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MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY

(DEPARTMENT OF POSTS)

(PERFORMANCE OF PROJECT ARROW)

COMMITTEE ON ESTIMATES

(2013-2014)

TWENTY SEVENTH REPORT

(FIFTEENTH LOK SABHA)

LOK SABHA SECRETARIAT

NEW DELHI

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Presented to Lok Sabha on12 December, 2013

LOK SABHA SECRETARIAT

NEW DELHI

December, 2013/ Agrayahana, 1935 (Saka)

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1.	Shri A. Louis Martin	-	*Joint Secretary*
2.	Smt. Anita B. Panda	-	*Director*
3.	Shri Ajitesh Singh	-	*Committee Officer*

INTRODUCTION

I, the Chairman of Committee on Estimates (2013-14) having been authorized by the Committee to present the Report on their behalf, present this Twenty Seventh Report of the Committee (Fifteenth Lok Sabha) on the subject 'Performance of Project Arrow' pertaining to the Ministry of Communications and Information Technology (Department of Posts).

2.   The Committee took the oral evidence of the representatives of the Ministry of Communications and Information Technology (Department of Posts) on 28 June, 2013.

3.   The Report on the subject was considered & adopted by the Committee at their sitting held on 9 December, 2013.

4.   The Committee wish to express their thanks to the representatives of the Ministry of Communications and Information Technology (Department of Posts), who appeared before them and placed their considered views on the subject. The Committee also wish to thank them for furnishing the information required in connection with examination of the subject.

NEW DELHI;   **FRANCISCO SARDINHA,**
11 December, 2013   **CHAIRMAN,**
20 Agrayahana,1935(Saka)   **COMMITTEE ON ESTIMATES.**

PERFORMANCE OF PROJECT ARROW

PART – I

BACKGROUND ANALYSIS

Chapter I – Introductory

The postal system is universally recognized as a facilitator of communication and India Post in the Indian scenario is facilitating the same. For a century and a quarter, India post was the backbone of the country's communication playing a crucial role in the country's socio - economic development. In the last quarter of the 20th century, developments in the communication & IT Industry moved at a pace which challenged the relevance of the written communication. However, the size and diversity of the country and the services provided ensured that India Post continued to touch the lives of people in many ways be it through mail, banking, life insurance, money transfer or retail services.

The Indian Post Office Act, 1898 governs the postal services provided by the Department of Posts (DoP) under the Ministry of Communications and Information Technology.

1.2   Apart from the basic services, various value added services like Retail Post, e-Post, Bill Mail Services, sale of Passport application forms, pickup and delivery of Speed Post articles, sale of gold coins etc. are offered by the DoP. Extensive network of Post Offices is also being used to offer Banking and Insurance services to a large number of people in both urban and rural areas. Since 2007-08, the DoP has been given the mandate to disburse wages to the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) beneficiaries through Post Office

Savings Bank accounts. Besides providing affordable means of communication throughout the country, India Post also meets the emerging needs of specific segments of society like commerce, industry, Government and institutional bodies, who demand faster, better and cheaper services.

1.3   As per the Annual Report (2012-13) of DoP, India has the largest postal network in the world with 1,54,822 Post Offices (as on 31.03.2012) of which 1,39,086 (89.84%) are in the rural areas and 15,736 (10.16%) are in urban areas. The DoP has 25444 departmental Post Offices and 1,29,378 extra departmental Post Offices being manned by 2,11,107 departmental employees and 2,63,467 gramin dak sewaks.

1.4   According to Outcome Budget (2013-14) of DoP, the outreach of the network, a well established accounting system and intimate knowledge of local conditions even in the remotest corners of the country are the strengths of the postal network, which are being further tapped to provide a better range of services to customers, depending on local needs. Induction of technology is facilitating this objective by upgrading the capacity of the physical network. Efforts to improve the skills and capabilities of employees through training, strategic collaborations with leading service providers in banking and insurance sectors, and provision of more and more homogenous products and services on agency basis are among the initiatives that India Post is currently focusing on to meet the emerging challenges before it and to fulfill its role as a facilitator of communication and development in the emerging socio-economic environment.

1.5   In an attempt to transform India Post into a technology enabled, self-reliant market leader, a pilot project named "Project Arrow" has been launched in 2008-09. This "Project Arrow" aimed to modernize and upgrade the identified Post Offices by enhancing the 'look and feel' with focus on branding, IT, Human Resources and Infrastructure and 'to get the Core Right' with focus on Mail Delivery, Remittances – both electronic and physical, Savings Bank and Office Services.

1.6   While explaining the reasons behind launching Project Arrow, DoP during the oral evidence held on 28th June, 2013, the DoP specified the same as limited impact of earlier initiatives of Modernization and Computerization of Post Offices owing to un-integrated silo based approach; non-measuring of outcome against identified key performance indicates; absence of any effective monitoring system; lack of sensibility to timelines and non-replication of islands of success across the board.

1.7   In the past, various Parliamentary Committees, including the Committee on Estimates have examined issues pertaining to postal services from time to time and given their valuable recommendations on the same. One such report was the 58th Report (Eighth Lok Sabha) of Committee on Estimates on 'Postal Services in Rural Areas (1987-88).

1.8   In this background, the Committee examined the subject in detail and identified certain critical issues as enumerated in the succeeding chapters of this Report.

Chapter – II

Scope and Objectives of the Project

Project Arrow has been conceptualized in April, 2008 by the India Post with a vision to make Post Office the "window to the world" for 'Aam Aadmi'. The project was conceived to give a uniform branded look to the Post Office by standardizing exterior and interior look and upgrading infrastructure and improving core operations through IT enabled services. To maintain a uniform exterior and interior in all the Post Offices, the Colour scheme for walls (interior & exterior), Flooring, Information boards/signage, Customer Service Counters, Customer Writing Ledges, Cupboards, Customer Waiting Benches, Counter Staff Chairs, Hall and Counter Lights etc have been standardized. Parameters/norms provided in "Project Arrow' Blue Book are referred to meet the objectives of the scheme and to achieve the objectives, time lines and cost.

2.2   As per the information furnished to the Committee by DoP in June, 2013, the scope of the Project Arrow is as under:

(a)   To make Post Offices, especially those in the rural areas, a window to the common person for availing services, hitherto confined to urban locales;

(b)   To enable Post Offices to play a larger role in the social and economic transformation of the country by taking up new roles and challenges;

(c)   To transform the large man power into a committed and professional human resource;

(d)   To provide IT enabled services based on the state of the art technology , especially in areas where it matters the most ;

(e)   To change the "look and feel" of the Post Office to give it a distinct identity of its own, and;

(f)   To ensure a return on investment necessary for a self- sustained growth and development so that every Project Arrow Post Offices should be a profit center.

2.3   When asked about the objectives behind launching such project, the DoP in its reply have furnished that the Project Arrow has been launched for revitalizing the postal organizations, capitalizing on its strengths, recognizing and dealing with the weakness by sustained, sincere and honest team efforts and the objectives behind launching such project were:

(a)   To make a visible, tangible and noteworthy difference in the Post Office operations that matter to "Aam Aadmi";

(b)   To ensure short term impact through selected Post Offices both in rural and urban areas;

(c)   To verify and certify progress on an ongoing basis using clearly defined Key Performance Indicators (KPIs) for each improvement area;

(d)   To lay the foundation for a comprehensive, long term transformation of India Post.

2.4   According to the Annual Report (2012-13) of Department of Posts, the Project Arrow has two components:

(i)   '**Get the Core Right'** with focused efforts to significantly improve four core areas of the postal services viz. mail delivery, savings bank, remittances and office service levels;

(ii)   **Modernize the 'Look and Feel'** with a broad approach to upgrade, enhance capacity and quality in Human Resource, Infrastructures, Branding and Information Technology.

2.5   As per the information furnished by the DoP in their 'Blue Book', the Project covers Eight Silos viz. mail delivery, savings bank, remittances and office service levels under the component 'Get the Core Right'; and Human Resource, Infrastructures, Branding and Information Technology under the component Modernize the 'Look and Feel'. While explaining the objectives under 'Get the Core Right', the DoP in its background material furnished as under:

(i)   **Mail Delivery:** The basic objective is to define service levels specific to these Post Offices with respect to all mail operations with the ultimate goal of ensuring delivery of mails on the day of receipt itself; to provide for intimation of delivery, track and trace and the required infrastructure for it; and to design a monitoring mechanism to assess and evaluate the progress of Mail delivery standards and other service delivery standards.

(ii)   **Savings Bank**: the objective is to reduce the waiting time at the counter by improving the efficiency through induction of IT and soft skills training to the staff; to ensure adequate availability of forms and other stationery; to educate the members of staff and the customers about various financial services; and to proactively educate customers on Post Office Savings Bank (POSB) schemes & encourage opening of accounts.

(iii)　**Office Service Level:** the objective is to create a conducive and customer friendly environment in the public hall through proper signages at the counters; and to ensure access to useful public information through facilitation counters and leaflets etc.

(iv)　**Remittances:** to ensure delivery of money order to the recipient on the day of receipt in the Post Office; To remove the bottleneck of cash availability in the Sub Post Offices and Branch Post Offices; and to provide the services of Instant Money Order, Mobile to Mobile MO, Electronic Money Order, Electronic International Money Order in the Project Arrow Post Office.

2.6　Regarding the component "Modernize the look and feel" the Committee have been informed that the objectives are as under:

(i)　**Human Resource**: the main emphasis is to ensure that all the identified Post Offices are optimally manned either by filling up the vacancies or by redeployment of staff; required training package designed for these Post Offices and trainers identified for giving training; and to ensure that Job description for each personnel in these Post Offices is prescribed and that there is no abrupt break in the whole process of the implementation of this project.

(ii)　**Infrastructure**: the objective is to develop standardized and consistent interior and exterior blueprints for the Post Offices selected under Project.

(iii)　**Technology**: the emphasis is to equip all the identified Post Offices with required hardware and software; to ensure leased line / broadband connectivity in all the

identified Post Offices; and to ensure adequate provision of power back-up in the identified Post Offices.

(iv) **Branding**: the aim is to design a uniform brand hierarchy and consistency for all products and services including accessories to be worn by counter and outdoor staff.

Chapter – III

Fund Allocation and Utilization: Future Plans and Expected Benefits

According to DoP, funding for Project Arrow is met from plan funds allocated to Department of Posts as approved by Planning Commission. An amount of ₹ 284.00 crore has been proposed in the XII Five Year Plan to cover 2,500 Post Offices, out of which ₹ 74.00 crore has been earmarked for the year 2012-13 for 780 Post Offices.

