 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 resulting in 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 tie-up between 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 837 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 .

## **VII. Revenue Deficit**

13. The Committee wanted to know the items/heads on which the Department incurred revenue deficit and the major obstacles faced by the Department to control revenue deficit during 2021-22. To this, the Department informed that DOP has primarily two major components of gross expenditure: Pensions and Salaries, which constitute almost 90% of the gross expenditure. Expenditure pertaining to salary (Pay and allowances) is on the higher side due to implementation of revised pay and allowances as per 7<sup>th</sup> Pay Commission. Pensionary charges have also increased due to revision of pension of pre- 2006/ 2016 as per 7<sup>th</sup> pay commission. Number of pensioners has also increased during last few years. 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 entire cost has to be incurred by the Department. Due to the Covid 19 pandemic, there has been some 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 2021, the Department are still short by 10% of the postal revenue with respect to the previous financial year. Moreover, heavy withdrawal and closure of SB accounts by the customers may also lead to substantial reduction in revenue from SBCC operations (POSB operations)

14. The Department informed about the steps taken to contain the revenue deficit in the year 2022-23 as under-

- a. The Department plan to enhance its revenues from its flagship service of Speed Post in the FY 2022-23. For this purpose, tie-up with different

Government Ministries/Agencies such as Regional Transport offices, Traffic Police, Ministry of External 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 are 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 enable these post offices to carry out online postal and financial activities including Banking and insurance transactions. The process will be continued in the FY 2022-23 as well. Complete IT enablement shall reduce the operating costs of post offices services in the long run.
- c. Parcel Network Optimization has been undertaken by Department of Post to help DoP become a preferred delivery agent of e commerce companies especially in rural areas.
- 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 805 crores



worth of recoveries from PLI operations in 2022-23. In the year 2022-23, more than 5000 villages being proposed to be covered under Bima Gram Sewa and a large number of Government employees and professionals would be contacted to purchase Postal Life Insurance Policies.

- 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 also led to increase in revenue. 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 106006 post office counters across the nation. It is proposed to extend the same to all the Post offices in 2022-23. All these efforts are likely to lead to a substantial increase in revenue. 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 operational expenses, the Department are 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 expenditure and augmentation of the revenue.

**VIII. Rate of remuneration for Small Savings Schemes**

15. When asked about the rates of remuneration for different services, the Department informed that the remuneration rates in respect of POSB schemes is as under (per account/ per certificate):

Scheme/Activity	Year		
	2019-20	2020-21	2021-22
Savings Bank Accounts	219.23	219.23	219.23
Savings Certificates	73.92	73.92	73.92
Silent Accounts	35.61	35.61	35.61
IVP	19.59	19.59	19.59

Remuneration received from POSB schemes:

Financial year	Remuneration (in Rs. And in Crores)
2019-2020	8660.77
2020-2021	7055.80
2021-2022	5283.90 *

\*Tentative figure up to December 2021

Further, the matter regarding revision of Agency Charges paid to the Department of Posts on various POSB Schemes has also been taken up by the Department. As a result, Department of Economic Affairs, Ministry of Finance had set up an Expert Group Committee to review the rates of agency charges payable to DoP for operation of Small Savings

Schemes on 12.07.2021. The committee has submitted its final report to MoF.

16.The Department furnished the Cost of Operation as per the last approved Annual Costing Exercise 2018-19 as under-

<b>AVERAGE COST, AVERAGE REVENUE AND PROFIT/LOSS PER UNIT IN VARIOUS SMALL SAVING SCHEMES (In Paise)</b>				
<b>Sl.No</b>	<b>Name of Services/Schemes</b>	<b>2018-19</b>		
		<b>Cost</b>	<b>Revenue</b>	<b>Profit/Loss (+-)</b>
1	Saving Bank	10604.32	7484.67	-3119.64
2	S.C &K.V. P	19816.20	6936.36	-12879.84

17.When enquired about the details of Saving Schemes/Accounts incurring maximum loss vis-à-vis operating cost, the Department furnished the details as per the last approved Annual Costing Exercise 2018-19 as follows-

<b>Sl No.</b>	<b>Name of Service/Schemes</b>	<b>Total Deficit (in Crores Rs.)</b>
1.	Saving Bank	-3292.70
2.	S.C. & K.V.P.	-687.71

Annual Costing Exercise 2019-20 is under submission for approval and ACE 2020-21 is under process.

**IX. Expanding the scope of the post office**

18.Regarding new avenues that are being explored by the Department to increase the sources of income, the Department explained that they have

introduced a new packet product called International Tracked Packet Service (ITPS) to meet the requirements of e-Commerce exporters. This is a competitive service with tracking facility. At present the service is available for 15 countries in the Asia-Pacific Region. The Department have also initiated discussion with other countries to expand the service. Department of Posts have set up Post Office “Common Service Centres” (PO-CSCs) in Post Offices across the country for providing various G2C (Government to Citizen) and B2C (Business to Citizens) services to citizens in rural and remote areas of the country to provide a one-stop solution for all e-Governance services on assisted model through its PO-CSCs. As on 31.12.2021, 9.21 Lakh transactions worth Rs. 75.6 Crores were delivered through 106006 PO CSCs. With the introduction of several technological tools on a “Core System Platform” in the last few years, the main focus of the Department has been to improve the quality of service, so as to retain the customer base and get new businesses.

19. In order to ensure reliability in mail delivery across all the regions in the country, the Department of Posts have taken a number of initiatives such as the implementation of online functioning for all mail offices and post offices under the Core System Integration Project, SMS notifications of booking & delivery information to the customers, real time delivery updation through Postman Mobile App (PMA) etc. Besides, the Department has entered into agreements with various banks in the country for delivery of cheque books, debit & credit cards, with Unique Identification Development Authority of India for delivery of Aadhaar cards, with Election Commission of India for delivery of EPICs, with different High Courts for delivery of notices/summons, with Regional Transport Authorities in different states for delivery of driving

licenses/vehicle Registration Certificates (RC), and agreement with various traffic regulatory authorities for delivery of traffic challans, etc. Post info app was introduced by Department in April 2020 which primarily caters to the needs of customers pertaining to essential postal services e.g. Essential Goods, Medicines, Money transfer, Aadhaar Enabled Payment System (AEPS) and other services like mail booking, banking services, insurance services etc. at their doorsteps by placing an online request through the post info app. For the previous financial year, the Department processed around 3.7 lakh service requests whereas approximately 2.0 lakh service requests were handled by the Department since April 2021 till 31<sup>st</sup> January, 2022 .

20. The Department further informed that the emerging e-Commerce market is being perceived as a huge business opportunity. Accordingly, they have identified MSME clusters which manufacture products for internal trade and exports. Department is reaching out to them, offering volume discounts to bulk customers, providing Cash – on – Delivery (COD) facility for collection of cost of goods at the time of delivery and its remittance to the seller, seamless electronic data integration facility with large customers, credit facility and regular monitoring of delivery and payments. Same day delivery is being provided at selected locations by mechanization of delivery activities to meet the requirements of e-commerce segment. Department of Posts has offered Speed Post Parcel as air-express service and Business Parcel as surface- parcel service for companies running on e-marketplace inventory model of e-commerce. The e-Commerce players, ranging from agri-products, consumables, textiles, medicines, handicrafts, electronics, gems and jewellery, educational institutions etc. have partnered with India Post for the use of its parcel services to deliver their products.

21.To serve the e-commerce industry as per its changing requirements, the following steps have either been taken or some are in the pipeline (under development) in the Department :

- i. Management Information System for e-commerce customers is available on India Post website. Necessary changes to make it more comprehensive is underway.
- ii. Department offers integration facility for seamless data exchange through API with e-commerce customers
- iii. Automated delivery using Smart Parcel Delivery Systems is under pilot testing at 4 locations before pan- India rollout.
- iv. Policy on use of digital modes of payment at the time of delivery of Cash on delivery articles is underway.
- v. Timelines for treating parcels as lost have been revised keeping in view the industry standards and expectations. Technology is the backbone of parcel and e-commerce delivery business.
- vi. Technology changes required in the software, for reliable parcel operations, have been identified for development and deployment. Also, necessary changes in Technology Systems have been undertaken to meet customized requirements of the customers.
- vii. System enabled pickup system for bulk e-commerce customers is being developed.
- viii. Policy and system solutioning for Return Management System, which is an important requirement of e-commerce industry is under development.

