

REPORT

CHAPTER I

This Report of the Standing Committee on Information Technology deals with the action taken by the Government on the Observations/ Recommendations of the Committee contained in their Fifty-sixth Report (Fourteenth Lok Sabha) on Demands for Grants (2008-09) of the Department of Posts.

2. The Fifty-sixth Report was presented to Lok Sabha on 16 April, 2008 and was laid on the Table of Rajya Sabha on 15 April, 2008. It contained 53 Observations/Recommendations.

3. Action Taken Notes in respect of all the Recommendations/ Observations contained in the Report have been received and categorised as under:

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

Para Nos: - 1, 2, 3, 6, 7, 8, 13, 17, 19, 20, 25, 26, 29, 31, 32, 35, 36, 37, 39, 40, 41, 42, 43, 44, 45, 46, 48, 49, 50, 51 and 52

Total: 31

Chapter-II

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

Para Nos: - 18, 21, 24 and 33

Total: 04

Chapter-III

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

Para Nos: - 5, 10, 11, 12, 14, 15, 16, 27, 28 and 53

Total: 10

Chapter-IV

- (iv) Observations/Recommendations in respect of which replies are of interim nature:

Para Nos: - 4, 9, 22, 23, 30, 34, 38 and 47

Total: 08

Chapter-V

4. The Committee trust that utmost importance would be given to the implementation of the Observations/Recommendations accepted by the Government. In cases, where it is not possible for the Department to implement the recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation. The Committee further desire that Action Taken Notes on the Recommendations/Observations contained in Chapter-I and final action taken replies to the recommendations contained in Chapter-V of this Report should be furnished to them at an early date.

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

I. REVENUE RECEIPTS

Recommendation (Para No. 5)

6. While noting the slow growth in the Revenue Receipts of the Department during the Tenth Five Year Plan, the Committee in the earlier recommendation had exhorted the Department to intensify their efforts commensurate with the customer requirements, if the Department want to remain a serious player in the market.

7. The Department in the action taken reply have stated as follows:

“The overall revenue receipts of the Department during the last five years have been as under.

(Rs. in crore)

Year	Revenue Receipt	% increase over the previous year
2003-04	4256.93	
2004-05	4431.85	4.11
2005-06	5023.49	13.35
2006-07	5322.44	5.95
2007-08	5488.00	3.11

The Department have developed a market outlook to effectively respond to the business challenges with a view to increase the Revenue Receipt of the Department. Various steps being undertaken by the Department to respond to the market challenges are as below:

The Department of Posts are providing market oriented products like Speed Post, Business Post, Express Parcel Post, Bill Mail Service, Direct Post, Logistics Post and various e-enabled services like e-Post, e-Payment and Instant Money Order Service.

Customized solutions and value additions are being provided in response to specific requirements of customers. The various value additions introduced are as below:

- Collection from customers' premises
- Credit facility for corporate customers
- Volume based discount
- Internet based Track and Trace system is available to find out the status of delivery of Speed Post articles.

The revenue earned from the various premium products has been in increasing trend. Further, the following initiatives have been taken during the last few years to increase the revenue of the Department as also their customer base.

- (i) Instant Money Order Service
- (ii) International Money Transfer Service
- (iii) Retailing of Mutual Fund
- (iv) Distribution of non-life products of Oriental Insurance Co.
- (v) Field Postal Orders
- (vi) Implementation of NREGA and National Old Age Assistance Programme through Post Offices
- (vii) Setting up of Postal Finance Marts (PFMs).
- (viii) Electronic Clearing Service
- (ix) Dematerialization of National Savings Certificates/*Kisan Vikas Patra*.

As regards, business from Postal Life Insurance and Rural Postal Life Insurance, the Fixed Rate of Remuneration received by the

Postal Department from PLI and RPLI operations from 2005-06 onwards are as follows:—

(Rs. in Lakh)

	PLI	RPLI	Total
2005-06	7559	4746	12305
2006-07	10077	6885	16912
2007-08	13033	6726	19759

There is increasing trend in PLI/RPLI business and following steps have been initiated for further growth in business:

- (i) Recruitment of additional Direct Agents
- (ii) Increased publicity activities
- (iii) Sensitizing Senior Officers through workshop and training to Field Staff.

However, the valuable advice of the Committee is well taken and suitable action will be taken.”

8. The Committee note that even when the Department have claimed an increase in the revenue earned from the various premium products, the said increase has not made any concrete impact on the overall position of revenue receipts. The growth in the revenue receipts, which was 5.95 percent during the year 2006-07 has declined to 3.11 percent during the year 2007-08. Besides, there is a shortfall of Rs. 219.20 crore (R.E. being Rs. 5707.20 crore and Actuals being Rs. 5488 crore) in the actual revenue receipts during the year 2007-08 as compared to the projection made at the Revised Estimates stage. Further, even when the fixed rate of remuneration from RPLI has declined from Rs. 6885 lakh during the year 2006-07 to Rs. 6726 lakh during the year 2007-08, the Department have claimed that there is an increasing trend in RPLI business. The reply indicates a sense of complacency on the part of the Department. The Committee, while reiterating their earlier recommendation would like the Department to take all desired initiatives to make their products competitive. Besides, the Committee feel that all the actions taken by the Department in this regard, should actually boost the overall revenue receipts of the Department.

9. The Committee, further find the discrepancy in the data furnished in the Action Taken Notes with regard to the amount

realised on account of PLI and RPLI business during the year 2006-07 and 2007-08. In reply to the recommendation in question, the said data has been given as Rs. 169.12 crore for the years 2006-07 and Rs. 197.59 crore for the year 2007-08. At another place, in reply to recommendation of para no. 7, the said data has been indicated as Rs. 160.37 crore and Rs. 200.47 crore respectively. The Committee would like the Department to clarify the actual position in this regard.

II. RATE OF REMUNERATION FOR SAVINGS BANK AND CASH CERTIFICATES

Recommendation (Para No. 6)

10. The Committee, in their earlier Report had observed that one of the reasons for lesser Revenue Receipts of the Department, was the Government not honouring the recommendation of the Expert Committee of the Ministry of Finance (MoF) set up in 1993-94 for a hike of ten percent per annum in the rate of remuneration for the agency functions performed by the Department of Posts on behalf of MoF for Savings Bank and Cash Certificate activities. The Committee had recommended that the Department of Posts should continue their efforts to secure the recommended hike of ten percent per annum in order to be compensated reasonably for the agency functions being discharged by them.

11. The Department in their Action taken Note have stated that they are pursuing with the Ministry of Finance to restore increase in the rate of remuneration to 10% as recommended by Expert Committee. In this regard, Secretary, Posts has addressed Finance Secretary with copy to Secretary, Banking on 25.02.2008.

12. The Committee in their earlier Reports, have repeatedly been exhorting the Department to take up the matter with MoF to get the ten percent per annum incremental remuneration as recommended by the Expert Committee. While examining the Demands for Grants (2008-09), the Committee found that as a result of the persistent efforts of the Department, the rate of remuneration for the year 2008-09 was increased to 4.6 percent against 3 percent during the previous fiscal which, however, still is nowhere near the ten percent as recommended by the Expert Committee. In view of the commendable services rendered by DoP on behalf of MoF, the Committee find no reason behind the reluctance of the Ministry of Finance to honour the recommendation of their own Expert Committee. The Committee would like to be apprised of the reasons

as to why Ministry of Finance has not so far agreed to the recommendation of the Expert Committee. The Committee, therefore, would like the Department to continue their efforts and pursue the matter forcefully with the Ministry of Finance so as to secure the 10 percent per annum increase as recommended by the Expert Committee.

III. CAPITAL EXPENDITURE

Recommendation (Para No. 10)

13. Concerned with the highly disconcerting gross under-utilisation of funds meant for Capital expenditure throughout the Tenth Plan period and also in the first year of the Eleventh Plan, the Committee in their earlier Report had desired that the Department should take urgent corrective steps to stop this alarming trend and ensure prudent and optimal utilisation of the allocation of Rs. 426.61 crore during the year 2008-09 towards capital expenditure.

14. The Department in their Action Taken Note have stated that during the year 2007-08, the allocation of funds under Capital Section (Plan) was reduced proportionately from Rs. 228.21 crore to Rs. 198.21 crore. At the final grant stage, the Capital allocation was further reduced and retained at Rs. 164.63 crore as per the requirement of the Department. Annual Plan 2007-08 being first year of the Eleventh Plan, approval for the Schemes had to be obtained from the competent authority before implementation of the Schemes, which took time hence there was low booking till December 2007. Funds to the extent of Rs. 98.09 crore have been booked upto March 2008.

15. It has been further stated that during 2008-09 the Department have already initiated action for early processing of Expenditure Finance Committee (EFC)/Standing Finance Committee (SFC) memos and obtaining the approval of the Schemes at the earliest in order to implement the Schemes by early July, 2008. A fast track monitoring cell has also been set up at the Directorate level for monitoring of the implementation of the Schemes by fixing a stipulated time frame at each stage. Circles have also been instructed to monitor the implementation of the Schemes by fixing timeframes at Circle level and also of booking the expenditure under correct account head. Thus, Department hope to utilise the approved Outlay of Rs. 600 crore fully.

16. The Committee are concerned to observe that there have been consistent shortfalls on the part of the Department on the Capital expenditure side throughout the Tenth Plan and during the first

year of the Eleventh Plan. These are mainly on account of the delay or non-receipt of necessary approvals for the various Schemes from the competent authorities. The Committee have always been emphatic that procedural requirement like necessary approvals of competent authorities, etc. should be obtained well in time. This not only ensures that the Annual Schemes/Projects take off as per schedule but the Capital expenditure is also optimised. It seems that the Department, unfortunately, did not pay much heed to the concerns of the Committee and as a result there is continuous underspending on Capital side throughout the Tenth Plan and also in the first year of the Eleventh Plan. Now, that an assurance has been given that during 2008-09 all measures are being taken to obtain early approvals and a monitoring cell has been set-up at Directorate level to oversee the implementation of the Schemes within a definite time frame, the Committee hope that there would be no shortfalls in Capital expenditure during the ongoing fiscal. The Committee further desire that such prudent measures should also be persisted with beyond 2008-09 so that Capital expenditure is optimal during the remaining years of the Eleventh Plan.

IV. BUDGETARY ALLOCATION FOR THE NORTH-EASTERN REGION

Recommendation (Para Nos. 11 & 12)

17. Observing nil physical achievement in the North East Region with regard to six important Schemes *viz.* Departmental Post offices, Extra Departmental Post Offices, *Panchayat Sanchar Sewa Kendras*, Computerisation of Postal Account Offices, Administrative Offices and Staff Quarters and consequentially no expenditure upto January, 2008 during the financial year 2007-08, the Committee had recommended that besides ensuring mandatory allocations of 10 percent of the total Outlay towards the North East Region, the Department should see to it that the Outlay was meaningfully utilised there. The Committee specifically drew the attention of the Department towards 190 pending proposals (as on Jan. 2008) for setting up of Post Offices in the North East Region.

18. The Department in their Action Taken Notes have submitted as follows:

“During the Tenth Plan, the achievement of physical targets were nil under the following activities during some years of the Plan period—

For the Plan activities—Departmental Post Offices, Extra Departmental Post Offices and *Panchayat Sanchar Sewa Kendras* the EFC committee had approved these Schemes only for the first two years of the Plan period and there was no operation of the Schemes for the last three years of Tenth Plan and no physical targets were fixed, therefore, the achievement is also nil. The expenditure incurred during the last three years was the recurring expenditure incurred on opening of *Panchayat Sanchar Sewa Kendras*.

In respect of Computerisation of Postal Accounts Offices—There are only 2 PAOs in North East region and both the PAOs were computerised during the third year *i.e.* 2004-05. As there was no other PAOs left for computerisation there was no physical or financial targets fixed or achieved during the last 2 years of the Plan period.

In respect of computerisation of Administrative Offices and construction of staff quarters also, the targets fixed during the Tenth Plan period was completed during the first 3 years and no such proposal was received from the Circles during the last 2 years. The physical targets achieved have been shown as nil.

During the year 2007-08, the expenditure incurred under North East upto January 2008 was shown as 'nil' as all the expenditure of the Department will be booked under the common head of account 3201 and 5201. The bifurcation of the expenditure of the North East will be compiled after the accounts are finalised and on obtaining the details of expenditure from Assam and North East Circle. However, funds to the extent of Rs. 13.74 crore have been booked so far in NE region as against the BE allocation of Rs. 31.34 crore. The final figures are yet to be firmed up. It is hoped that the funds allocated at BE stage will be fully utilised.

During 2008-09 funds to the extent of Rs. 60 crore have been earmarked for NE region out of the BE allocation of Rs. 600 crore thus ensuring that the mandatory allocation of 10 percent of the total Outlay is earmarked for NE region and Department are aiming at utilisation of the amount fully."

The Department have further stated:—

"All the proposals pending for opening of Post Offices in North East Circle have been examined. Out of 235 proposals, 45 have been found justified as per prescribed norms. The other 190 proposals have also been examined but these have not been

found justified. Opening of 45 justified Post Offices is under consideration. A meeting of the Standing Finance Committee (SFC) on the Plan Scheme "Access to the Postal Network" for the Eleventh Five Year Plan was held recently. It was decided to take up the matter for appointment of 3000 *Gramin Dak Sevaks* for manning new Extra Departmental Post Offices proposed to be opened throughout the Country, with the Ministry of Finance, Government of India. The opening of new Branch Post Offices may take some time."

19. The Committee note that funds to the extent of Rs. 13.74 crore has been booked so far in the North East Region as against the 2007-08 BE allocation of Rs. 31.34 crore. The Department, reportedly, hope that funds allocated at the 2007-08 BE stage would be fully utilised. The Department have further stated that during the year 2007-08, the expenditure incurred in the North East upto January, 2008 was shown as 'nil' as the bifurcation of the expenditure in the North East would be compiled after the accounts are finalised and on obtaining the details of expenditure from Assam and the North East Circle. The Committee are surprised to observe that even on 31 July, 2008 (the date mentioned in the Action Taken Notes furnished to the Committee), the bifurcation of expenditure in the North East Region for the 2007-08 fiscal was yet to be compiled. They fail to understand when ten per cent mandatory allocation of the total Outlay is earmarked for the North East Region, why bifurcation of expenditure has not been compiled three months after the financial year 2007-08 ended. Needless to say, timely compiling of exclusive expenditure towards the North East Region would be a great help to the Department in working out any perspective plans for the Region and also in taking corrective measures as required to provide the requisite postal facilities there. The Committee, therefore, exhort the Department to ensure that from 2008-09 onwards, bifurcation of expenditure in the North East Region should be timely compiled so as to ensure that the norm of ten per cent allocation to the North East Region is followed in letter and spirit and the USO obligations of the Department are met in an efficient and effective manner.

