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

FIFTEENTH LOK SABHA

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

**DEMANDS FOR GRANTS
(2012-13)**

THIRTY-THIRD REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

May, 2012/ Vaisakha, 1934 (Saka)

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(DEPARTMENT OF POSTS)**

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(2012-13)**

Presented to Lok Sabha on 2 May, 2012

Laid in Rajya Sabha on 2 May, 2012



**LOK SABHA SECRETARIAT
NEW DELHI**

May, 2012/Vaisakha, 1934 (Saka))

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COMPOSITION OF STANDING COMMITTEE ON INFORMATION TECHNOLOGY

(2011-12)

Shri Rao Inderjit Singh - Chairman

Members

Lok Sabha

2. Shri Rajendra Agrawal
3. Smt. Sarika D.S. Baghel
4. Shri Nikhil Kumar Choudhary
5. Shri H.D. Devegowda
6. Dr. 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. Vacant
26. Shri Rajkumar Dhoot
27. Shri Prabhat Jha
28. Prof. Alka Balram Kshatriya
- \$ 29. Vacant
30. Shri P. Rajeeve
31. Shri Jesudasu Seelam

Secretariat

1. Shri T.K. Mukherjee - Joint Secretary
2. Smt Sudesh Luthra - Director
3. Shri Y.M. Kandpal - Additional Director
4. Shri Shangreiso Zimik - Committee Officer

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

** Consequent on retirement of Shri Rajeev Chandrasekhar w.e.f. 2nd April, 2012.

\$ Consequent on retirement of Shri Ravi Shankar Prasad w.e.f. 2nd April, 2012.

LIST OF ABBREVIATIONS

AMPC	-	Automatic Mail Processing
BE	-	Budget Estimates
BPO	-	Branch Post Office
CMPF	-	Coal Mines Family Pension
CBS	-	Core Banking Solution
DGS&D	-	Directorate General of Supplies & Disposal
DoP	-	Department of Posts
DoT	-	Department of Telecommunications
DSO	-	Departmental Sub Office
EDBO	-	Extra Departmental Branch Office
EPFO	-	Employee's Provident Fund Organisation
Eoi	-	Expression of Interest
HPO	-	Head Post Office
IAY	-	Indira Awaas Yojna
IMO	-	International Money Order
IMTS	-	International Money Transfer Service
IRDA	-	Insurance Regulatory Development Authority
KVP	-	Kisan Vikas Patra
MIS	-	Monthly Installment Scheme
MO	-	Mail Office/Money Order
MoF	-	Ministry of Finance
MoU	-	Memorandum of Understanding
MGNREGA	-	Mahatma Gandhi National Rural Employment Guarantee Act
MPCM	-	Multi Purpose Counter Machine
NSC	-	National Saving Certificate
PBI	-	Post Bank of India
PLI	-	Postal Life Insurance
PO	-	Post Office
POSB	-	Post Office Savings Bank
RE	-	Revised Estimate
RFP	-	Request for Proposal
RPLI	-	Rural Postal Life Insurance
SB/CC	-	Savings Bank/Cash Certificate
SPO	-	Sub Post Office
TRCA	-	Time Related Continuity Allowances
UIDAI	-	Unique Identity Development Authority of India
WUMT	-	Western Union Money
WUFSI	-	Western Union Financial Services International

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 Thirty-third Report on Demands for Grants (2012-13) of the Ministry of Communications and Information Technology (Department of Posts).

2. The Standing Committee on Information Technology (2011-12) was constituted on 31st August, 2011. One of the functions of the Standing Committee, as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha is to consider Demands for Grants of the concerned Ministry/Department and to make a Report on the same to the House.

3. The Committee considered the Demands for Grants pertaining to the Ministry of Communications and Information Technology (Department of Posts) for the year 2012-13 which were laid on the Table of the House on 30th March, 2012. The Committee took oral evidence of the representatives of the Department of Posts on 3rd April, 2012.