3.2   On the issue of utilization of funds allocated under Project Arrow, the DoP in its reply in June, 2013 have furnished as under:

"Project Arrow is being implemented in a phased manner due to the large number of Post Offices and because of the comprehensive nature of change right from training to infrastructure; both these aspects require sufficient funds and effort in order to bring about a sustainable change

Year	Phase	Number of Post Offices covered	Total Outlay (in Crores of ₹)	Utilized (in Crores of ₹)	% utilization
2008-09	I & II	500	86.56	86.56	100%
2009-10	III	503	65.00	56.00	86.15%
2010-11	IV	525	83.86	80.41	95.88%
2011-12	V	207	26.09	22.86	87.62%
2012-13	VI	780	74.00	67.62 (tentative)	91.30%

3.3   Further on the prospects of outlay projected for Twelfth Five Year Plan for the 'Project Arrow' the DoP in its written reply has submitted before the Committee that the total outlay projected under 12th Five Year Plan is as under:

Activities	No. of POs	Proposed expenditure	Plan Allocations (₹ in Crore)
Infrastructure		(In crore)	210.00
2012-13(approved)	780	74.00	
2013-14	110	7.49	
2014-15	715	70.00	
2015-16	540	60.00	
2016-17	355	38.51	
Total	2500		
Up-Keep			29.00
2012-13	0	0	
2013-14	410	10.0	
2014-15	400	10.0	
2015-16	150	4.5	
2016-17	150	4.5	
Total	1110		
Audit			5.00
2012-13	0	0	
2013-14	500	2.5	
2014-15	0	0	
2015-16	500	2.5	
2016-17	0	0	
Total	1000		
Grand total			₹ 284 Crore

The Department has also informed that the total outlay provided for 2012-13 was ₹ 74.00 crore, of which ₹ 72.30 crore has been utilized. For 2013-14, ₹ 19.99 crore has been proposed subject to approval of EFC. The EFC has already been circulated and comments received from Planning Commission and Finance Ministry replied to; the EFC meeting is likely to be held shortly".

3.4   When asked about future plans and expected benefits, the Committee have been informed that as on 31.03.2013, India has over 1.54 lakh Post Offices out of which 25,444 Post Offices are Departmental Post Offices and 1.29 lakh Post Offices are Extra departmental Post Offices. Out of 25,444 departmental Post Offices, 18,611 Post Offices i.e. 73 %, are being monitored under Project Arrow and remaining Departmental Post Offices are likely to be covered for monitoring of "Core Operations" under 12th Plan.

3.5   Further, when enquired about any long-term plan to cover all the remaining Post

Offices under Project Arrow, the DoP in its Post Evidence Replies has submitted as

under:

> "Yes, India Post has a separate plan to cover all Extra Departmental Post Offices under "India Post IT Modernization Project" wherein handheld devices shall be provided to over 1,30,000 village Post Offices that will enable the branch Post Master to do mail, Savings bank, life insurance, money order and Other transactions in a networked environment."

Chapter – IV

Physical Performance

As per the reply furnished by the DoP parameters/norms provided in 'Project Arrow' Blue Book are referred to meet the objectives of the scheme and a set of Key Performance Indicators (KPIs) have also been developed to monitor performance of the 'Core Operations' for Post Offices selected under Project Arrow. These performance indicators are as follows:

| KPI Dashboard			Units	Tolerance
KPI - Mail	**Mail & MO delivery**	Per cent mail not sent for delivery (Ord)	%	0%
		Per cent mail not sent for delivery (Regd)	%	0%
		Per cent mail not sent for delivery (SP)	%	0%
		Per cent mail not sent for delivery (MO)	%	0%
		Per cent mail not sent for delivery (eMO)	%	0%
		Per cent mail not sent for delivery (Registered Parcel)	%	0%
		Per cent mail not delivered same day (Ord)	%	0.00%
		Per cent mail not delivered same day (Regd)	%	5.00%
		Per cent mail not delivered same day (SP)	%	3.00%
		Per cent MO not delivered same day (MO)	%	5.00%
		Per cent MO not delivered same day (eMO)	%	5.00%
		Per cent MO not delivered same day (Registered Parcel)	%	5.00%
	Mail Booked and despatched	Percent of eMO booked (out of total MO booked)	%	100%
		Percent of mail booked and despatched (Regd)	%	100%
		Percent of mail booked and despatched (SP)	%	100%
		Percent of mail booked and despatched (EPP)	%	100%
KPI- Savings bank	**Savings Bank performance**	Number of Pending deceased claim cases	Number	5
		Number Of account Transfer Request	Number	5
		Percent of Savings Bank account where signature scanning is completed	%	100%

Each of the KPIs has a tolerance limit to see whether service level has gone below the threshold or not.

4.2   When asked about the significant achievements made by DoP in each of identified components of Project Arrow, the Committee have been informed as under:

"(i)   In revenue generation

The total revenue in respect of 1724 Post Offices covered under Project Arrow has increased from ₹ 1345.82 crore in 2010-11 to ₹ 1595.54 crore (18.55%) in 2011-12 and to ₹ 1800.69 crore (12.86%) in 2012-13 respectively

Similarly, in respect of booking of accountable mail, it has increased by 20.29% between in 2010-11 & 2011-12 (from 11.87 crore to 14.29 crore) and by 6.65% between 2011-12 & 2012-13 (from 14.29 crore to 15.24 crore).   Graphical representation of growth in total Revenue and Traffic is given below –
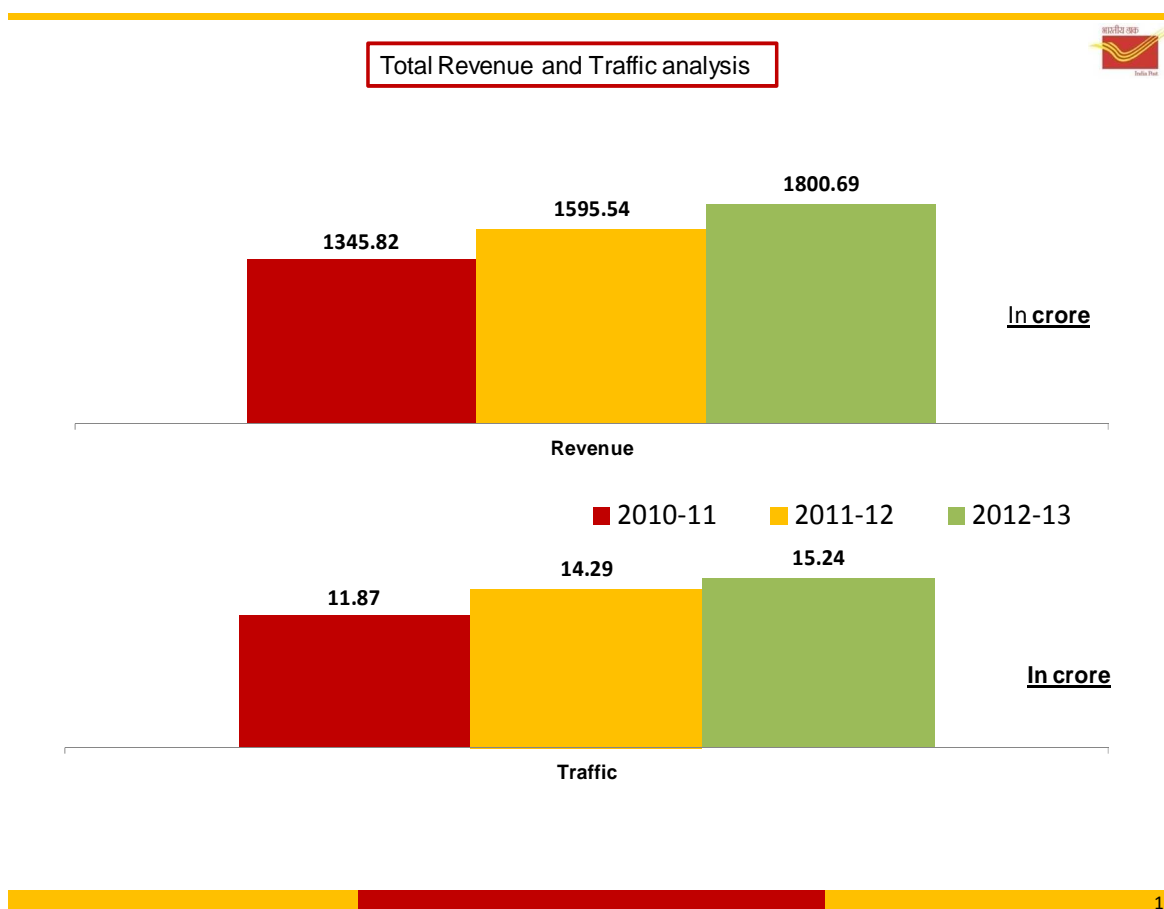
(ii)   In term of delivery efficiency

In Phase-I - There has been a significant improvement from Aug-08 to March-13 in the delivery efficiency of 50 Project Arrow Post Offices**.** Graphics for same day delivery of Speed Post, Registered and MOs are given below:

% Speed Post – same day delivery


```
93.4          97.2
Aug-08      March-13
```

% Registered Letters – same day delivery


```
87.5          93.5
Aug-08      March-13
```

% Money Order – same day delivery


```
74.9          96.3
Aug-08      March-13
```
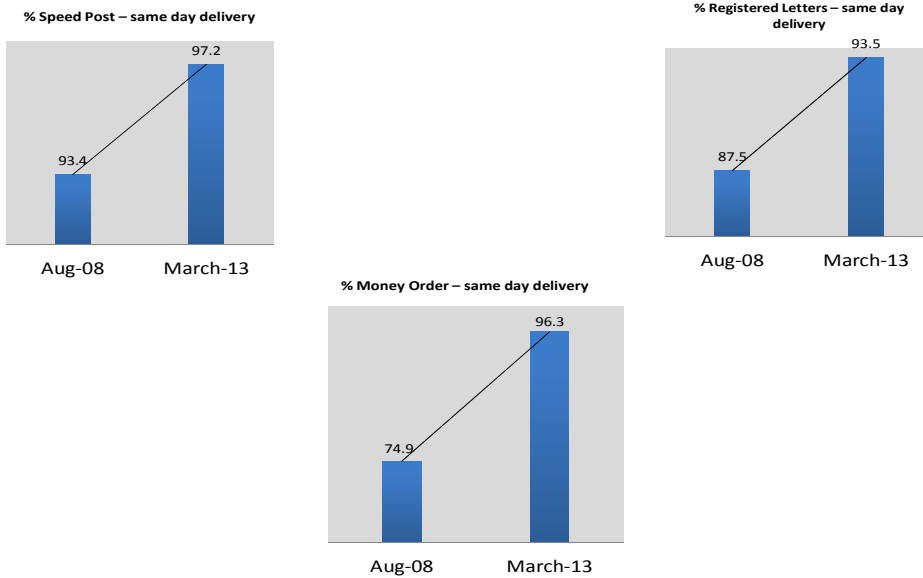
In Phase - II - There has been a significant improvement from March-09 to March-13 in the delivery efficiency of 450 Project Arrow Post Offices. Graphics for same day delivery of Speed Post, Registered, MOs, eMOs, booking of electronic Money Orders and % of Savings Bank Signature Scanning below are given below:
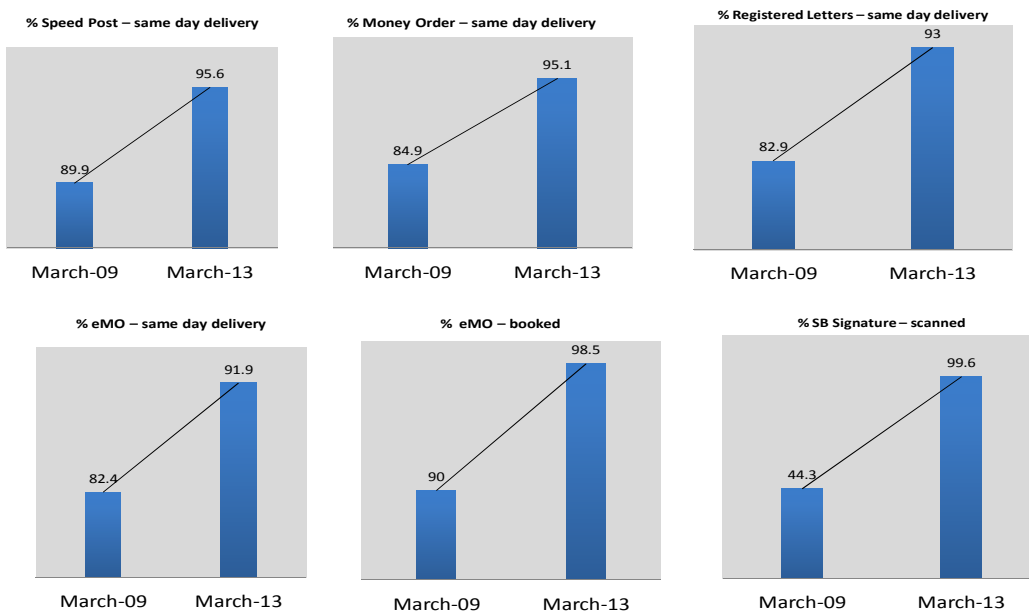
Phase II — Significant improvement in KPIs (no. of Post offices- 450)