20. The Committee were apprised in March, 2008 that out of the 235 proposals for setting up of Post Offices (as on January, 2008) in the North Eastern Region, 45 were found justified and the remaining 190 proposals were under consideration of the Department. Now, in their Action Taken Note submitted to the Committee in August, 2008, the Department have stated that all the aforesaid 190 pending

proposals were not found justified. To make the matters worse, due to the focus of the Department on the matter of appointment of *Gramin Dak Sevaks* for proposed Extra Departmental Post Offices, the opening of even the 45 justified Post Offices will be delayed further. The Committee are unhappy with the laid back attitude of the Department as inspite of assurances to the contrary, nothing concrete could be achieved in the entire first year of the Eleventh Plan and the precious 4/5 months of the ongoing fiscal. The fact that even the 45 justified POs are getting delayed because of shift in priorities of the Department, shows that desired attention is not being given to the much neglected North East Region. Notwithstanding the new found logic of the Department, the Committee would like to impress upon them to adhere to a definite and early time frame for opening of the justified Post Offices. Besides, the Committee find it inexplicable that none of the 190 proposals which were stated to be under consideration at the stage of examination of Demands for Grants has found favour with the Department. The Committee would like the Department to reconsider the rejection of 190 cases so as to see that the Post Offices which do not require substantial relaxation from the specified norms are also opened under a time bound programme. The Committee would like to be apprised of the precise action taken in this regard.

V. UTILISATION OF PLAN OUTLAYS

Recommendation (Para Nos. 14, 15 & 16)

21. The Committee in their earlier Report had observed that out of the proposed Outlay of Rs. 3619.83 crore for different Plan Schemes during the Tenth Plan, the Department got Rs. 1350 crore, out of which only Rs. 874.67 crore could be utilised. Having noticed that although the financial targets were under achieved, the Department could achieve almost cent per cent physical targets and not convinced with the Department's explanation for this anomalous situation, the Committee had recommended that realistic estimates be made for the Annual Plans and Five Year Plans and full utilisation of the scarce resources for different Plan Schemes be ensured. The Committee had further observed that during the year 2007-08, out of the allocated sum of Rs. 315 crore, the Department could utilise Rs. 38.13 crore only *i.e.* 12.10 per cent of the allocation. The Committee also noted with dismay that during the aforesaid year, the physical achievements under the major Scheme 'Access to the Postal Network' *viz.* Branch Post Offices (BOs), Sub-Post Offices (SPOs), Departmental Sub-Offices (DSOs) and Franchisee Outlets were 'nil'. Taking note that there were serious problems in the whole planning process and first two years of each

Five Year Plan were wasted in obtaining various clearances/approvals, etc., the Committee had recommended that all formalities like evaluation and restructuring of the Schemes, obtaining various clearances, etc. should be done well before 1 April of the First Year of each Five Year Plan so that the targets are realistically achieved. Because of the obvious ramification of such a step on the planning process in general, the Committee had also desired that their concerns be communicated to the Ministry of Finance/Planning Commission as well as the Cabinet Secretariat.

22. The Department in their Action Taken Note have stated as under:

“All the proposals are projected keeping in pace with the current trend, customer requirements and the Department’s network availability and the proposals for the five year Plan period are processed keeping the above facts in view. Further, Department intend to induct technology to meet the current challenges faced. The Annual Plan estimates are projected keeping in view the total Outlay approved for the Plan period, funds spent so far, and the remaining funds to be proportionately spread over the leftover years. Thus, the estimates projected during the Annual Plans are realistic. The Department are making all efforts for fuller utilisation of funds allocated.”

The Department have further stated:

“Annual Plan 2007-08 is the first year of the Eleventh Plan. The process for obtaining the approval for the Schemes could be initiated only after the finalisation of the Outlays. Thus, the first half of the year was focused only on obtaining the approvals for the Schemes from the competent authority. The expenditure, whatever has been incurred, is only on the spillover payments of the Tenth Plan. However, as and when the Schemes got approved, the implementation process has been initiated and funds are being utilised. Funds to the extent of Rs 98.09 crore have been utilised so far and the final figures are yet to be firmed up.

The achievement of physical targets has been shown as nil in respect of the Plan activities—Branch Post Offices (BOs), Sub Post Offices (SPOs) Departmental Sub-Offices (DSOs) and franchise outlets as the Scheme is yet to be approved. The SFC memo has been circulated amongst the committee members for comments. Pending the approval of the Scheme, action could not be initiated for implementation of the Scheme. However, it is ensured that the

Scheme will become effective from the current year and the Department hope to achieve the targets fully.”

23. The Department have also submitted that the views of the Committee would be communicated to the Ministry of Finance/ Planning Commission/Cabinet Secretariat.

24. The Committee are not inclined to accept the Department’s statement that the estimates projected during the Annual Plans are realistic. Notwithstanding the Department’s plea, that induction of technology to meet the current challenges and the falling prices of equipment resulted in lesser expenditure, the 100 per cent achievement of physical targets in the Tenth Plan by spending less than 65 per cent of allocation, is a clear pointer towards unrealistic planning. The very same thing has been repeated during 2007-08 *i.e.* the first year of the Eleventh Plan. The Committee, therefore, recommend that the Department should henceforth ensure that a reasonable coherence is maintained between the financial projections/ allocations and the physical targets/achievements so that precious funds are not stuck without justifiable reasons.

25. The Committee find that during the year 2007-08, the achievement of the Department in some of the Plan activities like Branch Post Offices, Sub-Post Offices, Departmental Sub-Offices and Franchise Outlets has been nil as on January, 2008 for want of approvals for the Schemes. The Department’s plea that the Schemes would become effective in the current year *i.e.* 2008-09 does not convince the Committee in view of the persistent delays in approvals for the Schemes over the years. Therefore, instead of giving mere assurances, some mechanism ought to be evolved and put in place at the earliest so that all the necessary approvals/clearances from various competent authorities are obtained in time for maximum achievement of the earmarked physical targets. This would require inter-ministry/agency consultation as stated in their previous Report and the Committee would like their concerns in the matter to be conveyed to the Ministry of Finance/Planning Commission/Cabinet Secretariat at the earliest.

VI. AUTOMATIC MAIL PROCESSING CENTRES (AMPCs)

Recommendation (Para Nos. 27 & 28)

26. The Committee, in their earlier Report had observed that the Department planned to set up two AMPCs at Kolkata and Delhi and Rs. 71.05 crore were allocated for the purpose during the Tenth Plan.

In response to the global tender floated, two bids were received. One bid which was found technically qualified was later on cancelled and re-tendering could not be done as the time left in the Tenth Plan was too short. The Committee on finding out that, even when the bid failed and nothing concrete could be done, the Department had still utilised Rs. 12.10 crore during the Plan period. The Committee as such desired to be apprised of the details of the expenditure. Further, concerned with the poor response by the bidders and having been apprised that a meeting with machine manufacturers was held in December 2007 to sort out the matter, the Committee desired to be apprised of the outcome of the aforesaid meeting.

27. The Department in their Action Taken Note have submitted the details of expenditure during the Tenth Plan in the following table:

Plan	Amount (Rs. in crore)	Remarks
2002-03	11.15	In the first year, Rs.11.15 crore was spent on building component for Delhi and Kolkata sites.
2003-04	0.60	Paid on account of arrears of bills.
2004-05	0.15	- do-
2005-06	0.14	- do-
2006-07	0.06	- do-
Total	12.10	

28. The Department have also stated that the Plan Scheme of 'Setting up of Automatic Mail Processing Centers' is yet to be approved by the Expenditure Finance Committee. The process for re-tendering for setting up of AMPCs at Delhi and Kolkata is also underway. The meeting held in December 2007 was primarily an attempt to interact with the prospective bidders before action on setting up of AMPCs could be taken. No apparent reason was given by the manufacturers who attended the meeting.

29. The Committee find it highly unsatisfactory that the Plan Scheme of 'Setting up of Automatic Mail Processing Centres' at Kolkata and Delhi which was to be implemented way back in the Ninth Plan is still at conceptual state. The Scheme is yet to be approved by the Expenditure Finance Committee and the retendering process for setting up of AMPCs at Delhi and Kolkata is also moving

at snail's pace. In the meantime, inexplicably, the Department have already spent Rs. 12.10 crore during the Tenth Plan towards building component for Delhi and Kolkata sites. Such sorry state of affairs is indicative of the Department's callous attitude and inaction in implementing such an important Scheme. Given the imminent value addition to the mail services including an effective delivery system that the proposed AMPCs will bring about, the Committee impress upon the Department to expeditiously obtain approval from the EFC, complete the retendering process and set up the AMPCs at Delhi and Kolkata without wasting time.

VII. REGULATORY MECHANISM

Recommendation (Para No. 50)

30. Having observed the increasing responsibilities of the Department in postal operations and a wide gamut of financial activities, the Committee in their Fifty-sixth Report had recommended that the Department should consider setting up of a regulatory mechanism to bring in more accountability and transparency in the services rendered by the Department.

31. The Department in their Action Taken Note have stated that the PLI/RPLI are exempted insurers under section 118 (c) of the Insurance Act (1938) and also under Section 44(d) of the LIC Act (1956). These Schemes do not come under the purview of IRDA Act (1999), and consequently, not regulated by IRDA. It has been further stated that the views of the Committee will be communicated to the Government.

32. The Committee are well aware of the fact that the PLI/RPLI Schemes do not come under the purview of IRDA Act, 1999 and that is one of the reasons why in their earlier Report, it was recommended that some sort of regulatory mechanism should be put in place to oversee and regulate the various activities being undertaken by the Department so that accountability, transparency and efficient delivery of services could be ensured. The Committee hope that their concern would be earnestly taken up at the appropriate fora as assured.

VIII. GENDER BUDGETING

Recommendation (Para No. 53)

33. In their Fifty-sixth Report, the Committee had observed that although the Gender Budget Committee of the Department had been

formed and (i) Training (ii) Postal Network (construction) and (iii) Control and Supervision of Circle Office Schemes had been identified for gender budgeting, yet gender specific allocations in these Schemes was not feasible, according to the Department. Appalled, as to why such Schemes where gender based budgeting was not feasible, had been identified for the purpose, the Committee had desired that the Department should make concerted attempts to identify Schemes where gender specific allocations were possible and apprise the Committee of concrete workable proposals at the earliest.

34. The Department in their Action Taken note have stated that the Plan Schemes implemented by the Department are of such nature, the bifurcation of the Plan fund allocation exclusively for women cannot be identified. The Schemes are implemented for the Country as a whole and the postal services are easily accessible by all citizens of the Country, which include women also. However, efforts are being made by the Department to identify some of the Schemes with gender specifications.

35. The Committee feel that either the Department could not comprehend the essence of their recommendation or an effort has been made to paper over a glaring failure. What the Committee, in their earlier Report, had desired was that the Department should make concerted efforts to identify Schemes for the employees of the Department where gender budgeting was feasible. The three Schemes previously identified for gender budgeting by DoP and in which finally they said gender budgeting was not feasible, were all departmental Schemes meant for their employees. The Committee, therefore, desire that the Department should formulate concrete and workable proposals post-haste for the welfare of their women employees and resort to gender specific budgeting which has remained neglected for many years.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 1)

The Department of Posts (DoP) under the Ministry of Communications and Information Technology are entrusted with the task of fulfilling the Universal service obligation for providing basic postal services throughout the country, irrespective of terrain at an affordable price. To fulfil this obligation, the Department have an elaborate network, of 1,55,204 Post Offices. Of these 1,25,439 are Branch Post Offices catering exclusively to the rural areas. Besides providing postal services, Post Offices perform, certain agency functions on behalf of other Ministries/Departments of the Government of India/other organisations. The earnings of the Department are in the form of "Revenue" and "Recoveries", The deficit of the Department is met from the Budgetary Support by the General Revenues. Similarly, the Capital Expenditure of the DoP is also met from the General Revenues. The Demands for Grants of the DoP is also met from the General Revenues. The Demands for Grants of the Department of Posts for the year 2008-09 is Rs. 7989.01 crore, Rs. 7562.40 crore under the Revenue Section (inclusive of Rs. 24 lakh charged) and Rs. 426.61 crore under the Capital Section. The various aspects arising out of examination of the Demands for Grants of DoP for the year 2008-09 by the Committee are dealt with in the succeeding paragraphs.

Action Taken by the Government

Rates of postal services as a part of the USO are fixed by the Parliament. 1,55,204 Post Offices are functioning to provide postal services to every citizen of India.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt(PA)
dated 31-07-2008]

Recommendation (Para No. 2)

The Committee find that the gross expenditure under the Revenue Section has been increasing year after year. It has risen from Rs. 6429.15 crore in 2005-06 to Rs. 7291.79 crore in 2007-08 (RE) and has been projected at Rs. 7562.40 crore in 2008-09. The Department have attributed the rising trend in the gross expenditure to the expenditure incurred on salaries, pensionary charges, dearness allowance,

operational expansion for mail delivery, business promotions for revenue enhancement, etc. While the Committee are aware of the constraints being faced by the Department in controlling the expenditure under Revenue Section, they desire that DoP should devise some mechanism to effectively monitor the expenditure under different heads so as to keep a control over the same as far as possible.

Action Taken by the Government

The Department has been continuously instructing the circles/units responsible to incur expenditure to observe strict economy and to adhere to the guidelines/instructions issued to observe cut and austerity measure while incurring Non Plan expenditure so that the same may be reduced to the extent possible. The instructions have been issued for the year 2008-09 also as per O.M. No. 7(1) E. Coord./2008 dated 5-6-2008 issued by the Ministry of Finance. Regular review of expenditures in the Department under different heads of accounts is done by Budget Branch at the Directorate and CPMGSG at, Circle level to see that the expenditure is within allotment of funds against the relevant head. Any excess expenditure beyond the allotted fund is promptly taken up with the sanctioning authority to arrest it in ensuring month. Allotment of fund against the requisition is also done after applying reasonable cut.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt.(PA)
dated 31-07-2008]

Recommendation (Para No. 3)

In this context, an analysis of the hike under different heads of the Revenue Section by the Committee revealed that a major hike has been under the Head 'Foreign Travel Expenses' where the proposed expenditure during the year 2008-09 is about 140 per cent more than the enhanced RE allocation of 2007-08. The Department have stated that they propose to impart training in the best practices to the officials to give them international exposure. Besides, the proposed expenditure is on account of regular visits to different countries for sitting the inbound and outbound business to meet the ambitious targets to achieve from the global business. While the Committee are indeed in favour of brining professionalism in the Department they, at the same time, also expect the Department to achieve tangible results thereof commensurate with the expenditure incurred.

Action Taken by the Government

The hike in the "Foreign Travel Expenses" is mainly due to India Post assuming more and more responsibilities in various international postal forums especially that of the Universal Postal Union and APPU. The Department has increased its efforts to foster closer ties with prominent postal administrations with the aim of increasing business. Today India Post is looked upon as the leading member from the developing member countries and closer interaction with others in the postal field are the need of the hour which will ultimately result in enhanced business and revenue for the Department.