- ix. System enabled solution for in-transit cancellation of articles is being developed for e-commerce customers.
- x. Management Information System for bulk customers

22. The Department also informed that around 1.10 lakh PO-CSCs have been opened in the last 3 years. Initiatives such as sale of Gangajal and Prasadam have been taken. In order to make Gangajal available to the common man at the nearest Post Office and even at the door step of customers in its natural form, Department of Posts has made arrangements for supply and distribution of 'Gangajal', sourced from Gangotri, through post offices since 10.07.2016. Gangajal is available in 4116 Post Offices across the country. The Gangajal is also available on Online Portals of Department of Posts i.e. ePostoffice.gov.in and eCom.indiapost.gov.in. Till date 18.42 lakhs Gangajal bottles have been distributed to the customers through various Postal Channels.

Similarly, for facilitating the devotees, in the year 2020, Department of Posts in association with various Shrine Boards has started delivery of holy Prasadam under the service i.e Holy Blessing at the door step of devotees across the country. Devotees can avail Prasadam service directly through Post Offices or they can visit the site of that Shrine/Temple and place their order. Thereafter Shrine/Temple authorities hands over the Prasadam to Post Office for processing and effecting delivery to the devotees. Presently, 67 Temples Pan India are registered under the Holy Blessing service of India Post.

23. Elaborating further on the initiatives taken to broaden the range of services provided by post offices, the representative of Department submitted during evidence , as under -

We had Post Shoppes. It means, when the customer walks into the Post Office, we have a separate area where we demonstrate certain things like local artefacts. In Bengaluru it is there; some local products are available. The customers can walk in and buy them. The next step is to provide visibility and bring it on a digital format so that if somebody is not willing to buy then and there, he can order. We will definitely try those things and going forward, in fact, in the COVID period, some circles have taken wonderful individual steps. Mangoes are perishable, but within the State we managed to deliver them at home in Bihar, Karnataka and in some other places. We are not bogged down by what is available for transmission. Whatever are the religious places, if they want to have their vibhuti or prasadam, we have tied up. They can order online through post offices. Some of them have one-to-one arrangements with those religious institutions.

**X. Promotion of indigenous products and MSMEs through post office**

24. The Committee desired to know if the Department have taken any initiative to promote sale and purchase of indigenous products and also for promotion of sale of handlooms/MSMEs especially Geo Tagged and GI registered items. To this, the Department responded that for promotion, sale and purchase of indigenous products through postal channel, they have undertaken establishment and up gradation of export promotion facilities i.e. Foreign Post Offices, Sub Foreign Post Offices and International Business Centers for bulk processing of international shipments to facilitate exports. 28 Foreign Post Offices have been notified and are under implementation in a phased manner. Postal Bill of Exports has been introduced by Customs authorities to facilitate export through Foreign Post Offices. In addition, introduction of International Tracked Packet Service (ITPS) is also helping MSMEs to export their products. Department of Posts are making continuous efforts in targeting the Government as well as the private sector for tie-ups for their e-commerce and parcel related activities. With respect to



MSMEs, Department of Posts are already under discussions with GeM, Ministry of Textiles, TRIFED etc to become their logistics provider. Department provides booking, transmission and delivery of all kinds of items including GI registered items.

25.The representative of Department submitted during evidence-

On this specific direction Sir, in the last 7-8 months, we were in touch with DoNER and the MoU has already been worked out. The funding is covered by their SFC. In the Northeast, as you are saying, they were willing to take the marketing part of it; TRIFED will provide the visibility part; our responsibility will be to have some local facilitation, transportation both for domestic and abroad, if possible. We are working specially on this for the Northeast. In fact, in Post Offices also, we can put displays for those products locally also. So, all these things have been tied up. This was a specific response to this direction which you are giving. Hopefully, next year we will come up with a product.

#### **XI. Dormant Accounts in Post Office Savings Bank**

26.The Committee asked the Department about dead accounts in Post Office Savings Bank and the details of the funds lying unclaimed along with the efforts made by the Post Office to ensure that the funds are restored to the rightful owners/nominees. The Department through written submission informed that there is no such terminology as “Dead Accounts” under POSB Schemes. However unclaimed accounts and certificates are identified under SCWF-2016. Till 30.09.2020, 2.47 Crores accounts amounting to Rs. 16,136.37 Crores falling under the category of SCWF has been intimated to MoF by DoP. Information on such accounts have been published on the India Post website. Instructions are being issued by the Directorate to all Circles to settle unclaimed accounts so that the rightful owners or legal heirs/nominees

may get the amount in accordance with the DoP SB Order-08/2019 and Rule-14 & 15 of Government Savings Promotion General Rules-2018 respectively. Door to door campaign and special drives are also launched at Divisional/Regional/Circle level for settlement of such unclaimed accounts. Periodical monitoring through Video Conferencing is also being done at Directorate level. With the combined effort by all Circles 70,398 accounts with an amount of Rs. 123.69 Crores have been settled till December-2021.

27.The details of dormant accounts and certificates lying with the Department are as under-

<b>Year</b>	<b>Cumulative No. of dormant/ inactive accounts &amp; Certificates lying with DoP (In lakh)</b>	<b>Cumulative Value /Amount of deposits in dormant/inactive accounts &amp; certificates lying with DoP ( In Crores)</b>
<b>2019-20</b>	161.10	11435.35
<b>2020-21</b>	246.58	16136.37
<b>2021-22</b>	Report Awaited	

28.The details of unclaimed Certificate under Kisan Vikas Patra is as under:

<b>Kisan Vikas Patra</b>		
<b>Year</b>	<b>Cumulative No. of matured unclaimed certificates lying with DoP (In lakh)</b>	<b>Cumulative Value /Amount of matured unclaimed certificates lying with DoP (In Crores)</b>
<b>2019-20</b>	32.51	2891.95
<b>2020-21</b>	39.67	3851.06
<b>2021-22</b>	Report Awaited	

29.The Department furnished the details of the unclaimed accounts/certificates settled during the last three years as under:-

<b>Year</b>	<b>Cumulative No. of Unclaimed Accounts/Certificates Settled</b>
2019-20	27,149
2020-21	68,723
2021-22 (till Dec-2021)	70,398

30.The Committee wanted to know how many accounts in POSB exist without any nomination to which the Department responded as under:-

Name of the Scheme	No. of accounts having no. nomination (In Cr.)
SB	14.11
TD	0.54
MIS	0.30
NSC	2.67
KVP	2.54
Other Schemes	7.14
Total	27.30

Further the customers are advised to register nomination whenever they visit the post offices. Now the accounts can be opened only with nomination and KYC details.

31.The Committee asked about the total number of accounts seeded with Aadhaar out of the total accounts and certificates with POSB to which the Department informed that based on CEPT confirmation, as on 28th February

2022. There are 24,57,42,825 CIFs out of which 8,81,00,003 CIFs are Aadhaar seeded.

32.Regarding unused accounts and unclaimed money, the Department submitted during evidence as under-

In the year 2019-20, we had 36 crore accounts and in 2020-21, it went down to around 29.3 crore. The basic reasons are two. First, the minimum balance which was earlier Rs. 50 was raised to Rs. 500. So, all those accounts with Rs. 50 balance as on 31.3.2021 were closed and it was close to three crore accounts. These three crore accounts got closed and in addition, if there is no transaction in the savings account for three years running, then those accounts become silent. So, there was increase by four crores mainly because of the pandemic situation. The customers could not come to the post offices. So, four crores such accounts became silent. So, the number of live accounts for which we get Rs. 219.23 remuneration from the Ministry of Finance, we got a hit of around 7 crores. That is why, the number of live accounts went down from 36 crores to 29 crores and this year, we are working very hard. The Secretary just informed that there has been a net addition of close to 91 lakh accounts whereas the total account opened in the current financial year is more than 2.7 crores.

