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**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2011-12)**

FIFTEENTH LOK SABHA

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

**[Action Taken by the Government on the Recommendations/Observations of the Committee
contained in their Twenty-fourth Report (Fifteenth Lok Sabha) on 'Demands for Grants (2011-12)']**

TWENTY-EIGHTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2011/Agrahayana, 1933 (Saka)

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*Presented to Lok Sabha on _____
Laid in Rajya Sabha on _____*



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2011/ Agrahayana, 1933 (Saka)

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* ***Matter not appended with the soft copy of the Report updated online.***

COMPOSITION OF STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2011-12)

Shri Rao Inderjit Singh - Chairman

Lok Sabha

2. Shri Rajendra Agrawal
3. Smt. Sarika D.S. Baghel
4. Shri Nikhil Kumar Choudhary
5. Shri H.D. Devegowda
6. Shri Charles Dias
- *7. Shri A. Ganeshamurthi
8. Shri Rajen Gohain
9. Smt. Darshana Jardosh
10. Dr. Tarun Mandal
11. Shri P.R. Natarajan
12. Shri Tapas Paul
13. Shri Tathagata Satpathy
14. Shri Rajiv Ranjan Singh *alias* Lalan Singh
15. Smt. Seema Upadhyay
16. Vacant
17. Vacant
18. Vacant
19. Vacant
20. Vacant
21. Vacant

Rajya Sabha

22. Shri M.P. Achuthan
23. Shri Mohammed Adeeb
24. Shri Salim Ansari
25. Shri Rajeev Chandrasekhar
26. Shri Rajkumar Dhoot
27. Shri Prabhat Jha
28. Prof. Alka Balram Kshatriya
29. Shri Ravi Shankar Prasad
30. Shri P. Rajeeve
31. Shri Jesudasu Seelam

SECRETARIAT

1. Shri T.K. Mukherjee - Joint Secretary
2. Smt. Sudesh Luthra - Director
3. Dr. Sagarika Dash - Deputy Secretary
4. Shri Shangreiso Zimik - Executive Officer

* Nominated to the Committee w.e.f. 29th November, 2011.

INTRODUCTION

I, the Chairman, Standing Committee on Information Technology (2011-12) having been authorized by the Committee to submit the Report on their behalf, present this Twenty-eighth Report on Action Taken by the Government on the Recommendations/Observations of the Committee contained in their Twenty-fourth Report (Fifteenth Lok Sabha) on 'Demands for Grants (2011-12)' of the Department of Posts (Ministry of Communications and Information Technology).

2. The Twenty-fourth Report was presented to Lok Sabha/laid on the Table of Rajya Sabha on 4 August, 2011. The Department of Posts furnished their Action Taken Notes on the recommendations/observations contained in the Twenty-fourth Report on 21 November, 2011.

3. The Report was considered and adopted by the Committee at their sitting held on 20 December, 2011.

4. For facility of reference and convenience, recommendations/observations 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 recommendations/observations contained in the Twenty-fourth Report of the Committee is given at Annexure-III.

New Delhi;
21 December, 2011
30 Agrahayana, 1933 (Saka)

RAO INDERJIT SINGH,
Chairman,
Standing Committee on
Information Technology

CHAPTER I

REPORT

This Report of the Standing Committee on Information Technology deals with the action taken by the Government on the Recommendations/Observations of the Committee contained in their Twenty-fourth Report (Fifteenth Lok Sabha) relating to Demands for Grants (2011-12) of the Department of Posts (Ministry of Communications & Information Technology).

2. The Twenty-fourth Report was presented to Lok Sabha/ laid on the Table of Rajya Sabha on 4 August, 2011. It contained 18 Recommendations/Observations.

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

- (i) Recommendations/Observations which have been accepted by the Government:
Para Nos: 1, 3, 4, 6, 8, 10, 11, 13, 14, 15 & 16

Total: 11

Chapter: II

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

Total: Nil

Chapter: III

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and require reiteration:
Para Nos: 2, 5, 9 & 18

Total: 04

Chapter: IV

- (iv) Recommendations/Observations in respect of which the replies of the Government are of interim in nature:
Para Nos: 7, 12 & 17

Total: 03

Chapter: V

4. The Committee trust that utmost importance would be given to implementation of the Recommendations/Observations 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. LONG PENDING ISSUES

Recommendations (Para Nos. 2 & 18)

6. The Committee had recommended as under:-

"The Committee note that the recoveries received by the Department of Posts from Postal Life Insurance, Western Union Money Transfer and other Departments/organizations have been slowly increasing. The recoveries in 2007-08 were Rs.266.32 crore which increased to Rs.438.94 crore in 2009-10. During 2010-11, the recoveries at BE stage was Rs.436.55 crore which at RE stage was Rs.566.58 crore i.e. an enhancement of Rs.130.03 crore. The actual recoveries upto January, 2011 was Rs.66.99 crore which according to the Department would increase when the recoveries on PLI and customs would be booked by PAO, Kolkata as Annual Adjustment in March, 2011. Regarding introduction of new products under Postal Life Insurance, the Secretary of the Department during the course of oral evidence stated that the Ministry of Finance was not allowing Postal Life Insurance to introduce different kinds of policies. In this context, the Committee note that the issue of providing autonomy to the Department of Posts to extend their clientele and introduce new products on their own has been long pending with the Ministry of Finance. In this connection, on the directions of the Committee, a meeting was held on 19th April, 2010 under the Chairmanship of Finance Secretary (FS) to sort out various issues raised by the Department of Posts. The Committee have now been informed that the Ministry of Finance has agreed to delegate some powers relating to Small Savings

Schemes. Now it has been reported that the panel set up by the Government has recommended new rates for Small Savings Schemes and the new rates are likely to be notified shortly. The Committee would like to be apprised about the recommendations made and follow up action taken in this regard.”

(Recommendation Para No. 2)

“The Committee note that some of the issues on which the Committee had recommended in their various reports have long been pending with the Ministry of Finance. These issues include providing autonomy to the Department of Posts on the issues of rates of interest provided under various Small Savings Schemes, increasing the ceiling of Deposits in Single and Joint Accounts of the Postal Savings Bank, starting of new schemes under Small savings schemes, in terms of policy matters with regard to insurance activities of DoP and positive consideration in fixing the rate of remuneration provided to DoP for various agency services, etc.. The Committee in its Fifth Report on Demands for Grants (2010-11) had recommended that these issues should be sorted out without any further delay. A year later, the Committee find that no tangible progress has been achieved as all the issues are yet to be resolved. Expressing its displeasure over undue delay in sorting out the long pending issues, the Committee again emphasize that these issues should be vigorously pursued by the Department of Posts with the Ministry of Finance for early settlement of these long pending issues.”

(Recommendation Para No. 18)

7. The Department in the Action Taken Note has stated as under:-

“The issue of extension of clientele and introduction of new products in PLI/RPLI, was under correspondence with the Ministry of Finance for a long time. On reference of Ministry of Finance to Ministry of Law regarding insurance business of Department of Posts, the Ministry of Law was of the view as under:

“ In view of the above factual and legal position, since PLI and RPLI are covered by the exemption under Section 44(d) of LIC Act and admittedly there is no change in the legal status it can be safely concluded that the DoP can sail with life insurance by proposing new schemes according to the need. Hence, it would be advisable to allow DoP to carry out insurance business with the proposed new schemes as a Government Department by making use of the exception accorded under section 118 (c) of the Insurance Act, 1938...”

On receipt of legal opinion from Ministry of Law as communicated by Ministry of Finance, the Department has informed its intent to

introduce new products/schemes wherever required. Views/Instructions of Ministry of Finance have been solicited. Views of Ministry of Finance have since been received and Ministry of Finance has expressed disagreement with the advice of Ministry of Law. As per directions received from the Ministry of Finance, vide their letter No. H-12013/01/2010-Ins.I dated 17th October, 2011 no expansion of insurance activity by the Department of Post can be permitted and the present operations of Department of Posts will have to be supervised by IRDA. This issue will be taken up with the Ministry of Finance afresh for allowing PLI/RPLI to expand its business to new clientele group and introduce new products/schemes as per market requirement.

In case of Post Office Small Savings, the Ministry of Finance has agreed in principle to delegate some powers relating to operational matters of Small Savings Schemes but written communications having details of powers delegated is still awaited from them. As regards, recommendations of the Committee set up to review National Small Savings Funds (NSSF) and Small Savings Schemes by the Ministry of Finance, major recommendations of the Committee and comments sent by DoP against each are enclosed as **Annexure –I**. The Government has yet to take final decision on the recommendations of the said Committee.”

(Reply to Recommendation No. 2)

“.....In Post Office Small Savings side, the Department is continuously pursuing the pending issues at the highest level with Ministry of Finance as a result of which one long pending issue of removal of ceiling of deposits in Single as well as in Joint Accounts of Post Office Savings Bank has been settled with a Notification dated 15.09.2011 from Ministry of Finance (Department of Economic Affairs) to remove the limit. As regards other issues relating to Small Savings Schemes, Ministry of Finance has not agreed to give autonomy to the Department of Posts to fix rate of Interest but on the basis of the recommendation of the Expert Committee headed by the Dy. Governor of RBI has agreed to link Interest Rate of Small Savings Schemes with the Auction of Government Securities of similar maturity in the Market which will be reviewed at the end of every Financial Year and new rates will be notified before 1st April of that Year. Revised interest rates (likely to be effective from 1.12.2011) are being notified by the Min. of Finance. As regards starting of new schemes, the Expert Committee recommended that at this stage there is no need to start any new scheme except start of 10 Years Savings Certificates in place of Kisan Vikas Patras and this recommendation has also been accepted by Ministry of Finance.”