Further in the XI Five year Plan, an outlay of Rs. 124.92 crores has been allocated for implementation of training schemes under Human Resources Development. It is proposed under this scheme to have a comprehensive program for development of major cadres and training for all the cadres of organization. The programs proposed aim at all round development of the officers in Management, Business Orientation, Quality of Services and Technology Induction.

Mandatory development programs for Postal Service officers are held at intervals e.g. Executive Development Program (EDP), Middle level Development Program (MDP) and Advanced Development Program (ADP). These programs will prepare these officers for higher responsibility. They will also get exposure to foreign Postal Administrations. Training tie ups with other postal administrations are also proposed.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt.(PA)
dated 31-07-2008]

Recommendation (Para No. 6)

The Committee further note that the remuneration for Savings Bank and Savings Certificate constitutes nearly 46 per cent of the revenue of the Postal Department. In this regard, the Committee note that one of the reasons for lesser increase in Revenue Receipts was the Government not honouring the recommendation of the Expert Committee of the Ministry of Finance set up in 1993-94 for a hike of 10 per cent per annum in the rate of remuneration for the services performed by the Department of Posts on behalf of the Ministry of Finance in Savings Bank and Cash Certificate functions. According to DoP, with the continuous pursuance of the issue, the Ministry of Finance have now agreed to increase the rate of remuneration by

4.5 per cent during the year 2008-09. The Committee would like the Department to continue the efforts in this regard to get the hike of 10 per cent per annum as recommended by the Expert Committee so that DoP is compensated reasonably for the agency functions being discharged by them.

Action Taken by the Government

Department of Posts is pursuing with Ministry of Finance to restore increase in rate of 10% as recommended by Expert Committee. In this regard, Secretary, Posts has addressed Finance Secretary with copy to Secretary, Banking on 25.02.2008.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt.(PA)
dated 31-07-2008]

Comments of the Committee

(Please see Para No. 12 of the Chapter-I)

Recommendation (Para No. 7)

The Committee note that the Department of Posts are paid agency charges for the services rendered by them on behalf of other Departments/Organisations like Postal Life Insurances, Pension Payments Western Union Money Transfer Scheme, etc. The Committee note with concern that as against an amount of Rs. 293.25 crore for the year 2007-08 the actual recovery upto January, 2008 was Rs. 28.33 crore only. Further, recovery of about Rs. 20 crore pertaining to the sister Departments/agencies like Telecommunications, Employees Provident Fund, Coal Mines Provident Fund (CMPF), etc. in respect of the past years are still pending. Clearly, this is an unsatisfactory position. The Committee, therefore, recommend that arrears of recoveries due as on 31 March, 2008 against all Departments/Organisations should be worked out and recovery action should be expedited with all concerned. The Committee would like to be informed of the progress in this regard with details within a period of three months.

Action Taken by the Government

Efforts are being made to recover all outstanding dues from Bharat Sanchar Nigam Limited authorities. An amount of Rs. 10 crores has been received in this year as advance from Bharat Sanchar Nigam Limited. Issue of recovery of Audit charges has been solved and claim has been raised against Bharat Sanchar Nigam Limited and Department of Telecommunications.

The position of amounts due from Department of Telecommunications, Employees Provident Fund, Coal Mines Provident Fund as on 31-03-2008 is as follows:

(Rs. in crores)

Sl.No.	Name of the Department	Amount due as on 31-03-2008
1.	Department of Telecommunications	5.15
2.	Employees Provident Fund	19.96
3.	Coal Mines Provident Fund	16.86

This is a continuous process and the matter is being pursued vigorously with the Departments concerned to get the amount recovered. No recovery is due from Western Union.

As regards PLI and RPLI, the agency charges are adjusted every year once in the March Supplementary Accounts. The rate of remuneration is 7% of total premium collected in respect of PLI and 10% of total premium collected in respect of RPLI.

The details of amounts realized by the Department of Posts in respect of PLI and RPLI business for the year 2006-07, 2007-08 are as follows:

(Rs. in crores)

2006-07	Rs. 160.37
2007-08	Rs. 200.47

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt.(PA)
dated 31-07-2008]

Recommendation (Para No. 8)

The Committee note that the revenue deficit of DoP was Rs. 1375.22 crore during the year 2003-04, Rs. 1381.84 crore in 2004-05, Rs. 1209.88 crore in 2005-06 and Rs. 1317.66 crore in 2006-07. Further during the year 2007-08, the deficit was to the tune of Rs. 3278.54 crore upto January, 2008 which the Department hoped to bring down to Rs. 1291.34 crore as proposed at Revised Estimates level. During the year 2008-09, the Budget Estimates for revenue deficit are for Rs. 1135.74 crore. The revenue expenditure of the Department during the year 2008-09 may increase further with the implementation of the recommendations of the Sixth Pay Commission. All these facts clearly establish that the

efforts of the Department to reduce the revenue deficit urgently require a new thrust and direction. The Committee, no doubt appreciate the Universal Service Obligation of the Department to provide efficient and accessible postal services in all corners of the country. However the present day economic scenario warrants self sufficiency. The Department of Posts should therefore in the light of their experience during the Tenth Five Year Plan, devise ways and means to make them commercially viable without compromising with their national obligation.

Action Taken by the Government

The Department has taken initiatives to popularize premium products by offering various customizations and value additions to the major customers. In addition, this Department has worked out various business alliances and partnerships with public and private corporations for leveraging its rural postal network. These services are broadly as below:

- I. The Department has started a pilot to provide financial inclusion in rural areas under the scheme of Business Correspondent in collaboration with the State Bank of India.
- II. A Pilot for extending disbursement of micro credit to self help groups has also been started in collaboration with the National Bank for Agricultural and Rural Development.
- III. The Department has started Passenger Reservation Service in collaboration with the Ministry of Railways.
- IV. The Department is providing a platform to facilitate payment of various bills by the customers for telecommunication companies and other utility service providers.
- V. The Department is distributing financial instruments like Mutual Funds etc on behalf of financial institutions like UTI, SBI, Franklin Templeton Reliance Mutual Funds etc. The Department is also distributing the Non Life products of Oriental Insurance Company Ltd.
- VI. The Department provides the facility of receiving remittances from 205 countries through the International Money Transfer service.
- VII. The disbursement of wages to the beneficiaries of the NREG Act 2005 is done through the post offices in some States.
- VIII. The payment of Old Age Pension under the National Social Assistance Programme is being undertaken by the Department of Posts in some States.

The following initiatives have been taken during the last few years to increase the revenue of the Department thereby reducing the deficit.

- (i) Instant Money Order Service
- (ii) International Money Transfer Service
- (iii) Retailing of Mutual Fund
- (iv) Distribution of Non-life products of Oriental Insurance Co.
- (v) Field Postal Orders
- (vi) Implementation of NREGA and National Old Age Assistance Programme through Post Offices

However, the valuable advice of the Committee is well taken and suitable action will be taken.

The Department through Global Business Division is making specific efforts to devise ways and means to generate revenues without compromising on the Universal Services Obligation. To ensure these, the remuneration for all such international services, which do not involve the USO, are fixed on commercial lines.

Despite the deficit that the DoP has to bear, national obligation of providing postal services to every citizen at an affordable price has not been compromised.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-2008]

Recommendation (Para No. 13)

The Committee appreciate the laudable initiative taken by the Department by Operationalising an aircraft in North-East in August last year even though the old load was only 4 tonnes against the aircraft's capacity of 14 tonnes. The aforesaid initiative was taken even when the aircraft was supposed to run at a loss in order to give better connectivity to the North-East. The Committee further find that even though initially there was loss on account of lower utilisation of capacity, the demand has increased over time as informed to the Committee during the evidence. The Committee feel that similar initiatives by the relaxation of norms are required in the case of these areas particularly when the Government have given top most priority and 10 per cent exclusive allocation is earmarked for these areas.

Action Taken by the Government

Department is making all efforts to provide all basic postal facilities in North East by relaxation of norms. Upto 2006-07 all double handed post offices have been computerised and during 2007-08 the schemes has been extended to computerise all single handed post offices by relaxing the norms exclusively for North east and also to network all the computerised post offices. A freighter Aircraft has been wet leased exclusively for carriage of mails to North East. During 2008-09 funds to the extent of Rs. 60 crores has been earmarked for NE Region out of the BE allocation of Rs. 600 crores and Department hopes to utilise the same fully.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-2008]

Recommendation (Para No. 17)

The Committee further note that the physical targets set during the first two years of the Eleventh Plan are not proportionate to the overall targets set for the Eleventh Plan. For example, under Branch Post Offices, whereas the physical targets under the Eleventh Plan are 3000, the targets fixed during the first two years are just 750 which means that the remaining 75 per cent of the targets would have to be achieved in the 60 per cent of the available period of three years. With the position of achieving nil targets during the first two years, the situation appears to be rather grim. The Committee, therefore, strongly recommend that all out efforts should be made to increase the pace of implementation of various Plan Schemes in the coming years.

Action Taken by the Government

Annual Plan 2007-08 being the first year of the 11th plan, the targets were fixed at minimum, as the 11th plan outlays were not yet approved by Planning Commission. Keeping the time frame required for preparation of SFC/EFC memos and obtaining the approvals and also the time required for implementation of the scheme over the vast network, the targets were fixed at a lower side. However the department ensures that once the schemes are approved implementation can take place in full swing and the targets shall be achieved. All efforts are being made by the Department for obtaining the approval of the scheme by Competent authority.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-2008]

Recommendation (Para No. 19)

The Committee note from the information provided by the Department that on the one side the demand for setting up Post Offices has gone up with the expansion of cities and towns and on the other hand, 89 per cent of the overall postal network incurs loss due to being sub sized. In this context, there is an urgent need to have the proper assessment of the category of the Post Office to be set up in a particular areas so as to avoid chances of relocation. The Department should undertake a proper assessment in this regard keeping in view the existing population in a particular area where a type of Post Office is proposed to be set up. In this context the Committee note that perhaps there is an urgent need to tie up with the *Panchayati Raj* Institutions, who can help the Postal Department in setting realistic plans with regard to setting up of Post Offices in rural areas.

Action Taken by the Government

Relocation of Post Offices is resorted to in certain cases because there are many Extra Departmental Branch Post Offices (EDBOs) in normal rural areas which are located in closer proximity than the prescribed norms of 3 kms. Most of such Post Offices were opened in the past in exercise of discretionary powers. Such powers were later dispensed with. Owing to non-availability of Plan targets for opening of new EDBOs after 2003-04 it was considered essential to relocate those Post Offices (located in closer proximity with each other) not fulfilling the prescribed distance criteria, to other needy areas. Care is being taken not to reduce access in any area.

As regards concern expressed by the Committee on need for tie up with Panchayati Raj institutions in setting realistic plans with regard to opening of Post Offices in rural areas and proper assessment of need for appropriate category of post Offices in a particular area, Circles have been requested to have necessary tie up with the Panchayati Raj institutions in this regard.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-2008]

Recommendation (Para No. 20)

The Committee observe that the Scheme of setting up Franchised Outlets for certain postal functions (except traditional mail, selling stamps and doing Saving Bank transactions) has found favourable

response and these outlets are in fact bringing more business to Post Offices. The Committee trust that the targets for setting up Franchised Outlets during the Eleventh Plan would be fully achieved.

Action Taken by the Government

It is proposed to open 10,000 Franchise Outlets throughout the country in urban areas, upcoming urban centres etc. during the Eleventh Five Year Plan. Every effort will be made to achieve the targets during the Plan Period. So far 336 Franchise Outlets have been opened in the country. Physical targets for opening of Franchise Outlets during the year 2008-09 are being assigned to Circles.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-2008]

Recommendation (Para No. 25)

The Committee further note that the Department aim to have 'any time anywhere banking' in the postal network during the Eleventh Plan whereby a person can operate account from anywhere in the country. The Committee strongly recommend to complete the task of networking of various types of post offices so that the ambitious plan to have 'anytime anywhere banking' can be achieved during the Eleventh Plan.

Action Taken by the Government

Core Banking Solution (CBS) envisages to provide 'Anywhere-Anytime-Any branch banking for Post Office Small Savings Schemes' customers. The objectives of CBS are to streamline existing operations Small Savings Schemes, provide facilities like ATMs, internet, telephone and mobile banking to customers, better Management Information System (MIS) for efficient decision making, faster grievance redressal through Call Centre, etc. All the Departmental Post offices are proposed to network in XI plan which will provide a nation-wide reliable network for providing connectivity to various post offices. This will enable 'anytime anywhere banking'.

Committee's valuable advise on networking the Post Offices is well taken.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-2008]

Recommendation (Para No. 26)

The Committee note that the Department propose to set up and equip 300 Mail Business Centres (MBCs) across the country at the estimated expenditure of Rs. 180 crore. These Centres will function as hub for mail related activities. The Committee further find that the Scheme has already got the approval of the Government and is under finalisation. The Committee recommend that the Scheme should be finalized expeditiously so that the targets of setting up the Mail Business Centres during the year 2008-09 can be achieved.

Action Taken by the Government

The Expenditure Finance Committee (EFC) memo and Detailed Project Report (DPR) on plan scheme for 'Setting up of Mail Business Centres' is under preparation.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-2008]

Recommendation (Para No. 29)

During the Tenth Plan period, DoP had decided to establish a National Data Centre with the objective of networking of various activities of the Department in the Central Data Base. In their earlier Reports, the Committee had commented upon the delay in the setting up of the Centre. The Committee note that at last the National Data Centre has finally been commissioned at New Delhi with a total of 30 high end servers and many applications are already being accessed by the Post Offices through the Centre. The ultimate end of the setting up of the National Data Centre is complete makeover to automation and efficiency. The Committee have been informed in this regard, that the disaster recovery centre is planned to be set up in the case of disaster and recovery of data for which the National Informatics Centre has already been given the task of designing the hardware requirements. During the Eleventh Plan, the Department plan to set up single integrated software which would henceforth create centralized database environment. The Committee would like that topmost priority should be given to setting up the disaster recovery centre within a stipulated time frame so that the objectives behind establishing the Centralized Data base are fully achieved.

Action Taken by the Government

A National Data Centre has been established at NIC-HQ, New Delhi to integrate and hosting applications of the Department for providing network driven value added counter, mail, financial and banking services leading to better customer satisfactions. This will

consolidate the enterprise-wise e-projects reducing cost of IT operations and enhance system resource utilization. The web enabled applications of the Department have been hosted at NDC and are being accessed by the Post Offices. In the next phase of the project, Disaster Recovery Centre is also being set-up at NIC's Disaster Recovery Centre (DRC), Hyderabad.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-2008]

Recommendation (Para No. 31)

The Committee note that as on date DoP are maintaining 17,23,97,269 Postal Accounts involving a total deposit of Rs. 3,51,548 crore in various Saving Schemes of Post Offices. However during the course of oral evidence, the Committee have been informed that although the number of accounts in Postal Saving Banks are increasing, the total money deposited is coming down. This is a matter of concern to the Committee. They wish to point out that various Saving Schemes of Post Offices have been popular for parking funds especially for the middle class. The negative growth by way of more withdrawals than deposits is an important aspect which should be thoroughly looked into and corrective action taken to arrest this disturbing trend. The Committee would like to be informed of the precise action taken in this regard.