% Speed Post – same day delivery


```
89.9          95.6
March-09    March-13
```

% Money Order – same day delivery


```
84.9          95.1
March-09    March-13
```

% Registered Letters – same day delivery


```
82.9          93
March-09    March-13
```

% eMO – same day delivery


```
82.4          91.9
March-09    March-13
```

% eMO – booked


```
90          98.5
March-09    March-13
```

% SB Signature – scanned
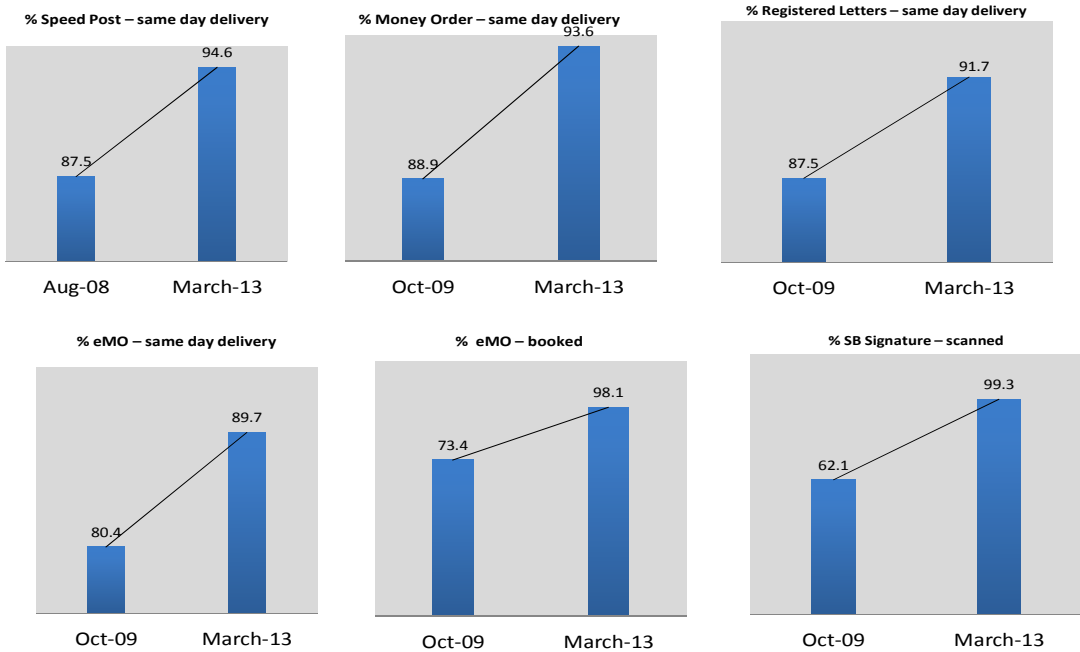


```
44.3          99.6
March-09    March-13
```

In Phase-III & IV - There has been a significant improvement from March-09 to March-13 in the delivery efficiency of 1,224 Project Arrow Post Offices. Graphics for same day delivery of Speed Post, Registered, MOs, eMOs, booking of electronic Money Orders (eMOs) and % of Savings Bank Signature Scanning are given below.

Phase III – Significant improvement in KPIs (no. of Post offices- 1,224)

% Speed Post – same day delivery

% Money Order – same day delivery

% Registered Letters – same day delivery

% eMO – same day delivery

% eMO – booked

% SB Signature – scanned

(iii)   Significant improvement in the ambience

To maintain a uniform exterior and interior in all the Post Offices the Colour scheme for walls (interior & exterior), Flooring, Information boards/signage, Customer Service Counters, Customer Writing Ledges, Cupboards, Customer Waiting Benches, Counter Staff Chairs, Hall and Counter Lights etc have all been standardized.

4.3   On the extent of replacement of traditional method of sending mails and money by electronic means like e-post, e-payment, i-MO and e-MO through 'Project Arrow', the DoPs informed the Committee as under:

"Whereas electronic money remittance services like eMO & iMO have supplemented the normal Money Order. Traffic of Registered mail has increased by 7.4% from 2010-11 to 2011-12, that of Speed Post has increased by 42.2% &

Money orders by 21% in the same period. The need to send documents and parcels in a physical form has ensured that these services remain very much in demand; despite the popularity of internet & telephony the demand for Speed Post for transmission of documents and packets remains high.

The year-wise no. of transactions/ traffic for eMO, iMO, e-Post & e-Payment are as under:

Financial Year	eMO no. of booked (in lakh)	iMO no. of transactions	e-Post traffic (in lakh)	e-Payment traffic (in lakh)
2010-11	197.10	12975	20.31	137.70
2011-12	358.30	14454	60.49	131.84
2012-13	410.40	25465	37.00*	144.00*

*upto March, 2013 final figures are yet to be compiled."

4.4   When asked about the steps taken by DoP for timely and efficient delivery of services to people living in far flung areas through 'Project Arrow', the DoP in its written reply furnished as under:

- "The beats of Post Offices having vast jurisdiction have been rationalized to minimize the distance travelled by each Postman in order to provide better/timely service to public.
- Revised mail arrangements have been implemented.
- Postman beat revisions have been carried out.
- Performance of the delivery staff is being monitored closely.
- Ensuring Letter Box clearance and dispatch of mails collected at the counter to include them in the day's dispatch.
- In order to monitor the transmission and delivery efficiency of Speed Post, Registered and Ordinary mail, an online monitoring tool is used and the outcome evaluated in the fortnightly Video Conference. This online tool generates numerical grading for each sorting hub across the country on the basis of KPIs.
- As e-Post, e-payment, iMO & eMO are all internet enabled services, their transmission is instantaneous and hence delivery time is considerably reduced. In all Project Arrow offices, a target of 100% eMO booking has been set so that Money Orders are delivered within a shortest possible time. Due to the introduction of eMOs in Project Arrow POs, the traffic has increased by 82% between 2010-11 & 2011-12 and by 15% between 2011-12 & 2012-13.

- iMO traffic has also increased by 11% between 2010-11 & 2011-12 and 76% between 2011-12 & 2012-13".

4.5   The Committee further asked the Ministry the reasons for not achieving the targets in 12 Postal Circles especially w.r.t. percentage of registered mail delivered on the day of receipt in Project Arrow Post Offices set under RFD for the months of April and May, 2013, the DoP in its Post Evidence Replies furnished as under:

> "The track & trace of Registered articles was launched in September, 2012. Hence, it is a new development and the Circles are pursuing it with their Post Offices to upload the data. Further 1,30,000 Branch Post Offices do not have computers/ Handheld devices. Hence their data is sent to the SO/HO with whom they are in account and the data uploaded thereon. Hence the RFD target is being pursued vigorously and will be achieved. Also, the Circle-wise performance deficiencies in the Project Arrow Post Offices have been reviewed on Monthly basis. The performance of the Circles, which are lagging behind the targets are closely analyzed and reviewed through in the fortnightly video conference of Project Arrow and corrective measures for achieving the targets are also discussed with all the Heads of the Circles.
>
> As a result of rigorous monitoring, Rajasthan Circle where booking of electronic Money orders was 64% in April has increased to 93% in June, 2013. Similarly, West Bengal Circle has also shown significant improvement in all the 4 RFD parameters due to continuous monitoring."

4.6   Also, as per Outcome Budget (2013-14) of DoP to improve environment and ergonomics, maintenance, auditing and training for 1020 Post Offices under Project Arrow an amount of 20 crore has been outlayed for 2013-14. The objective behind such outlay is to provide useful modern space for operations, attractive ambience and design keeping in view customer convenience and employee satisfaction. However, the scheme is yet to be approved.

Chapter - V

Revenue Earned

The information available through the web based Data Extraction Tool (DET) through which Project Arrow post offices are monitored by the DoP, has reportedly revealed an increase in revenue generation in respect of major transactions and operations such as postage realized in cash, Money Order and Indian Postal Order Commissions, Postal Life Insurance, Rural Postal Life Insurance Premium, Electronic Money Order, e-payment Commission, postal stamps sales revenues, publication sales, revenue from other mail services and revenue on account of increased number of savings bank accounts.

5.2   The DoP has also informed the Committee that the total revenue in respect of 1724 Post Offices covered under Project Arrow has increased from ₹1345.82 crore in 2010-11 to ₹1595.54 crore (18.55%) in 2011-12 and to ₹1800.69 crore (12.86%) in 2012-13 respectively.

5.3   When inquired about the decline in growth rate in the revenue earned by the Post Offices under Project Arrow, the DoP in its Post Evidence Replies has submitted as follows:

> "As per the information available through the Data Extraction Tool, the revenue trend of 1724 Project Arrow Post Offices shows the aforesaid increase. But, 2012 onwards Department has launched new premium products, financial services, International Money remittances, electronic franking machine facilities etc. and set-up a large number of Business Post and Logistic Post centre for handling bulk business. Thus, the revenue which was accounted earlier at these 1724 Project Arrow Post Offices is now being accounted at these Business Post Centres and Logistics Post centres. The overall growth of revenue of the Department has been 17% from 2011-12 to 2012-13."

5.4   The Outcome Budget (2013-14) of DoP states that the challenge of providing cost effective and valuable services to the customer is also a matter of constant concern. The total revenue during 2011-12 was ₹ 7899.35 crore against net working expenses of ₹ 13705.27 crore leaving a gap of ₹ 5805.92 crore. The increase in postal revenue over the previous year was 13.46 % and decrease in deficit 8.51 %.