## **XII. Postal Life Insurance and Rural Postal Life Insurance- settlement and surrender**

33. Introduced on 1<sup>st</sup> February, 1884, Postal Life Insurance (PLI) is the oldest life insurance scheme in India. RPLI is intended to provide insurance cover to general villagers, weaker sections and women workers at villages. PLI/RPLI Schemes , while charging a lower premium and having higher returns as compared to schemes of other life insurers, provide a better financial security tool its policyholders.

34.The details of the claims received, settled, rejected alongwith the number of policies surrendered for both PLI and RPLI are as under-

(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 (Rs. In Crores)	Claim Settlement Ratio
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
2021-22	2,47,965	2,33,771	567	52,00,51,56,459	0.94

Year	No. of policies lapsed during the year	No. of policies surrendered during the year
2019-20	-	29,217
2020-21	-	23,654
2021-22		26,305

\* Being dynamic data, it varies from time to time. So it cannot be ascertained.

(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 (Rs. In Crores)	Claim Settlement Ratio
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
2021-22	3,20,997	3,04,443	874	19,12,22,64,982	0.95

<b>Year</b>	<b>No. of policies lapsed during the year</b>	<b>No. of policies surrendered during the year</b>
<b>2019-20</b>	-	47,362
<b>2020-21</b>	-	40,615
<b>2021-22</b>	-	37,878

-\*: Being dynamic data, it varies from time to time.

### **XIII. Role and significance of post office during the pandemic**

35. The Committee enquired about the newly tailored services started during the pandemic. The Department informed that an emergency 'service request through Post Info App was operationalized in April 2020 during the lock down period for servicing requests of citizens through the local Postman. About 2 lakh service request were attended. Besides, an online booking service (Click N Book) for booking of accountable postal articles is also being launched by the Department wherein customers can book their articles online. These booked articles will be picked by the postal staff from the customers from their premises, as per scheduled pick-up time.

36. Asked about the problems faced by the Department in carrying out its activities due to Covid 19 pandemic and measures taken to overcome it, the Department explained that in the pre-lockdown period (before March, 2020), they were using multimodal transport system of Rail, Air and Road for transmission of mail. The Department were using accommodation provided by the Indian Railways in 156 trains. Department were also using the services of Air India and other Private airlines and Cargo flights as well. Besides, they were also using their own fleet of 1,469 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.

37.A separate category for 'COVID-19' grievances was created on CPGRAMS to address and monitor grievances of the public with regard to their postal needs in the backdrop of the pandemic. 2278 grievances have been resolved within the prescribed timeline of 3 days since the creation of the category i.e. from 30.03.2020. Further, India Post Call Centre (IPCC) provided a single window interface for citizens that facilitated the process of providing information with regard to availability of postal services and also provided resolution of their grievances. IPCC serviced over 82.5 lakh calls during the ongoing pandemic. In addition to the above, Social Media platform of India Post had a mitigating effect by providing immediate relief to the citizens, redressing their concerns in booking & delivering medicines and arranging financial transactions in post offices. 4.46 lakh grievances were resolved during the period of pandemic. During COVID-19, challenges were faced in functioning of the post offices.

38.To overcome difficulties, mobile post offices were temporarily operated through which needs of the Savings Bank customers were fulfilled. In order to manage the International Mail operations to the extent possible the Department utilized the special flights operated under 'Vande Bharat Mission' and 'bilateral arrangements' with other countries. During second wave of Covid-19 Department of Posts, in collaboration with Customs

authorities, facilitated processing, clearance and delivery of COVID- 19 related emergency shipments received from abroad through post e.g. Oxygen Concentrators etc. In order to facilitate clearance and faster delivery of such shipments COVID- 19 help desks were established at Foreign Post Offices. The Department of Posts, an essential service provider, reaffirmed its commitment to help the people of India in time of crisis and worked hard to ensure that supply of medical equipment, medicines, essential goods as well as cash disbursement of small savings, pensions and other Direct Benefit Transfers are made right at the door step of the citizen. This was made possible due to its vast network of 1.55 lakh post offices and dedicated human resource strength of around 4 lakh postal employees including Gramin Dak Sevaks. Acknowledging the efforts of postal employees, Hon. Prime Minister had tweeted, requesting Citizens to send “Thank You” letters to “Corona Warriors” which includes Postal employees working in Post Offices in difficult circumstances.

**XIV. Estates Management- pending projects**

39. Asked about the activities undertaken under Estates Management, the Department of Posts informed that they have an obligation to provide Universal Postal Service to Public which inter alia includes access within reasonable distance. It runs 1,56,721 Post offices in 23 Postal Circles spanning across the length and breadth of the country. Out of the total, majority of the Post Offices are located in Rural areas numbering about 1,41,018. Developing infrastructure through constructing new postal buildings, properly maintaining old buildings, renovating and restoring the heritage buildings and developing infrastructure for sustainable development is the approach of the Estates Division to fulfil the task assigned to it. Division is actively participating in sustainable development activity. It is constructing



Rain Water Harvesting Structures and installing Solar Power Packs. To help out differently abled persons and senior citizens, rail and ramps are being constructed under Sugamya Bharat Abhiyan. Separate toilets, crèches and retiring rooms are being constructed for ladies under gender concerns.

40. The Department further informed that Estates Division strives to ensure construction of economically viable and environment friendly buildings, harness the economic potential of Department 's vacant plots in order to reduce expenditure towards rents and other liabilities, provide accessible buildings for differently abled persons and senior citizens, ensure use of appropriate technology in construction of buildings and use of renewable energy, preserve Department 's heritage buildings and their aesthetic ambience. All-out efforts will be made to remove encroachments from the Department al lands and construct postal buildings or boundary walls on the basis of feasibility and cost benefit analysis in order to save the Department al land from encroachment.

41. On Estates Management, the representative of Department submitted during evidence as under-

Coming to the Estates matter, the Committee had desired that whatever land we have, we should expedite our presence in terms of not only removing encroachments but having a post office there. So, we redevise our strategy. We mentioned in the last Committee also that we are going in for small post office concept so that on need basis, we are able to increase the number of post offices. So, we bring to your kind notice that last year, we completed 32 new post office buildings and 42 are under way. So, the speed of utilisation of that landmark for post office has increased and the approvals have come. The funds allocated to us in the next five years, we plan to have around 350 plus such post office buildings. This is one segment. Then, special fund has been given for maintenance of heritage buildings. We have taken in hand because there, the challenge was that we had to involve other agencies. In Mumbai, we have started, in Kolkata we have done something and there are very important locations like Tamil Nadu. With the funds coming now, we will be focussing separately in a specialised manner for their

maintenance. One specific observation had emerged in the last meeting. There were some old buildings in Kerala which we could not sort out. We are happy to inform you that all the three clear statutory approvals have been obtained. In one, tender has been issued and the other is in the pipeline. All those places in other States which have been pending, we are trying to move in fast with the small post office concept so that we come at par with the desire of this Committee.

42. Asked about the progress and timeline for completion of Poojapura, Sasthamangalam and Karamana post offices in Kerala for which approval had been given long ago, the Department submitted as under:

<b>Sr. No.</b>	<b>Project</b>	<b>Likely date of completion</b>
<b>1</b>	Poojappura	Notice Inviting Tender has been approved. Project likely to be completed in 2 years after commencement of work.
<b>2</b>	Sasthamangalam	Notice Inviting Tender has been issued. Project likely to be completed in 2 years after commencement of work.
<b>3</b>	Karamana	Construction work has commenced and likely to be completed by August 2023.

**XV. Initiatives to address the concerns of the female workforce and the differently abled**

43. On being asked about the number of crèches, feeding rooms and ladies rest rooms constructed, the Department replied that gender concerns are adequately reflected in the construction of all new postal buildings. The new buildings have mandatory provision for ladies toilets. During the last 03 years, 16 ladies toilets have been constructed in those building where ladies toilets were not available earlier the details of which (Circle-wise) are as under. However, construction of creches and feeding rooms are not taken up under the Estates Management Scheme.