Action Taken by the Government

Department is regularly taking up the issue of declining trend in Savings Schemes with Ministry of Finance. Recently Hon'ble MOS (C&IT) has written a DO letter to Hon'ble Finance Minister on 09.05.08 requesting him to take steps for revision of interest rates of Small Saving Schemes as well as other incidental benefits of the small saving schemes to mobilize more deposits.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-2008]

Recommendation (Para No. 32)

The Committee further note that the Department have taken some novel initiatives in the field of Savings Bank operations. They have tied up with SBI in 100 Post Offices of 5 Circles in a pilot project. The main concentration is on loan products. Besides, ten year term deposit and two year term deposit which are not the Schemes with the Posts,

are being offered through SBI. In another initiative, the Postal Department are tapping into the fast growing mutual fund opportunities through a larger clientele. Under this project, over 250 Post Offices are distributing select mutual funds. The Committee appreciate the aforesaid initiatives. The Committee feel that the Department have the biggest advantage in terms of reach due to their wider network in the country. By tying up with various Banks particularly SBI and mutual funds, the Post Offices can reach to the last person living in the remotest of the areas through these initiatives where banks and other mutual fund companies may feel the handicap. The Committee would like the Department to consider the feasibility of extending the aforesaid operations to the other areas also. The Committee would also like to be apprised about the action taken thereon with the relevant details.

Action Taken by the Government

State Bank of India has tied up with India Post for implementing its plan of rural financial inclusion. An agreement has been signed between India Post and State Bank of India for providing facilities in the rural areas to open smart card and non smart card accounts, deposit and withdraw money besides availing various loan schemes available with the State Bank of India through Post Offices. Smart Card accounts are being operated through a Point of Sale. Device which consists of a Mobile Phone instrument, Biometric reader to check the identification of the account holders and a battery operated printer. The day-to-day transactions are updated immediately with the Back End Server, which is centrally located by the SBI at Mumbai. A Pilot project has been launched on 02 July, 2007 in the five States namely Andhra Pradesh, Karnataka, Jharkhand, Maharashtra and Tamil Nadu simultaneously. The pilot project is implemented in 17 Post Offices in Andhra Pradesh Circle, 21 POs in Jharkhand, 23 POs in Karnataka, 21 POs in Maharashtra and 13 POs in Tamil Nadu Circle. Branch Post Offices and Sub Post Offices have been identified for implementing the Pilot Project. It is proposed to expand the pilot project in select Post Offices Bihar, Madhya Pradesh, Gujarat Rajasthan and Uttar Pradesh Postal Circles.

So far as mutual fund is concerned, at present more than 1000 Post Offices had been distributing mutual funds. Department had tied up with five mutual funds. Department had tied up with five mutual funds companies namely UTI, SBI, Principal, Franklin, Templeton and Reliance Mutual Fund.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-2008]

Recommendation (Para No. 35)

The Committee note that as per a study conducted by the Department in the year 2006, the revenue share of Speed Post *vis-a-vis* the other major players in the organised courier industry is 27.55 per cent. The Committee have also been apprised that the Posts are facing stiff competition from private couriers (both organized and unorganised) in the express mail industry. With the changing attitude of the Department for looking at mails as a business activity, and taking a number of measures for promotion of Speed Post business, the Department have been able to stop the trend of losing mail traffic by about 9 to 10 per cent every year. The Department are optimistic that during the Eleventh Plan they would be able to reverse this decline. The Committee desire that the Department should closely monitor the market trends and take appropriate action in order to make their presence in the industry pronounced and improve their financial health in the process.

Action Taken by the Government

The Business Development and Marketing Directorate was created in the year 1996 to undertake product development and marketing activities to compete market and to enhance the revenue of the Department. This Directorate aims to give focused attention to the development of customer friendly products and to make use of the opportunities being created by new technologies. Some initiatives taken up by the Department in this direction are listed below:

- The Department are closely following the market trends and modifying product features and pricing of premium products.
- Introduction of One India One Rate scheme in August 2006 brought down the price of Speed Post upto 50 gms to Rs. 25 across India.
- The Local Speed Post rates were slashed to Rs. 12 in June 2007.
- The Department have improved operational efficiency by expanding its Speed Post network to 290 Speed Post Centres.
- The rates for Express Parcel Post were revised effective from 1st April 2008 keeping the market trends in mind.
- Department have introduced Logistic Post Air to provide express service to the customers of the North Eastern Region

of the country who want fast and time-bound delivery of their consignments.

- National Bill Mail Service has also been created to enable the service providers to send the bills in the National stream.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-2008]

Recommendation (Para No. 36)

The Committee are happy to note that the Department of Posts at present are involved in the disbursement of wages under NREGA in 72 districts in the States of Andhra Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh and West Bengal. With the intention of getting involved throughout the country, a model Memorandum of Understanding has been prepared and sent to the Ministry of Law for legal vetting. On finalisation, the MoU will be sent to all the Postal Circles for tie-ups individually with the State Governments. The Committee further find that the Department of Posts have withdrawn the service charge for two per cent of the amount disbursed under NREGA. However, a proposal has been submitted to the Ministry of Finance for sufficient remuneration for handling NREGA across the country. The Committee recommend that the model MoU be finalised expeditiously, so that various Circles can tie-up individually with the State Governments to be involved in all the districts in this regard. While recommending for the country-wide involvement of the Department of Posts in the implementation of the Programme, the Committee also desire that the Ministry of Finance should consider compensating DoP by way of sufficient remuneration for discharging this onerous social responsibility.

Action Taken by the Government

NREGS is now operational in all the rural areas of the country *w.e.f.* 1st April, 2008. As per the directives given in the Minutes issued by Prime Minister's Office *vide* I.D No. 490/31/C/14/07-ES.II dated 21.1.08 in consultation with Ministry of Rural Development a Model Memorandum of Understanding (MoU) has been prepared and circulated to all the Circles for entering into tie-ups individually with State Governments. As instructed in the Minutes on Department's administrative and operational costs for handling NREGS accounts, issue of budgetary support of Rs. 84 crore for the year 2008-09 has been taken up with Ministry of Finance.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-2008]

Recommendation (Para No. 37)

The Committee further note that as on 29 February 2008, 87,18,546 new accounts were opened under NREGA. With the NREGA being extended country-wide from 1 April, 2008 the Department of Posts can capture rural sector by the strategy of opening Savings Bank Account of every BPL family covered under NREGA with the objective of financial inclusion. To achieve the aforesaid objective, the officials of the Department should involve Panchayati Raj Institutions. Besides, the involvement of Posts in various schemes needs to be publicised through close interaction with the functionaries of the Panchayati Raj Institutions as well as through the forum of Gram Sabha meetings.

Action Taken by the Government

The valuable advice of the Committee is well taken. Department has issued instructions to all the Circles to coordinate and maintain effective liaison with the State Governments for smooth and widespread implementation of NREGS through Post Offices covering all the rural areas of the country. Circles have been further advised to have periodic meetings with State Governments officers from State to Panchayat levels to meet this objective. They have also been asked to coordinate with State Governments including representatives of Panchayats to publicize the facility of NREGS wage payments through Post Offices. Similar action will be taken for other Schemes, which would be made available through Post Offices.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-2008]

Recommendation (Para No. 39)

The Committee also note the initiative taken by the Department of Posts to get involved in credit linking of Self Help Groups under the pilot project. The recovery rate of 148 per cent in this regard is really noteworthy. The Committee would like the Department to take the lead to get involved in the disbursement of Self Help Groups in all the States particularly when the recovery rate is so encouraging.

Action Taken by the Government

The Post Office-Self Help Group-NABARD Linkage Scheme was commenced as a Pilot Project a few identified blocks of Savaging and Pudukottai District in the State of Tamil Nadu. It was then extended

to a few selected blocks of Tiruvannamalai District. The scheme had its further extension in the entire districts of Sivaganga, Pudukottai, Tiruvannamalai, Thanjavur and Tiruvarur Districts.

9 Postal divisions are serving the identified districts either fully or partly.

Details of SHG Accounts and the SHGs credit linked are as below: (*)

Sl.No.	Name of the Postal Division	No. of Post Offices involved	No. of SHG Accounts opened so far	No. of SHGs credit linked	Amount of credit effected so far (Rs.)
1.	Tiruvannamalai	459	531	25	6,00,000
2.	Pudukottai	342	463	174	40,20,650
3.	Nagapattinam	95	171	9	1,99,000
4.	Pattukottai	217	298	43	10,70,300
5.	Kumbakonam	148	285	6	1,50,00
6.	Thanjavur	372	385	42	10,44,000
7.	Myladuthurai	20	75	11	2,75,000
8.	Karaikudi	116	121	61	14,64,000
9.	Sivaganga	194	502		
	Total	1963	2831	371	88,22,950

*as on 01.04.08

The scheme is in its Pilot Stage and will be extended in consultation with NABARD. The Department is also exploring the possibility of association with other nationalized banks and Financial Institutions for the same.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-2008]

Recommendation (Para No. 40)

The Committee further note that out of 2823 Self Help Groups who have opened account so far, only 223 Self Help Groups which is approximately 8 per cent could be credit linked. In this regard various pro-active initiatives to provide forward and backward linkages should

be taken to enable Self Help Groups to start the economic activity. Further the Department should also publicise the initiatives taken by them in this regard so that more and more Self Help Groups approach to DoP for disbursement of loans.

Action Taken by the Government

The Self Help Groups opening accounts in Post Offices will become eligible for loans after a period of 6 months, during which the performance of the groups will be watched. The groups will be credit rated based on the prescribed criteria and procedures. These measures are being strictly followed to ensure that the needy and eligible groups alone are granted credit linkage.

The Pilot project of disbursal of micro credit through post offices has three main players, *viz.*, the NABARD; the Post Office and the Non Government Organisations. These NGOs together with NABARD, help the Self Help Groups enter into viable enterprises leading to income generation and asset creation. The rural postmaster, while acting as a Self Help Promoting Institution, acts as a reliable and reachable disbursement channel for micro credit.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-2008]

Recommendation (Para No. 41)

The Committee observe that there are lots of opportunities for the Department of Posts by way of actively being involved in various Centrally Sponsored Schemes like Indira Awaas Yojana. The involvement in more and more Centrally Sponsored, Central Sector and State Sponsored Social Sector Schemes would not help the Department to increase the revenue but also fulfil the social commitment on the part of the Department.

Action taken by the Government

The advice of the Committee is well received and suitable action along the instructions indicated will be taken.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-2008]

Recommendation (Para No. 42)

The Committee note that a Global Business Division has been created by the Department in September, 2007 with the objective of expanding their operations at international level. The intention is to

maximise the benefits accruing from the growth of Indian economy and its integration with the international economy. The Committee feel that these are steps in right direction and should be pursued earnestly to provide efficient and customer friendly services as there are immense possibilities of its growth particularly in countries where there is a large concentration of people of Indian origin.

Action Taken by the Government

The Global Business Division created at the Directorate in the Department of Posts is pursuing different efficient and customer friendly services whose commercial possibilities are estimated very high. These include:

- (i) Inbound and outbound services in Mails Segment.
- (ii) Inbound and outbound services in Express Segment.
- (iii) Services in the area of Money Remittances.
- (iv) Special services for target groups like students, exporters etc.
- (v) Promotion of Indian Philately in overseas markets.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-2008]

Recommendation (Para No. 43)

The Committee appreciate the new initiative being taken by the Department in the field of retail post whereby the 'India Post' offers the facility to collect consumers' bills for service industries like telephone/electricity/mobile phone bills, etc. for the Government and also private organisations. The Committee are anxious to know about the extent of coverage of the aforesaid facility in the whole country. They, therefore, would like to be apprised of the details in this regard both, for rural and urban areas, separately. The Department should also consider extending the aforesaid facility in all the Post Offices particularly in rural areas based on the feedback received.

Action Taken by the Government

The Department are acting as the payment getaway for various Bills and payments for the public. This service is extended in Urban and rural areas depending on the requirements of the service providers and customer needs.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-2008]

Recommendation (Para No. 44)

The Committee note with satisfaction the initiatives taken by the Posts to sell the application forms of various Government and private institutions through Post Offices in the country. There is enough scope to sell the forms for common entrance tests for Government and private institutions not covered so far. The Committee note that these initiatives would not only increase the revenue of the Department but also help the Department to fulfil the social obligation. The students in rural and remote areas can particularly be benefitted. In addition to the sale of application forms for various competitive examinations, the Department can also take the initiative of selling forms for various housing schemes of respective State Governments. The Committee may be kept apprised about the concrete action in this regard.

Action Taken by the Government

The Department has entered into a tie up with various Government and Private educational institutions for sale of application forms and collection of fee etc. to leverage its network and to increase its revenue. A few of the tie ups are listed below:

1. Sale of application forms of UPSC examinations.
2. Sale of application forms of the Armed Forces Medical College.
3. Sale of LAW CET applications (Common Entrance Test for Law Colleges).
4. Sale of EAMCET applications (Common Entrance Test for Management Courses).
5. Sale of State Public Service Commission application forms in Tamil Nadu, Andhra Pradesh, Uttar Pradesh etc. at present.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-08]

Recommendation (Para No. 45)

The Committee further note that the Postal Circles have been empowered to enter into local tie-ups with private or Government agencies. The Department as such have not initiated any scheme on an All India basis and are not aware of the revenue earned by the concerned Circles in this regard. The Committee note that the Department of Posts have a very wide network of Post Offices

throughout the country and the infrastructure created for setting up of Post Offices is the biggest asset of the Department. There is an urgent need to explore possibilities to ensure the optimum use of the area occupied by Post Offices. The Committee would like the Department to examine the matter with a view to assessing its impact and extending its coverage if felt desired. The Committee would like to be apprised of its details with regard to the revenue earned by the concerned Circles through this initiative.

Action Taken by the Government

The Department of Posts are offering a few selected services besides postal services with an objective to leverage its network and to utilize its existing infrastructure optimally. The Postal circles have been empowered to enter into various tie ups and form Circle Business Packages. The Business Development and Marketing Directorate also enter into tie ups with various Government and Private Institutions centrally. The details of various business packages worked out by the Circles are given in the Annexure.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-08]

(ATN to Recommendation No. 45)

Sl.No	Name of the Circle	Details of Business Packages
1	2	3
1.	Andhra Pradesh	Sale of application forms of various institutions like Dr. BRAOU Eligibility Test applications, Central University Distance Education applications, ICET applications, ECET applications, EAMCET applications, Ed CET applications, DIETCET applications, LAW CET applications, PGD CET applications, PRITA CET applications, SKUCET applications, SKU CDE applications, APPSC-AEE applications, APPSC-(Jr. Asstt. & JL & DEO) applications, APPSC-Departmental applications, APPSV-Gr-I applications APPSC Gr-II applications, APPSC LDC applications etc.