Chapter - VI

Monitoring and Audit

(i)   Monitoring of the Project

Under the mandate of the Project Arrow, a web-based Data Extraction Tool (DET) has been devised to monitor all Post Offices in each postal circle under Project Arrow. The DET has been devised to collect the data from the field units directly from the server without any manual intervention. The data analysis is presented to all the Chief Postmaster General of 22 Postal Circles through a video – conference every fortnight. Data on all key performance indicators is minutely scrutinized and gaps in implementation and remedial measures thereto are discussed in the Video-Conference. Dedicated Programme Offices have been set up at the Headquarter level and at all 22 Circle-Headquarters. The circle-wise number of Post Offices identified for monitoring of 'Core Operation and Upgradation' under 'Look & Feel' is as under:

CIRCLE	LOOK & FEEL		CORE OPERATION	
	RURAL	URBAN	RURAL	URBAN
ANDHRA PRADESH	29	168	736	628
ASSAM	14	40	356	226
BIHAR	35	83	224	216
CHATTISGARH	1	36	104	184
DELHI	0	85	4	335
GUJARAT (including Daman & Diu and Dadar & Nagar Haveli)	0	121	32	1156
HARYANA	2	56	161	261
HIMACHAL PRADESH	9	34	290	119
JAMMUKASHMIR	0	38	9	150

JHARKHAND	10	45	86	127
KARNATAKA	2	133	732	703
KERALA (including Lakshdweep)	34	72	916	498
MADHYA PRADESH	22	152	323	610
MAHARASHTRA (including Goa)	13	177	689	1005
NORTH EASTERN (including Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura)	44	51	82	98
ORISSA	25	82	411	264
PUNJAB (including Chandigarh)	4	74	308	402
RAJASTHAN	71	135	491	460
TAMILNADU (including Pondicherry)	44	207	1201	1037
UTTAR PRADESH	20	169	690	989
UTTARAKHAND	9	44	93	158
WEST BENGAL (including Sikkim and Andaman & Nicobar Island)	20	105	422	625
NATIONAL	**408**	**2107**	**8360**	**10251**

6.2   Further, as per the information furnished by the DoP, under the India Post Project Arrow Blue Book, an automated reporting mechanism has been put in place for performance monitoring which includes following postulates:

(a)	Aligned with strategic objectives	(i) It has been linked to priorities and scope of organization/ department (ii) It includes structured approach to choose selected areas and KPIs based on overall corporate strategy (iii) Focused number to direct employee priorities

(b)	Focused on driving performance improvement	(i) Both to internal and external benchmarks selected to stretch performance (ii) Variances have been clearly highlighted and tracked (iii) Metrics and targets have been created with employee input to ensure buy-in
(c)	Designed to provide snapshot of performance	(i) Layout has been designed to facilitate quick assessment of performance along a number of dimensions (ii) Use of visual clues (e.g., colours, graphics) were highlighted to guide user
(d)	Integrated into larger performance management framework	(i) Post-office level KPIs have been aggregated at every level to ensure integration with directorate-level framework (ii) Input to regularly scheduled performance dialogues

6.3   When asked about the level of performance of web-based monitoring mechanism

for Post Offices under Project Arrow on the various Key Performance Indicators scale,

the DoP in its written reply have furnished as under:

> "With regards to 'Core Operations', all Post Offices under Project Arrow use the Data Extraction Tool to uphold their local server files to the Project Arrow Central Server in order to monitor Core Operations performance on the various KPIs fixed for the project. The phase- wise analysis on performances is discussed in Video Conference every fortnight with head of Circles by the Secretary Posts. Slippages in performance by some Post Offices in respect of certain items of operations are flagged for remedial action. Senior officers in the Circles are directed in the VC to make visits to Project Arrow Post Offices whose performance is not upto the mark & the outcome is discussed in the next Video Conference. The circle-wise performance on 4 KPIs that have been selected under RFD, project of the Cabinet Secretariat for April-May is as under:

Circle	Results Framework Document (RFD) 2013-14							
	Success Indicator with Target							
	% of Registered mails delivered on the day of receipt in Project Arrow offices (Target - 90%)		% of Money Orders delivered on the day of receipt in Project Arrow offices (Target - 90%)		% of accounts digitized in Project Arrow offices (Target - 95%)		% of Money Orders booked electronically in Project Arrow offices (Target - 95%)	
	April, 13	May, 13	April, 13	May, 13	April, 13	May, 13	April, 13	May, 13
ANDHRA PRADESH	82.00%	81.43%	91.00%	89.67%	98.00%	98.00%	92.00%	93.34%
ASSAM	87.93%	87.77%	97.09%	92.07%	99.97%	99.99%	95.81%	96.71%
BIHAR	90.69%	90.23%	94.10%	94.54%	92.66%	93.26%	88.68%	89.49%
CHATTISGARH	90.06%	88.92%	93.99%	89.07%	99.80%	99.92%	98.69%	98.80%
DELHI	92.74%	90.70%	93.76%	92.90%	99.57%	99.40%	99.29%	99.46%
GUJARAT	93.98%	95.02%	90.77%	91.69%	99.81%	99.75%	99.91%	99.84%
HARYANA	91.74%	92.18%	82.60%	90.01%	100.00%	97.65%	94.49%	96.08%
HIMACHAL PRADESH	96.00%	93.84%	90.00%	97.48%	99.99%	99.99%	84.46%	88.54%
JAMMUKASHMIR	90.00%	90.00%	94.00%	90.00%	98.00%	92.00%	79.00%	88.00%
JHARKHAND	92.14%	90.94%	99.59%	99.21%	95.76%	98.12%	96.06%	96.73%
KARNATAKA	79.45%	78.74%	83.25%	80.93%	98.52%	98.79%	99.96%	99.96%
KERALA	76.14%	76.00%	79.58%	80.00%	94.55%	95.00%	99.98%	100.00%
MADHYA PRADESH	94.39%	93.85%	98.25%	97.93%	93.03%	92.80%	96.41%	97.10%
MAHARASHTRA	83.96%	78.00%	91.24%	90.00%	96.41%	96.00%	90.10%	95.00%
NORTH EASTERN	82.76%	82.67%	89.92%	93.05%	99.86%	99.36%	85.25%	90.34%
ORISSA	88.50%	88.35%	93.99%	94.86%	95.28%	98.69%	97.56%	97.76%
PUNJAB	88.05%	89.00%	97.72%	97.00%	94.68%	96.00%	93.39%	94.00%
RAJASTHAN	89.00%	91.00%	94.00%	92.00%	88.00%	95.00%	64.00%	82.00%
TAMILNADU	79.67%	78.70%	82.36%	81.24%	97.68%	97.68%	99.81%	99.81%
UTTAR PRADESH	89.00%	89.00%	91.00%	92.00%	93.00%	95.00%	80.00%	85.00%
UTTARAKHAND	94.46%	96.00%	95.94%	95.80%	97.78%	99.02%	81.45%	84.35%
WEST BENGAL	76.40%	82.00%	77.50%	80.00%	88.00%	90.27%	74.00%	89.00%
National	**87.68%**	**87.47%**	**90.98%**	**90.98%**	**96.38%**	**96.90%**	**90.47%**	**93.70%**

6.4   In addition to the web-based monitoring mechanism, all the identified Post Offices in Project Arrow are required to form Local Citizens' Forum consisting of prominent citizens interested in the development of postal services in the area.

6.5   When asked about any feedback received from such Local Citizens' Forum, the

DoP in its written reply furnished as under:

"In all Project Arrow Post Offices where 'Look & Feel' completed, Local Citizens Post Forums have been formed in the Circle. All the Post Forum offices are conducting Post Forum meetings and taking the feedback from representatives. Action is being taken on the feedback and suggestions given by the representative. Some of the feedbacks are given below:
- To cancel ceiling limit on investments like MIS.
- To remove ceiling period i.e, maturity period for RD accounts. But to close the account at any time like banks.
- To install CC TV cameras in Post Office counter halls.
- Providing daily news papers for public visiting Post Offices.
- To extend the facility of Railways ticket bookings, sale of gold coins in remaining Post Offices.
- To improve the quality of Pass Book.
- To popularize the products and services offered by the Department through more publicity.
- Improve quality of delivery.
- Rates of interest of Small Savings scheme should be enhanced.
- Introduction of Core banking and ATM services."

6.6   Regarding the assessment of feedbacks received from such forum on the

performance of Project Arrow, the DoP in its written reply has submitted as under:

- "In most of the Forum meetings members have expressed their appreciation for the efficient service and new look & feel appearance of the Post Office and asked India Post to continue Project Arrow for the benefit of customers. Many members of the staff have expressed their appreciation for the new work culture in the Post Offices. The feedbacks received in the forums are being acted upon to improve the performance of project Arrow POs.
- The ambience of the Post Office after completion of the Look and Feel works is appreciated.
- The improved delivery Performance is also appreciated.
- Online registration of complaints, prompt acknowledgement & Redressal is appreciated.
- On the basis of feedback received in such forums, track & trace for registered articles has been introduced.
- Request for additional counters for Booking of Applications for Government Examinations has also been done across the country."

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6.7   Further, when asked about the consideration of feedback received by the Ministry and decisions taken thereon, the DoP in its Post Evidence Replies stated as under:

a. "The ceiling of investment in MIS accounts has been increased from 3 lakh for single account & 6 lakh for joint account to 4.5 lakh & 9 lakh respectively in 2007 & maturity time reduced from 6 years to 5 years in 2011. Presently there is no proposal to remove the ceiling.

b & c. The suggestions at b and c have financial implications. In view of limited funds for Project Arrow offices, only essential facilities are provided. Further, Members of Public are coming to Post Office for postal transactions and they are attended immediately in the MPCM counters and the customers leave the counters without sitting or waiting in the Counter hall.

d. Yes, the Department of Posts has allotted Rs. 2.95 crore for publicity of premium products, during the current financial year.

e. In order to improve the quality of delivery in Post Offices, two projects i.e. Mail Network Optimization Project & Project Arrow, are being run by the DoP simultaneously. Through these two projects, the delivery of all accountable and ordinary mail are being analyzed, reviewed & discussed in fortnightly review meetings with the Heads of the Circles.

f. The Ministry of Finance decides the rates of interest on the Postal Saving Schemes. Suggestions received are forwarded for necessary action to MoF.

g. Department of Post has signed the contract with M/s Infosys Ltd, the Financial Services System Integrator (FSI), for implementing Core Banking Solutions and for installing ATMs. The project has started from 28.9.12 and it is proposed to be completed by 2014".

(ii)   Auditing of the Project

6.8   On the audit of the Post Offices selected under Project Arrow, the DoP have informed that for the improvement in performance level of the identified 50 Post Offices in Phase-I, a Third party external audit has been made and the findings of the Audit are as under:

"All the Post Offices were found to be having adequate infrastructure including computer hardware and other facilities. The average customer satisfaction was found to be 9.52 on a scale of 10. It included availability of forms and stationery, staff courteousness and diligence, queuing time, multipurpose counter operators, adequacy of computers, availability of customer facilities in public hall etc. Further, the average scope of staff satisfaction level was observed to be 5.8 on the scale of 6."

6.9   When asked about not appointing any external agency for assessing the performance of POs, the DoP in its written reply have informed as under:

"External Audit of Project Arrow Post Offices has been proposed every year but due to paucity of funds the audit could not be carried on a large scale. In June,2013 an external audit of 6 Project Arrow Post Offices in UP, Chhattisgarh & Maharashtra Circles was carried out through external agencies. In addition, the performance of the Project Arrow Post is being constantly discussed in fortnightly Video Conference with all Head of Circles."

6.10   On the basis of information furnished by the DoP regarding the external audit of 6 Project Arrow Post Offices conducted in June, 2013 in Uttar Pradesh, Chhattisgarh and Maharashtra, the Committee observed that some of the activities viz. postman reporting time, performance of ordinary letter delivery, utilization of information kiosks through internet by customers, staff efficiency, compliance of citizen charter etc. were given 0 (zero) score by the audit party.