4. The Report was considered and adopted by the Committee at their sitting held on 20th April, 2012.

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

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

New Delhi
27 April, 2012
07 Vaisakha, 1934 (Saka)

RAO INDERJIT SINGH
Chairman
Standing Committee on
Information Technology

REPORT

I. INTRODUCTORY

The Department of Posts has been the backbone of India's communications network and core of the country's socio-economic development for the last 150 years. It has touched the lives of every citizen, be it through mail, banking, insurance, money transfer or retail services. It has a network of 1,54,866 Post Offices in the country, the largest in the world, of which 1,39,040 are in the rural areas and 15,826 in urban areas. At the time of independence, there were 23,344 Post Offices, which were primarily in urban areas. Thus, the network has registered a six-fold growth since independence, with the focus of this expansion primarily in rural areas. On an average, a Post Office serves an area of 21.23 Sq.Km. and a population of 7814 people.

2. The role of the Post Office is undergoing transformation the world over, as electronic mail and new technologies supplement traditional postal activities. Everywhere, the Post Office is increasingly exploring new areas to optimize its retailing strength, by providing a range of public utilities and new financial services that are relevant to the socio-economic needs of their country. The mission of India Posts is to empower and connect people, organizations and Governments using physical and electronic network and it has been trying to harness its traditional strength to modern management practices and appropriate technologies to become more responsive to public needs and expectation.

3. The objectives of the Department of Posts are:-

- (i) Improving the reach of Postal Services,
- (ii) Modernisation of Postal Services,
- (iii) Improving the quality of Services, develop, implement and operate a system of standards with accountable performance, and
- (iv) Acquire required people capabilities to deliver chosen portfolio of Services.

4. The Demands for Grants of Department of Posts for the year 2012-13 were laid in Lok Sabha on 30 March, 2012 under Demand No. 13.

5. The Committee in their Report has analyzed the financial and physical performance of the Ministry particularly with regard to the services being provided by Posts to masses as well as the various Plan Schemes being implemented by Posts in the context of examination of Demands for Grants 2012-13. Since the Eleventh Plan has come to an end and the Twelfth Plan has commenced w.e.f. 1 April, 2012, the

Committee have also analyzed Posts performance for the Eleventh Plan as a whole as well as the preparedness and priorities for the Twelfth Plan.

II. IMPLEMENTATION STATUS OF THE RECOMMENDATIONS CONTAINED IN THE TWENTY-FOURTH REPORT ON DEMANDS FOR GRANTS (2011-12) OF THE DEPARTMENT OF POSTS

6. The Standing Committee on Information Technology presented/laid the Twenty-fourth Report on Demands for Grants (2011-12) relating to the Department of Posts to Lok Sabha and Rajya Sabha on 4 August, 2011. Out of 18 recommendations made by the Committee in the said report, 11 recommendations (Sl. Nos. 1, 3, 4, 6, 8, 10, 11, 13, 14, 15 and 16) were accepted by the Government. The Committee did not desire to pursue any recommendation in view of the replies of the Government. Replies to 03 recommendations (Sl. Nos. 7, 12 and 17) were found to be interim in nature. The Committee reiterated 04 recommendations (Sl. Nos. 2, 5, 9 and 18) in their Twenty-eighth Report. The Twenty-eighth Report on Action Taken by the Government on the Recommendations/Observations of the Committee contained in the Twenty-fourth Report was presented to Lok Sabha/laid in Rajya Sabha on 22 December, 2011. The statement indicating the status of implementation of recommendations contained in the Report was made by the Minister in the House on 30 March, 2012 in pursuance of Direction 73A of Directions by the Speaker.