1

2

3

Sale of magazines and publications like Discovery magazines, 'Andhra Prabha' newspaper, 'Health Help' Magazine, Annadata Magazines, Vyaktitva Vikasam Book, Spoken English Book, Amruthavarshini book, Chandamanma Magazine, Ushodaya CDs etc.

Sale of Postal Tariff Cards, ITZ Cash Cards, BSNL Products, Milk Cards, Puttur Thailam, Ambica Darbar Agarbathi Products etc.

Bank on Your Postman scheme Internet Cafe in Vijayawada Region eSeva facility at Hyderabad GPO Collection of TVSSFL Cheques, Bajaj Auto Finance Cheques, Shriram Finance Cheques, ICICI Bank Cheques etc.

Sale of Bhadrachalam Prasadam, Mallikarjuna Swamy Prasadam, Vemulawada Prasadam, Aksharabhyasam Scheme-Prasadam, Basara Saraswathi Devi Prasadam, Sri Sarada Peetham Prasadam, Sri Kanakamahalakshmi Ammavari Prasadam, Arasavalli Prasadam, Sri Kurmananda Swamy Prasadam, Karthika Prasadam, Pooja/Prasadam tickets of Chodavaram Devasthanam, Pooja/Prasadam tickets of 4 Shaktipeethams, Pooja/Prasadam tickets of Sri Padma Vallabha Maha Samsthanam etc.

Dr. BRAOU fee collection, Collection of Water Tax, House Tax & Electricity Bills, TATA PCOs Collection etc.

Commission earned on HDFC disbursement of loans against NSC/KVP

Payment of wages to wage-seekers through POSB under NREGS etc.

2. Assam

Distribution of coins/exchange of soiled notes through Post Offices in tie-up Reserve Bank of India.

Sale of application forms of various Universities/Colleges through Post Offices.

1	2	3
3.	Bihar	<p>Disbursement of coins Payment of wages under National Rural Employment Guarantee Scheme.</p> <p>Payment of Pension under State Old Age Pension Scheme/National Old Age Pension Scheme.</p> <p>Disbursement of loan through HDFC on NSC/KVP Sale of application forms of different organizations viz. BSSC, VIT, SRM Institute, SOA University.</p> <p>Sale of books of Divya Yog Prakashan.</p>
4.	Chhattisgarh	<p>Selling of books of Sahitya Academy Bhartiya Gyanpeeth and National Book Trust.</p> <p>Selling of application forms of Vyawsaik Pareeksha Mandal.</p>
5.	Delhi	<p>Sale of examination prospectus forms of CBSE, IIT, IIM, SSC etc.</p> <p>Sale of judicial/non-judicial stamp papers</p> <p>Collection of utility bills payment of MTNL and Delhi Jal Board Distribution of old age pension on behalf of Delhi State Government.</p> <p>Collection of amount of Traffic Challan</p> <p>Sale of entry tickets of IITF.</p> <p>Sale of magazines/publications.</p> <p>Sale of RBI coins and exchange of soiled notes.</p>
6.	Gujarat	<p>Payment of Widow Financial Assistance</p> <p>Collection of energy bills of Gujarat Urja Vikas Nigam Ltd.</p> <p>Sale of Sheetal brand Aloe Vera products through POs.</p> <p>Setting up Gramin Suvidha Kendras in the POs of Mahesana Dn.</p> <p>In collaboration with Multi Commodity Exchange Ltd.</p> <p>Collection of mobile bills of various Cellular companies like Vodafone, Idea, Airtel, etc. through e-payment.</p> <p>Sale of Judicial/Non-Judicial Stamps.</p> <p>Distribution of coins and exchange of soiled notes through selected POs.</p>

1	2	3
7.	Haryana	Sale of forms on behalf of various educational institutes. Collection of telephone bills. Collection of electricity bills. Sale of publications on behalf of Divya Yog Prakashan, Haridwar.
8.	Himachal Pradesh	Sale of different Universities prospectus. Sale of Yoga books of Divya Mandir Trust/ Patanjali Yog Peeth Haridwar. Prasadam of different temples. Sale of Airtel Recharge coupons. Sale of HP subordinate service selection Board, Hamirpur.
9.	Jammu & Kashmir	Distribution of coins of RBI Delivery of mobile/landline bills of Airtel. Installation of coin collection boxes of Bharti Airtel.
10.	Jharkhand	Sale of application form for various competitive exam through POs counter. Sale of Judicial/Non-Judicial Stamps form. Loan Distribution through HDFC Bank. Sale of Assam Tea. Sale of Yoga Book. Sale of Family planning and RCH product of HLFPPPT Coin distribution/exchange of soiled currency notes with RBI.
11.	Karnataka	Sale of Airtickets of M/s Deccan Aviation Ltd. Distribution of coins/exchange of soiled notes (5 POs). Sale & Acceptance of KPSC Applications. ITC, Sancharnet Cards, Broadband/COMBO connection etc. Telephone bill collection Insurance premia collection of Vodafone, ICICI Prudential. Electricity bill collection of BESCO and MESCOM. Collection of Annual subscription towards "Annadata Magazines" from customers.

1	2	3
		<p>Sale of applications for competitive Examinations of IBA, MEDA, ICFAI.</p> <p>Sale of Solar lantern of TATA BP Solar.</p> <p>Conducting Rural household Survey through Postman Sale of CDs.</p> <p>Sale/acceptance of BBMP-Bruhat Bangalore Mahanagara Palike Hand books for regularization of construction.</p> <p>Sale of Sandur Kushala Kala Kendra-Handicrafts items.</p> <p>“Hrudaya Post” e-Transmission of Medical reports of clients to Narayana Hrudayalaya.</p> <p>Collection of RC Books from ICICI customers.</p> <p>Collection & remittance of cheques of TVC Finance, Bajaj Auto Finance, Centurian Bank of Punjab and HDFC Bank.</p>
12.	Kerala	Sale of Kerala Public Service Commission application forms through POs.
13.	Madhya Pradesh	<p>Sale of ITC Cards, FLPP Cards, Sancharnet Cards etc.</p> <p>Distribution/collection of energy bills in urban/rural areas in Bhopal, Raisen, Harda, Vidisha, Sehore, Rajgarh (Biaora) and Hoshangabad districts.</p>
14.	Maharashtra	<p>Bill collection of MTNL, BSNL, MSEB BEST and Mahanagar Gas</p> <p>Sale of forms of MPSC Exam and DET (MBA)</p> <p>Distribution of Loan products of Corporation Bank, Union Bank of India, Sena Bank and SBI</p> <p>Sale of Siddhivinayak Prasadhan</p> <p>Drop boxes of Standard chartered Bank</p> <p>Distribution of Annadata Magazine.</p>
15.	North East	<p>Sale of prospectus and forms of NERIST form the selected HO/SOs of North East, Assam and Sikkim.</p> <p>Sale of ethnic products and the products of self help groups on commission basis under Retail Post.</p>

1	2	3
16.	Orissa	<p>Sale of forms and prospectus of educational institutions through POs under retail Post Collection of BSNL telephone bills through postmen. Collection of motor vehicle tax and other bills through e-payment in identified POs.</p> <p>Distribution of coins on behalf of RBI through Postal Counters. Implementation of NREGA through PO Savings Bank.</p>
17.	Punjab	<p>Collection of payment of electricity bills on behalf of Punjab State Electricity Board in 10 Distts. of Punjab State covering 6 postal divisions.</p> <p>Distribution of coins of denomination of Re. 1/- and Rs. 2/- on behalf of RBI in 3 Post Offices in UT Chandigarh.</p> <p>Sale of Bumper Lottery tickets on behalf of Punjab Government in 3862 Post Offices in Punjab State.</p> <p>Sale of Books "Yog ki kasauti par vigyan" in all POs. Collection of premium on behalf of ICICI Prudential Life Insurance in 29 POs in the Circle.</p>
18.	Rajasthan	<p>Deposit of post paid mobile bills through e-payment of Vodafone.</p> <p>Coin distribution on behalf of RBI through selected post offices in Jaipur city.</p> <p>Franking of non-judicial stamp at Jaipur collectorate P.O., Jaipur On-Line acceptance of passport application at all HO/MDG in Rajasthan Circle.</p>
19.	Tamil Nadu	<p>Sale of application forms of Tamil Nadu Public Service Commission (TNPSC), UPSC & various Colleges/Universities Collection of Exam Fees for Tamil Nadu Public Service Commission (TNPSC)</p> <p>Acceptance of telephone bills of various telephone service providers viz., Airtel, TATA, Vodafone.</p>

1	2	3
		<p>Verification of address of the subscribers on behalf of telephone companies.</p> <p>Collection of payment of PO/SB Cheques on behalf of Non-Banking Finance Institutions.</p> <p>Issue of coins on behalf of RBI.</p> <p>Collection of insurance premium for ICICI Prudential Life Insurance Corporation Ltd.</p> <p>Booking of Air Tickets for Deccan Aviation Ltd.</p> <p>Sale of Books of various publications.</p>
20.	Uttar Pradesh	<p>Sale of Recharge coupons, STM cards installation of kiosks of Vodafone.</p> <p>Sale of forms of UPTU, CPMT, Jaipuria Instt. of Management, Bundelkhand University, NICE College, Bareilly.</p> <p>Sale of Bhabhoot of Kashi Vishwanath Temple.</p> <p>Distribution of coins in tie up with RBI.</p>
21.	Uttarakhand	<p>Sale of forms of UPSC, University application forms, Uttarakhand Public Service Commission forms, etc.</p> <p>Sale of herbal product of Divya Yog Pharmacy collection of electricity bills</p> <p>Exchange of coins of Re. 1/- & Rs. 2/- from select post offices Telephone revenue collection.</p>
22.	West Bengal	<p>WBSEB bill collection.</p> <p>Sale of different examination forms & magazines.</p> <p>Address verification on behalf of Bajaj Allianz Limited.</p>

Recommendation (Para No. 46)

The Committee find that a comprehensive study has been conducted by the Department to set up an exclusive Rural Department to cater to the population of rural areas. The Committee trust that the report on the Study will be examined and follow-up action taken expeditiously to address to the cause of the rural sector.

Action Taken by the Government

Rural Business Division has started functioning at the Directorate.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-08]

Recommendation (Para No. 48)

Human resource is undoubtedly the biggest asset for any Department. To get best of the results training is a *sine qua non*. Unfortunately, the track record of the Department of Posts in the matter is totally uninspiring. The Committee's examination of the data in this regard reveal that the utilisation of resources under the Head 'Human Resource Development' during the Tenth Plan, was dismal. Out of the allocated Outlay of Rs. 40.65 crore, DoP utilised Rs. 12.2 crore only, *i.e.* about 30 per cent. Similarly, during the year 2007-08, the Department have allocated Rs. 26.27 crore under the Head out of which the utilisation is just Rs. 3.26 crore *i.e.* 12.40 per cent. The Committee deplore the under utilisation of Outlay under one of the important Head *i.e.* Human Resource Management. They strongly recommend that the Department should take all initiatives to impart training to the various level of officers so as to bring professionalism in the Department which may ultimately help in facing the stiff competition from the private sector.

Action Taken by the Government

Against the Tenth Plan outlay of Rs. 40.65 crores, the total expenditure was to the tune of Rs. 28.43 crore. Hence the percentage of utilization of outlay is 70%. Department is able to achieve the physical targets fully. The shortfall in utilization of Plan funds during 10th Five Year Plan was mainly due to reduction in expenditure under Domestic Travel Expenses and delay in finalization of building projects of PTC, Guwahati, construction of Hostels in PTC Mysore, Saharanpur and Vadodara.

During the year 2007-08 from an Outlay of Rs. 19.17 crores received under Final Grant for Human Resource Development, only Rs. 9.40 crores were spent. Funds were utilized only on the ongoing activities of the 10th Plan. Year 2007-08 being the first year of Five Year Plan the new activities could not be initiated for want of approval of EFC. There are many new Programmes/activities proposed for 11th Five Year Plan, for training all cadres of the Department. Training Programmes have been designed to facilitate our personnel to face competition in the market.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-08]

Recommendation (Para No. 49)

The Committee are concerned to note that a total of 7088 cases of losses and frauds involving Rs. 227.00 crore were pending as on 31 December, 2007. There is an urgent need to finalise those cases to their logical conclusion and also to take effective steps to check recurrence of such cases. The Committee, therefore, desire that DoP should look into the same and inform them of the follow-up and corrective action taken in this matter.

Action taken by the Government

All out efforts are made for settlement of pending cases. A serious note of the pendency of loss and fraud cases in the Department was taken in the year 2006-07 by the Secretary (Posts) and a special drive of settlement of pending cases was launched. The drive was also continued in the year 2007-08 giving special emphasis on settlement of long pending cases. This vigorous effort brought down the number of cases pending from 7,625 (as on 1.4.06) to 6,692 (as on 31.3.08) despite receipt of 3,362 fresh cases in between. Out of these, around 15% cases are pending for Police investigation and 16% for court proceedings where the Department has to depend on external agencies. In order to involve top managements attention to important pending cases in a focused manner, it has been prescribed by the Secretary (Posts) in October, 2006 that the Heads of Circle should review one longest pending case and one case involving highest amount and send action taken report through their monthly reports to the Secretary (Posts) on important events. This is in addition to the normal half yearly reviews and other monitoring already in existence. The drive shall be continued in the year 2008-09 to finalise pending cases to their logical conclusion.

As regards steps taken to stop recurrence of loss and fraud cases, it is mentioned that operations in the Post Offices in the country including management and handling of cash are carried out as the prescribed Standard Operating Procedure (SOP). The Secretary (Posts) issued specific instructions for safety and security of Post Office cash in his DO letter No. 10-1/2006-Inv. Dated 18.7.2006 addressed to all Heads of Circles suggesting *inter-alia* provision of inner locking safes, concrete embedding of safes, avoiding excess retention of cash and fitting of burglar alarm systems with autodialing facility. The improvements necessitated in the Standard Operating System out of the breaches observed while handling loss and fraud cases pertaining to SB/RD/Cash Certificates are addressed suitably by the Department. The Group of Officers—now headed by Member (I & FS)—constituted by the Secretary (Posts) to suggest plan of Action to control frauds and improve security measures in Post Office Savings Bank has given

recommendations on some lacunae identified in the system, in the minutes of the meeting held on 4.10.2006, 12.10.2007 and 03.3.2008. Since sizeable number of cases relate to fraudulent encashment of lost/ stolen Cash Certificates, a 'Negative List' of such certificates is now incorporated in the Savings Bank Software itself (Sanchay Post ver. 6.0) so that the system will do an auto-check and alert operator every time a stolen/lost certificate is attempted for encashment in a computerized post office. Hardcopies of Negative List are also supplied for use by non-computerized post office.