Sr. No.	State	No. of toilets constructed		
		2019-20	2020-21*	2021-22*
1	Andhra Pradesh	3	0	0
2	Chhatisgarh	1	0	0
3	Gujarat	1	0	0
4	Himachal Pradesh	2	0	0
5	Kerala	1	0	0
6	Madhya Pradesh	1	0	0
7	Maharashtra	1	0	0
8	Odisha	1	0	0
9	Punjab	2	0	0
10	Rajasthan	1	0	0
11	Tamil Nadu	1	0	0
12	Telangana	1	0	0

\*Nil because no funds were allocated under the activity of Gender Concerns.

44. The Committee wanted to know the number of ramps, adaptive rest rooms, railings, Braille signages, tactile flooring and auditory signals were constructed /installed in post offices for the differently-abled during the last three years to which the Department responded that the construction of new buildings is done in accordance with the requirements of the Rights of Persons with Disabilities Act, 2016. 400 Post Office buildings have been retrofitted in the last 03 years. The details are as under:

Sr. No.	Activity	Construction/installation during last three years
1	Ramps	416
2	Adaptive rest rooms	124
3	Railings	416
4	Braille Signages	3
5	Tactile Flooring	205
6	Auditory signals	0

45. The Committee also wanted to know whether 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 all the postal Circles have been instructed to conduct access audit of the Post Office buildings and accordingly the Postal Circles conduct such audits.

**XVI. Rural Business and Access to Postal Network- Opening of post offices in  
LWE and aspirational districts**

46. Regarding opening of post offices in LWE and aspirational districts, the representative of Department submitted during evidence as under-

Sir, for the Left wing extremist-affected districts, this Committee had pointed out why the Finance Ministry is delaying. I am happy to inform that on 21<sup>st</sup> September, 2021, we got the approval. Following that, we have made a commitment that we will open all the 3,114 post offices in these districts by March, 2022. Earlier, we opened them in 4,903 districts. We have already opened 1789 post offices and we have found out that customers are coming to the post offices and they have bank balances now. So, they are getting the financial benefits for opening of 1789 posts offices. We are quite hopeful that this also will be of immense service in such areas and will contribute to financial inclusion in a big way. Wherever we are getting network from our buffer devices, we are trying to support the core banking or online banking applications in those areas as well. Wherever we have 4G, we will try to come up with an alternative solution to support it.

47. The Department informed that they are opening more than more 3100 new BOs in aspirational districts in current financial year. PoPSKs in 65 Aspirational Districts have been made operational and Ministry of External Affairs(MEA) has been approached for opening of PoPSKs in remaining aspirational Districts. Aadhaar Enrollment/Updation Centres- 1166 Aadhaar Centres are working in 116 aspirational districts. In addition to 13,352 Aadhaar centres, mobile kits have also been provided to circles for enrolment/updation of Aadhaar through camp mode.

48. To a query on opening of BOs in high priority areas including LWE districts, the Department furnished the information as under -

Sl. No.	Plan Activity	Physical targets		Achievements 2021-22 (till Dec, 2021 as per Circle's report)	Reason
		BE	RE		
1	Opening of BOs in high priority areas including LWE districts by creation of new Posts  Opening of BOs/SOs by redeployment/ relocation	282	3440	1303	The approval of DOE has been received for opening of 3114 BOs. Funds of Rs. 4 crore was allocated for 925 BOs and the funds for opening of remaining BOs have been received under supplementary grant and allocated to circles on 13.01.2022. As on 15.01.2022, 1264 BOs have already been opened. By the end of FY the targets would be met.
2	Opening of Franchisee Outlets in urban areas	100	100	29	
3	Infrastructure for BOs & SOs	731	731	233	
4	Installation of new letter boxes and signage LB in rural areas	13539	10461	3862	
5	Embedding of Iron Safes at rural areas	4414	4414	1192	

49. On being asked the steps taken by the Department to achieve the RE targets of opening 3440 BOs during 2021-22, the Department said that they have so far already opened more than 2000 BOs in this financial year and all 3440 BOs shall be opened by the financial year end.

50. The Department further stated that as has been announced in the Budget 2022-23, DoP has initiated the process of implementing NEFT/RTGS inter-banking functionality for POSB customers for achieving the goal of financial inclusion in net banking, mobile banking. Further, all remaining POs along with their linked Branch Post Offices which are presently working on non-CBS will be brought to the platform of Core Banking System within 2022.

## **XVII. Minimum Available Balance in Post Office Savings Bank Accounts**

51. The Committee desired to know whether the Department have removed the requirement of Minimum Balance in Savings Accounts and whether the number of accounts has gone down due to the maintenance charges of Rs. 50 being levied on customers. The Department informed that they have not removed the requirement of Minimum Balance in Savings Accounts. Further the minimum balance of Rs. 500/- has been prescribed by DEA, MoF. The number of accounts has reduced due to restriction of maintaining minimum balance of Rs. 500/- and deduction of account maintenance fee for non-maintaining of minimum balance. After closure of account there is no provision of revival of such accounts. The amount deducted as account maintenance fee is charged under the Major Head 1201(Postal Receipts).

52. On this issue, the representative submitted during evidence as under-

In the year 2019-20, we had 36 crore accounts and in 2020-21, it went down to around 29.3 crore. The basic reasons are two. First, the minimum balance which was earlier Rs. 50 was raised to Rs. 500. So, all those accounts with Rs. 50 balance as on 31.3.2021 were closed and it was close to three crore accounts. These three crore accounts got closed and in addition, if there is no transaction in the savings account for three years running, then those accounts become silent. So, there was increase by four crores mainly because of the pandemic situation. The customers could not come to the post offices. So, four crores such accounts became silent. So, the number of live accounts for which we get Rs. 219.23 remuneration from the Ministry of Finance, we got a hit of around 7 crores. That is why, the number of live accounts went down from 36 crores to 29 crores and this year, we are working very hard. The Secretary just informed that there has been a net addition of close to 91 lakh accounts whereas the total account opened in the current financial year is more than 2.7 crores. Rs. 50 is recovered from the accounts which have a balance of less than Rs. 500. Around Rs. 200 crore was recovered on account of less than Rs. 500 balance. This was recovered from account holders who had a balance of less than Rs. 500 in their accounts last year.

**XVIII. Issues with internet connectivity in post offices**

53.The Committee asked whether the nagging problem of internet connectivity has hit post office operations adversely and the action taken to change the existing service provider and/or streamline the services. The Department replied that they 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. Some incidents of link failure/low speed of internet have been reported due to the infrastructural issues of BSNL/MTNL and withdrawal of 3G services by some Telecom Service Providers. Month-wise Ticket Status for link failures is provided below-

Incident Category	2021									2022		Grand Total
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
Primary-Link-Down	4426	4563	6194	7494	7135	6657	5894	4925	5324	6790	5335	64737
Secondary-Link-Down	872	831	1272	1637	1444	1454	1339	1298	1572	1858	1557	15134

However, the impact of link failure has been minimized by providing secondary connectivity at more than 90% of the post offices. Department has already provided for 4 G routers at 15599 locations and RF based connectivity at 1606 locations to improve secondary network connectivity.

54.The Department further submitted that Network Service is availed in Department of Posts through the Network Integrator Contract of India Post IT Modernisation Project. 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 are 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 01.02.2022, the Primary Network Connectivity (NSP1) services is provided in 24012 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. Department have already commissioned 4G connectivity at 13030 locations and RF at 1575 locations to upgrade connectivity. By providing this connectivity, the number of offices providing CBS has increased and only 69 Post Offices are not on Core Banking as on 28.02.2022.

55. The Department further informed that they have identified 15,599 Post Offices for upgrading NSP2 to 4G connectivity. Department have already commissioned 4G connectivity at 13030 locations. Remaining locations will also be brought on 4G connectivity in a phased manner.