6.11   When asked about addressing the shortcoming pointed out by the external audit, the DoP in its reply has submitted as under:

"The Heads of Circles in UP, Chhattisgarh & Maharashtra have already been directed to ensure that the above mentioned shortcomings be analyzed and removed not only in the audited Post Offices but also in all the Project Arrow Post Offices within their jurisdictions. The same has also been communicated in the fortnightly Video Conference to all Head of Circles across the country".

6.12   Further on being inquired about remedial proposals if any, the Committee have been informed as under:

"In Project Arrow the monitoring is restricted to those fields which are captured under DET tool. The short comings which are pointed out in the external audit of 6 Post Offices of 3 Circles have been discussed, reviewed and personally verified and checked through surprise visits of senior officers to most of the Project Arrow Post Offices. A template for visits incorporating these short comings has also been discussed in the alternate fortnightly Video Conference.

In addition to this, it has also been proposed to evaluate the performance of 1,000 Project Arrow Post Offices in the 12th Five Year Plan by an independent agency."

Chapter - VII

Constraints

As per the information furnished by the DoP with regard to constraints in the operation of Project Arrow, the major problem faced by the Department is constraint of funds. Apart from that, at times broadband failures especially in remote areas and hardware related issues result in non-reporting of data. However on the examination of the Project Arrow it has been observed by the Committee that there are various constraints in the operation of Project Arrow which were as follows:

(i)   Manpower Shortage

7.2   As per the Annual Report of the DoP as on 31.03.2012, there are 2,11,107 departmental employees and 2,63,467 Gramin Dak Sewaks in all Post Offices. And according to Outcome Budget (2013-14) out of 2,11,107 departmental employees, 610 are Group 'A' Officers, 3707 Group 'B' Gazetted Officers, 3087 Group 'B' Non-Gazetted employees, 1,73,007 Group 'C' employees and 30,696 are Multi Tasking Staff.

7.3   The Committee desired to know whether requisite manpower is available to implement the scheme. The DoP in its written reply stated as under:

> "requisite manpower is available to implement the scheme 'Project Arrow'. As far as possible it is ensured that all the identified Post Offices are optimally manned either by filling up the vacancies or by redeploying the staff. Job description for each personnel is prescribed and as far as possible, the postmaster and staff of these Post Offices is not shifted out for two years unless administratively so warranted. The purpose is to ensure that there is no abrupt break in the whole process of the implementation of this project."

7.4   Further, Committee enquired whether any training programme have been conducted for improving the soft skills, the DoP in its written reply furnished as under:

> "Yes, various training programmes have been conducted for all levels of officer including Group A, B, Postmasters, Supervisory, System administrators and Operative staff posted in the IT enabled and upgraded Post Offices. Soft skill training has also been provided to the frontline staff including Supervisors and Postmasters, those are posted in Project Arrow Post Offices. So far 65,469 frontline staff have been trained in soft skills. And the details of training in soft skills imparted to frontline staff in the last three years are as follows:
>
> | | |
> |---|---|
> | 2008-09 | 14,940 |
> | 2009-10 | 35,860 |
> | 2010-11 | 3,267 |
> | 2011-12 | 7,902 |
> | 2012-13 | 3,500 |
> | ---------------------------- | |
> | Total | 65,469 |
> | ----------------------------- | " |

[Ref: Replies June, 2013, Pg. 13 & Background material Pg. 6]

7.5   When enquired about vacancies in Director level officers especially in North East circle, the DoP in its written reply have informed the Committee as under:

> "The post of DPS [Director (Postal Services)], Agartala (Tripura) is vacant at present. The Department is facing acute shortage of JAG officers. Presently, 24 posts of Junior Administrative Grade in different Circles are vacant. However, keeping in view the smooth functioning of the Region, the charge of DPS, Tripura is being managed by giving additional charge to DPS (HQ) Shillong. The vacant post of DPS, Tripura would be filled up as soon as JAG officers are available for posting.   And the postings of JAG officers in N.E.Circle along with their jurisdiction is as follows:-

1	DPS, Itanagar (Arunachal Pradesh)	VACANT
2	DPS, Imphal(Manipur)	Designated
3	DPS, Agartala (Tripura)	VACANT
4	DPS, Aizawl (Mizoram)	In position
5	DPS, Kohima (Nagaland)	VACANT
6	DPS,Shillong (Meghalaya)	In position

One officer returning from deputation is proposed to be posted in Nagaland.

7.6   As per the Outcome Budget (2013-14) of DoP, since 2007-08, the Department has been given the mandate to disburse wages to MGNRGES beneficiaries through Post Office Savings Bank Accounts. Currently, the payment of wages under MGNREGS is operational in 19 Postal Circles.

7.7   Taking note of the fact that the Government has given instruction to the State Governments that payment for MNREGA should be made through banks, post offices, etc., the Committee pointed out during evidence on 28.6.13 that people have to travel long distance to get wages under MNREGA and there is serious dearth of manpower in sub-post offices and that some of the State Governments have repeatedly taken up the issue of strengthening the staff strength of the sub-post offices so that payment can be made through them under MNREGA project.

7.8   When asked about details of all sub-Post Offices in the country and their staff strength to ensure disbursal of wages under MGNREGS, the DoP in its post evidence replies have furnished as under:

> "Disbursement of wages under MGNREGS is not hampered due to non-availability of staff in sub-Post Offices. Nearly 11,000 Post Offices are making disbursement of wages under MGNREGS. As and when funds for payment of wages are received in Post Offices accounts from State Government, wages are immediately credited into the accounts of the workers. The workers can, according to their convenience withdraw the money from the Post Offices. Also, in States like AP, Maharashtra, MP, Orissa, Rajasthan, Gujarat, Kerala & Haryana, the wages are automatically credited into Post Offices Savings Bank Accounts of workers, thereby reducing manual intervention."

(ii)   Inadequate Funds

7.9   As per the information furnished by the DoP, funding for Project Arrow is met from Plan funds and the major problem faced by the Department in operation of Project Arrow is constraint of funds. Curtailment of funds by Planning Commission every year

on the proposed outlay results in insufficient funding for the activity, thereby activity

cannot be implemented to the anticipated level.

7.10   In this context, the DoP in its written reply have furnished year-wise allocation of

funds along with their actual utilization as follows:

Year	Phase	Number of Post Offices covered	Total Outlay (in Crores of Rupees)	Utilized (in Crores of Rupees)	% utilization
2008-09	I & II	500	86.56	86.56	100%
2009-10	III	503	65.00	56.00	86.15%
2010-11	IV	525	83.86	80.41	95.88%
2011-12	V	207	26.09	22.86	87.62%
2012-13	VI	780	74.00	67.62 (tentative)	91.30%

7.11   When asked about the underutilization of funds allocated to under Project Arrow,

the representative from DoP during the oral evidence before the Committee submitted

as under:

> "The last issue that you raised is regarding the shortage in the utilisation of funds.
> If I recall correctly, in the Project Arrow, we have utilised almost about 90 per
> cent of the funds that are allotted. One of the reasons that could be attributed to
> non-utilisation of funds is that because we have issued the tenders but we do not
> get enough competition to execute the work basically for improving the look and
> feel of the Post Offices. I can tell you one thing that the staff feels a sense of
> pride in the new Post Offices that we are creating, the new branding that we have
> done. We have created a brand identity to the Post Offices and they feel a sense
> of pride in that. So, it will be not due to a lack of effort but it will be due to other
> circumstances which prevented them from getting the work done. "

7.12   Regarding the underutilization of funds since 2009-10, DoP in its post evidence

replies has submitted as under:

"The overall utilization of funds has been 95%. The shortfall has been more pronounced in 2009-10 & 2011-12. The main reason for under utilization of funds in these years is due to fund allotment at the stage of Revised Estimates and Final Grant. The fund was therefore available only by December and February of these financial years and enough time was not available for executing the project.

In 2010-11, 4 identified Post Offices could not been upgraded due to cancellation of tenders at the last stage and in 2011-12 allocation of fund at RE stage was the main reason for not achieving the target. However, in the percentage terms, 99% and 90% of the targets set for 2010-11 and 2011-12 had been achieved.

In 2011-12, Circles were requested to identify the Post Offices and make preparations for implementation of 'Look & Feel' activity. But, being the final year of the 11th Plan & due to paucity of funds, the IT Project of the department was given priority over Project Arrow. Hence, no fund for 'Look & Feel' was initially allotted in the BE stage. However, at the RE stage some fund was surrendered from other Projects and it was allotted under Project Arrow to Circles. Inspite of delay in allocating funds to Circles, 207 Post Offices out of 229 Post Offices i.e. 90% of the total numbers were completed by the end of financial year."

7.13 DoP have also informed the Committee that an amount of ₹ 284.00 crore has been proposed in the XIIth Five Year Plan to cover 2,500 Post Offices, out of which ₹ 74.00 crore has been earmarked for the year 2012-13 for 780 Post Offices. For the year 2013-14, ₹19.99 crore has been proposed for expenditure for Project Arrow.

7.14 On being inquired about the steep reduction in the proposed expenditure under Project Arrow for the year 2013-14, the DoP in a Post Evidence Replies stated as under:

"the proposed expenditure of ₹ 19.99 crore for Project Arrow is due to the reduced overall plan allocation of ₹ 800.00 crore for DoP for 2013-14 as approved by Planning Commission against Department's proposed of ₹ 1859.99 crore for the year. Hence the proposed amount of ₹ 50.00 crore was reduced to ₹ 19.99 crore at the time of allocation in 2013-14 for Project Arrow."

7.15   When asked about taking up the issue of curtailment of funds by Planning Commission every year with the concerned Ministries/ Departments, the DoP in its Post Evidence Replies have furnished as under:

> "The Planning Commission at the time finalization of Annual Plan allocations was not able to allocate the overall amount proposed by the Department of Posts during the year from 2009-10 onwards, for which the limitations of availability of resources is the main reason. Due to this reason, reduced allocations were made for Project Arrow as it is done for other schemes of the Department. As the reduced allocation is for the reason of limitations of resources considering the priorities of the Government as a whole, the reduced allocations were accepted by the Department and the project was implemented within the available resources."

(iii)   Infrastructure Problems

7.16   The key focus area of Project Arrow in the sphere of infrastructure is to develop standardized and consistent interior & exterior blueprints for the Post Offices selected under Project Arrow and to design and install uniform modulm furniture across the Post Offices.

7.17   Regarding the expenditure incurred on infrastructure renovation and branding, DoP in the background material furnished that the average cost per head Post Office for infrastructure renovation and branding of Departmental of Head Post Office is 20 lakh; for Departmental Sub Post Office is 10 lakh and for rented Sub Post Office is 05 lakh.

7.18   When asked about upgradation of Post Offices under Project Arrow, the Committee has been informed as under:

"The main criteria of selection of Post Offices for upgradation under 'Look & Feel' are that the Post Office should have potential for business, sizeable number of daily transactions and a strategic location. Priority is given to Post Offices working in departmental buildings; however, considering the importance of the Post Office from business & customer service point of view, Post Offices working in rented building are also selected. The Post Offices are identified by the Circles on the basis of these parameters".

7.19 Further, when enquired about the total number of Post Offices under Project Arrow housed on rented buildings and the infructuous expenditure incurred on upgradation of the Post Offices in case of their shifting to other buildings, the DoP in its reply stated as under:

"A total of 19,441 Post Offices out of 25,444 departmental Post Offices are working in rented buildings. A total of 288 Project Arrow Post Offices are functioning in rented buildings.