[Ministry of Communications & Information Technology/
Department of Posts O.M. No. 20-6/2008 Bgt. (PA)
dated 31-07-08]

Recommendation (Para No. 50)

The Committee further find that with the increased activities of the Department in the various fields of postal operations and with the highly competitive commercial banking and insurance activities being undertaken, there is an urgent need for some sort of regulatory mechanism. The Committee recommend that the Government should consider setting up of a regulatory mechanism in this regard. The Committee would like to be informed of the action taken in the matter.

Action Taken by the Government

PLI/RPLI are exempted insurers under section 118(C) of the Insurance Act (1938) and also under Section 44(d) of the LIC Act (1956). These schemes do not come under the purview of IRDA Act (1999), and consequently, not regulated by IRDA.

Views of the Committee will be communicated to the Government.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-08]

Comments of the Committee

(Please see Para No. 32 of Chapter-I)

Recommendation (Para No. 51)

The Committee further find that the Department have taken a laudable initiative for the implementation of 'Sevottam' a Service Delivery Excellence Model developed by the Department of Administrative Reforms and Public Grievances, which stresses upon improvement in the areas of citizens charter, Public Grievances Mechanism and Service Delivery Capabilities. The Committee have

been informed that DoP have almost completed the various preparatory activities for getting the Department of Posts certified by the Bureau of Indian Standards (BIS). The Committee hope that the Department would be certified expeditiously by the BIS which may give assurance to the public about the quality of services being rendered by the Posts and further help in enlarging the business in the country.

Action Taken by the Government

Keeping in view the assessment framework designed by the BIS to ascertain the well functioning of a Government Department with respect to public service delivery, the Department has brought out a new Service Quality Manual and a Compendium on Processing and Disposal of Public Complaints. The Department has also revised its Citizen's Charter.

India Posts has got the IS 15700:2005 Certification for the New Delhi GPO. This is the corresponding certification for implementing 'Sevottam' the Service Delivery Excellence Model. India Post gets the credit for being the first Government Department to get certificate for one of its outlets.

The adoption and implementation of the quality improvement model has been taken as a thrust area by the Prime Minister's Office. The Department of Posts took on the pioneering role to implement 'Sevottam' systematically through its network. Apart from the New Delhi GPO, the Department has identified more than 600 post offices for systematic improvement of service quality using the model in the first phase. Experience has shown that improvement in counter services, mail delivery, financial services and customer care are effectively brought about by using the 'Sevottam' framework in post offices for benefit of our customers.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-08]

Recommendation (Para No. 52)

The Committee note that the women employees constitute only 13.84 percent of the work force in the Department of Posts. In fact in Group B non-gazetted services, only 2.52 per cent of the employees are women. They have also noted the various steps being taken by the Department to ensure a supportive environment to their women employees including gender sensitive training programmes, setting up of committees at various levels for prevention of sexual harassment, provision of separate rest rooms and recreation rooms and creches and additional facilities to women employees performing night duties.

While taking note of the steps taken by the Department the Committee recommend that the initiatives taken should further be geared up to provide healthy environment at work place and also to attract more women to join the Department.

Action Taken by the Government

All concerned have been advised to gear up the action to provide healthy environment and ensure the security of women employees at their workplaces and they have also been advised to ensure that vacancy circulars are given wide publicity in newspapers and take other necessary steps to attract more women to apply for the vacancies in the Department, Circles etc.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-08]

CHAPTER III

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

Recommendation (Para No. 18)

The Committee again note the gross mis-match between the physical and financial achievements during the Tenth Plan under one of the important Schemes of the Department *i.e.* 'Expansion of Postal Network'. As against the Tenth Plan Outlay of Rs. 32.43 crore, the actual expenditure was to the tune of Rs. 10.63 crore *i.e.* 32.77 per cent. Ironically, achievement of physical targets on this front was reported to be around 100 per cent. It is really difficult to comprehend as to how the physical achievement could be achieved to the extent of 100 per cent with the 32.77 per cent of the expenditure of the allocated Outlay. The argument of decreasing prices of electronic equipments over the years, as given by the Department, quoted in the earlier para of the report in the context of mismatch of the overall physical and financial achievements is not acceptable in this case on many grounds. The expenditure on account of electronic equipments like computer may be only one part of the expenditure for setting up of a Post Office. This only reinforces the apprehensions of the Committee about the serious problems in the process of making projection. Such unrealistic projections may deprive the other important projects of the much needed Outlay in a year. The Committee, therefore, strongly recommend once again that the Department should seriously review the process of making projections. Besides, the Department owe an explanation for such an unrealistic projection under one of the important schemes.

Action Taken by the Government

The total allocation during the Tenth Five Year Plan was Rs. 37.27 crores for the following activities:

(a) Opening of EDBOs	:	Rs. 15.87 crores
(b) Opening of DSOs	:	Rs. 7.45 crores
(c) Opening of PSSKs	:	Rs. 13.95 crores
<hr/>		
Total	:	Rs. 37.27 crores

The Original outlay of Rs. 37.27 crores was subsequently revised to Rs. 32.43 crores.

The EFC approved the implementation of the scheme for *first two years* of the Tenth Plan, *i.e.* for 2002-03 and 2003-04 with the stipulation that no new posts will be created and that expenditure will be restricted to providing basic infrastructure only. The following recurring expenditure could not be utilized as creation of new posts for manning DSOs and EDBOs was allowed:

EDBOs	Rs. 17.65 crores
DSOs	Rs. 8.06 crores
Total	Rs. 25.71 crores

The targets for the five years and target approved by the EFC during the first two years of the Five Year Plan is as under:—

Activity	Proposed targets for five years	Targets approved by EFC for the first two years of the 10th Five Year Plan
(a) Opening of EDBOs	1,000	450 (for the years 2002-03 and 2003-04)
(b) Opening of DSOs	100	45 (for the years 2002-03 and 2003-04)
(c) PSSKs	5,000	2,400 for the years 2002-03 and 2003-04)

The EFC approved the proposal for initial two years only of '10th Plan without recurring costs (no new post creation for manning DSOs and EDBOs allowed and hence no recurring expenditure became involved as Plan Period progressed) and hence there was variation in the initial outlay and the actual expenditure. Out of a total target of 450 EDBOs (as given in (a) above) approved by the EFC, 440 EDBOs were opened by redeployment of staff during the 10th Plan Period. Similarly, all the 55 DSO approved by the EFC/SFC were opened during the 10th Plan Period (during the year 2006-07 target for opening of 10 DSOs was approved by the SFC in addition to 45 already approved for 2002-03 and 2003-04). Thus the physical targets originally proposed to be accomplished during the Tenth Five Year Plan were reduced by the EFC. The targets approved by the EFC/SFC were almost achieved fully. (No targets for opening of new Post Offices were approved by the EFC for the financial year 2004-05 and 2005-06).

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-08]

Recommendation (Para No. 21)

The Committee find that the far-flung tribal, hilly and other difficult areas are scarcely populated and the people have to travel long distances to avail of the various facilities of Posts. The population norms for setting up Post Offices are difficult to be met in these areas. The situation is further aggravated during the unfavourable weather conditions like extreme winter in J & K and other hilly areas, when it is difficult to go outdoor to avail postal facilities. More so, banks and other financial institutions also may not be interested in opening branches in these areas due to commercial reasons. The most economical and easy solution in this case is mobile Post Offices. Mobile Post Offices equipped with all the possible postal services and equipment can be of a great help to the people of these areas by providing the postal facilities at the doorstep. Another possible solution may be weekly *bazaars* of postal services at a prominent place in different villages in the rural areas. A proper coordination with the *Panchayats* can help the Postal Department in getting the space for opening the weekly *bazaars* in the *Panchayat* headquarters. The Committee would like the Department to explore the possibilities of opening mobile and weekly Post Offices on the suggested lines and apprise the Committee about the concrete action taken in this regard.

Action Taken by the Government

In view of the existing level of access to Postal facilities, it may not be appropriate to implement the concept of mobile Post Offices and weekly bazaar Post Offices in rural/hilly areas.

Out of a total network of 1,55,204 Post Offices (as on 31.3.2007), 1,39,046 Post Offices are located in rural areas. Thus, more than 89% of the Post Offices are functioning in rural areas. Average area and population served per Post Office is 21.2 sq. km and 7166 respectively. This compares favourably with other advanced countries, *viz.*, China which has a larger terrain and population to cover. USA also has larger geographical terrain to cover.

Postal facilities in terms of regular delivery of mail at the doorstep of every customer, collection of letters from letterboxes and selling of stamps/stationery is provided by the Department in every village irrespective of terrain through delivery agents while on their regular visit to respective beats. Almost all the villages are being touched everyday by the delivery staff.

Since the Department is constantly in the process of providing postal facilities through various means like opening of new EDBOs,

alternative means of providing basic postal facilities through PSSKs, relocation of Post Offices to needy areas, mobile PCO facility called Gramin Sanchar Sewak (GSS) scheme operated through delivery agents of this Department etc. Licenced Stamp Vendors and Licenced Postal Agents are also functioning in many places. Department has recently introduced Franchisee Scheme in new and upcoming areas. In addition to basic postal facilities Franchisee Outlets provide a range of services like utility bill collection, insurance facilities etc.

It can, therefore, be seen that extensive postal facilities are available throughout the country including remote and far flung areas. The services available are considered to be satisfactory. In view of above, the need for Mobile Post Offices and Weekly Postal Bazaars is not an immediate necessity.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Recommendation (Para No. 24)

The Committee observe that the Department could achieve more than 100 per cent targets under two Schemes *viz.* (i) Computerisation of Post Offices and (ii) Computerisation of Administrative Offices by spending 70 per cent of the Outlay earmarked during the Tenth Plan. The over achievement of targets has reportedly been possible due to the reduction in the cost of hardware peripherals. However, under the Scheme Computerisation of Postal Accounts and Management the Department could not achieve the same level of result. The Committee feel that the savings made possible due to the reduction in the cost of hardware and peripherals as stated by the Department could have been leveraged for better achievement of physical targets. The Committee would like to be informed about the constraints leading to under achievement of physical targets under the aforesaid Scheme.

Action Taken by the Government

During the 10th Five Year Plan, EFC to the tune of Rs. 4.08 crores was approved for the computerization of Postal Accounts offices and accordingly funds of Rs. 4.05 crores was allotted during the Five Year Plan period (2002-07). Even though the full allotment of funds of Rs. 4.05 crores was made to all the Postal Circles, but an amount of Rs. 2.60 crores was shown as booked by the Circles under the Head of Account 5201-104-10-01-52 Computerization of Postal Accounts offices during the 10th Five Year Plan and remaining amount of

Rs. 1.45 Crores could not be booked during the 10th Plan due to non-adjustment of DGS&D bills, for which purchase order was issued during the end of Annual Plan 2006-07 through DGS&D rate contract. The same spillover expenditure was booked during Annual Plan 2007-08. Hence, the total expenditure was Rs. 4.05 crore (2.6+1.45=4.05 crores) during the 10th Plan period of which Rs. 1.45 crore was booked in the first Annual Plan Year 2007-08 of 11th Plan.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Recommendation (Para No. 33)

The Committee further note that Department are providing the facility of receiving remittances from more than 205 countries and territories on real time basis. The Committee would like to be apprised about the details of the results of operations of the service.

Action Taken by the Government

India Post is offering International Money Transfer Service in association with Western Union from over 8500 post offices across the country. India Post disbursed an amount of over Rs. 5139 crores during the year 2007-08. The revenue earned by the Department has been Rs. 30.02 crores.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

CHAPTER IV

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

Recommendation (Para No. 5)

The Committee observe that the Revenue Receipts of DoP increased from Rs. 5023.49 crore in 2005-06 to Rs. 5322.44 crore in 2006-07 and to Rs. 5707.20 crore in 2007-08. For the year 2008-09, the Receipts have been projected at Rs. 6159.31 crore. The Committee's examination revealed that the growth in the Revenue Receipts during the entire Tenth Five Year Plan was rather slow. The Department attributed this largely to the decline in the traditional mail traffic, money order traffic, etc. They also assured the Committee that with the introduction of innovative products and services like Speed Post, Passport Service, Business Post, Bill Mail Service, Retail Post, etc. and other agency service being promoted, the trend will undergo changes. At this stage, the Committee are not inclined to remain contented with this. In their opinion, if DoP want to remain a serious player in the market, they have to intensify their efforts commensurate with the customer requirements so that their Revenue Receipts get a boost.

Action Taken by the Government

The overall revenue receipts of the Department during the last five years have been as under.

(Rs. in crores)

Year	Revenue Receipt	% increase over the previous year
2003-04	4256.93	
2004-05	4431.85	4.11
2005-06	5023.49	13.35
2006-07	5322.44	5.95
2007-08	5488.00	3.11

The Department has developed a market outlook to effectively respond to the business challenges with a view to increase the Revenue Receipt of the Department. Various steps being undertaken by the Department to respond to the market challenges are as below:

- The Department of Posts is providing market oriented products like Speed Post, Business Post, Express Parcel Post, Bill Mail Service, Direct Post, Logistics Post and various e-enabled services like e-Post, e-Payment and Instant Money Order Service.
 - Customized solutions and value additions are being provided in response to specific requirements of customers. The various value additions introduced are as below:
 - Collection from customers' premises.
 - Credit facility for corporate customers.
 - Volume based discount.
 - Internet based Track and Trace system is available to find out the status of delivery of Speed Post articles.

The revenue earned from the various premium products has been in increasing trend. Further, the following initiatives have been taken during the last few years to increase the revenue of the Department as also its customer base.

- (i) Instant Money Order Service
- (ii) International Money Transfer Service
- (iii) Retailing of Mutual Fund
- (iv) Distribution of non-life products of Oriental Insurance Co.
- (v) Field Postal Orders
- (vi) Implementation of NREGA and National Old Age Assistance Programme through Post Offices
- (vii) Setting up of Postal Finance Marts (PFMs)
- (viii) Electronic Clearing Service
- (ix) Dematerialization of National Savings Certificates/Kisan Vikas Patra

As regards, business from Postal Life Insurance and Rural Postal Life Insurance, the Remuneration received by the Postal

Department from PLI and RPLI operations from 2005-06 onwards are as follows:

(Rs. in Lakh)

	PLI	RPLI	Total
2005-06	7559	4746	12305
2006-07	10077	6885	16912
2007-08	13033	6726	19759

There is increasing trend in PLI/RPLI business and following steps have been initiated for further growth in business.

- (i) Recruitment of additional Direct Agents
- (ii) Increased publicity activities
- (iii) Sensitizing Senior Officers through workshop and training to field Staff.