56. The Committee wanted to know whether the Dept is constrained to avail broadband services from State-owned service providers. 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 date 12.10.2020, it has been made mandatory for all Department s 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. 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

57. During evidence, the Department submitted as under-

Sir, as it evolved, the core of this entire computerisation was that you have to have a digital connectivity. So, in technology version 1 which we have completed, the Sify was the service provider, and the secondary provider was BSNL. Then, BSNL itself has gone around some internal changes and some relocation of exchanges. Now, what the mandate has come is this. We have given the priority to BSNL. Going forward, we have also got directions from the Ministry of Finance that BSNL will be in the forefront subject to their fulfilling the normal standards of services, maintenance and things like that. So, this is what is the arrangement right now. Going forward, whatever options are available, we would like to decentralise, delegate to circles, and whichever is the best option available, that can be also brought in. So, we have learnt over the last four-five years. Right now, yes, we have the Sify-BSNL combination. Going forward, it will be more delegated and subject to best availability. But yes, our first priority is to BSNL.

XXXX.....XXXX.....XXXX.....XXXX.....XXXX

Sir, connectivity is the core. For example, even now, what the Budget announcement says is that still, we have some post offices which are at TNF, that is Technically Not Feasible locations because of various reasons. So, there, we are trying all combinations which show that no post office remains out of this serious network. About 70 odd post offices are still to be brought on board and linked to that, would be the branch post offices. If we add up the figure, it would be around 400. So, our first target would be to bring them on board because right now, the old system of getting the information of transaction from there and giving to the Ministry of Finance, there is a lag of one or two

days which also you have to address, and then, bring in this interoperability which has been mandated in the Budget.

**Part-II**  
**Observations/Recommendations**

***Gross Expenditure***

- 1. The Department of Posts (DoP) have laid the Demands for Grants (2022-23) in Lok Sabha on 9 February, 2022 for a total amount of Rs. 36395.89 crore consisting of Rs. 35507.27 crore under Revenue and Rs. 8886.2 crore under Capital. An analysis of the budgetary allocation during 2021-22 indicates that under Gross Expenditure, an amount of Rs. 34263.18 crore had been set at BE which was reduced to Rs. 32247.88 crore at RE stage and the actual expenditure upto December 2021 has been Rs. 24276.64 crore. Under the Capital section, during the same period, an amount of Rs. 910.09 crore had been allocated at BE which was increased to Rs. 932.33 crore and the actual utilization upto December 2021 has been Rs. 522.57 crore only. The Committee note that the gross expenditure of the Department has been gradually increasing over the years. The revenue expenditure was Rs. 29139.74 crore in 2019-20, Rs. 29261.46 crore in 2020-21 and Rs. 24276.64 crore in 2021-22 (till December, 2021). The capital expenditure was Rs. 730.56 crore in 2019-20, Rs. 897.41 crore in 2020-21 and Rs. 522.47 crore in 2021-22 (till December, 2021). Since the figures are till December, 2021, Committee apprehend the expenditure is likely to go up further as the financial year comes to a close.**

The Committee note that more than 90% of the gross expenditure is incurred on pension and salaries. Almost 90% of the Department's expenditure is on account of pensions, salaries, and wages, which are determined by the GoI regulations. The Department have been able to manage all operations in spite of the number of vacancies in the last 5 years through introduction of IT in their working. Additionally, in order to reduce the operational expenses, the Department have moved mail

transmission from rail to road transport network which is significantly cheaper than the other two modes of transmission. The Department are also following austerity measures circulated by Ministry of Finance from time to time. Expenditure on Office Expenses, expenses on stationery, Advertisement & Publicity, minor works, and for payment for professional Services etc. have been reduced during the year 2021-22. The Committee are given to understand that the Department are facing difficulties and challenges in controlling gross expenditure due to Universal Service Obligation to provide postal services in rural and remote areas where earnings do not cover the operational expenses and the huge burden of Pension and Salaries which are constantly rising. The Committee have been informed that unlike most of other Central Government Ministries/Departments, DoP bears the burden of pensions from its own budget. Under such circumstances, Department do not have any option but to achieve better operational efficiency as a service provider. The Committee are fully aware of the challenges being encountered by the Department to control gross expenditure. However, at the same time they are of the view that the Department may not be able to sustain the hard hitting expenditure in the long run unless adequate and timely measures are taken to boost their revenue. Instead of relying heavily on budgetary support to offset some of their expenditure, the Department need to focus on efficient utilization of available resources and identify new and upcoming areas where technology can curtail expenses, bring efficiency and profitability to their business. They also desire that all possible steps be taken to ensure optimum utilization of existing human resource and other resources. The Committee would like the Department to apprise them of the initiatives taken in the direction of cost cutting and financial rationalization.

### ***Revenue Receipts***

2. The Committee note that the revenue receipts of the Department have decreased from Rs. 13558.20 crores in 2019-20, Rs. 10632. 50 crores in 2020-21 and Rs. 8449.19 crores in 2021-22 (till Dec. 2021). 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. 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 due to which the POSB remuneration target for BE 2021-22 may therefore be difficult to achieve. The Committee have been informed that the revenue receipt targets for the Department of Posts were reduced from Rs 17710.04 Cr in BE 2021-22 to Rs 13398.34 Cr on account of disruption due to Covid lockdown in 2021-22 that has been the major obstacle for achieving the revenue receipt targets. For the year 2022-23, a revenue target of Rs. 14725.87 crore has been fixed.

Further, the Committee note that the focus areas of the Department are some of core operations like parcels, Financial Services (Post Office Savings Bank and India Post Payments Bank), Insurance and other agency services (Common Service Centre, Post Office Passport Seva Kendra, Aadhaar Enabled Services etc.) through which the Department aim to raise

revenue. Speed Post continues to remain the flagship mail service of the Department and accounts for more for than Rs 1200 Cr annual revenue. The Department aims to increase its parcel logistics market share to 10% in next 5 years through a number of measures. 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. 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. Department have planned to implement All India Postal Road Transport Network to provide daily connectivity to all States. 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, ensuring that trucks are not stuck in city traffic and ensuring faster shipment transit time.

One notable Budget announcement for Department of Posts is that 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 on par with customers of any other bank. All post offices will come on core banking system enabling financial inclusion and access to accounts through netbanking, mobile banking, ATMs and online transfer of funds between post offices and bank accounts. These services will help the Department to achieve overall targets with objective of cashless economy and digital financial inclusion. 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 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 837 Head Post Offices across the country. 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.

The Committee are hopeful that these initiatives will hold the Department in good stead and help in increasing the profitability of the Department and will be a big potential revenue driver for them. The Committee appreciate the efforts made by the Department and recommend that they should aggressively explore additional opportunities in the market for growing business and continue with their efforts to augment revenue and reduce deficit. However, before that, India Post has to enhance the quality in speed and reliability. The Committee specifically welcome the decision of the Govt. in granting approval to DoP to participate in various payment gateways. This will certainly help the Department to make a foray into the digital payment ecosystem in financial services.

#### ***Rate of remuneration of Small Savings Schemes***

3. The Committee note that the annual remuneration in respect of Post Office Savings Bank Schemes is Rs. 219.23 for savings bank accounts, Rs. 73.92 for

savings certificates, Rs. 35.61 for silent accounts, Rs. 19.59 for Indira Vikas Patra. The Committee also note that the yearly remuneration received from POSB Schemes has reduced steadily from Rs. 8660.77 crores in 2019-2020 to Rs. 7055.80 crores in 2020-21 and Rs. 5283.90 crores in 2021-22(till Dec. 2021). As per the Annual Costing Exercise 2018-19, the loss incurred per unit by the savings bank account is Rs. 31.19 and for Saving certificates including KVP is Rs. 128.79 per unit. The total loss incurred by the saving bank accounts is Rs. 3292.70 crores and Rs. 687.71 crores for Savings Certificates and Kisan Vikas Patras. The Committee find the amount to be unacceptably high and decipher that the low rates of remuneration for the POSB schemes are a major factor behind the revenue deficit. The Committee are in knowledge of the fact that the Department of Economic Affairs, Ministry of Finance had set up an Expert Group Committee to review the rates of agency charges payable to DoP for operation of Small Savings Schemes on 12.07.2021. The Committee desire that the outcome and action taken on the recommendations of the said Expert Group may be conveyed to them. The Committee also recommend that the Department should impress upon the Ministry of Finance for revision in the rates of agency charges payable to Department of Posts which would have a significant effect in increasing the revenue of the Department. The matter necessitates interventions at the highest level and the Committee would like to know the action taken in this regard.