Expenditure on rented Post Office buildings under Project Arrow has largely been on items that can be removed and reused, like moveable modular counters to enable computerized functioning, stainless steel benches for seating of customers, Lights and other electrical fixtures, notice boards and other information plaques for customer's facilitation. All these items are removable and can be reused elsewhere in case the Post Office is shifted. The expenditure on rented buildings was duly concurred by the IFA and approved by Minister In-charge".

7.20 As per the information furnished by the DoP, as on 31.03.2013, 1,39,086 Post Offices are in rural areas and 15,736 Post Offices are in urban areas. Out of 25,444 departmental Post Offices 13,280 are in urban areas and 12,164 are in rural areas. Further, 19,441 Post Offices are functioning in rented premises. From the Outcome Budget (2013-14) of the DoP, it was seen that under the 'Estate Management' Head which covers construction of P.O.s, Administrative Buildings, etc., the total 12th Five Year Plan Outlay is Rs 207 crore.

7.21   When enquired about the feasibility of addressing lack of Post Offices in rural areas, the DoP in its reply furnished as under:

"Opening of Post Offices is an ongoing activity. Post Offices are opened subject to the fulfillment of prescribed norms, availability of Plan support and manpower. Department has decided to open 400 Branch Post Offices by relocation & redeployment during 12th Plan Period under the Plan Scheme "Rural Business & Access to Postal Network" subject to availability of Plan funds. The year-wise break-up are given as below:

Year	Opening of BOs by redeployment	Opening of BOs by relocation
2012-13	40	40
2013-14	40	40
2014-15	40	40
2015-16	40	40
2016-17	40	40
Total	200	200

During 2012-13, 92 BOs have been opened by relocation & redeployment against the physical targets of 80 BOs. Further, Department is in the process of enhancing the services with two schemes to increase the efficiency of the Post Offices:

(i)   Supply of bicycles to Gramin Dak Sevaks (GDS)/ Post Master to increase their mobility and provide speedier postal services in the service area of Post Office;

(ii)   Branch Post Offices will be provided hardware, software and network connections under IT project of the Department. IT enabling all the rural Post Offices will result in offering better, speedier and wider range of services to the people. This will also increase permeability of postal services and bring it to the doorstep of the consumers through enhanced mobility of Postmasters and micro ATM enabled hand held devices."

7.22   Further, when asked about introducing 'Mobile Post Offices' in remote/rural areas not having such facilities, the DoP in its post evidence replies submitted as under:

"Department has no proposal to introduce 'Mobile Post Offices' for remote/ rural areas to provide postal facilities. However, Department is in the process of enhancing the services with two schemes/project namely (i) bicycles scheme and (ii) Rural ICT project, to increase the efficiency Post Offices and increase permeability of postal services in rural areas."

(iv)   Internet Connectivity

7.23   When asked about the computerization of Post Offices under 'Project Arrow', the Committee have been informed that as on date 18,611 computerized Post Offices are being monitored under Project Arrow. It is planned to cover 3,000 more computerized and networked Post Offices under 'Core Operations' monitoring in the 12th Five Year Plan. The circle-wise details are as follows:

Circle Name	Total no. of Computerized POs under Project Arrow	No. of POs where mail delivery is computerized	No. of POs where banking Services is functional	No. of POs where electronic remittance facilities are available
ANDHRA PRADESH	1364	1191	695	1339
ASSAM	582	582	582	582
BIHAR	440	440	440	440
CHHATTISGARH	288	237	164	288
DELHI	339	93	287	374
GUJARAT	1188	1020	1184	1020
HARYANA	422	423	278	423
HIMACHAL PRADESH	409	409	211	409
JAMMU & KASHMIR	159	130	99	159
JHARKHAND	213	213	213	213
KARNATAKA	1435	1219	1435	1435
KERALA	1414	1414	1414	1414
MADHYA PRADESH	933	930	930	930
MAHARASHTRA	1694	1694	1694	1694
NORTH EASTERN	180	117	117	117
ORISSA	675	675	478	675
PUNJAB	710	450	710	710
RAJASTHAN	951	1175	1175	1175
TAMILNADU	2238	1939	2245	2245
UTTAR PRADESH	1679	1343	1679	1679
UTTARAKHAND	251	203	203	203
WEST BENGAL	1047	1045	47	47

7.24   Further, on the issue of connectivity, the representative of the DoP during the

oral evidence has submitted as under:

> "One of the silos of the IT project is networking the departmental 25,000 Post Offices. Our first network provider is BSNL and the alternate network provider is SIFY. This will cover the departmental Post Offices.
>
> Another silo of the IT project is for providing license and networking the rural Post Offices. This silo covers the provision of a hand held device with the bio-metric scanner and it will also have a thermal printer. The second thing supplying to these Post Offices is solar panel which will charge the battery because of the vagaries of electricity in the rural areas. We are not depending on the electric supply but we are providing solar panels which will charge our batteries. The rural Post Offices will be able to charge their hand-held devices with the help of the battery.
>
> The third thing that we are providing is network. The devices that we are supplying, the hand-held devices, they will work on an on-line and off line mode. We have almost about 90 per cent of the Post Offices that will be networked in the rural areas and ten per cent will be not due to lack of efforts but because the network has not reached that particular place.

7.25   When asked about the range of e-enabled services in the computerized Post

Offices in each postal circle and the problems faced in web-connectivity, the DoP in its

reply furnished as under:

> "In the computerized Post Offices all the data with regard to booking and delivery of accountable articles (Speed Post, Registered mail, electronic Money Order, Instant Money Order and e-Post) is transmitted to the central server so that track & trace facility is available for all such articles. MIS data is also available for Savings Bank transactions through the Data Extraction Tool. Similarly, the details of premium collected for PLI & RPLI policies are also uploaded on to the central server by each networked Post Office. Therefore, the entire range of services available in the Post Office has been e-enabled. With the introduction of Core Banking the entire Savings Bank services shall become e-enabled from the customers point of view as well. Project Arrow Post Offices have been provided either with a WAN or a broadband connection. In Post Offices where wired internet is not reliable, a wireless internet data card has also been provided. However, in remote locations where cellular coverage is inadequate or unreliable, failure of broadband leads to connectivity blackout – such problems are common in North East, J&K, Uttarakhand, Jharkhand, Chhattisgarh and

Andaman & Nicobar Islands. The Chief PMGs of these circles maintain a constant liaison with BSNL counterparts in order to address the internet problems"

7.26   The Committee during the evidence desired to have the status of the system for periodical review of the performance and problems of Post Offices under Project Arrow. In this regard, the DoP in its post evidence replies has furnished as under:

"In every fortnightly VC, the list of non-reporting Post Offices is discussed and the reasons for non-reporting are explained by Head of Circles. Hence connectivity is regularly reviewed in the fortnightly meetings."

7.27   The Committee further enquired about taking up the matter of connectivity blackout by the DoP with the Department of Telecommunications and the DoP in its post evidence replies have informed the Committee *inter alia* as under:

"All Heads of Circles maintain a liaison with the CGMs of BSNL and in most of the cases the connectivity is restored as a result of these interventions."

7.28   When asked about the number of Post Offices yet to be broadband enabled under the scheme of 'Project Arrow', the DoP in its written reply furnished as under:

"Circle-wise data related to Project Arrow Post Offices where broadband is yet to be provided is attached as under:

Circle	POs yet to be broadband enabled
ANDHRA PRADESH	6
ASSAM	13
BIHAR	0
CHATTISGARH	7
DELHI	0
GUJARAT (including Daman & Diu and Dadar & Nagar Haveli)	0
HARYANA	0
HIMACHAL PRADESH	0

JAMMUKASHMIR	18
JHARKHAND	0
KARNATAKA	0
KERALA (including Lakshdweep)	0
MADHYA PRADESH	0
MAHARASHTRA (including Goa)	0
NORTH EASTERN (including Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura)	0
ORISSA	0
PUNJAB (including Chandigarh)	0
RAJASTHAN	0
TAMILNADU (including Pondicherry)	0
UTTAR PRADESH	0
UTTARAKHAND	0
WEST BENGAL (including Sikkim and Andaman & Nicobar Island)	2
NATIONAL	**46**

7.29   Further, when enquired about reasons for including such 46 computerized Project Arrow Post Offices without the broadband/internet connectivity under the Project Arrow and the feasibility of having internet connectivity, the DoP in its post evidence replies has submitted as under:

> "As of now, these Post Offices are reporting through WLL / Data card. Head of the Circles are maintaining a close liaison with the BSNL authorities to provide Broadband Connectivity to these remote locations. The Department is now providing internet connectivity to all departmental Post Offices under "India Post IT Project" using BSNL network & back-up connectivity through SIFY."

(v)   Postal Savings Accounts

7.30   The Post Office Saving Bank is one of the oldest and largest Banking Institutions in the country. It operates about 26.01 crores saving accounts as on 31.03.2012. The Post Office Bank Scheme is an agency function performed by the Department of the Posts on behalf of the Ministry of Finance, Government of India. The Post Office Saving

Bank provides various avenues through a network of 1,55,015 Post Offices and reaches the people all over the country to deposit their savings in several schemes. Its reach and services is un-paralleled by any other banking agency in the country.

7.31   As per the Project Arrow Blue Book, one of the key focus area is to simplify savings bank account opening, closure, transfer and deceased claim processes, ensuring cash availability and reducing transaction times and provides financial inclusion for un-banked masses.

7.32   When enquired about the increase, if any, in number of Post Office savings bank account after the operation of 'Project Arrow' scheme, the DoP in its written reply submitted as under:

> "With the introduction of computerized savings bank operations, the total number of Post Office savings bank accounts in all over India have increased from 22.46 crore to 28 crore from 2009-10 to 2012-13. The number of accounts has grown by 26% from 2009-10 to 2012-13. The comparative list of circle wise number of savings bank accounts at the time of implementation of Project Arrow as on 31.03.2013 are as follows:

Circle	SB Accounts (In Crores)			
	SB A/Cs at the time of implementation of project	SB A/Cs as on 31-03-2013	Difference	% increase/ Decrease
ANDHRA PRADESH	2.641	2.754	0.113	4%
ASSAM	0.516	0.566	0.050	10%
BIHAR	0.980	2.040	1.059	108%
CHHATTISGARH	0.487	0.367	-0.119	-25%
DELHI	0.281	0.287	0.006	2%
GUJARAT	1.230	1.484	0.255	21%
HARYANA	0.457	0.612	0.155	34%
HIMACHAL PRADESH	0.344	0.420	0.076	22%
JAMMU & KASHMIR	0.085	0.163	0.079	93%
JHARKHAND	0.558	0.634	0.076	14%
KARNATAKA	1.208	1.585	0.377	31%
KERALA	0.969	1.181	0.212	22%
MADHYA PRADESH	1.354	2.078	0.724	53%
MAHARASHTRA	1.935	2.940	1.005	52%
NORTH EASTERN	0.161	0.195	0.033	21%
ORISSA	0.856	0.922	0.065	8%
PUNJAB	0.532	0.580	0.048	9%
RAJASTHAN	1.328	1.508	0.180	14%
TAMILNADU	1.666	2.214	0.548	33%
UTTAR PRADESH	2.085	2.850	0.765	37%
UTTARAKHAND	0.410	0.506	0.096	23%
WEST BENGAL	2.380	2.114	-0.265	-11%
NATIONAL	**22.462**	**28.000**	**5.539**	**26%**

7.33   Further, when enquired about decrease in number of savings accounts in Postal Circle of Chhattisgarh from 0.49 crore in 2009-10 to 0.37 crore in 2012-13 (25%) and in the West Bengal Post Circle from 2.38 crore in 2009-10 to 2.11 crore in 2012-13 indicating a decrease of 11 %, the DoP in its post evidence replies stated as under:

"The number of Post Offices Savings accounts in West Bengal & Chhattisgarh Circle in 2009-10 (viz at the time of initiation of Project Arrow) were 1.86 crore & 0.246 crore respectively. The figures of 2.38 crore for West Bengal & 0.49 crore for Chhattisgarh mentioned in the response submitted by the Department had

inadvertently included figures for Savings certificates also. The figures for Post Office Savings Bank accounts for Chhattisgarh & West Bengal Circle are as under :-

Name of Circle	2009-10	2010-11	2011-12	2012-13
Chhattisgarh	24,62,664	28,29,080	34,72,657	36,74,952
West Bengal	1,86,39,069	1,96,64,927	2,01,49,638	2,11,04,909

7.34   On the issue of facilitating financial inclusion through saving bank operations in remote and rural areas in the country, the DoP in its written reply have submitted that Ministry of Finance has introduced opening of basic savings account for the beneficiaries of Government Welfare Schemes with the facility of zero balance and a total of 5.62 crore such accounts have been opened for disbursal of wages under MGNREGS across the country.