However, the valuable advice of the Committee is well taken and suitable action will be taken.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Comments of the Committee

(Please see Para No. 8 and 9 of Chapter-I)

Recommendation (Para No. 10)

The Committee note that the Gross Expenditure under the Capital Section has been Rs. 42.25 crore, Rs. 48.36 crore, Rs. 126.69 crore, Rs. 269.33 crore and Rs. 284.74 crore (Actuals) during the years 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07 respectively. During the last year of the Tenth Plan, against RE of Rs. 380.20 crore, an amount of Rs. 284.74 crore was spent showing a shortfall of almost Rs. 100 crore. A sum of Rs. 232.22 crore was allocated for the Capital Section at BE stage during the year 2007-08. The allocation was scaled down to Rs. 202.22 crore at the RE stage. As against this, the actual expenditure upto January, 2008 is a meagre Rs. 33.25 crore *i.e.* about 16.44 per cent. The Committee find this gross under utilisation of funds highly disconcerting, more so because the under utilisation of

funds meant for Capital Creation has a direct bearing on the performance of the various Schemes of the Department. The Committee, therefore, strongly feel that emergent steps are required to be taken by the Department to stop this alarming trend. The Committee desire that the Department should initiate specific corrective measures to ensure that the allocation of Rs. 426.61 crore for the year 2008-09 meant for Capital Expenditure are prudently and optimally utilised.

Action Taken by the Government

During the year 2007-08, the allocation of funds under Capital Section (Plan) was reduced proportionately from Rs. 228.21 crore to Rs. 198.21 crore. At the final grant stage the capital allocation was further reduced and retained at Rs. 164.63 crores as per the requirement of the department.

Annual Plan 2007-08 being first year of the 11th plan, approval for the schemes had to be obtained from the competent authority before implementation of the schemes which took time hence there was low booking till December 2007. Funds to the extent of Rs. 98.09 crores has been booked upto March 2008.

During 2008-09 the department has already initiated action for early processing of EFC/SFC memos and obtaining the approval of the schemes at the earliest in order to implement the schemes by early July 2008. A fast track monitoring cell has also been set up at the Directorate level for monitoring of the implementation of the schemes by fixing a stipulated time frame at each stage. Circles have also been instructed to monitor the implementation of the schemes by fixing timeframes at circle level and also of booking the expenditure under correct account head. Thus department hopes to utilise the approved outlay of Rs. 600 crores fully.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Comments of the Committee

(Please see Para No. 16 of Chapter-I)

Recommendation (Para No. 11)

The Committee note that during each year of the Tenth Plan and the first and second years of the Eleventh Plan, the allocation made exclusively for North-Eastern Region has been less than the mandatory

allocation of 10 per cent of the total Outlay as per the norms fixed by the Planning Commission. Not only that, during the first four years of the Tenth Plan, substantial part of the Outlay could not be utilised and was deposited in non-lapsable pool of resources. Only during the year 2006-07, the financial achievement was more than 100 per cent. With regard to physical achievements, the Committee find that whereas the Department could achieve overall more than 100 per cent of the target under most of the schemes as reflected elsewhere in the report, in the case of North-Eastern Region, under six important Schemes of the Department *viz.* Departmental Post Offices, Extra Departmental Post Offices, Panchayat Sanchar Sewa Kendra, Computerisation of Postal Account offices, Administrative Offices and Staff quarters, the achievements are nil. Unfortunately, the position during the year 2007-08 got worse, when the actual expenditure upto January 2008 has been reported to be nil. The Committee are really perturbed with the pathetic performance under different Plan Schemes of the Department in North-Eastern Region. The Committee are not able to accept the reasons furnished by the Department for such a poor performance and strongly recommend that the position should be reviewed and corrective steps taken accordingly. The Department should ensure that the mandatory allocation of 10 per cent of the total Outlay is earmarked during the year 2008-09. Not only that, it should be ensured that the Outlay is meaningfully utilised. The prescribed norms for setting up Post Offices in these areas should be suitably relaxed to achieve the physical targets as well as to improve the accessibility of Post Offices.

Action Taken by the Government

During the Tenth plan, the achievement of physical targets were nil under the following activities during some years of the plan period—

1. For the plan activities—Departmental Post offices, Extra Departmental Post offices and Panchayat Sanchar Sewa Kendras the EFC Committee had approved these schemes only for the first two years of the plan period and there was no operation of the schemes for the last three years of 10th plan and no physical targets were fixed therefore the achievement is also nil. The expenditure incurred during the last three years was the recurring expenditure incurred on opening of Panchayat Sanchar Sewa Kendras.

2. In respect of Computerisation of Postal Accounts Offices—there are only 2 PAOs in North East region, both the PAOs were computerised during the third year *i.e.* 2004-05 as there was no other PAOs left for computerisation there was no physical or financial targets fixed or achieved during the last 2 years of the plan period.

3. In respect of computerisation of Administrative offices and construction of staff quarters also, the targets fixed during the tenth plan period was completed during the first 3 years and there was no any such proposal also received from the circles during the last 2 years. The physical targets achieved has been shown as nil.

4. During the year 2007-08, the expenditure incurred under North East upto January 2008 was shown as 'nil' as all the expenditure of the department will be booked under the common head of account 3201 and 5201. The bifurcation of the expenditure of the North East will be compiled after the accounts are finalised and on obtaining the details of expenditure from Assam and North East circle. However funds to the extent of Rs. 13.74 crore has been booked so far in NE region as against the BE allocation of Rs. 31.34 crores. The final figures are yet to be firmed up. It is hoped that the funds allocated at BE stage will be fully utilised.

5. During 2008-09 funds to the extent of Rs. 60 crores has been earmarked for NE region out of the BE allocation of Rs. 600 crores thus ensuring that the mandatory allocation of 10 per cent of the total outlay is earmarked for NE region and department is aiming at utilisation of the amount fully.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Comments of the Committee

(Please see Para Nos. 19 & 20 of Chapter I)

Recommendation (Para No. 12)

The Committee further note that out of 235 proposals for setting up of Post Offices (as on January, 2008) in North Eastern areas only 45 proposals were found to be justified and 190 proposals are under examination. The Committee fail to understand as to why such a large number of proposals for setting up Post Offices in the Region is pending. The Committee would like to be apprised about the time since when the aforesaid 190 proposals are pending. The Committee hope that as assured to them during the course of oral evidence, the Secretary would personally review the position within three months and the Committee may be kept apprised.

Action Taken by the Government

All the proposals pending for opening of Post offices in North East Circle have been examined. Out of 235 proposals, 45 have been found justified as per prescribed norms. The other 190 proposals have also been examined but these have not been found justified. Opening of 45 justified post offices is under consideration. A meeting of the Standing Finance Committee (SFC) on the Plan Scheme "Access to the Postal Network" for the Eleventh Five Year Plan was held recently. It was decided to take up the matter for appointment of 3000 Gramin Dak Sevaks for manning new Extra Departmental Post Offices proposed to be opened throughout the country, with the Ministry of Finance, Government of India. The opening of new Branch Post Offices may take some time.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Comments of the Committee

(Please see Para Nos. 19 and 20 of Chapter-I)

Recommendation (Para No. 14)

The Committee observe that out of the proposed Outlay of Rs. 3619.83 crore for different Plan Schemes during the Tenth Plan, the Department got Rs. 1350 crore *i.e.* 37 per cent of the proposed allocation. Surprisingly, the Department could not utilise even the allocated Outlay fully during the entire Tenth Plan. The Committee's examination revealed that the Department were able to utilise funds to the tune of Rs. 874.67 crore only which is 68.70 per cent of the allocated Outlay. The main reason for under achievement of the financial targets as informed to the Committee during the course of oral evidence, was the inordinate delay in obtaining sanctions and getting the clearances. Curiously enough, the Committee's examination further revealed that even though the financial targets were under-achieved, the Department could achieve almost cent per cent physical targets. The Committee are not convinced with the argument furnished by the Secretary for the mismatch in physical and financial targets during course of oral evidence that cost estimates with regard to electronic equipments were not accurate as they could not foresee how these equipments could become cheaper. Evidently, there are serious problems in the whole planning process as well as preparing estimates for Five Year Plans as a whole as well as for the Annual Plans.

The Department should atleast now ensure that the estimates prepared for the Annual Plans are realistic. Besides, all desired initiatives should be taken to ensure full utilisation of the scarce resources allocated for different Plan Schemes.

Action Taken by the Government

All the proposals are projected keeping in pace with the current trend, customer requirements and the department's network availability and the proposals for the five year plan period are processed keeping the above facts in view. Further department intends to induct technology into the department to meet the current challenges faced. The Annual Plan estimates are projected keeping in view the total outlay approved for the plan period, funds spent so far, and the remaining funds to be proportionately spread over the leftover years. Thus the estimates projected during the Annual Plans are realistic. The department is making all efforts for fuller utilisation of funds allocated.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Comments of the Committee

(Please see Para Nos. 24 and 25 of Chapter-I)

Recommendation (Para No. 15)

The Committee further note that the performance under different Plan Schemes during the first year of the Eleventh Plan *i.e.* 2007-08 was equally disappointing. As regards financial achievement, the Department could utilise only Rs. 38.13 crore against the allocated sum of Rs. 315 crore *i.e.* just 12.10 per cent of the allocated Outlay. Even if the funds booked upto February, 2008, as informed by the Secretary during the course of oral evidence, are taken into consideration, the Department were able to utilise just Rs. 75 crore. Not only that the physical achievement under the major Schemes of the Department *viz.* Access to the Postal Networks (SPOs), Branch Post Offices (BPOs), Sub-Post Offices (SPOs), Departmental Sub-Offices (DSOs) and franchise outlets has been reported to be nil during the said year. It is surprising to note that whereas during the Tenth Plan, the achievement of physical targets was cent per cent with the under-achievement of financial targets to the tune of 31.93 per cent, during the first year of the Eleventh Plan nothing concrete in physical terms could be achieved.

Action Taken by the Government

Annual Plan 2007-08 is the first year of the Eleventh Plan. The process for obtaining the approval for the schemes could be initiated only after the finalisation of the outlays. Thus the first half of the year was focussed only on obtaining the approvals for the schemes from the competent authority. The expenditure whatever has been incurred is only on the spillover payments of the Tenth Plan. However, as and when the schemes got approved, the implementation process has been initiated and funds are being utilised. Funds to the extent of Rs. 98.09 crores has been utilised so far and the final figures are yet to be firmed up.

The achievement of physical targets has been shown as NIL in respect of the plan activities—Branch Post Offices (BPOs), Sub-Post Offices (SPOs), Departmental Sub-Offices (DSOs) and franchise outlets as the scheme is yet to be approved. The SFC memo has been circulated amongst the Committee members for comments. Pending the approval of the scheme, action could not be initiated for implementation of the scheme. However, it is ensured that the scheme will become effective from the current year and the department hopes to achieve the targets fully.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Comments of the Committee

(Please see Para Nos. 24 and 25 of Chapter-I)

Recommendation (Para No. 16)

The Committee are constrained to conclude from the aforesaid scenario that there are serious problems in the whole planning process. The first two years of each Five Year Plan are almost wasted in obtaining various clearances. While expressing serious concerns in this regard, the Committee strongly recommend that the process of evaluation of the schemes, restructuring of the schemes, obtaining various clearances, etc. should be over before 1st April of the first year of a Five Year Plan so that the targets are realistically achieved. The Committee would like that their concerns in this regard should be duly communicated to the Ministry of Finance/Planning Commission as well as the Cabinet Secretariat.

Action Taken by the Government

This will be communicated to Ministry of Finance/Planning Commission/Cabinet Secretariat.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Comments of the Committee

(Please see Para Nos. 24 and 25 of Chapter-I)

Recommendation (Para No. 27)

The Department had planned to set up two AMPCs at Kolkata and Delhi for which Rs. 71.05 crore were allocated during the Tenth Plan. In response to the global tender invited, two bids were received. After technical evaluation one of them was found technically qualified. Since it was difficult to assess the competitiveness and reasonableness of the bid amount, the bid was cancelled. The retendering could not be done as the time left in the Tenth Plan was too short. The Committee observe that even when the bid failed and nothing concrete could be done for the two AMPCs, the Department utilised Rs. 12.10 crore out of Rs. 71.05 crore during the Tenth Plan. The Committee would like to be apprised about the details of the expenditure particularly when nothing concrete could be done due to the cancellation of the bid.

Action Taken by the Government

The details of expenditure during the 10th Plan have been given in the table below:

(Rs. in crores)

Plan	Amount	Remarks
2002-2003	11.15	In the first year, Rs. 11.15 crore was spent on building component for Delhi and Kolkata sites.
2003-2004	0.60	Paid on account of arrears of bills.
2004-2005	0.15	-do-
2005-2006	0.14	-do-
2006-2007	0.06	-do-
Total	12.10	

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Comment of the Committee

(Please *see* Para No. 29 of Chapter-I)

Recommendation (Para No. 28)

Again during the Eleventh Plan, Rs. 25 crore were approved for the year 2007-08 out of which only Rs. 2.42 lakh could be utilised upto December, 2007. The reason again is not receiving wider response for the tenders invited. The Committee further note that to overcome this deficiency; a meeting with machine manufacturers was held to understand the reasons. The Committee would like to be apprised about the reasons that have come out for the poor response of the tenders during the aforesaid meeting. The Committee further note that the Notice Inviting Tenders (NIT) is at the final stage of approval and these AMPCs are expected to be in operation within 18 months of the award of tenders. The Committee hope that the tenders would receive favourable response this time and AMPCs at Kolkata and Delhi would be set up by the targeted period.

Action Taken by the Government

The plan scheme on 'Setting up of Automatic Mail Processing Centres' is yet to be approved by the Expenditure Finance Committee. The process for re-tendering for setting up of AMPCs at Delhi and Kolkata is also underway. The meeting held in December, 2007 was primarily an attempt to interact with the prospective bidders before action on setting up of AMPCs could be taken. No apparent reason was given by the manufacturers who attended the meeting.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Comments of the Committee

(Please *see* Para No. 29 of Chapter-I)

Recommendation (Para No. 53)

The Department have also informed that the Gender Budget Committee of the Department has been formed which has identified (i) Training (ii) Postal Network (Construction), (iii) Control and Supervision Circle Office Schemes of gender budgeting. The Committee are, however, pained to note from the Outcome Budget, 2008-09 of the Department that gender specific allocation is not feasible in the Schemes

identified by the Department. It is inexplicable as to why such Schemes were identified in the first instance. The Committee regret to conclude that in the instant case the Department's deeds have not matched their lofty words. The Committee, therefore, desire that the Department should make concerted attempts to identify schemes where gender specific allocations are possible and revert back with concrete and workable proposals to the Committee at the earliest.