(Reply to Recommendation No. 18)

Comments of the Committee

8. The Committee have consistently been raising some of the important issues related to insurance and banking activities of the Department of Posts on which the decision by the Ministry of Finance has been long pending. The issues were again pursued while examining the Demands for Grants of the Department during the year 2011-12. The Action Taken Notes in this regard have been analyzed and the comments of the Committee issue wise are given as under:-

(i) Expanding insurance activities by the Department of Posts

The Committee note from the Action Taken Replies furnished by the Department of Posts that there is some progress on some of the issues. With regard to the issue of extension of clientele and introduction of new products in PLI/RPLI, a reference was made to the Ministry of Law and as per the legal decision, Department of Posts can sail with life insurance by proposing new Schemes according to the need. As per the opinion given by the Ministry of Law, it would be advisable to allow Department of Posts to carry out insurance business with the proposed new Schemes as a Government Department by making use of the exception accorded under Section 118 (C) of the Insurance Act, 1938. It is surprising to note that the Ministry of Finance sought the legal opinion and when the opinion given by the Ministry of Law did not find any legal issues on extension of clientele and introduction of new insurance products, the Ministry of Finance has now stated that no expansion of insurance activity by the Department of Posts can be permitted and the present operations of Department of Posts will have to

be supervised by IRDA. The Department of Posts has further stated that the issue would be taken up with the Ministry of Finance afresh. In this connection, the Committee may like to refer to Recommendation Nos. 48 and 49 made in the Thirteenth Action Taken Report on 'Management of Funds by the Department of Posts through Banking and Insurance activities' whereby the Committee deliberated on the intent of the Ministry of Finance and IRDA to create a corporate entity under the Companies Act which would handle the Postal Life Insurance which could be regulated by IRDA to which the Secretary, Department of Posts had candidly admitted that they are not against it, if it is inevitable. In this connection, the Committee had emphasized that before taking any decision on the regulatory mechanism, it should be ensured that the identity of the Department of Posts is maintained. The Committee had also recommended that the Government should study various models of regulator with regard to postal activities available internationally. The Committee while emphasizing to settle the issue at the earliest would like the Department to take note of the aforesaid cautionary recommendations made by the Committee in their Thirteenth Report.

(ii) **Autonomy to be provided to the Department of Posts with regard to Small Saving Schemes**

With the continuous pursuance of the issue with regard to providing autonomy to the Department of Posts relating to Small Saving Schemes, the Committee find that although the Ministry of Finance has agreed in principle to

delegate some powers relating to operational matters of Small Saving Schemes, written communication having details of powers delegated is still awaited. The Committee find that there is no further progress with regard to the status of issue as indicated during the course of examination of Demands for Grants three months back. While reiterating the earlier recommendation, the Committee would like the Department of Posts to pursue the matter with the Ministry of Finance to finalize and issue orders on the issues which have long been agreed in principle by the Ministry of Finance.

- (iii) With regard to other issue of providing autonomy in respect of Small Saving Schemes, the Committee find that at last one long pending issue of removal of ceiling of deposits in Single as well as in Joint Accounts of Post Office Saving Bank has now been settled and a notification has been issued on 15.9.2011 by the Ministry of Finance to remove the said limit. The Committee appreciate that their long pursuance has at last made the Ministry of Finance to agree to the issue. With regard to giving autonomy to the Department of Posts to fix the rate of interest, the Expert Committee headed by the Deputy Governor of RBI has agreed to link interest rate of Small Saving Schemes with the auction of Government Securities of similar maturity in the market which will be reviewed at the end of every Financial Year. In pursuance of the aforesaid recommendation, revised interest rate (likely to be effective from 1.12.2011) is being notified by the Ministry of Finance.**

The Committee while analyzing Annexure-I to Action Taken Notes find that the Department of Posts still feels that interest rate on Small Saving Schemes should be market linked in line with the recommendation the Standing Committee. The Committee endorse the stand of the Department and would like the Department of Posts to take up the issue again with the Ministry of Finance.

(iv) Introduction of New Schemes

With regard to the consistently pursued recommendation of the Committee for starting new schemes, the Committee note that the Department of Posts has indicated the recommendation made by the Expert Committee whereby it has been stated that there is no need to start any new scheme except start of 10 years Saving Certificates in place of Kisan Vikas Patras. The said recommendation of the Expert Committee has been accepted by the Ministry of Finance. In this regard, the Committee may like to refer to the Recommendation 9 of the Sixty-second Report (Fourteenth Lok Sabha) on the Subject 'Management of Funds by the Department of Posts through Banking and Insurance activities', whereby the Committee had recommended for starting new schemes for girl child, working women, rural women, etc. as per the proposal of DoP in the light of direction of the Ministry of Finance on gender budgeting. The Committee understand from the Action Taken Note that the recommendation made by the Expert Group relating to not initiating new schemes at this stage intend to schemes in general. The specific

recommendation of the Committee based on the proposal of the Department of Posts was meant to address to the gender specific issues. In view of this, the Committee while reiterating their recommendation would like the Department to convey their concerns to the Ministry of Finance and initiatives should be taken to start new schemes for girl child, working women, rural women etc. so as to address the gender specific concerns.

The Committee would like the Department of Posts to take desired action on the suggested lines as per their comments given above.

II. UTILISATION OF PLAN OUTLAYS

Recommendation (Para No. 5)

9. The Committee had recommended as under:-

“The Committee note that as against the total outlay of Rs. 4000 crore for the Eleventh Plan, the actual allocation was Rs. 2195 crore. The allocation was further reduced to Rs. 1515 crore at RE stage by the Ministry of Finance, out of which, Rs. 1172.34 crore has been utilized upto February, 2011, which is just 29.30 per cent of the total allocation. The Committee further observe that there is massive gap between the proposed allocation by the Department and the amount allocated by Planning Commission at BE stage. During 2010-11, as against the proposed allocation of Rs. 1270 crore, the allocation at BE stage was Rs. 660 crore which was further reduced to Rs. 480 crore at RE stage and the actual expenditure upto January, 2011 was Rs. 258.52 crore. Besides, inability of the Ministry to utilize the outlay, delay in approval of the schemes is an area of concern to the Committee. The Committee note that under some of the important schemes like opening of Branch Post Offices, Establishment of Print Mail System in major cities, upgradation of IT infrastructure in Post Offices, Centralised Banking for POSB, Development of Centralized Banking Software, Setting up of AMPCs, Upgradation and Modernization of SPCCs the physical achievements during each year of the Eleventh Plan has been nil. The aforesaid scenario indicates that there is serious problem in implementation of the plan schemes of the Department. The Committee strongly recommends that the Department should make concerted efforts to streamline the approval system so that

the schemes are approved expeditiously and the funds allocated are fully utilized.”

10. The Department in the Action Taken Note has stated as under:-

“A proposal for opening of 400 new EDBOs by creating equal number of new GDS posts under the sub-scheme”. Opening of Branch Post Offices-Rural)” is under process. However, under the sub-scheme-‘Relocation of Branch Post Offices’, 213 Branch Post Offices have been opened during the 11th plan period.

In connection with upgradation and modernization of Speed Post Concentration Centres (SPCC), it is submitted that 109 SPCCs have been identified for upgradation during the eleventh plan 2007-2012. Out of which 63 SPCCs have been upgraded during the year 2010-11. Upgradation of remaining 46 SPCCs are under process for the current financial year ie.2011-12.

In Post Office Small Savings Work, introduction of Centralised Banking for Post Office Savings Bank (POSB) and development of Core Banking Solutions (CBS) software is part of the over all IT project, 2010 of India Post. The Request for Proposal for supply, installation and implementation of CBS and centralized data base has already been floated and evaluation of tenders is in progress. It is expected that the project will be implemented in the identified 120 pilot offices from March,2012 and completed by September, 2012.

The utilization of Plan Funds towards computerization and Networking Project in XI Five Year Plan, Phase –I, year wise, are as under:

(Rupees in Crore)

Sl. No.	Year	BE	RE	Expenditure
1	2009-10	284.2000	148.7300	240.4907
2	2010-11	328.7600	198.4100	177.5295

Under the category of mail Operations, the funds allocated for the Plan Scheme relating to Wet lease of freighter aircraft have been fully utilized. Orders have been placed for setting up Automated Mail Processing Systems at Delhi & Kolkata. The Sorting Machines for Delhi are under installation and the same for Kolkata are expected to be installed by the end of the current financial year. Funds allocated for Plan Schemes on setting up of Mail Business Centres, National Database Management and Publicity for Redesigned PIN Codes have also been utilized. All efforts are being made to achieve the physical and financial targets set for these schemes.”

Comments of the Committee

11. The Committee had observed that the delay in approval of the Schemes during Eleventh Plan had resulted in Nil physical achievement

under some of the important Schemes of the Department of Posts and as such emphasized to streamline the approval system. The Department instead of reviewing the system of approval of various Schemes has simply tried to update the Committee about the status of finalization of some of the schemes as referred to in the recommendation of the Committee. The Committee are unhappy to note that even when the Eleventh Plan is going to close within three months, the Department is still struggling to complete the process of finalization of some of the important schemes. The Committee disapprove the system of approval of the schemes for Five Year Plans. The Committee again would like to emphasize that with the aforesaid approach, there is no meaning of long-term plans. The Committee again exhort the Department to address to the issue so as to ensure that the position of long delay in approval of schemes is not repeated in the Twelfth Plan.