7.35   When asked about the role of Post Offices in increasing Post Offices savings account under MGNREGS, the DoP in its reply have stated as under:

"Post Offices encourage wage worker of MGNREGs to open their accounts in local Post Offices to receive wages in time from the State Government. In rural areas Post Office are the only agency that provides facility to credit wages into SB accounts thereby reducing leakage in wage disbursement. MGNREGS wages are being electronically transferred into Post Offices Savings Bank accounts of workers using electronic fund Management System in Maharashtra, MP Gujarat, Rajasthan, Orissa, Kerala & Haryana. Similarly in 10 districts of Andhra Pradesh, MGNREGS wages are being automatically credited to Post Offices SB accounts of workers using application tool in collaboration with AP online".

7.36   In this regard, when desired about the feasibility of increasing Post Office savings accounts and the target fixed to tap such potential, the DoP in its reply sent on 1.7.13 elaborated as under:

"DOP has around 1.54 lakh Post Offices in India which provide the bank postal facilities including Savings Certificates to all the citizens. It has around 28 crore SB Accounts in the Post Offices as on 31.03.2013.

The Government has taken following measures for promotion of small saving schemes:-

1.   The rate of interest on Post Office Savings Account (POSA) has been increased from 3.5% to 4%. The ceiling of maximum balance in POSA of Rs. 1 lakh in single account and 2 lakh in joint account has been removed.

2.   The maturity period for Monthly Income Scheme (MIS) and National Savings Certificate (NSC) has been reduced from 6 years to 5 years.

3.   A new NSC instrument, with maturity period of 10 years, has been introduced.

4.   The annual ceiling on investment under Public Provident Fund (PPF) Scheme has been increased from `Rs. 70,000 to `Rs. 1 lakh.

5.   Liquidity of Post Office Time Deposit (POTD) – 1, 2, 3 & 5 years – has been improved by allowing pre-mature withdrawal at a rate of interest 1% less than the time deposits of comparable maturity. For pre-mature withdrawals between 6-12 months of investment, Post Office Savings Account (POSA) rate of interest has been allowed.

6.   Central and State Governments take various measures from time to time to promote and popularize small saving scheme through print and electronic media as well as by holding seminars, meetings and providing training to the various agencies involved in mobilizing deposits under various small savings schemes.

Circle wise Revenue target of Rs. 6456.13 crore on account of Savings Bank and Savings Certificates   for the current financial year 2013-14 have been fixed by increasing 25% on the previous year target. 34.18 crore S.B. Live Accounts target has also been fixed for the year 2013-14 by adding 22.07% in the number of live accounts as on 31.03.2013."

(vi) Competition

7.37 On the issue of stiff competition from the private players like courier companies and the steps taken by DoP to increase its delivery system through 'Project Arrow' the Committee have been informed as under:

> "Providing Computerized Counter operations, Computerized Savings Bank Operations including issue of Computerized Passbooks, availability of different forms in the public hall, Writing ledge, Counter signages, showing of business hours, soft skill training to counter staff etc. have been implemented for improvement of Counter operations.
>
> For efficient delivery of all ordinary and accountable mails like regd. Letter, regd. Parcel, Speed Post and Money Orders including eMOs, 100% mail is sent out for delivery in the Project Arrow Post Offices.
>
> In all Project Arrow delivery Post Offices, the delivery of Speed Post, Registered letters, International Registered letters / Parcels and eMO has been made online and the delivery status is available on indiapost website.
>
> Marketing groups have been constituted in the Circle / Divisional level for advertising and publicity of premium, financial, Savings bank and traditional services of Department through Melas."

7.38 In this context, when enquired about any assessment made by the Department to counter the growing competition with private couriers, the DoP in its written reply has stated as under:

> "Frequent visits to all poor performing offices are flagged and made regularly. Project Monitoring Cell have been set up at Circle Office, Regional Office and Divisional Offices to effectively monitor the daily performance of the Mail Delivery System. Efficiency in Mail Delivery has been increased noticeably in Project Arrow Post Offices as can be evidenced from Phase to Phase. As per the Market research conducted by IMRB international, India Post's Speed Post share in express mail market has increased from 15.1% to 18.3% in 2010-11 to 16.7% to 19.8% in 2011-12. As a result of various efforts initiated by the department of Posts, which include Project Arrow as well, the revenue receipts of the Department has increased from Rs. 6962.33 Crore in 2010-11 to Rs. 7899.35 crore in 2011-12 to 8762.75 crore in 2012-13".

(vii)   Compensation to DoP

7.39   When the Committee desired to know the India Post's Speed Post share in express mail market for the year 2012-13, the DoP in their reply in July, 2013 elaborated as under:

> "(i) As per the Market Research report on Speed Post conducted by M/s IMRB International, the Indian express/courier market is estimated to be around Rs.4,950 crore during FY 2012.
>
> (ii) The Market Research for the year 2013 is being carried out by M/s IMRB International in respect of Speed Post service. The India Post's Speed Post share for the year 2012-13 will be worked out by the market research report 2013. However, as per the booked figure the Speed Post revenue is Rs. 1264.31 crore during 2012-13 (provisional figures) which was Rs. 898.34 crore during 2011-12".

7.40   The payment for MGNREGS is mostly made through Post Offices and a total of 5.62 crore accounts have been opened for disbursal of wages under MGNREGS across the country. On the need of adequate compensation to the DoP for providing services under social obligation and the plans in this regard, the DoP in its reply have furnished as under:

> "There should be a pragmatic and equitable approach for managing the universal service obligation. Most of the mail services are offered under controlled pricing by the Department under universal service obligation. Hence the difference in the cost & sale price of these services should not be treated as deficit of the Department but the difference between the two should be made available to the Department as adequate compensation towards providing universal service obligation.
>
> A large number of beneficiaries are receiving payment through Post Offices in various social security schemes of the government. Department of posts is bringing its vast network, infrastructure and manpower to make disbursement to benefits and wages through the Post Offices. Therefore, DoP need to be adequately compensated for providing each service. DoP has taken up the issue with MoF and MoRD. MoRD has paid Rs. 184.89 crore for MGNREGA work in 2012-13. An amount of Rs. 566.47 crore is yet to be paid by the MoRD for 2009-10, 2010-11 & 2011-12 for doing MGNREGA disbursement through Post Offices. The claim for 2012-13 will be raised shortly to MoRD".

(viii) Post Office Act

7.41   Although postal services in India till date is being administrated by the provisions for the Indian Post Office Act, 1898 but with the pace and development of postal services need has been felt to amend or substitute the existing legislation.

7.42   In this context, when asked about the fate of the comprehensive legislation which was brought long time back and the reasons for delay, the DoP submitted as under:

> "It is proposed to replace the existing Indian Post Office Act, 1898. The draft Post Office Bill, 2013 is at the stage of drafting.
>
> Since the proposed Bill is a comprehensive one covering the postal and courier sector, it requires consultations with various stakeholders; hence it is a time-consuming process."

PART II

OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

1.   An efficient and reliable postal network, plays a crucial role in a country's socio-economic development. India Post, with its 1,54,822 Post Offices (POs) (25,444 Departmental POs and 1,29,378 Extra-Departmental POs) as on 31.3.2013, is stated to be the largest postal network in the world providing affordable means of communication to the common man. In April 2008, a pilot project named Project Arrow was launched to make a visible, tangible and note-worthy difference, in identified POs, through modernisation and upgradation, so as to set the foundation for a comprehensive transformation of India Post. The Committee note that as of now, 18,611 Departmental POs (73% of total no. of Departmental POs) are being monitored under Project Arrow and the remaining Departmental POs are proposed to be covered under the Twelfth Plan. India Post has also proposed a separate Plan to cover all Extra Departmental POs under "India Post IT Modernization Project" wherein handheld devices e.g. bio-metric scanners and thermal printers shall be provided to nearly 1,30,000 rural POs so as to equip them to do their core operation in a networked environment. The Committee would like to know how soon this plan will be implemented. The Committee are not happy at the reduction of the fund proposed for Project Arrow for the Financial Year 2013-14 from Rs 50 crore to Rs. 19.99 crore. The Committee urge the Department of Posts to ensure that funds for Project Arrow are adequately enhanced during the current year to effect desired improvement as per plan.

2.   The Committee note that the revenue generated by the 1724 Project Arrow POs has increased from Rs. 1,346 crore in 2010-11 to Rs.1596 crore in 2011-12 and to Rs. 1801 crore in 2012-13. The Committee would like to know how much of the increase in revenue is attributable to revision of postal rates and how much on account of improvement brought about by Project Arrow in terms of delivery efficiency w.r.t. speed post, registered post, money orders, e-money orders, etc. Local citizens' Post forums formed in Project Arrow POs is a welcome measure which needs to be extended to all Post Offices to get feedback and receive useful suggestions for improving performance. This is all the more necessary in the wake of stiff competition from private players.

3.   The Committee are concerned to note the 'zero' score received by the Project Arrow POs in Uttar Pradesh, Chhattisgarh and Maharashtra in the external audit of June 2013, for some elements like performance of ordinary letter delivery, staff efficiency, customer satisfaction, departmental grievance redressal system, etc. The Committee desire that reasons for this dismal performance should be looked into and remedial measures taken under intimation to the Committee. The Committee note that 500 POs were proposed to be audited in 2013-14 at a cost of Rs. 2.5 crore (average of Rs 50,000 per PO). The Committee would like to be apprised of the outcome of the audit. The Committee would appreciate if a robust in-house mechanism is put in place for real time monitoring of each PO against the idenfied Key Performance Indicators (KPIs) on a constant basis.

4.   Computerisation of POs and broad-band connectivity in Project Arrow POs play a very significant role to ensure implementation of e-enabled projects.