Action Taken by the Government

The plan schemes implemented by the department are of such nature, the bifurcation of the plan fund allocation exclusively for women cannot be identified. The schemes are implemented for the country as a whole and the postal services are easily accessible by all citizens of the country which include women also. However, efforts are being made by the department to identify some of the schemes with gender specifications.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Comments of the Committee

(Please *see* Para No. 35 of Chapter-I)

CHAPTER V

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

Recommendation (Para No. 4)

What has caused concern to the Committee is that the expenditure made on the various activities related to technology induction are not resulting into bringing down the expenditure of the Department. Rather, the computerisation is adding to the expenses on electronics, consumables and stationery. In spite of this, it is surprising that the Department have made no efforts to know the actual impact of the technology induction on the overall expenditure by undertaking a formal review. The Committee wish to point out that in the prevailing market environment where the Department have to face stiff competition on various fronts, it is absolutely essential to bring about economies. They, therefore, strongly recommend that the Department should undertake a review to know the actual impact of the technology induction on the overall achievement of the Department. Besides, all possible steps should be taken to use the existing manpower and resources to their optimum utilisation in the enlarged activities of the Department.

Action Taken by the Government

A detailed study as to the reduction of working expenses of the Department on induction of technology is under way and the outcome will be submitted within 3 months.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Recommendation (Para No. 9)

The Committee have persistently been recommending to charge expenditure on account of pensionary charges in respect of the Department of Posts to the common head of account at par with other Ministries/Departments. However, the Ministry of Finance have not taken a decision in favour of DoP thus far. The Department of Posts have informed that they are pursuing the matter at the highest level with the Ministry of Finance. At the expense of sounding repetitive, the Committee wish to point out that the liability on this score tends to distort the overall financial performance of DoP and their case, therefore, deserves consideration. The Committee would accordingly like the Department to continue the efforts in this regard.

Action Taken by the Government

The matter of charging expenditure on payments of Pension and Pensionary benefits in respect of Department of Posts to the common head of account at par with other Ministries/Departments was taken up with the Ministry of Finance and Planning Commission on the recommendations of the Standing Committee in their various Reports. In reply, Ministry of finance has always rejected the request with the contention with, as per Rule 54 of the Government Accounting Rules 1970, the Department of Posts continues to function on commercial principles. Now, Ministry of Finance has advised the Department to take up the matter with Controller General of Accounts and Comptroller & Auditor General of India as the Government Accounting Rules, 1990 is drawn up by Controller General of Accounts in consultation with Comptroller & Auditor General of India under Article 150 of the Constitution of India stating that the proposal envisages amendment of Rule 54 of Government Accounting Rules, 1990. The recommendation/observation of Controller General of Accounts is still awaited. The case is being actively pursued.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Recommendation (Para No. 22)

The Committee would also like the Government to explore the feasibility of creating a Universal Service Obligation Fund (USOF), on the line of the telecom services after considering all its implications, to compensate operation of effective Postal services in rural remote and difficult areas.

Action Taken by the Government

More than 1.30 lakh post offices (out of total number of 1.5 lakhs post offices) function in rural areas. Most of them are given subsidy ranging from 66% to 90% of the cost of their operations. This is done to enable the Govt. of India to meet its Universal Service Obligation.

It is true that this obligation on the part of the Govt. of India needs financial support to sustain itself in the years to come. Creating a USO fund is one of the ways in which the financial support to the rural postal network can be provided. But it is felt that calculation of USO liability for each private courier on the lines of the telecom services will be very difficult because the number of couriers in our country is very high unlike telecom sector where there are very few players. It is not practical to monitor their services and advantages. As such creation of USO fund has not been found practical anywhere in the world.

An alternative to creation of USO Fund is to reserve a certain area of mail business exclusively for the Dept. of Posts. Private couriers can enter this area only by charging certain multiple of postal rate as minimum price. This encourages customers to patronize postal services in larger numbers. Accordingly, the Department of Posts can be compensated adequately to meet their USO commitments.

All these issues are being examined in the proposed IPO (Amendment) Bill.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Recommendation (Para No. 23)

The Committee also find that as on January, 2008 out of a total of 634 proposals pending for opening of Post Offices across the various Circles, 196 requests have been found justified while 242 proposals are still under consideration. Besides, 196 proposals have been rejected. The Committee desire that in the justified cases, Post Offices should be set up expeditiously. Also early decision should be taken on the proposals still under consideration.

Action Taken by the Government

Proposals for opening of new Post Offices are pending for approval of the SFC. It is proposed to open about 3000 new Extra Departmental Branch Offices and 2000 new Sub Offices throughout the country during the Eleventh Plan period. These will be opened once SFC approves the proposal.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Recommendation (Para No. 30)

The Committee further note that the Department also propose to set up Regional Data centres during the Eleventh Plan and the Scheme is at the conceptual stage of examination. The Committee trust that all relevant considerations including the full potential utility of the National Data Centre will be carefully looked into before taking the final decision. The Committee would like to be informed of the decision taken in the matter.

Action Taken by the Government

Data Centre will be set up under the 11th Five Year Plan to strengthen the infrastructure and enhance customer service by reducing the un-planned downtimes of e-applications and by providing faster

and greater access to remote customers. The Department are examining the concept of project.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Recommendation (Para No. 34)

The Committee note that the Post Office Life Insurance Fund (POLIF) and the Rural Post Office Life Insurance Fund (RPOLIF) are presently placed at the disposal of the Ministry of Finance where they form a part of the Special Deposit Scheme (SDS) and earn interest. Now after the Cabinet approval, this corpus which on 31 March, 2007 stood at the value of Rs. 12628 crore is proposed to be converted into dated securities over a period of three years. The Secretary, DoP further informed during the evidence that the corpus of Rs. 15000 crore would be frozen and converted into tradeable liquidity in three years. The net accretions of Rs. 1200 crore per year would be invested as per the IRDA guidelines. The Committee hope that with the implementation of the aforesaid decision, the revenue by way of interest and returns through investment of the Department of Posts would increase. The Committee would like to be kept apprised of the further developments in this area.

Action Taken by the Government

The Committee will be apprised of the development in the functioning of Investment Board soon after its formation.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Recommendation (Para No. 38)

The Committee further find that the Department of Posts are also involved for the disbursement of pension under 'National Old Age Pension Scheme' in Bihar, Himachal Pradesh, Karnataka, West Bengal and Tamil Nadu. In Bihar, the State Government is remunerating the Department at the rate of Rs. 18 per account for the supply of Monthly Income Scheme (MIS) to the State Government over and above the remuneration being received from the Ministry of Finance, whereas in the remaining States, payment under the Scheme is made through money order service on payment of commission at the rate of 5 per cent of the amount remitted. The Committee welcome this initiative and would like to be apprised of the total revenue received from State Government/Ministry of Finance on account of providing service under

'National Old Age Pension Scheme'. Besides, the Committee recommend that the Department should take the desired initiatives to get involved in the whole country in this regard.

Action Taken by the Government

Information on the total revenue received from State Governments on account of providing service under 'National Old Age Pension Scheme' (NSAP) has been called for from circles concerned. However no additional remuneration is received from Ministry of finance in account of providing the service under NSAP. The Department are in discussion with Ministry of Rural Development. An internal committee in the Department had been given the task of evolving an accounting procedure as per the requirements of the Ministry of Rural Development.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

Recommendation (Para No. 47)

The Committee note that there are 50032 vacancies in Groups A, B, C and D in the Department. The Government's restrictions in filling vacant posts have resulted in the sizeable number of vacancies. The Committee have further been informed that Committee of Secretaries is presently examining the issue of exempting certain Departments from the cut. The Committee hope that the Government would get an appropriate decision taken in the matter expeditiously so that the enlarged activities of the Department of Posts do not suffer.

Action Taken by the Government

The decision of Government in the matter is awaited.

[Ministry of Communications & Information Technology/
Department of Posts, O.M. No. 20-6/2008 Bgt. (PA),
dated 31-07-2008]

NEW DELHI;
13 October, 2008
21 Asvina, 1930 (Saka)

NIKHIL KUMAR,
Chairman,
Standing Committee on
Information Technology.

APPENDIX

STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2008-09)

MINUTES OF THE THIRD SITTING OF THE COMMITTEE

The Committee sat on Friday, the 10th October, 2008 from 1500 hrs to 1700 hrs in Room No. G-074, Parliament Library Building, New Delhi.

PRESENT

Shri Nikhil Kumar—*Chairman*

MEMBERS

Lok Sabha

2. Shri Abdullakutty
3. Shri Nikhil Kumar Choudhary
4. Shri Sanjay Shamrao Dhotre
5. Shri Ramesh Dube
6. Shri Narahari Mahato
7. Shri Bhubaneshwar Prasad Mehta
8. Shri Lalmani Prasad
9. Shri Tathagata Sathpathy

Rajya Sabha

10. Shri Gireesh Kumar Sanghi
11. Dr. C.P. Thakur
12. Shri A. Vijayaraghavan
13. Shri N.R. Govindarajar

SECRETARIAT

- | | | |
|-----------------------|---|-------------------------|
| 1. Shri Ashok Sarin | - | <i>Joint Secretary</i> |
| 2. Smt. Sudesh Luthra | - | <i>Director</i> |
| 3. Shri P.C. Koul | - | <i>Deputy Secretary</i> |
| 4. Shri D.R. Mohanty | - | <i>Under Secretary</i> |

WITNESSES

**Ministry of Communications and Information Technology
(Department of Telecommunications)**

2. At the outset, the Chairman welcomed the members of the Committee and the representatives of the Ministry of Communications and Information Technology (Department of Telecommunications) to the sitting of the Committee.

3. ***

4. The Chairman thanked the witnesses for appearing before the Committee as well as for furnishing valuable information desired by the Committee.

A verbatim record of the proceedings has been kept.

The witnesses, then, withdrew.

5. The Committee, then, took up the draft Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Fifty-sixth Report on Demands for Grants (2008-2009) of the Ministry of Communications and Information Technology (Department of Posts) for consideration and adopted the same.

6. The Committee authorised the Chairman to finalise the above draft Report and present the same to the House on a date convenient to him.

The Committee, then, adjourned.

*Matters not related to this Report.

ANNEXURE

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE
FIFTY-SIXTH REPORT (FOURTEENTH LOK SABHA)

[Vide Paragraph no. 5 of Introduction]

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

Paragraph Nos: 1, 2, 3, 6, 7, 8, 13, 17, 19, 20, 25, 26, 29, 31, 32, 35, 36, 37, 39, 40, 41, 42, 43, 44, 45, 46, 48, 49, 50, 51 & 52

Total: 31
Percentage: 58.49

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

Paragraph Nos: 18, 21, 24 & 33

Total : 04
Percentage: 7.54

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

Paragraph Nos: 5, 10, 11, 12, 14, 15, 16, 27, 28 & 53

Total: 10
Percentage: 18.87

- (iv) Observations/Recommendations in respect of which replies are of interim nature:

Paragraph Nos: 4, 9, 22, 23, 30, 34, 38 & 47

Total : 08
Percentage: 15.09

SIXTY-SIXTH REPORT
STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2008-2009)

(FOURTEENTH LOK SABHA)

MINISTRY OF COMMUNICATIONS AND
INFORMATION TECHNOLOGY
(DEPARTMENT OF POSTS)

*[Action Taken by the Government on the Observations/Recommendations
of the Committee contained in their Fifty-Sixth Report (Fourteenth
Lok Sabha) on Demands for Grants (2008-2009)]*

*Presented to Lok Sabha on 20 October, 2008
Laid on the Table of Rajya Sabha on 22 October, 2008*



LOK SABHA SECRETARIAT
NEW DELHI

October, 2008/Asvina, 1930 (Saka)

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CONTENTS

	PAGE No.
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I Report	1
CHAPTER II Observations/Recommendations which have been accepted by the Government	16
CHAPTER III Observations/Recommendations which the Committee do not desire to pursue in view of replies of the Government.....	48
CHAPTER IV Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration	53
CHAPTER V Observations/Recommendations in respect of which replies are interim in nature	65
APPENDIX	
Minutes of the Third Sitting of the Standing Committee on Information Technology (2008-2009) held on 10.10.2008	70
ANNEXURE	
Analysis of Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Fifty- Sixth Report (Fourteenth Lok Sabha).....	72

COMPOSITION OF THE STANDING COMMITTEE
ON INFORMATION TECHNOLOGY
(2008-09)

Shri Nikhil Kumar — *Chairman*

MEMBERS

Lok Sabha

2. Shri Abdullakutty
3. Shri Nikhil Kumar Choudhary
4. Shri Sanjay Shamrao Dhotre
5. Shri Ramesh Dube
6. Smt. Jayaprada
7. Shri Narahari Mahato
8. Shri Bhubaneshwar Prasad Mehta
9. Shri Harish Nagpal
10. Shri G. Nizamuddin
11. Shri Sohan Potai
12. Shri Lalmani Prasad
- *13. Vacant
14. Shri Tufani Saroj
15. Shri Tathagata Satpathy
16. Smt. Rubab Sayeda
17. Shri K.V. Thangka Balu
18. Shri P.C. Thomas
19. Shri Kinjarapu Yerrannaidu
- **20. Shri Errabelli Dayakar Rao
21. Vacant

*Shri Badiga Ramakrishna, M.P. ceased to be a member of the Committee *w.e.f.* 26 August, 2008.

**Nominated *w.e.f.* 6 October, 2008.

Rajya Sabha

22. Shri Praveen Rashtrapal
23. Shri Gireesh Kumar Sanghi
24. Shri Ravi Shankar Prasad
25. Shri Dara Singh
26. Dr. C.P. Thakur
27. Shri A. Vijayaraghavan
28. Shri N.R. Govindarajar
29. Shri Rajkumar Dhoot
30. Shri Rajeev Chandrasekhar
31. Shri Shyam Benegal

SECRETARIAT

1. Shri Ashok Sarin — *Joint Secretary*
2. Smt. Sudesh Luthra — *Director*
3. Shri P.C. Koul — *Deputy Secretary*
4. Shri D.R. Mohanty — *Under Secretary*

INTRODUCTION

I, the Chairman, Standing Committee on Information Technology (2008-2009), having been authorised by the Committee to submit the Report on their behalf, present this Sixty-sixth Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Fifty-sixth Report (Fourteenth Lok Sabha) on 'Demands for Grants (2008-2009)' of the Ministry of Communications and Information Technology (Department of Posts).

2. The Fifty-sixth Report was presented to Lok Sabha on 16 April, 2008 and laid on the Table of Rajya Sabha on 15 April, 2008. The Department furnished their Action Taken Notes on the Observations/Recommendations contained in the Fifty-sixth Report on 1 August, 2008.

3. The Report was considered and adopted by the Committee at their sitting held on 10 October, 2008.

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

5. An analysis of Action Taken by the Government on the Observations/Recommendations contained in the Fifty-sixth Report (Fourteenth Lok Sabha) of the Committee is given at Annexure.

NEW DELHI;
13 October, 2008

21 Asvina, 1930 (Saka)

NIKHIL KUMAR,
Chairman,
Standing Committee on
Information Technology.

66

**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2008-2009)**

FOURTEENTH LOK SABHA

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

*[Action Taken by the Government on the Observations/Recommendations
of the Committee contained in their Fifty-Sixth Report (Fourteenth
Lok Sabha) on Demands for Grants (2008-2009)]*

SIXTY-SIXTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

October, 2008/Asvina, 1930 (Saka)