III. REVIEW OF RATE OF REMUNERATION

Recommendation (Para No. 6)

12. The Committee had recommended as under:-

“The Committee note that the Department of Posts receive agency charges for the services rendered by them on behalf of other Departments/ organizations like Postal Life Insurance Pension Payments/Western Union Money Transfer etc. The Committee in their Thirteenth Report on Action Taken by the Government on the recommendations contained in their Sixty-second Report (Fourteenth Lok Sabha) on ‘Management of funds by the Department of Posts through banking and insurance activities’ has recommended that the Expert Committee constituted by the Ministry of Finance should give its report within the stipulated time followed by expeditious decision by the Finance Ministry to settle the long pending issue. Now, the Committee have been informed that the Expert Group constituted by the Ministry of Finance is likely to submit its Report by 30th April, 2011. The Committee hope that by now the above Report would have been submitted to the Ministry of Finance. The Committee would like to be informed about the recommendations made in the above Report and follow up action taken by the Department of Posts/Ministry of Finance in this regard.”

13. The Department in the Action Taken Note has stated as under:-

“The Expert Group set up by Ministry of Finance on review of rate of remuneration submitted its report to Finance Minister on 19.5.2011. The Committee has recommended the following rates of remunerations:-

Particulars	Live Account (Rupees per Account)	MGNREGS Accounts, (Rupees per account)	Savings Certificates (Rupees per certificate, issue+discharged)	Indira Vikas Patra (Rupees per IVP paid)
Rate for the year 2009-10	159.24	165.59	48.65	12.87

(ii) The Expert Group recommended escalation formula for rate of remuneration to be fixed every year after 2009-10. As per the formula, the rate of remuneration will be increased by adding % of annual increase in DA (average) and decreased by 1/3rd of overall growth rate (in %) in total number of Live Accounts during this period.

(iii) The Ministry of Finance, Department of Economic Affairs has conveyed on 20th October 2011 that after examination of the report of Expert Group, the Finance Minister has approved following rate of remuneration:-

Particulars	Live Account (Rupees per Account)	MGNREGS Accounts, (Rupees per account)	Savings Certificates (Rupees per certificate, issued + discharged)	Indira Vikas Patra (Rupees per IVP paid)
Rate for the year 2009-10	133.62	Not yet approved	45.10	11.94

(iv) Other recommendations of the Group regarding remuneration on Zero Deposit/Balance Accounts and yearly escalation in the rate of remuneration are still under consideration in the Min. of Finance.”

Comments of the Committee

14. The Department of Posts has updated the Committee about the status of implementation of the recommendation made by the Expert Group set up by the Ministry of Finance and the decision taken by the Ministry of Finance thereto on the review of rate of remuneration. With

regard to the rate of remuneration in respect of Live Accounts, Saving Certificates and Indira Vikas Patra, the rates approved by the Finance Minister are on a little lower side as compared to the rates recommended by the Expert Committee. The Committee would like to have the comments of the Department of Posts on the agreed rates. With regard to MGNREGA accounts, remuneration on Zero Deposits/Balance Accounts and yearly escalation in the rate of remuneration, the Committee note that the issues are not yet approved/ still under the consideration of the Ministry of Finance. The Committee would like the Department of Posts to pursue the matter with the Ministry of Finance so that early decision in this regard is taken which would be a help to the Department of Posts in increasing their revenue and reducing the deficit.

IV. ENHANCING THE RATE OF COMMISSION UNDER FRANCHISEE OUTLETS AND PANCHAYAT SANCHAR SEWA KENDRA

Recommendation (Para No. 9)

15. The Committee had recommended as under:-

“Since both Franchisee outlets’ and ‘Panchayat Sanchar Sewa Kendra’ are commission based schemes, the Committee desire that the Department should urgently look into the proposal to enhance the rate of commission under both the above schemes.”

16. The Department in the Action Taken Note has stated as under:-

“Panchayat Sanchar Sewa Kendras (PSSKs) under the ‘Panchayat Sanchar Sewa Yojna’ scheme are opened at the Gram Panchayat Head Quarters’ which are without Post offices. Opening of Panchayat Sanchar Sewa Kendra is an ongoing process. This is also subject to receipts of applications from the Heads of the Gram Panchayats. Recently, PSSKs Agents have been authorized as Direct Agent of PLI business to make the scheme popular, remunerative to agents as well as to increase revenue earning of the Department.”

Comments of the Committee

17. The Committee are concerned to note that the Department has not understood to one of their recommendation to enhance the rate of commission under Franchise Outlets and Panchayat Sanchar Sewa Kendra which are commission based schemes. Instead of addressing the issue of enhancement in the rate of commission, the Department has enumerated the details of functioning of Panchayat Sanchar Sewa Kendras under Panchayat Sanchar Sewa Yojna. While reiterating their earlier recommendation, the Committee would like a categorical response of the Department on the issue of enhancing the rate of commission under the aforesaid schemes.

CHAPTER-II

RECOMMENDATIONS / OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 1)

Budgetary Analysis

Gross Expenditure

The Committee note that the Gross Expenditure of the Department of Posts has been increasing over the years. The Gross Expenditure of the Department which was Rs. 7272.66 crore in 2007-08 has increased to Rs. 13346.94 crore in 2009-10. During 2010-11, the Gross Expenditure at BE stage was Rs. 11328.78 crore, which at RE stage increased to Rs. 13427.83 crore and the actual expenditure was Rs. 11308.93 crore upto January, 2011, which might have increased with the closing of financial year. According to the Department, the rise in expenditure is mainly due to payment of enhanced salary to regular employees and pension to retirees, and payment of 60 per cent arrears of Time Related Continuity Allowance (TRCA) to Gramin Dak Sewaks. Taking note of increasing Gross Expenditure of the Department, the Committee in its various Reports have persistently been recommending the Department to contain the growing expenditure. In this context, the Committee would emphasize that computerization of various activities and prudent utilization of resources would help the Department in reducing the working expenses. Further, the Department should also identify new areas of business opportunities to earn more revenue to supplement the growing expenditure. The Committee would like to be apprised about the action taken in this regard.

Action taken by the Government

It is submitted that the major components of working expenses of the Department are salaries to the working employees and pensionary charges to the retirees. These expenses are mandatory in nature and are subjected to go higher year to year due to grant of normal annual increment (in salary) and hike in Dearness Allowance. Expenditure in other heads of accounts are marginally upward with the passage of time on account of escalation in market price of the articles and services. However, the fund controlling authorities in the Department are time and again issued with the instructions to observe austerity measure in spending the money with them and thereby to contain the expenditure of the Department.

As regards increase in revenue earning, it is submitted that the Department has taken a number of steps through its Business Development & Marketing to boost revenue. It has signed a Memorandum of Understanding (MOU) with Unique Identification Authority of India (UIDAI) on 30.04.2010 for printing and dispatch/delivery of Aadhaar Cards. As on 28.09.2011, 1.74 crores of Aadhaar Cards have been printed and dispatched. The revenue earned by the Department up to 28.09.2011 is Rs.30.8 crores. Logistics Post Business has shown growth as given below:-

Year	Logistics Post Revenue (in Crore of ₹)	% growth
2008-09	8.49	-
2009-10	14.47	70.44

2010-11	20.04	38.49
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As a result of initiative taken in the Business Development & Marketing, the revenue has grown up as under:

Year	Business Development (₹ in lacs.)
2007-08	133596
2008-09	143499
2009-10	162503
2010-11	188407

Improving the service quality of mail operations is also crucial for revenue generation and growth in market share of the Department of Posts in the mail market. In order to improve the quality of mail operations, the Department has taken up new initiatives as part of the 11th plan, which includes the following:

- i. Setting up automated mail processing centres in Delhi, Mumbai, Kolkata, Chennai, Bangalore, and Hyderabad with a view to increasingly automate mail sorting. The Letter Sorting Machine is currently under installation in Delhi. It is expected that the sorting machine would also be installed in Kolkata by the end of the current financial year.
- ii. Induction of dedicated freighter aircraft for carriage of mail between Major Metro cities as well as in the North-East Region.
- iii. Setting up of mail Business Centres through redesign of the existing mail network.
- iv. Popularisation of the Pin Codes with a view to expedite mail sorting, transmission and delivery.
- v. Creation of National Address Database Management System.

These initiatives are expected to result in better quality of service and, which in turn, would help the Department in increasing mail traffic and revenue.

In Postal Life Insurance Sector, all Sales and after sales operations (including Rural PLI) has been computerized. Further enhancements to existing software are continuing. Software for computerization of PLI Account Office, O/O Director, PLI Kolkata, is also being developed by NIC. In order to enhance products portfolio of PLI and RPLI, Group Life Insurance Schemes are being designed commensurate to customers' requirements. To ascertain the market trends vis-à-vis PLI/RPLI, a market survey is being conducted by the Department.

Moreover, with a view to leverage the existing network to improve revenue generation, Department of Posts has tied up with Money Gram Payment Systems Inc. to offer International Inward Money Transfer Service through selected Post Offices. The service was launched on 29th September, 2011 and was initially launched in 100 Post Offices across Delhi, Punjab and Tamilnadu Circles. This service will be rolled out to other selected Post Offices in all Circles in due course and definitely help in generating additional revenue for the Department.