Internet connectivity to all of Departmental POs is reportedly provided under "India Post IT Projects" using BSNL network and back up connectivity through SIFY, another broadband provider. The Committee have been informed that 90 percent of the rural post offices will be networked and provided with hand-held devices which work on online and offline mode. It has been stated that 10 percent of rural post offices cannot be networked as network has not reached those areas. It transpired during the Committee's study visits to Srinagar and Aizawl that connectivity blackouts are common in North-Eastern region and Jammu & Kashmir, Uttarakhand, Jharkhand, Chhattisgarh and A&N Islands apart from lack of internet/broadband connectivity at many places. The Committee desire that these problems particularly non-availability of network in 10 percent of rural areas should be taken up with the Department of Telecommunications at the level of the Minister for expeditious resolution, considering the indispensability of uninterrupted internet connectivity in all parts of the country for success of e-enabled projects. The Committee would like to be apprised of the action taken in this regard within one month after presentation of this report.

5.   There are 1.40 lakh rural POs as against more than 6 lakh villages in the country with an average of one rural PO catering to over 4 villages. The number of Gramin Dak Sewaks is stated to be 2,63,467. The Committee note from the information furnished to the Committee that under bicycle scheme, 30,000 bicycles are proposed to be provided to Grameen Dak Sewaks/Post Masters during the 12th Plan period to increase their mobility and provide speedier postal service in remote rural areas. The Committee would like to be apprised of the

progress in implementation of the scheme and the plans to extend the scheme to provide bicycles to the remaining Grameen Dak Sewaks.

6.   The total number of departmental employees in all POs is stated to be 2,11,107. There has reportedly been an acute shortage of Junior Administrative Grade (JAG) officers in different Circles. The Committee have been informed that the posts of Director (Postal Services) have been lying vacant in Arunachal Pradesh, Tripura and Nagaland since long, severely hampering the supervisory work of the POs in those areas. The Committee urge that these posts must be filled up without any further delay. During their study visit to Aizawl (Mizoram) in September 2013, the Committee were informed that the Postal Circle of North East, with Head Quarter in Shillong, has jurisdiction of as many as six NE States. Due to difficult topography of the area, transport bottlenecks and absence of a reliable communication system, serious difficulties were reportedly being encountered in monitoring postal services in these States. The Committee feel that there is an urgent need to create separate Postal Circle for each of North Eastern State to ensure effective postal services in the States. They desire to be apprised of the steps taken in this regard.

7.   The Committee understand that there is serious dearth of manpower in sub-post offices and that some State Governments have repeatedly taken up this matter with the Central Government for augmentation of staff to ensure smooth disbursal of MGNREG Scheme wages. The Department of Posts has claimed that disbursement of wages under MGNREG Scheme is not hampered due to non-availability of staff in post offices and that in States like Andhra Pradesh, Madhya

Pradesh, Maharashtra, Rajasthan, Gujarat, Odisha, Kerala and Haryana, the wages are being automatically credited into the SB accounts of workers. Admittedly, manual intervention is required in sub-post offices in other States for disbursal of MGNREG wages. Manpower shortage in sub-post offices causes extreme inconvenience to the workers who have to travel long distances to receive payments under the MGNREG Scheme. The Committee urge DoP to look into this issue and take such measures as may be necessary to ensure that wage disbursal under MGNREG Scheme is not adversely affected in any State or Union Territory due to any deficiency in the post offices.

8.   A large number of beneficiaries receive payment through post offices in various social security schemes of the Government. The DoP has targeted to increase Savings Bank Accounts in POs from 28 crore as on 31 March, 2013 to 34.18 crore during the current year (targeted increase of 22 percent). The Committee note that 5.62 crore basic Savings Account holders in post offices received wage payment under MGNREG Scheme at present. This figure will substantially go up, if the targetted increase in post office Saving Accounts is achieved during the current year. The Committee desire that all necessary steps to achieve the targetted figure in this regard should be taken and the results intimated to the Committee.

9.   The Department of Posts have pointed out that most of the mail services are offered under controlled pricing by them under Universal Service Obligation and has pleaded that there should be adequate compensation towards providing these services. The Committee feel that the demand of the Department of Posts is

justified and the Ministry of Finance should expeditiously examine this request for timely resolution under intimation to the Committee. Incidentally, the Committee note that the Ministry of Rural Development has only paid a fraction of the amount to DoP for doing MGNREG Scheme work by the latter and still about Rs 566 crore reportedly remain outstanding for the period 2009 to 2012. The Committee hope that the Ministry of Rural Development will settle the outstanding dues without further delay to enable DoP to render efficient service.

10.   The postal services in India is governed by the Indian Post Office Act, 1898. There is a need to replace the Act keeping in view the pace and development of postal services during the last few decades, particularly with the onset and expansion of courier sector. The Committee have been informed that a comprehensive Bill to replace the existing legislation is at drafting stage. The Committee hope that the draft Bill will be finalised in a time bound manner in consultation with all stakeholders and introduced in Parliament during the current Lok Sabha.

NEW DELHI;   FRANCISCO SARDINHA,
<u>11 December, 2013</u>   CHAIRMAN,
20 Agrayahana,1935(Saka)   COMMITTEE ON ESTIMATES.

MINUTES OF FIFTH SITTING OF THE COMMITTEE ON ESTIMATES (2013-2014)

The Committee sat on Thursday, the 28th June, 2013 from 1100 hrs. to 1240 hrs. in Room No. 53, Parliament House, New Delhi.

PRESENT

Shri Francisco Sardinha – Chairman

Members

2   Shri Khagen Das

3   Shri Chandrakant Khaire

4   Dr. Thokchom Meinya

5   Shri Prabodh Panda

6   Dr. Vinay Kumar Pandey 'Vinnu'

7   Shri S. Semmalai

8   Shri Arjun Charan Sethi

9   Shri Adhi Shankar

10   Shri Jagadanand Singh

11   Shri Om Prakash Yadav

SECRETARIAT

1	Shri A. Louis Martin	-	Joint Secretary
2	Smt. Anita B. Panda	-	Director
3	Dr. Yumnam Arun Kumar	-	Deputy Secretary

WITNESSES

<u>Representatives of the Department of Posts (DoP)</u>

<u>(Ministry of Communications and Information Technology)</u>

1.	Ms. P. Gopinath	Secretary (Posts) & Director General (Postal Services Board)
2.	Shri S. Sarkar	Members (Personnnel & HRD), Postal Services Board
3.	Shri Kamleshwar Prasad	Member (Operations), Postal Services Board
4.	Ms. Suneeta Trivedi	Member (Planning), Postal Services Board
5.	Ms. Kavery Banerjee	Member (Technology), Postal Services Board
6.	Ms. Anjali Devashar	Member (PLI), Postal Services Board
7.	Ms. Saroj Punhani	Joint Secretary & Financial Advisor
8.	Ms. Kalpana Tewari	Chief General Manager (BD & MD),
9.	Shri S.K. Sinha	Chief General Manager (MB & O),
10.	Shri Faiz-Ur Rehman	Chief General Manager (PLI),

2.   At the outset, the Chairman welcomed the Members of the Committee to the sitting of the Committee in connection with examination of 'Performance of Project Arrow'.

3.   The Chairman then welcomed the representatives of the Department of Posts (Ministry of Communications and Information Technology) to the sitting of the Committee and drew their attention to Direction 55(1) of 'Directions by the Speaker, Lok Sabha' regarding confidentiality of the proceedings of the sitting of the Committee. The Secretary, DoP then briefed the Committee on the salient features of the scheme 'Project Arrow' and the impact it has made in the delivery of various e-enabled services, its larger role in socio-economic development, the revenue return on the investment made on the scheme, initiatives taken to outreach postal services in rural areas by using solar panel and hand-held devices online and offline mode, reason for low rate of interest for postal saving schemes, etc. Thereafter, a representative of DoP made a power point presentation on the performance of Project Arrow and highlighting the initiatives taken for modernization and computerization of post offices. Other aspects explained to the Committee related to the scope and objectives of Project Arrow, impact of 'Look and Feel', challenges faced in the implementation of Project Arrow and the intervention made to address the same, findings of various external audits/studies, future plans of Project Arrow including the integrated action plan, proposals for Twelfth Five Year Plan, total revenue earned by Project Arrow, traffic analysis, performance of various Postal Circles on the key success indicators selected for Result Framework Document 2013-14, etc.

4.   Thereafter, the Committee discussed various issues regarding the performance of Project Arrow which *inter-alia* included availability of exclusive aircraft for better delivery of services, need to have Postal Circle in each State, limited outreach of postal services to the rural areas, mismatch in the ratio of the number of villages in the country and rural post offices, infrastructure development of post offices under Project Arrow, poor delivery of mail services, shortage of staff at Sub-Post Offices and its impact on disbursal of wages under MNREGS, possibility of exploring the idea of having Universal

Service Obligation Funds (USOF) on the line developed by the Department of Telecommunications, regulation of private courier services, exploring the possibilities of utilization of corporate social responsibility of PSUs for postal infrastructure development, as well as having Postal Advisory Committee on the line of Telephone Advisory Committee as developed by the Department of Telecommunications, regularization of casual employees of DoP, revision and recruitment procedures of employees, need to recruit local people for Group 'C' and 'D' post in post offices, etc.

5.   The representatives of the Ministry responded to various queries raised by the Committee. The representatives were asked to furnish written replies to the points for which they could not readily respond.

The witness, then, withdrew.

6.   A verbatim record of the proceedings has been kept.

7.   On the suggestion of Members, the Committee, then, decided to select two more subjects viz. 'Matters relating to General Insurance' pertaining to the Ministry of Finance (Department of Financial Services) and 'CGHS Facilities' pertaining to the Ministry of Health and Family Welfare (Department of Health and Family Welfare) for examination during 2013-14, in addition to the subjects already selected by the Committee during its current term.

The Committee then adjourned.

MINUTES OF TWENTIETH SITTING OF THE COMMITTEE ON ESTIMATES (2013-2014)

The Committee sat on Monday, the 9th December, 2013 from 1600 hrs. to 1630 hrs. in Room No. 52-B, (Chairman's Chamber), Parliament House, New Delhi.

PRESENT

Shri Francisco Sardinha – Chairman

Members

2   Smt. Harsimrat Kaur Badal

3   Shri Bapi Raju Kanumuru

4   Dr. Thokchom Meinya

5   Shri Prabodh Panda

6   Dr. Vinay Kumar Pandey "Vinnu"

7   Shri Subodh Kant Sahai

8   Shri Ijyaraj Singh

9   Shri Jagada Nand Singh

10   Smt. Annu Tandon

11   Shri Om Prakash Yadav

SECRETARIAT

1 Smt. Anita B. Panda   -   Director

2 Dr. Yumnam Arun Kumar -   Deputy Secretary

2.   At the outset, the Chairman welcomed the Members to the sitting of the Committee. Then, the Committee took up for consideration the following draft Reports:

(i)   Report on 'Performance of Project Arrow' pertaining to the Ministry of Communications and Information Technology (Department of Posts);

(ii)   ***   ***   ***   ***

(iii)   ***   ***   ***   ***

3.   The Committee adopted the abovementioned Reports without any modification.

4.   The Committee then authorized the Chairman to finalise the above reports after factual verification by the Ministries concerned and present the same to Lok Sabha.

        The Committee then adjourned.