*Expanding the scope and reach of post offices through CSCs*

4. The Committee note that in order to increase revenue receipts the Department have introduced a new packet product called International Tracked Packet Service (ITPS) to meet the requirements of e-Commerce exporters. This is a competitive service with tracking facility. At present



the service is available for 15 countries in the Asia-Pacific Region. The Department have also initiated discussions with other countries to expand the service. Department of Posts have set up Post Office “Common Service Centres” (PO-CSCs) in Post Offices across the country for providing various G2C (Government to Citizen) and B2C (Business to Citizens) services to citizens in rural and remote areas of the country to provide a one-stop solution for all e-Governance services on assisted model through its PO-CSCs. As on 31.12.2021, 9.21 Lac transactions worth Rs. 75.6 Crores were delivered through 106006 PO CSCs. With the introduction of several technological tools on a “Core System Platform” in the last few years, the main focus of the Department has been to improve the quality of service, so as to retain the customer base and get new businesses. In order to ensure reliability in mail delivery across all the regions in the country, the Department of Posts have taken a number of initiatives such as implementation of online working of all mail offices and post offices under the Core System Integration Project, SMS notifications of booking & delivery information to the customers, real time delivery updation through Postman Mobile App (PMA) etc. Besides, the Department have entered into agreements with various banks in the country for delivery of cheque books, debit & credit cards, with Unique Identification Development Authority of India for delivery of Aadhaar cards, with Election Commission of India for delivery of EPICs, with different High Courts for delivery of notices/summons, etc. Post info app has been introduced by Department which primarily caters to the needs of customers pertaining to essential postal services such as essential goods, medicines, money transfer, Aadhaar Enabled Payment System (AEPS) and other services like mail booking, banking services, insurance services etc. at their doorsteps by placing an online request through the post info app. During the year 2021-22, the

Department processed around 3.7 lakh service requests whereas approximately 2.0 lakh service requests were handled by the Department since April 2021 till 31<sup>st</sup> January, 2022.

The Committee while appreciating the above initiatives undertaken by the Department in expanding their horizon of operations through Common Service centres hope that initiatives such as above would definitely go a long way in widening the scope and reach of post office beyond the traditional business of mail delivery. The Committee recommend the Department to continue with these efforts with utmost zeal thereby contributing to the revenue stream.

*Expanding the scope of the post office through e-Commerce*

5. The Committee note that emerging e-Commerce market is being perceived as a huge business opportunity by the Department of Posts. Accordingly, Department of Posts have identified MSME clusters which manufacture products for internal trade and exports and reaching out to them for collection of cost of goods at the time of delivery and its remittance to the seller, seamless electronic data integration facility with large customers, credit facility and regular monitoring of delivery and payments. Same day delivery is being provided at selected locations by mechanization of delivery activities to meet the requirements of e-commerce segment. Department of Posts have offered Speed Post Parcel as air-express service and Business Parcel as surface- parcel service for companies running on e-market place inventory model of e-commerce. The e-Commerce players, ranging from agri-products, consumables, textiles, medicines, handicrafts, electronics, gems and jewellery, educational institutions etc. have

partnered with India Post for using their parcel services to deliver their products.

Furthermore, the Committee note that to serve the e-commerce industry as per the changing requirements, the Department have taken a number of steps like developing Management Information System for e-commerce customers, integration facility for seamless data exchange through API with e-commerce customers, automated delivery using Smart Parcel Delivery Systems. System enabled pickup service for bulk e-commerce, Return Management System, etc. are under development. Parcel packaging policy has been devised and lease and licensing policy has been revised by the Department.

The Committee note that while private players have taken a number of steps to strengthen their E-commerce business in India, none have the requisite scale and distribution reach that India Post already possesses. India Post with its human resource network is in a very good position to provide the most reliable, efficient product delivery and cash collection infrastructure that remains unmatched by any player in the private sector. The Committee feel that the Department should cash in on this to make their presence felt in the e-commerce business. They should leverage their network and resources to bring more business to earn revenue. Considering the behemoth size of the Department and reach of the Department to the Tier-II and Tier-III cities, including the rural hinterland, the Committee expect that it would emerge as the lead player in the e-Commerce market in the near future thereby reducing the revenue deficit to a considerable extent.

*Promotion of indigenous products and MSMEs through post office*

6. The Committee note that in order to promote sale and purchase of indigenous products through postal channel, the Department have

undertaken establishment and up gradation of export promotion facilities i.e. Foreign Post Offices, Sub Foreign Post Offices and International Business Centers for bulk processing of international shipments to facilitate exports. 28 Foreign Post Offices have been notified and are under implementation in a phased manner. Postal Bill of Exports has been introduced by Customs authorities to facilitate export through Foreign Post Offices. In addition, introduction of International Tracked Packet Service (ITPS) is also helping MSMEs to export their products. Department of Posts are making continuous efforts in targeting the Government as well as private sectors for tie-ups for their e-commerce and parcel related activities. With respect to MSMEs, Department of Posts are already under discussions with GeM, Ministry of Textiles, TRIFED etc to become their logistics provider. Department provides booking, transmission and delivery of all kinds of items including GI registered items. The Committee are also given to understand that in order to make Gangajal available to the common man at the nearest Post Office and even at the door step of customers in its natural form, Department of Posts have made arrangements for supply and distribution of 'Gangajal', sourced from Gangotri, through post offices since 10.07.2016. Department of Posts in association with various Shrine Boards have also started delivery of holy Prasadam under the service i.e Holy Blessing at the door step of devotees across the country.

The Committee appreciate the efforts made by the Department in promotion of GI tagged items and desire that they should continue the same with zeal thereby aiding the small cottage industries and artisans which will contribute to the Make in India initiatives. The Committee also welcome the initiatives taken for sale of Prasadam and Gangajal thereby tapping a niche market which was hitherto unexplored. The Committee

recommend the Department to showcase a wider variety of handlooms and handicrafts through their ecommerce website and enter into trade agreements with organizations such as KVIC and Tribes India in order to further their reach to the remote areas of the country.

***Dormant and Unclaimed Accounts***

7. The Committee note that till 30.09.2020, 2.47 Crores accounts amounting to Rs. 16,136.37 Crores falling under the category of Senior Citizen Welfare Fund has been intimated to MoF by DoP. In order to restore the funds to the rightful owners, information on such accounts have been published on India Post website. Instructions are being issued by the Directorate to all Circles to settle unclaimed accounts so that the rightful owners or legal heirs/nominees may get the amount. The Committee note that outreach campaigns and special drives should be launched at Divisional/Regional/Circle level for settlement of such unclaimed accounts. Periodical monitoring through Video Conferencing is also being done at Directorate level. With the combined effort of all Circles 70,398 accounts with an amount of Rs. 123.69 Crores have been settled till December-2021. The number of unclaimed accounts /certificates settled has increased from 27149 in 2019-20 to 68723 in 2020-21 and 70398 in 2021-22. However, despite the increase, the Committee have been given to understand that a mere 0.29 % of the unclaimed accounts have been settled during the current FY. The Committee note that 27.30 crore accounts in POSB were without nomination which is unacceptably high in number. Also, there are 24,57,42,825 CIFs out of which only 8,81,00,003 CIFs are Aadhaar seeded which apparently points to lack of effort by the Department to settle these accounts. The Committee are inclined to conclude that the results achieved are not commensurate with the efforts made. The Committee recommend

that the Department should take renewed steps to publicise the information through print and electronic media and apprise the Committee of the progress made in this matter. The Committee wish that the work should be completed within a defined timeline and suggest that the Department should make pre-emptive efforts for seeding of Aadhaar numbers with savings accounts as a mandatory exercise and make KYC an annual exercise in order to forestall fire fighting at a later stage. The Committee feel that a considerable number of issues faced in settlement of dues can be avoided by renewing KYC and would like to be apprised of the progress made in this regard.