(Ministry of Communications & IT/Department of Posts F.No.20-2/2011-BGT(PA)/24th Report dated 18.11.2011)

Recommendation (Para No. 3)

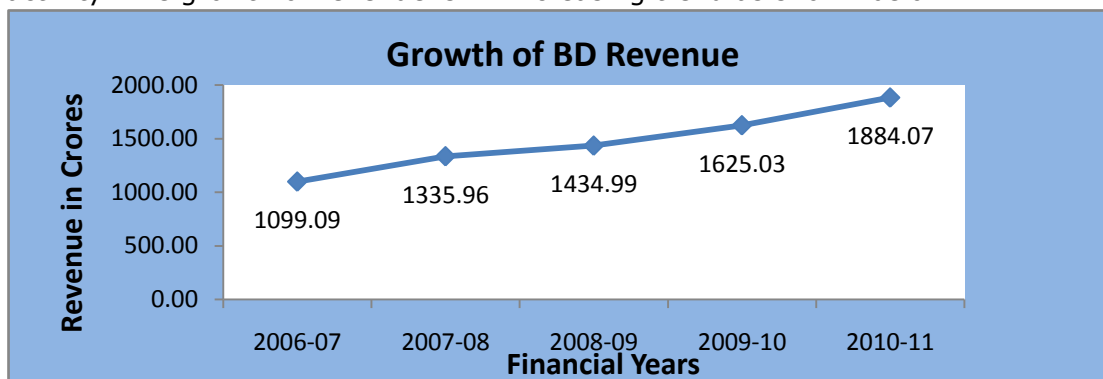
Revenue Receipts

The Committee note that the revenue receipt of the Department has been gradually increasing. The revenue receipts of the Department of Posts during 2007-08 was Rs.5494.90 crore which increased to Rs.6266.70 crore in 2009-10. During 2010-11, the revenue receipts at BE stage was Rs.6955.54 crore which at RE stage reduced to Rs.6814.59 crore and the actual has been Rs.5332.54 crore upto January, 2011. The Department is hopeful that its revenue would enhance considerably in case the Committee set up for considering the Savings Bank/Cash Certificates Remuneration-Rate revision recommends an enhancement in the rate of remuneration and the same is implemented during the year. The item-wise analysis of the Revenue Receipts indicates that under the heads 'Sale of Postage Stamps' and 'PRC-Sale of Postage Stamps', the Revenue Receipts of the Department has been sharply declining. The Secretary during the course of the oral evidence conceded that regarding ordinary mail, first class mail, there has been some negligence for quite some time as the Department of Posts was concentrating only on Speed Post. The Committee have persistently been recommending that the working expenses of the Department should be met from the revenue earned by the Department. However, as per the data furnished by the Department indicates that under some of the items the revenue of the Department has declined. The Committee desire that the Department should take steps to increase its revenue receipts to meet the growing working expenses. The Committee are of the view that to maximize revenue with a view to supplement the increasing expenditure, the Department should take steps to enhance its revenue and reduce working expenses to bridge the increasing deficit. The Department should pay focused attention on ordinary mail and identify areas where the revenue has been declining. The Committee would like to be apprised about the steps taken in this regard.

Action taken by the Government

Remotely Managed Franking System based on next generation technology and eliminating human intervention in uploading the credits in the machines has been introduced. These machines will eliminate chances of leakage of revenue. The system will facilitate bulk mailing and streamline the franking system thereby ensuring reduced costs and increase in revenue.

In order to enhance revenue and reduce working expenses to bridge the increasing deficit, the department has formulated plan Schemes for effectively marketing the products/services of the Department in order to expand its business activity. The growth of revenue is in increasing trend as shown below: -



During the 11th Plan, the Plan schemes in respect of mail operations have been formulated with a view to improve the quality of mail operations. The initiatives planned/ in pipeline with respect to first class mail include:

- i. Restructuring of existing first class mail network through consolidation of mail offices and optimization of network,
- ii. Streamlining of processes followed at mail offices,
- iii. Introduction of tracking facility for registered post,
- iv. Quality measurement system for first class mail,
- v. Installation and Commissioning of sorting machines in Delhi and Kolkata for sorting of first class mail.

These initiatives are expected to result in improved quality of mail operations, which in turn, may lead to increase in mail volumes and corresponding revenue.

In Financial Services Sector, the Department of Posts has tied up with Money Gram Payment Systems Inc. to offer International Inward Money Transfer Service through selected Post offices. The service was launched on 29th September, 2011 initially in 100 Post Offices which will be rolled out to other selected Post Offices in all Circles in due course of time. The scheme will help in generating additional revenue for the Department.

As regards to Rate of Remuneration for Savings Bank Business, the Expert Group submitted its report to Finance Minister on 19.5.2011 recommending the following rate of remunerations:-

Particulars	Live Account (Rupees per Account)	MGNREGS Accounts, (Rupees per account)	Savings Certificates (Rupees per certificate, issue + discharged)	Indira Vikas Patra (Rupees per IVP paid)
Rate for the year 2009-10	159.24	165.59	48.65	12.87

The Expert Group recommended escalation formula for rate of remuneration to be fixed every year after 2009-10 by adding % of annual increase in DA (average) reduced by 1/3rd of overall growth rate (in %) in total number of Live Accounts during this period. Ministry of Finance has, however, conveyed on 20th October, 2011, the following rate of remuneration as approved by the Finance Minister:-

Particulars	Live Account (Rupees per Account)	MGNREGS Accounts, (Rupees per account)	Savings Certificates (Rupees per certificate, issued+discharged)	Indira Vikas Patra (Rupees per IVP paid)
Rate for the year 2009-10	133.62	Not yet approved	45.10	11.94

Other recommendations of the Group regarding remuneration on Zero Deposit/Balance Accounts and yearly escalation in the rate of remuneration are still under consideration.

(Ministry of Communications & IT/Department of Posts F.No.20-2/2011-BGT(PA)/24th Report dated 18.11.2011)

Recommendation (Para No. 4)

Revenue Deficit

The difference between the gross expenditure and revenue receipts is the deficit of the Department. The revenue deficit of the Department in 2007-08 was Rs.1511.44 crore which increased to Rs.6641.30 crore in 2009-10. In 2010-11, the revenue deficit at BE stage was Rs.3936.59 crore which at RE stage was increased to Rs.6046.66 crore. The actual deficit upto January, 2011 was Rs.5909.40 crore. During the course of oral evidence, the Secretary of the Department informed the Committee that the Department has been able to stabilize its deficit which has been growing considerably in the last two years on account of Sixth Pay Commission and payment of arrears to Gramin Dak Sewaks. Appreciating the efforts made by the Department to reduce the deficit, the Committee hope that the Department would be able to contain the deficit during 2011-12 also. The Committee desire that the Department should expand its business activity by adopting aggressive marketing strategy. Further, the Department should also explore the possibility of using the land available with the Department for earning revenue to reduce revenue deficit.

Action taken by the Government

The Department of Posts has formulated the following Plan Schemes for effectively marketing the products/services of the department in order to expand its business activity:

Sl.No.	Plan Scheme
1	Promotion, publicity & brand visibility
2	Creating brand identity of India Post
3	Product enhancement & Marketing of enhanced products
4	Marketing plan for financial services
5	Marketing plan for Philately

Comprehensive marketing activities are being carried out under the plan scheme on annual basis based on the funds received under plan schemes.

The financial achievements with reference to funds allotted under the said plan schemes up to the year 2010-11 are as under: -

Sl. No	Plan Scheme	Funds allotted ₹ in crores	Funds utilized ₹ in crores
1	Promotion, publicity & brand visibility	8.23	8.44
2	Creating brand identity of India Post	14.93	13.46

3	Product enhancement & Marketing of enhanced products	1.20	1.97
4	Marketing plan for financial services	2.20	1.99
5	Marketing plan for Philately	2.29	2.21
6.	Total	28.85	28.07

As regards the utilization of land available with the Department for earning revenue, it is submitted that as per decision taken by the Cabinet, the Committee of Secretaries considered the proposal of the Department of Posts to have a Special Purpose Vehicle (SPV) for optimum development management of Postal estates and in turn decided that the Department of Posts will take up this task by entering into Public Private Partnership (PPP). The Department is making all possible efforts to complete the procedural formalities of entering into Public Private Partnership. The Model concession Agreement drafted for the purpose is under examination in consultation with the Ministry of Finance, Ministry of Law & Justice and the Planning Commission. Efforts are also on to appoint a Consultant as, keeping in view the intricate nature of job, it may be difficult to make headway in the matter, without a hardcore professional. Here, it would also be imperative to mention that while the Department of Posts is of the considered view that it has got the mandate to manage its lands and buildings, quite often the question is raised about the legal provision that allows it to undertake projects on PPP basis. The Department has recently clarified the position to the Department of Economic Affairs, Ministry of Finance in the light of entries appearing in Allocation of Business Rules and also the fact that the management of lands and buildings pertaining to the Department of Posts has not been allocated to any other Ministry/Department. Nevertheless this is a priority project of the Department and all possible efforts are being made to ensure that the process of earning non tariff revenue through the lands available with the Department is expedited.

In Insurance activities, the Department has taken the following measures to popularize the PLI and RPLI products amongst the clientele:

- i. The process of empanelment of Direct Agent of PLI and RPLI has been simplified and decentralized at Postal Division level. The focus is on engaging more Agents from amongst Aagan wadi workers, Self Help Group for selling PLI and RPLI policies. More than 19000 Agents have been engaged so far.
- ii. The incentive structure for Agents has been made attractive and is now based on premium income in conformity with industry standards.
- iii. All out efforts are being made to carry out an aggressive publicity campaign through print, electronic and outdoor media and local media in rural areas, such as RPLI Wall painting, publicity through mobile van, posters and pamphlets etc.
- iv. Market intelligence units at Circle level and Regional levels have been set up for mapping up the uncovered segment wise clientele.
- v. Market intelligence units at Circle level and Regional levels have been set up for mapping up the uncovered segment wise clientele.