III. BUDGETARY ANALYSIS

(i) Overview of Demands for Grants for 2012-13

7. The Department of Posts has proposed an outlay of Rs. 14995.48 crore for the year 2012-13 which include allocation of Rs. 14379.71 crore under Revenue Section and Rs. 615.77 crore under the Capital Section as per Demand No. 13 laid in Lok Sabha on 30 March, 2012. The details of the proposed allocations are as under:-

(Rs. In crore)

		Revenue	Capital	Total
Voted	Plan	194.23	605.77	800.00
	Non-Plan	14185.38	10.00	14195.48
	Total	14379.61	615.77	14995.38
Charged	Plan	--	--	--
	Non-Plan	0.10	--	0.10
	Total	14379.71	615.77	14995.48

8. Head-wise details of the Revenue and Capital Section for 2012-13 are as follows:-

(Rs. In crore)

Revenue Section		Capital Section		
Head of Account		BE 2012-13	Object Head	BE 2012-13
1		2	3	4
1.	General Administration	787.31	Training Buildings	2.00
2.	Operation	8971.77	Post Offices and R.M.S. Buildings	22.27
3.	Agency Services	428.97	Mail Motor Vehicles	12.50
4.	Accounts and Audit	282.85	Mechanistion and Modernisation of Postal Services Administrative Office	573.00
5.	Engineering	124.16	Admn. Office Building	1.50
6.	Amenities to Staff	83.10	Staff Quarter Buildings	4.50
7.	Pension	3500.00		
8.	Stationery and Printing	130.05		
9.	Other Expenses	71.50		
	Total	14379.71		615.77
10.	Provision for North East Region includes in above	17.84	Capital outlay for North East Region included in the above	62.16
	Grant Total	14379.71		615.77

(ii) Revenue Section

9. The financial achievement under the Revenue Section during the years 2009-10, 2010-11, 2011-12 and BE of 2012-13 are as under:-

Particulars	Actual 2009-10	RE 2010-11	Actual 2010-11	BE 2011-12	RE 2011-12	Actual up to Jan, 2012	BE 2012-13
Revenue Section							
Gross Expenditure	13346.94	13427.83	13793.67	13522.36	13763.91	11590.30	14379.71
Deduct- Recoveries	438.94	566.58	485.72	695.11	572.05	54.90	665.05
Net	12908.00	12861.25	13307.95	12827.25	13191.86	11535.31	13714.66

Expenditure							
Revenue Receipts	6266.70	6814.59	6962.33	7517.70	7522.02	6240.18	7793.31
Deficit	6641.30	6046.66	6345.62	5309.55	5669.84	5295.13	5921.35

Gross Expenditure

10. The aforesaid data indicate increase in the gross expenditure of the Department over the years. It is observed from the above data that the gross expenditure of the Department is gradually increasing. The actual gross expenditure increased from Rs. 13346.94 crore in 2009-10 to Rs. 13793.67 crore in 2010-11. During 2011-12, the gross expenditure at BE was Rs 13522.36 crore which was increased to Rs. 13763.91 crore at the RE stage. The actual gross expenditure upto January 2012 was Rs. 11590.30 crore which may have further increased by the close of the financial year. The projected Gross Expenditure at BE stage for the year 2012-13 is Rs. 14379.71 crore.

11. When the Department was asked to indicate reasons for the increasing trend in gross expenditure, the Committee in their written reply have been informed that the gross expenditure of the Department increased in the year 2008-09 onwards due to payment of arrears of Pay and admissible allowances thereon and arrears of Pensionary charges during the year 2008-09 and 2009-10 due to implementation of Sixth Central Pay Commission's Report. The GDS's (Gramin Dak Sewak) One Man Committee's Report has also been implemented in the year 2009-10 which resulted in payment of arrear of TRCA (Time Related Continuity Allowance) to the GDS during the year 2009-10 and 2010-11. As the main components of the Gross expenditure of the Department are salary of its employees and pensionary charges of the retirees and both the components are subject to increase annually (due to annual increment in pay and increase in DA on pay and pension both), the enhanced value of these components results in increase of the gross expenditure of the Department year to year.