***Settlement and surrender of Postal Life Insurance and Rural Postal Life Insurance***

8. The Committee note that Postal Life Insurance (PLI), introduced on 1<sup>st</sup> February, 1884 is the oldest life insurance scheme in India. Rural Postal Life Insurance (RPLI) is intended to provide insurance cover to general villagers, weaker sections and women workers at villages. PLI/RPLI Schemes, while charging a lower premium and having higher returns as compared to schemes of other life insurers, provide a better financial security tool to its policyholders. The Committee note that both PLI and RPLI have an impressive Claim Settlement Ratio in the last three years. The Ratio for PLI is 0.98 for 2019-20, 0.94 for 2020-21 and 0.94 for 2021-22. The Ratio for RPLI is 0.97 for 2019-20, 0.93 for 2020-21 and 0.95 for 2021-22. However, the number of policies surrendered during the last three years is a cause of concern for the Committee. The number of PLI policies surrendered is 29217 during 2019-20, 23654 during 2020-21 and 26305 during 2021-22. The number of RPLI policies surrendered is 47362 during 2019-20, 40615 during 2020-21 and 37878 during 2021-22. The Committee are perturbed by the inexplicably large number of policies surrendered and are bothered

by the fact that the reduction in premium income will translate into a drop in the revenue receipts. The Committee understand that measures to revive lapsed policies will go a long way in reducing the pace of surrender and recommend that the Department must take *suo moto* measures to stem the rate of surrender including offering incentives to PLI holders and reducing settlement time of policies.

***Role and significance of post office during the pandemic***

9. The Committee note that an emergency service request facility through Post Info App was operationalized in April 2020 during the lock down period for servicing request of citizens through the local Postman. About 2 lakh service requests were attended. Besides, an online booking service (Click N Book) for booking of accountable postal articles is also being launched by the Department. Consequent upon the suspension of trains & flights services across the country from 25/03/2020 due to the imposition of lock down, 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. India Post Call Centre (IPCC) provided a single window interface for citizens that facilitated the process of providing information with regard to availability of postal services and also provided resolution of their grievances. IPCC serviced over 82.5 lakh calls during the ongoing pandemic. In addition to the above, Social Media platform of India Post had a mitigating effect by providing immediate relief to the citizens, redressing their concerns in booking & delivering medicines and arranging financial transactions in post offices. 4.46 lakh grievances were resolved during the period of pandemic. Mobile post offices were temporarily operated to fulfil the needs of Savings Bank customers. The Department

utilized the special flights operated under 'Vande Bharat Mission' and 'bilateral arrangements' with other countries to manage international mail operations. During the second wave of Covid-19, Department of Posts, in collaboration with Customs authorities, facilitated processing, clearance and delivery of COVID- 19 related emergency shipments received from abroad through post such as Oxygen Concentrators etc. COVID- 19 help desks were established at Foreign Post Offices to facilitate clearance and fast delivery of shipments.

The Committee recognize the problems faced by the Department in carrying out its activities due to Covid 19 pandemic and the herculean efforts made to overcome it including the special arrangements made to aid transmission of parcels in aspirational districts and delivery of medicines and essential commodities during the pandemic. The Committee appreciate the unprecedented initiatives taken by the Department in reaching the remote areas of the country at a precarious time when other modes of transmission were not accessible to the public. The Committee place on record the distinguished role played by the Department in serving the nation in testing times which is indeed laudable and hope that the same spirit is carried forward in the future.

***Estates Management- pending projects***

10. The Committee note that the Department of Posts have an obligation to provide Universal Postal Service to public which *inter alia* includes access within reasonable distance. It runs 1,56,721 Post offices in 23 Postal Circles spanning across the length and breadth of the country. Out of the total, majority of the Post Offices are located in Rural areas numbering about 1,41,018. Developing infrastructure through constructing new postal buildings, properly maintaining old buildings, renovating and restoring the heritage buildings and developing infrastructure for sustainable



development is part of the Estates Management scheme. In addition, surplus lands belonging to post offices should be put to good use and a detailed proposal in this regard should be submitted to the Committee. In the twenty eighth Action Taken Report, the Committee had noted the pendency of the Estate Management projects at Poojappura, Sasthamangalam and Karamana in the state of Kerala and urged the Department to redouble their efforts to complete the pending projects by removing the procedural impediments. However, despite the passage of an year, the Committee note that two of the three projects namely Poojappura and Sasthamangalam are still at initial stages where the notice inviting tender has been issued. It is only in the third case of Karamana that the construction work has commenced. The Committee are unhappy at the painfully slow pace of work and expect the Department to put their nose to the grindstone and complete the work in a defined timeline. The general public pin their hope on the postal Department which functions under the Universal Service Obligation of reaching out to the remotest areas of the country which cannot be fulfilled without the timely construction of post offices. The Committee direct the Department to specify timelines for the completion of work of the Poojappura and Sasthamangalam and fulfil the 2023 timeline for the Karamana project.

*Initiatives to address the concerns of female workforce and the differently abled*

11. The Committee note that construction of separate toilets, crèches and retiring rooms constructed for ladies comes under the mandate of the Estate Management Scheme of the Department of Posts. While in the year 2019-20, 16 ladies toilets were constructed, during 2020-21 and 2021-22, the number of toilets constructed was, surprisingly, zero because no funds

were allocated under the activity of Gender Concerns. Further, in consonance with the Rights of Persons with Disabilities Act, 2016, 416 ramps, 124 adaptive rest rooms, 416 railings, 3 Braille signages, 205 tactile floorings were constructed during the last three years. 400 post office buildings have been retrofitted during the last three years. The Committee also note that no auditory signals were installed. It is further noted that the postal circles have been instructed to conduct access audits of the PO buildings yet the Department have not provided specific information on the issue. Lack of focus on crèches and feeding rooms in post offices, particularly the ladies post offices clearly indicates that the needs of female workforce are not being given adequate attention. The Committee desire the Department to give focused attention to above measures as these would go a long way in incorporating more mothers in the workforce. The Committee may also be apprised of the number of access audits conducted, Circle-wise in each of the last three years and stress that the Department may set up a monitoring committee to ensure that such audits are conducted on a bi-annual basis to promote ease of access. The Committee aim that the post offices in the country may be largely declared as barrier free in the next five years and therefore direct the Department to channelize the available resources towards the welfare of the differently abled and recommend that the postal Department should consider offering the service of 'hardship delivery' to such people at their doorsteps in which mail is delivered to their doorsteps instead of their mailboxes.

***Rural Business and Access to Postal Network- Opening of post offices in LWE and aspirational districts***

12. The Committee note that the physical target for opening of BOs in high priority areas was 282 in 2021-22 at BE which exponentially increased to

3440 at RE stage. However, the Department were able to open only 1264 post offices as on 15 January, 2022. In the twenty second Report on Demands for Grants (2021-22), the Committee had noted that the Department were lagging behind in achieving physical targets for opening of post offices in LWE and aspirational districts as the proposal had not been cleared by the Ministry of Finance. The Committee had therefore exhorted the Department to remove impediments to this end by taking up the matter with the MoF. The Committee are happy to note that the DoP have got the approval for opening of 3114 post offices on 21<sup>st</sup> September, 2021 and have an ambitious target of achieving the same by March, 2022. As on 15 Jan, 2022, 1264 post offices have already been opened. The Committee are of the strong view that scarcity of post offices leads to a setback to the financial inclusion agenda of the Government and neglect of LWE areas and aspirational districts. The Committee find it encouraging that Post Office Passport Seva Kendras in 65 Aspirational Districts have been made operational and 1166 Aadhaar Centres are working in 116 Aspirational districts. The Committee further note that DoP have initiated the process of implementing NEFT/RTGS inter-banking functionality for POSB customers for achieving the goal of financial inclusion in net banking, mobile banking. Further, all remaining POs along with their linked Branch Post Offices which are presently working on non-CBS will be brought to the platform of Core Banking System within 2022 which would bring the geographically challenged areas under Anytime – Anywhere Post Office Savings scheme further enabling financial inclusion. The Committee while expressing their happiness that some of the physical targets have been achieved recommend that the Department should try to achieve the initial targets. The Committee may be apprised of further progress in this regard.