However, all this is subject to revocation of ban "no expansion of insurance activity by Department of Posts can be permitted" by the Ministry of Finance (as mentioned in reply to recommendation No.2)

Further, with a view to leverage the existing network to improve revenue generation, Department of Posts has tied up with Money Gram Payment Systems Inc. to offer International Inward Money Transfer Service through selected Post Offices. The service was launched on 29th September,2011 initially in 100 Post Offices across Delhi, Punjab and Tamilnadu Circles. This service will be rolled out to other selected Post Offices in all Circles in due course. This will definitely help in generating additional revenue for the Department.

(Ministry of Communications & IT/Department of Posts F.No.20-2/2011-BGT(PA)/24th Report dated 18.11.2011)

Recommendation (Para No. 6)

Rate of Remuneration for Agency Services

The Committee note that the Department of Posts receive agency charges for the services rendered by them on behalf of other Departments/ organizations like Postal Life Insurance Pension Payments/Western Union Money Transfer etc. The Committee in their Thirteenth Report on Action Taken by the Government on the recommendations contained in their Sixty-second Report (Fourteenth Lok Sabha) on 'Management of funds by the Department of Posts through banking and insurance activities' has recommended that the Expert Committee constituted by the Ministry of Finance should give its report within the stipulated time followed by expeditious decision by the Finance Ministry to settle the long pending issue. Now, the Committee have been informed that the Expert Group constituted by the Ministry of Finance is likely to submit its Report by 30th April, 2011. The Committee hope that by now the above Report would have been submitted to the Ministry of Finance. The Committee would like to be informed about the recommendations made in the above Report and follow up action taken by the Department of Posts/Ministry of Finance in this regard.

Action taken by the Government

The Expert Group set up by Min. of Finance on review of rate of remuneration submitted its report to Finance Minister on 19.5.2011. The Committee has recommended the following rates of remunerations:-

Particulars	Live Account (Rupees per Account)	MGNREG S Accounts , (Rupees per account)	Savings Certificates (Rupees per certificate, issue + discharged)	Indira Vikas Patra (Rupees per IVP paid)
Rate for the year 2009-10	159.24	165.59	48.65	12.87

- (ii) The Expert Group recommended escalation formula for rate of remuneration to be fixed every year after 2009-10. As per the formula, the rate of remuneration will be increased by adding % of annual increase in DA (average) and decreased by 1/3rd of overall growth rate (in %) in total number of Live Accounts during this period.
- (iii) The Ministry of Finance, Department of Economic Affairs has conveyed on 20th October 2011 that after examination of the report of Expert Group, the Finance Minister has approved following rate of remuneration:-

Particulars	Live Account (Rupees per Account)	MGNREGS Accounts, (Rupees per account)	Savings Certificates (Rupees per certificate, issued + discharged)	Indira Vikas Patra (Rupees per IVP paid)
Rate for the year 2009-10	133.62	Not yet approved	45.10	11.94

(iv) Other recommendations of the Group regarding remuneration on Zero Deposit/Balance Accounts and yearly escalation in the rate of remuneration are still under consideration in the Min. of Finance.

(Ministry of Communications & IT/Department of Posts F.No.20-2/2011-BGT(PA)/24th Report dated 18.11.2011)

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

Recommendation (Para No. 8)

Franchisee Outlets

The Committee note that the Department of Posts have been implementing two commission based schemes i.e. 'Franchisee Outlets' in the urban and upcoming urban areas and 'Panchayat Sanchar Sewa Kendra' in the rural area for expanding the postal network. Franchisee Outlets are opened where a Post Office cannot be opened as per departmental norms. The Committee note that the proposal for opening of 10,000 Franchisee Outlets during the Eleventh Plan was reduced to 8100 Franchisee Outlets as per the SFC memo. The Department could not achieve the target for opening 8100 Franchisee Outlets since, no plan funds were allocated during the years 2008-09, 2009-10 and 2011-12. However, without plan support, the Department was able to open 506, 272 & 191 Franchisee Outlets during 2008-09, 2009-10 and 2010-11 respectively. During 2011-12, the Department proposes to open 100 Franchisee Outlets without plan support. The Committee are of the view that the concept of Franchisee Outlets is a novel idea for the expansion of postal network in the expanding urban areas. As Franchisee Outlets do not add to the establishment cost of the Department, all initiatives should be taken by the Department to open more Franchisee Outlets in upcoming urban townships, new industrial centres, colleges etc. for expansion of postal network.

Action taken by the Government

Opening of Franchise Outlets under the Franchise Scheme is an ongoing process. These Outlets are opened in urban and upcoming urban areas where there is justification for opening of a Post Office subject to receipt of an application from suitable candidates. At present, 1155 Franchise Outlets (as on 31.03.2011) are in operation in the country.

Despite wide publicity of the scheme, eligible persons do not come forward to apply for obtaining the permission to open Franchise Outlets. The scheme is, therefore, being reviewed to make it more attractive to prospective franchisees.

(Ministry of Communications & IT/Department of Posts F.No.20-2/2011-BGT(PA)/24th Report dated 18.11.2011)

Recommendation (Para No. 10)

Mail Operations

The Committee note with concern that the Ministry of Defence has not been able to allocate the desired tonnage to the Department of Posts for airlifting of mails for Leh and Ladakh Sector. As against the requirement of 130 tonnes during 2010-11, the Ministry of Defence has allocated only 50 tonnes for airlifting of mails for Leh and Ladakh Sector. The reduced tonnage allocation has led to inordinate delay in the delivery of mail to the people living in these areas. Despite taking up the matter at the appropriate level, no assurance has been received by the Department of Posts from the Ministry of Defence in this regard. The Committee desire that the Department should make efforts to manage the tonnage requirement independently. The Committee desire the Department to explore the feasibility of acquiring the small aircraft like SARAS for airlifting of mail for Leh and Ladakh Sectors. Further, engaging the services of Private airlines should also be explored. The Committee desire the Department to examine the above suggestions and respond to the Committee.

Action taken by the Government

The problem regarding transmission of mail in Leh and Ladakh region occurs during winter months (November to April) due to closure of the National Highway. The Department, along with other Ministries/Departments, utilizes the services of Indian Air Force aircrafts (for carriage of mail from Chandigarh to Leh). Since the tonnage allocation by Ministry of Defence was not adequate, the Department had made arrangements for air Transmission of such mails from Delhi point by Air India flights as well as that of private airlines to Leh and Jammu. This helped the Department in minimizing the delay in transmission of mails meant for Leh and Ladakh Region. The Department has been using the services of private airlines for carriage of mails across the country for many years. The option of acquiring an aircraft is not feasible as the Department does not have the requisite expertise to run aviation business. However, the Department would be open to use of SARAS aircraft as and when it is operational, provided that it operates on the routes used for carriage of mail and is operationally advantageous and financially viable.

(Ministry of Communications & IT/Department of Posts F.No.20-2/2011-BGT(PA)/24th Report dated 18.11.2011)

Recommendation (Para No. 11)

Banking and Money Transfer Operations Post Office Savings Bank (POSB) and Post Bank of India

The Committee are deeply concerned to note that two important schemes of the Department viz. Centralized Banking for Post Office Savings Bank (POSB) and Post Bank of India which could have revolutionized the banking and money transfer operations of the Department are yet to be implemented. The Committee have been informed that the Department plan to implement Core Banking Solution (CBS) in 120 of the indentified pilot Post Offices by March 2012. On the setting up of Post Bank of India, the Secretary during the course of the oral evidence stated that a roadmap on Post Bank of India will be sent to the Ministry of Finance for its view. With regard to Core Banking Solutions, the Committee feel that the scheme can be made operational only when the Post Offices have been fully computerized. However, the computerization of Post Offices, as discussed in the subsequent part of the Report, is far lagging behind the schedule. Observing delay in computerization of Post Offices, the Committee in their Fifteenth Report (Fifteenth Lok Sabha) on 'Modernisation of Post Offices' has recommended for the speedy computerization of post offices followed by the introduction of banking operations of the Department. Since, computerization of Post Office is prerequisite for implementation of CBS, the Committee strongly recommend that the Department should make sincere effort for computerization of Post Offices so that the CBS in 120 Post offices could be made functional by March 2012. Further, all the formalities connected with setting up of Post Bank of India should be completed within definite timelines in consultation with concerned authorities so that the Post Bank of India could be set up at the earliest. The Committee may be informed about the outcome of the efforts made by the Department.

Action taken by the Government

Introduction of Centralised Banking for Post Office Savings Bank (POSB) and development of Core Banking Solution (CBS) software is part of the overall IT Project,2010 of India Post. The Request for Proposal for supply, installation and implementation of CBS and centralized data base has already been floated and evaluation of tender is in progress. It is expected that the Project will be implemented in the identified 120 pilot offices from March,2012 and completed by September,2012.

As regards Post Bank Of India, Department has sent Road Map devised by the consultant to Ministry of Finance for their comments which are awaited.

(Ministry of Communications & IT/Department of Posts F.No.20-2/2011-BGT(PA)/24th Report dated 18.11.2011)

Recommendation (Para No. 13)

IT Induction – Postal Operation Computerization of Post Offices

The Committee are disappointed at extremely slow pace for computerization of Post Offices. As per the Annual Report (2009-10) of the Department of Posts, 12604 Post Offices were stated to have been computerized up to 31st March, 2009. Now, as per the Outcome Budget (2011-12) of the Department, the same figure

about computerization of Departmental Post Offices has been provided. It implies that during the year 2009-10, not even a single PO was computerized. The Committee have now been informed that under EFC Phase II, out of 13420 Single Handed Post Offices, 10196 such Post Offices have been computerized and the remaining single handed Post Offices would be taken up in 2011-12. The Department have not furnished the information about computerization of Branch Post Offices under EFC Phase-II. With the existing pace, the Committee feel that it will take considerable time for the Department to computerize all the Post Offices in the country. Emphasizing the need for computerization of Post Offices, the Committee in their Fifteenth Report on 'Modernisation of Post Offices' had pointed out that availability of power, broadband connectivity and training of personnel who would be using the devices are some of the big challenges before the Department. Since, many core activities of the Department viz. Core Banking Solution, Post Bank of India, Mail and Insurance Operation are related to computerization, the Committee recommend that the Department should give utmost priority to computerization of Post Offices and earnest efforts should be made to achieve the target envisaged under Eleventh Plan.

Action taken by the Government

Under EFC Phase-I, ₹ 628.66 Crore was approved by CCEA for computerising all double handed and higher Post Offices, engagement of IT Consultant for preparing DPR for EFC Phase –II etc. The status of computerization of Post Offices up to 31.07.2011 is as under:

Sl No.	Category of Post Offices	Achievement
1	Head Post Offices	839
2	Above double handed Sub Post Offices	6762
3	Double Handed Sub Post Offices	6218
4	Single Handed Sub Post Offices	10196
	Total	24015

The approval under EFC-Phase II was to provide the required hardware and devices to 2223 Double handed Post Offices which were left over as not computerized during the EFC-Phase I and computerization of 10943 Single Handed Post Offices.

The Government has approved IT Modernisation Project Phase-2 of Department of Posts to be implemented by 2012-13. It will establish IT Infrastructure of Data Centre and Disaster Recovery Centre and networking of all Post Offices including Branch Post Offices in rural areas. The Project envisages development of integrated modular scalable applications for Mail, Banking, Postal Life Insurance, Advanced Financial Services and ERP Solutions for accounts and HR Operations of the Department. The Rural Post Offices will be provided with Rural ICT devices with required applications for performing Postal, Banking, Insurance and retail operations. The Rural ICT solution will be enable electronic networking of 129497 rural Post Offices.

As a measure of course of action in this regard, IT consultant has been appointed to help in designing and implementation of the Project. Eight RFPs have been floated and it is in the process of finalization at various stages to select the

vendors to develop integrated and modular software which will cover all the operations. Due to complex nature of RFPs, a few of them had to be sent to the DIT for vetting where there was delay in vetting of the RFPs.

RFP for Rural ICT Solution for computerization of 129497 Extra Departmental Post Offices through Rural ICT Solution is under evaluation stage. It will be implemented in phases. In pilot phase, selected Branch Offices will be deployed and the solution will be approved and finalized. After successful implementation in pilot Branch Post Offices, the Rural ICT will be implemented in all the Rural Post offices of the country by 2012-13.

(Ministry of Communications & IT/Department of Posts F.No.20-2/2011-BGT(PA)/24th Report dated 18.11.2011)

Recommendation (Para No. 14)

Marketing Research and Product Development Expansion of Speed Post and Logistic Post

The Committee note that revenue earnings from Speed Post and Logistic Post have constantly been increasing over the years. Under Speed Post, the Department has earned a revenue of Rs. 455.24 crore in 2007-08, Rs. 515.27 crore in 2008-09, and Rs. 613.76 crore in 2009-10. Under Logistic Post, the revenue earnings was Rs. 5.53 crore in 2007-08, Rs. 8.49 crore in 2008-09, Rs. 21.38 crore during 2009-10 and Rs. 60.63 crore during 2010-11 (upto February, 2011). The Committee have been informed that the Department of Posts had conducted a study in 2003 to ascertain the market size of Logistic and Parcel Post in India. The study revealed that the Logistic and parcel business in India is to the tune of Rs. 75000 crore and has been growing at an impressive rate of 8 to 10 per cent per annum since 2002. Since, Logistic Post and Speed Post hold tremendous opportunities for generating revenues, the Committee desire that a roadmap to tap the market potentials under Logistic and Speed Post may be prepared which may help the Department to earn more revenue.

Action taken by the Government

Department of Posts is operating Speed Post service in a highly competitive environment in the express industry where a large number of couriers, national and international, are operating. The Department is initiating steps to improve the Speed Post service performance on par with the international standards, in order to provide excellent service to the customers. With the investments made under the Plan Scheme of "Business Expansion of Speed Post", the traffic and revenue has consistently grown as under:

Year	Traffic (in lacs)	Revenue (₹ in crores)	Percentage increase in revenue
2007-08	1773	455.24	-
2008-09	2114	515.27	13.19%
2009-10	2408	613.96	19.15%
2010-11	2729	748.82	21.96%

Speed Post service is thus, growing every year both in terms of traffic and revenue. During the year 2010-11, Speed Post Service earned revenue of ` 748.82 crores which is higher than the previous year.

Road Map for Logistics Post Business Development:

We have recently entered into Logistics Business. As a part of distribution solution provider, India Post can play a major role in the area of Logistics and supply chain management, by providing distribution channel, packaging services, warehousing, and transportation with time definite distribution programs and can be the customers' first choice for the logistics solution. In order to grow in this segment of the business and to retain the existing customers, Logistics Post Centers will be fully computerized with Track and Trace facilities and properly equipped so that services are provided with Speed and reliability and customers can get value for money. Such a service will enable Logistics Post to get large volumes for retail distribution and at the same time, will provide supply chain management solutions to large volume business customers.

2. As the Department of Posts is new in the Logistics Business, we have to build up this business potential by opening new centers and linking them by operating 'less than truck load' routes. In order to get more revenue and business from logistics services, it is planned to establish Logistics Post Centers in more cities and provide proper infrastructure at these centers. With the boom in the retail market, the demand for logistics services will be on the rise. With adequate investment, India Post will be establishing Logistics business as a key driver for business growth.

3. With the investments made under the Plan scheme of 'Development of Infrastructure for Logistics Post', during 11th Plan period, Logistics Post Business has shown growth as given below:-

Year	Logistics Post Revenue (in Crore Rupees)	% growth
2008-09	8.49	-
2009-10	14.47	70.44
2010-11	20.04	38.49

4. In order to make the Logistics Post business grow, the existing Logistics Post Centers will be upgraded with equipments, technology, operational infrastructure etc. and will be modernized to make them look sleek and customer friendly. Also in order to increase the business, Logistics Post network will be expanded by establishing more Logistics Post Centers and warehouses etc and by increasing the range of services offered.

(Ministry of Communications & IT/Department of Posts F.No.20-2/2011-BGT(PA)/24th Report dated 18.11.2011)

Recommendation (Para No. 15)

Estates Management

The Committee note out of 1871 vacant plots available with the Department, 403 plots are located in prime locations. Further, a total of 232 plots have been

encroached upon and Department have initiated legal action for eviction of only 62 plots. The Committee are surprise to note that the Department has conducted no study so far to ascertain the market value of the land. The Department now intend to enter into a Public Private Partnership to develop estates in the commercial locations for revenue generation. In this regard, an Inter Ministerial Group has been formed which is likely to submit its report by October, 2011. The Committee find that the number of plots available with the Department are quite large and these are not being fully utilized to earn revenue. In fact the real estate management is not being utilized in a fruitful manner. The Committee therefore, recommend that the possibility of commercial utilization of land, which may earn reasonable revenue for the Department should be explored. This would enable the Department to reduce its revenue deficit. Further, vigorous efforts should be made to get the land vacated which have been encroached upon by unauthorized people. The Department have taken legal action for eviction of only 62 plots. As such, the Committee desire that the Department should take assistance of the Law Enforcing Agencies for vacation of the remaining 170 plots which have encroached upon. The Committee recommend that the vacant plots should be protected by fencing/erecting of boundary walls and deployment of security guards. The Committee desire that the Department should ensure that its officials are not involved in encroachment of plots. In case of encroachment under the jurisdiction of an officer, the concerned officer should be held accountable for encroachment. The specific steps taken in this regard should be communicated to the Committee.

Action taken by the Government

With regards to utilization of land available with the Department for earning revenue it is submitted that as per decision taken by the Cabinet, the Committee of Secretaries considered the proposal of the Department of Posts to have a Special Purpose Vehicle (SPV) for optimum development management of postal estates and in turn decided that the Department of Posts will take up this task by entering into Public Private Partnership (PPP). The Department is making all possible efforts to complete the procedural formalities of entering into Public Private Partnership. The Model concession Agreement drafted for the purpose is under examination in consultation with the Ministry of Finance, Ministry of Law & Justice and the Planning Commission. Efforts are also on to appoint a Consultant as, keeping in view the intricate nature of job, it may be difficult to make headway in the matter, without a hardcore professional. Here, it would also be imperative to mention that while the Department of Posts is of the considered view that it has got the mandate to manage its lands and buildings, quite often the question is raised about the legal provision that allows it to undertake projects on PPP basis. Nevertheless this is a priority project of the Department and all possible efforts are being made to ensure that the process of earning non tariff revenue through the lands available with the Department is expedited.