### ***Minimum Available Balance in Post Office Savings Bank Accounts***

13. The Committee note that there is a requirement of minimum balance of Rs. 500 in Post Office Savings Bank Accounts as prescribed by the Department of Economic Affairs, Ministry of Finance and a lower balance attracts an account maintenance fee of Rs. 50 and closure. The Committee also note that in the year 2019-20, POSB had 36 crore accounts but due to the closure of approx three crore accounts with less than Rs 500 balance and approx four crore accounts that went dormant, the number went down to 29.3 crore in 2020-21. It is a clear manifestation that the policy of MAB is detrimental to the account holders, notably the Jan Dhan accounts. This has a cascading effect on the revenue stream as the remuneration of Rs. 219.23 per account is paid by the Ministry of Finance only for the live accounts. The Committee recommend the Department to follow up with the Ministry of Finance to reconsider the decision and dispense with the requirement of Minimum Available Balance in the larger interest of the deprived populace as this is against the agenda of financial inclusion. The Committee would like to be apprised of the progress made in this regard.

### ***Issues with internet connectivity in post offices***

14. The Committee note that the Post offices have connectivity through two service provides at all locations, primary and secondary (NSP1 and NSP2). The NSP 1 is BSNL/MTNL and NSP 2 is Sify. The Committee further observe that *vide* Department of Telecommunications OM No.19-1/2019-SU-I date 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 are 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 are not constrained for choosing any feasible network service provider including state owned service providers provided

**BSNL/MTNL is unable to provide feasible connectivity. 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. The Department have provided for 4G routers at 15599 locations and RF based connectivity at 1606 locations to improve secondary network connectivity. The Department have informed that 64737 incidents of link failure have been reported during 2021-22 for NSP1 and 15134 for NSP 2 during 2021-22. The Committee find the numbers to be exceptionally high and recommend that secondary connectivity may be provided through other private NSPs through a transparent bidding process. The Committee need not emphasise that uninterrupted connectivity is a pre-requisite for the Core Banking system to reach the Technically Not Feasible locations. Considering the fact that BSNL/MTNL have not yet upgraded to 4G, the Committee recommend the Department of Posts to approach the Department of Telecommunications for a relaxation in the mandate in order to set them at liberty for the grant of NSP1 contract to service providers other than BSNL/MTNL. This will help the Department ensure round the clock seamless connectivity through the length and breadth of their postal network.**

**New Delhi;  
16 March, 2022  
25 Phalguna, 1943(Saka)**

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

**STANDING COMMITTEE ON COMMUNICATIONS AND INFORMATION TECHNOLOGY  
(2021-22)**

**MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE**  
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The Committee sat on Thursday, the 24 February, 2022 from 1430 hours to 1530 hours in Committee Room No. 2, Extension to Parliament House , New Delhi.

**PRESENT**

**Dr. Shashi Tharoor -Chairperson**

**MEMBERS**

***Lok Sabha***

2. Smt. Raksha Nikhil Khadse
3. Shri P. R. Natarajan
4. Col. Rajyavardhan Rathore
5. Shri Sanjay Seth

***Rajya Sabha***

6. Dr. Anil Agrawal
7. Shri John Brittas
8. Shri Syed Nasir Hussain
9. Shri Syed Zafar Islam
10. Shri Jawhar Sircar

***SECRETARIAT***

- |    |                       |   |                  |
|----|-----------------------|---|------------------|
| 1. | Shri Y.M. Kandpal     | - | Joint Secretary  |
| 2. | Dr. Sagarika Dash     | - | Director         |
| 3. | Shri Shangreiso Zimik | - | Deputy Secretary |

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

Sl. No.	Names	Designation
1.	Shri Vineet Pandey	Secretary (Posts)
2.	Shri Alok Sharma	Director General (Posts)
3.	Ms. Aindri Anurag	Member (Operations)
4.	Ms. Smita Kumar	Member (Tech.)
5.	Shri Anil Kumar Nayak	AS&FA
6.	Shri G. K. Padhy	Sr. DDG (PAF)
7.	Shri Ajay Kumar Roy	CGM (Parcel)
8.	Ms. Smriti Sharan	DDG(Establishment)
9.	Ms. Pratibha Nath	DDG(PG)
10.	Shri R Anand	DDG (PMU)
11.	Shri Arvind Verma	DDG (Personnel)
12.	Shri Rajesh Singh	DDG(RB & Planning)
13.	Dr. (Ms.) Amarpreet Duggal	DDG (Estate)
14.	Sh. Raj Kumar Mishra	GM (PLI Dte.)
15.	Shri Pawan Kumar Singh	DDG(FS)
16.	Shri Aman Sharma	Secretary (PSB)
17.	Shri Dushyant Mudgal	DDG (MO)

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 (2022-23) of the Department. He drew their attention to various issues concerning the Department viz. poor status of utilization of funds during 2021-22 under both Revenue and Capital Section, increasing gross expenditure and revenue deficit, projection of diminished revenue and diminished recovery, expanding business opportunities of Post offices by taking up non-postal activities citing examples of other developed countries, leveraging huge post office network for Government's benefit and public convenience, Anytime-Anywhere Post Office Savings Scheme, key learnings from the pandemic, new initiatives taken by the Department to ensure last mile delivery, integration of railway networks for the movements of parcels, etc.

3. Thereafter, the representatives of Department of Posts made a brief power point presentation highlighting the financial performance of the Department, Central Sector Schemes, Financial Inclusion through Post Office Savings Schemes, expansion of India Post Payments Bank, growth in PLI and RPLI corpus, Revenue earned through speed post and parcels, citizen centric services offered by initiatives like post office at doorsteps, etc. The powerpoint presentation also highlighted new post office buildings constructed in the current FY, preservation of heritage buildings, budget announcements on the Anytime-Anywhere Post Office Savings Scheme which involves bringing 100 % post offices on the Core Banking Systems enabling financial inclusion, access to savings accounts through Netbanking, Mobile Banking, ATMs and online transfer of funds between post office accounts and bank accounts, etc.

4. The Secretary informed the Committee of the initiatives taken by the Department in opening of post offices in LWE districts, issue/ updation of Aadhar and Passport through post offices, development of postal road transport network, tie up with the GeM portal, selling of Prasadam and other perishables like mangoes through Post offices. Members raised issues such as expansion and repositioning of Parcel network, decrease in revenue under philatelic ancillaries, exploiting the locational advantage of postal network, construction and maintenance of real estate, Railway Mail service, problems in internet connectivity in post offices especially in Technically Not Feasible locations, recruitment and position of vacancies in the Department, etc. which were replied to by the representatives.

5. The Chairperson, then, thanked the representatives of the Department of Posts for depositing before the Committee.

The witnesses then withdrew.

Verbatim proceedings of the sitting have been kept on record.

**The Committee, then, adjourned.**

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**STANDING COMMITTEE ON COMMUNICATIONS AND  
INFORMATION TECHNOLOGY  
(2021-22)**

**MINUTES OF THE FIFTEENTH SITTING OF THE COMMITTEE**  
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The Committee sat on Wednesday, the 16<sup>th</sup> March, 2022 from 0930 hours to 1050 hours in Committee Room B, 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.** Ms. Locket Chatterjee
- 7.** Shri Karti P. Chidambaram
- 8.** Smt. Sunita Duggal
- 9.** Dr. Sukanta Majumdar
- 10.** Shri Parvesh Sahib Singh

***Rajya Sabha***

- 11.** Shri Y. S. Chowdary
- 12.** Shri Syed Nasir Hussain
- 13.** Shri Syed Zafar Islam
- 14.** Dr. Anil Aggarwal
- 15.** Shri John Brittas
- 16.** Shri Suresh Gopi

## **SECRETARIAT**

1. Shri Y.M. Kandpal - Joint Secretary
2. Dr. Sagarika Dash - 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 (2022-23) relating to the Ministries/Departments under their jurisdiction.

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

- (i) xxxxxx.....xxxxxx.....xxxxx\*
- (ii) Draft Report on Demands for Grants (2022-23) of the Ministry of Communications (Department of Posts)
- (iii) xxxxxx.....xxxxxx.....xxxxx , and
- (iv) xxxxxx.....xxxxxx.....xxxxx

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.

**The Committee, then, adjourned.**

\*Matter not connected to the Report