As regards vacation of lands which have been encroached upon by unauthorized people, all Heads of Circles have been advised to take suitable legal action by taking the assistance of law enforcing agencies with a stipulation to bring the affidavits filed by the Department on its web site for close monitoring. Further, in order to avoid any further encroachment of Postal lands, the Heads of Circles have been advised to take immediate action for fencing/erecting of boundary walls in all cases of vacant plots of lands. Here, it would also be pertinent to mention that this issue was discussed at length in the Building Coordination Meeting held on

28.09.2011 under the Chairpersonship of Secretary (Posts). In the said meeting , the issue of protecting the Department's plots from any further encroachment, particularly in the context of recommendations of Standing Committee on Information Technology, was highlighted and the Heads of Circles were advised to send the revised proposals regarding requirement of additional funds, if any, so that the process of fencing/erecting boundary walls could be completed before the close of current financial year.

The information gathered from the Circles reveals that in no case of encroachment any official is involved and in case any such incident comes to the notice, the official concerned will be held accountable for it.

(Ministry of Communications & IT/Department of Posts F.No.20-2/2011-BGT(PA)/24th Report dated 18.11.2011)

Recommendation (Para No. 16)

The Committee are surprised to note that the data of land records are maintained by the Department in manual form. This is a sorry state of affairs. During the course of oral evidence, the Secretary of the Department has assured the Committee that the work of computerization of all the data relating to land available with the Department would be completed within eight months. The Committee recommend that the Department should have a centralized computerized system of land records and the computerization work should be completed within a definite timeframe. A proper satellite mapping of the land available with the Department should also be done through application of GIS technology.

Action taken by the Government

In compliance to the recommendations of the Committee, the Heads of Circles have been directed to have the Market value of the lands available with the Department, assessed. Haryana and Himachal Pradesh Circles have already furnished the 'market value' of all the 38 Departmental plots. The Circles namely Assam, Bihar, Maharashtra, Punjab, Tamilnadu, North East, Madhya Pradesh, Delhi, Karnataka and Orissa have issued the instructions to all their field units to conduct survey and ascertain the market value of each plot of land.

Further, the Sale/Lease Deeds of these lands have also been asked to be brought on the Department's Web site.

(Ministry of Communications & IT/Department of Posts F.No.20-2/2011-BGT(PA)/24th Report dated 18.11.2011)

CHAPTER -III

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

--NIL--

CHAPTER –IV

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

Recommendation (Para No. 2)

Recoveries

The Committee note that the recoveries received by the Department of Posts from Postal Life Insurance, Western Union Money Transfer and other Departments/organizations have been slowly increasing. The recoveries in 2007-08 were Rs.266.32 crore which increased to Rs.438.94 crore in 2009-10. During 2010-11, the recoveries at BE stage was Rs.436.55 crore which at RE stage was Rs.566.58 crore i.e. an enhancement of Rs.130.03 crore. The actual recoveries upto January, 2011 was Rs.66.99 crore which according to the Department would increase when the recoveries on PLI and customs would be booked by PAO, Kolkata as Annual Adjustment in March, 2011. Regarding introduction of new products under Postal Life Insurance, the Secretary of the Department during the course of oral evidence stated that the Ministry of Finance was not allowing Postal Life Insurance to introduce different kinds of policies. In this context, the Committee note that the issue of providing autonomy to the Department of Posts to extend their clientele and introduce new products on their own has been long pending with the Ministry of Finance. In this connection, on the directions of the Committee, a meeting was held on 19th April, 2010 under the Chairmanship of Finance Secretary (FS) to sort out various issues raised by the Department of Posts. The Committee have now been informed that the Ministry of Finance has agreed to delegate some powers relating to Small Savings Schemes. Now it has been reported that the panel set up by the Government has recommended new rates for Small Savings Schemes and the new rates are likely to be notified shortly. The Committee would like to be apprised about the recommendations made and follow up action taken in this regard.

Action taken by the Government

The issue of extension of clientele and introduction of new products in PLI/RPLI, was under correspondence with the Ministry of Finance for a long time. On reference of Ministry of Finance to Ministry of Law regarding insurance business of Department of Posts, the Ministry of Law was of the view as under:

" In view of the above factual and legal position, since PLI and RPLI are covered by the exemption under Section 44(d) of LIC Act and admittedly there is no change in the legal status it can be safely concluded that the DoP can sail with life insurance by proposing new schemes according to the need. Hence, it would be advisable to allow DoP to carry out insurance business with the proposed new schemes as a Government Department by making use of the exception accorded under section 118 (c) of the Insurance Act, 1938..."

On receipt of legal opinion from Ministry of Law as communicated by Ministry of Finance, the Department has informed its intent to introduce new Products/schemes wherever required. Views/Instructions of Ministry of Finance have been solicited. Views of Ministry of Finance have since been received and Ministry of

Finance has expressed disagreement with the advice of Ministry of Law. As per directions received from the Ministry of Finance, vide their letter No. H-12013/01/2010-Ins.I dated 17th October,2011 no expansion of insurance activity by the Department of Post can be permitted and the present operations of Department of Posts will have to be supervised by IRDA. This issue will be taken up with the Ministry of Finance afresh for allowing PLI/RPLI to expand its business to new clientele group and introduce new products/schemes as per market requirement.

In case of Post Office Small Savings, the Ministry of Finance has agreed in principle to delegate some powers relating to operational matters of Small Savings Schemes but written communications having details of powers delegated is still awaited from them. As regards, recommendations of the Committee set up to review National Small Savings Funds (NSSF) and Small Savings Schemes by the Ministry of Finance, major recommendations of the Committee and comments sent by DoP against each are enclosed as **Annexure -I**. The Government has yet to take final decision on the recommendations of the said Committee.

(Ministry of Communications & IT/Department of Posts F.No.20-2/2011-BGT(PA)/24th Report dated 18.11.2011)

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

Recommendation (Para No. 5)

Utilisation of Plan Outlays

The Committee note that as against the total outlay of Rs. 4000 crore for the Eleventh Plan, the actual allocation was Rs. 2195 crore. The allocation was further reduced to Rs. 1515 crore at RE stage by the Ministry of Finance, out of which, Rs. 1172.34 crore has been utilized upto February, 2011, which is just 29.30 per cent of the total allocation. The Committee further observe that there is massive gap between the proposed allocation by the Department and the amount allocated by Planning Commission at BE stage. During 2010-11, as against the proposed allocation of Rs. 1270 crore, the allocation at BE stage was Rs. 660 crore which was further reduced to Rs. 480 crore at RE stage and the actual expenditure upto January, 2011 was Rs. 258.52 crore. Besides, inability of the Ministry to utilize the outlay, delay in approval of the schemes is an area of concern to the Committee. The Committee note that under some of the important schemes like opening of Branch Post Offices, Establishment of Print Mail System in major cities, upgradation of IT infrastructure in Post Offices, Centralised Banking for POSB, Development of Centralized Banking Software, Setting up of AMPCs, Upgradation and Modernization of SPCCs the physical achievements during each year of the Eleventh Plan has been nil. The aforesaid scenario indicates that there is serious problem in implementation of the plan schemes of the Department. The Committee strongly recommend that the Department should make concerted efforts to streamline the approval system so that the schemes are approved expeditiously and the funds allocated are fully utilized.

Action taken by the Government

A proposal for opening of 400 new EDBOs by creating equal number of new GDS posts under the sub-scheme "Opening of Branch Post Offices-Rural)" is under

process. However, under the sub-scheme-'Relocation of Branch Post Offices', 213 Branch Post Offices have been opened during the 11th plan period.

In connection with upgradation and modernization of Speed Post Concentration Centres (SPCC), it is submitted that 109 SPCCs have been identified for upgradation during the eleventh plan 2007-2012. Out of which 63 SPCCs have been upgraded during the year 2010-11. Upgradation of remaining 46 SPCCs are under process for the current financial year ie.2011-12.

In Post Office Small Savings Work, introduction of Centralised Banking for Post Office Savings Bank (POSB) and development of Core Banking Solutions (CBS) software is part of the over all IT project, 2010 of India Post. The Request for Proposal for supply, installation and implementation of CBS and centralized data base has already been floated and evaluation of tenders is in progress. It is expected that the project will be implemented in the identified 120 pilot offices from March,2012 and completed by September,2012.

The utilization of Plan Funds towards computerization and Networking Project in XI Five Year Plan, Phase -I, year wise, are as under:

(Rupees in Crore)

Sl.No.	Year	BE	RE	Expenditure
1	2009-10	284.2000	148.7300	240.4907
2	2010-11	328.7600	198.4100	177.5295

Under the category of mail Operations, the funds allocated for the Plan Scheme relating to Wet lease of freighter aircraft have been fully utilized. Orders have been placed for setting up Automated Mail Processing Systems at Delhi & Kolkata. The Sorting Machines for Delhi are under installation and the same for Kolkata are expected to be installed by the end of the current financial year. Funds allocated for Plan Schemes on setting up of Mail Business Centres, National Database Management and Publicity for Redesigned PIN Codes have also been utilized. All efforts are being made to achieve the physical and financial targets set for these schemes.

(Ministry of Communications & IT/Department of Posts F.No.20-2/2011-BGT(PA)/24th Report dated 18.11.2011)

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

Recommendation (Para No. 9)

Since both Franchisee outlets' and 'Panchayat Sanchar Sewa Kendra' are commission based schemes, the Committee desire that the Department should urgently look into the proposal to enhance the rate of commission under both the above schemes.

Action taken by the Government

Panchayat Sanchar Sewa Kendras (PSSKs) under the 'Panchayat Sanchar Sewa Yojna' scheme are opened at the Gram Panchayat Head Quarters' which are without Post offices. Opening of Panchayat Sanchar Sewa Kendra is an ongoing process. This is also subject to receipts of applications from the Heads of the Gram

Panchayats. Recently, PSSKs Agents have been authorized as Direct Agent of PLI business to make the scheme popular, remunerative to agents as well as to increase revenue earning of the Department.

(Ministry of Communications & IT/Department of Posts F.No.20-2/2011-BGT(PA)/24th Report dated 18.11.2011)

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

Recommendation (Para No. 18)

Long Pending Issues

The Committee note that some of the issues on which the Committee had recommended in their various reports have long been pending with the Ministry of Finance. These issues include providing autonomy to the Department of Posts on the issues of rates of interest provided under various Small Savings Schemes, increasing the ceiling of Deposits in Single and Joint Accounts of the Postal Savings Bank, starting of new schemes under Small savings schemes, in terms of policy matters with regard to insurance activities of DoP and positive consideration in fixing the rate of remuneration provided to DoP for various agency services, etc.. The Committee in its Fifth Report on Demands for Grants (2010-11) had recommended that these issues should be sorted out without any further delay. A year later, the Committee find that no tangible progress has been achieved as all the issues are yet to be resolved. Expressing its displeasure over undue delay in sorting out the long pending issues, the Committee again emphasize that these issues should be vigorously pursued by the Department of Posts with the Ministry of Finance for early settlement of these long pending issues.

Action taken by the Government

The issue of extension of clientele and introduction of new products was under correspondence with the Ministry of Finance for a long time. On reference of Ministry of finance to Ministry of law regarding insurance business of Department of Posts, the Ministry of Law was of the view as under:

" In view of the above factual and legal position, since PLI and RPLI are covered by the exemption under Section 44(d) of LIC Act and admittedly there is no change in the legal status it can be safely concluded that the DoP can sail with life insurance by proposing new schemes according to the need. Hence, it would be advisable to allow DoP to carry out insurance business with the proposed new schemes as a Government Department by making use of the exception accorded under section 118 (c) of the Insurance Act, 1938..."

On receipt of legal opinion from Ministry of Law as communicated by Ministry of Finance, the Department has informed its intent to introduce new products/schemes wherever required. Views/Instructions of Ministry of Finance have been solicited. Views of Ministry of Finance have since been received and Ministry of Finance has expressed disagreement with the advice of Ministry of Law. As per directions received from the Ministry of Finance, vide their letter No. H-12013/01/2010-Ins.I dated 17th October,2011, no expansion of insurance activity by the Department of Post can be permitted and the present operations of

Department of Posts will have to be supervised by IRDA. This issue will be taken up with the Ministry of Finance afresh for allowing PLI/RPLI to expand its business to new clientele group and introduce new products/schemes as per market requirement.

In Post Office Small Savings side, the Department is continuously pursuing the pending issues at the highest level with Ministry of Finance as a result of which one long pending issue of removal of ceiling of deposits in Single as well as in Joint Accounts of Post Office Savings Bank has been settled with a Notification dated 15.09.2011 from Ministry of Finance (Department of Economic Affairs) to remove the limit. As regards other issues relating to Small Savings Schemes, Ministry of Finance has not agreed to give autonomy to the Department of Posts to fix rate of Interest but on the basis of the recommendation of the Expert Committee headed by the Dy. Governor of RBI has agreed to link Interest Rate of Small Savings Schemes with the Auction of Government Securities of similar maturity in the Market which will be reviewed at the end of every Financial Year and new rates will be notified before 1st April of that Year. Revised interest rates (likely to be effective from 1.12.2011) are being notified by the Min. of Finance. As regards starting of new schemes, the Expert Committee recommended that at this stage there is no need to start any new scheme except start of 10 Years Savings Certificates in place of Kisan Vikas Patras and this recommendations has also been accepted by Min. of Finance.

(Ministry of Communications & IT/Department of Posts F.No.20-2/2011-BGT(PA)/24th Report dated 18.11.2011)

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

CHAPTER –V

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

Recommendation (Para No. 7)

Access to Postal Network

The Committee note that there was a proposal for opening of 400 Extra Departmental Branch Post Offices (EDBOs) by creating equal number of new Gramin Dak Sewaks (GDS) posts, open 700 Sub Post Offices (SPOs) by relocation/redeployment of staff and open 300 more Extra Departmental Branch Post Offices (EDBOs) by relocation/redeployment in the Eleventh Plan. The proposal for opening of 400 Extra Departmental Branch Post Offices (EDBOs) by creating equal number of Gramin Dak Sewak posts is under consideration within the Integrated Finance Division of the Department. The Committee observe that instead of opening new Branch Post Offices and Sub-Post Offices, the Department is resorting to relocation and redeployment of the existing Post Offices. The data provided by the Department indicates that not even a single Branch/Sub- Post Office was opened during the last three years i.e. from 2007-08 to 2010-11. The Committee feel that there is a need for opening of more Post Offices as out of 620515 inhabited villages, only 138889 inhabited villages have Post Offices. The Department have been laying more emphasis on relocation/redeployment of Post Offices taking the plea of congestion in the area. Since relocation/redeployment of Post Office affect the access to postal facilities in an area, the Committee would like to caution the Department to first assess the implications of relocating a Post Office so that people do not have to walk long distance for availing basic postal service. The Committee further desire that the proposal for opening 400 BOs by creating equal number of GDS employees should be processed at the earliest so that the equal number of Branch Post Offices could be made functional.

Action taken by the Government

There are four sub-schemes, namely (i) Opening of Branch Post Offices-Rural; (ii) opening of Sub Post Offices; (iii) relocation of Branch Post Offices and (iv) relocation of Sub Post Offices, for opening of Post Offices under the Plan Scheme- "Access to the Postal Network". It is a fact that under the sub scheme-"Opening of Branch Post Offices-Rural" no Branch Post Office could be opened during the 11th Plan period. A proposal for opening of 400 new EDBOs by creating equal number of GDS posts under the said sub-scheme is under examination of the Integrated Finance Wing of the Department.

However, under the sub-scheme- "Relocation of Branch Post Offices", 213 Branch Post Offices and under sub schemes-"Opening of Sub Post Offices and Relocation of Sub Post Offices", 224 Sub Post Offices have been opened during the 11th Plan period.

(Ministry of Communications & IT/Department of Posts F.No.20-2/2011-BGT(PA)/24th Report dated 18.11.2011)

Recommendation (Para No. 12)

Insurance Operations

The Committee have been informed that entire operation of PLI/RPLI have been computerized. The facility would enable the customers to pay premium from any Post Office in the Country. However, the facility to view and pay the premium online is still under development and is likely to be completed soon. The Committee are disappointed to note that the Department of Posts have not been able to provide the facility of viewing and paying online premium of PLI/RPLI, whereas, the new entrants in insurance sector has been providing the facility to the customers. Since, the insurance sector is technological driven and customer desire more and more facility online, the Committee strongly recommend that the facility of viewing and paying the premium online should be made functional at the earliest. The specific steps taken in this regard should be communicated to the Committee.

Reply-PLI-

Action taken by the Government

The Software for online deposit of PLI and RPLI premium and facility for viewing the policy credits for customers has now been developed by NIC and PLI/RPLI customer interface has been integrated to ePO. The facility will be rolled out by the end of November, 2011.

(Ministry of Communications & IT/Department of Posts F.No.20-2/2011-BGT(PA)/24th Report dated 18.11.2011)

Recommendation (Para No. 17)

Regulatory Mechanism for Private Courier Services

The Committee have been informed that private courier service is de-facto open for all operators and there are no entry barriers. About the need for a regulator for the sector, the Department have informed there is no proposal to have a regulator for private courier service. Further, no reliable data is available about the number of couriers operating in the Country. The Committee find the response of the Department surprising especially taking into account that when all commercial activities are regulated under certain laws and rules, the Department do not feel the need to have a regulator for private courier services in the country. The Committee feel that the Government is losing money as it can raise revenue by way of licence/entry fee etc. for running the courier services. The Committee strongly recommend that a regulatory body for private courier services should be set up at the earliest. The specific steps taken in this regard may be communicated to the Committee.

Action taken by the Government

In view of changing requirements of the market, the Department of Posts is proposing to bring a Post Office Bill which, upon enactment will replace the Indian Post Office Act, 1898. Couriers though not visualized in the Act of 1898, have flourished in the market but there are no sectoral provisions regarding regulating

their activities or mail carried by them and this issue is being looked into in the Draft Bill.

At this stage the draft Post Office Bill has been circulated for inter-ministerial consultation.

(Ministry of Communications & IT/Department of Posts F.No.20-2/2011-BGT(PA)/24th Report dated 18.11.2011)

New Delhi;
21 December, 2011
30 Agrahayana, 1933 (Saka)

RAO INDERJIT SINGH,
Chairman,
Standing Committee on
Information Technology

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE
RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THEIR TWENTY-
FOURTH REPORT (FIFTEENTH LOK SABHA)**

[Vide Paragraph No. 5 of Introduction]

(i)	Recommendations/Observations which have been accepted by the Government		
	Para Nos: 1, 3, 4, 6, 8, 10, 11, 13, 14, 15 & 16		
	Total		11
	Percentage		61.12
(ii)	Recommendations/Observations which the Committee do not desire to pursue in view of the replies of the Government		
	Para No.: - Nil		
	Total		Nil
	Percentage		0.00
(iii)	Recommendations/Observations in respect of which replies of the government have not been accepted by the Committee and require reiteration		
	Para Nos.: - 2, 5, 9 & 18		
	Total		4
	Percentage		22.22
(iv)	Recommendations/Observations in respect of the reply which is of interim nature		
	Para Nos.: - 7, 12 & 17		
	Total		03
	Percentage		16.66