(iii) Recoveries

12. Recoveries of the Department has marginally increased from Rs. 438.94 crore in 2009-10 to Rs. 485.72 crore in 2010-11. During 2011-12, the recoveries projected at BE stage were Rs. 695.11 crore which were reduced to Rs. 572.05 crore at RE stage. However, the actual recoveries upto January, 2012 were Rs. 54.90 crore only.

13. On being asked about the efforts of Department to achieve the target of Rs. 572.05 crore set at the RE stage in 2011-12 with regard to recoveries, the Department

has stated that out of estimated recoveries of Rs. 572.05 crore set at RE (2011-12), the major portion amounting to Rs. 449.00 crore was related to PLI & RPLI recoveries which are booked in the accounts of the Department at the closing of the accounts of the Financial Year. The target will thus be achieved when the recoveries on account of PLI/RPLI are booked in the account of the Department. The details of recoveries on account of some services rendered by the Department during the previous years under different items are as under:

(Rs. in Crore)

Recoveries	Actual 2008-09	Actual 2009-10	Actual 2010-11	BE 2011-12	BE 2012-13
Commission on WUMTS	38.96	61.97	33.46	133.95	66.00
Custom Duty	1.92	1.74	1.95	3.90	2.50
EPF	1.94	1.14	9.74	11.00	11.78
Coal Mines	1.27	1.29	1.46	1.50	1.47
Railway	6.92	15.93	7.36	15.50	17.00
BSNL	5.86	8.51	11.21	9.50	8.00
WUFSI	40.16	39.36	29.07	15.00	9.00
PLI	194.97	297.84	381.60	491.06	536.00
APS	8.28	10.14	7.54	10.00	9.00
Others	0.52	1.02	2.33	3.70	4.30
Total	300.82	438.94	485.72	695.11	665.05

14. It is observed from the aforesaid data that recoveries received under the heads 'Commission on WUMTS' and 'WUFSI' have declined considerably in 2010-11 when compared with the previous year.

15. With regard to recoveries due from other Ministries/ Departments on account of Commission for payment of Pension/Family Pension of their retirees through Post Offices, the details provided by the Department are as under:

(Rs in crore)

	o/s as on 30.6.2011	o/s as on 31.12.2011	Difference
EPF	28.71	19.00	-9.71
CMPF	16.62	10.00	-6.62
DOT	4.48	6.00	1.52

16. From the above data, it can be seen that an amount of Rs. 35 crore is still due from EPF, CMPF and DoT. In the case of DoT, the amount due has increased to Rs. 6 crore from Rs. 4.48 crore as on 31 December, 2011.

(iv) Revenue Receipts

17. The revenue receipts of the Department are gradually increasing. The actual revenue receipts in 2009-10 were Rs. 6266.70 crore which increased to Rs. 6962.33 crore during 2010-11. The actual revenue receipts upto January, 2012 for the year 2011-12 were Rs. 6240.18 crore. The item-wise details of Revenue Receipts of the Department during the last three years are as under:-

(Rs. in Crore)					
	Year		% Inc/Dec	%Inc/Dec	
Items	2008-09	2009-10		2010-11	
PRC on Ordinary Services	658.93	534.56	-18.9	476.76	-10.8
Speed Post	516.19	609.47	18.1	748.82	22.9
Business Post	603.25	674.33	11.8	818.52	21.4
Bill Mail Services	65.36	118.38	81.1	120.64	1.9
Sale of Postage Stamps	561.05	604.91	7.8	555.26	-8.2
MO Commission	338.30	339.84	0.5	400.43	17.8
Sale of Passport Application Form	2.91	3.43	17.9	5.31	54.8
Others*	313.88	249.01	-20.7	273.82	10.0
Total Postal Operation	3059.87	3133.93	2.4	3399.56	8.5
SB/CC Remuneration	2802.46	3132.77	11.8	3562.77	13.7
Total Revenue	5862.33	6266.70	6.9	6962.33	11.1

N.B. *Others include rest of the various products in respect of revenue items.

18. It is observed from the above table that the revenue receipts under the heads 'PRC on Ordinary Services' and 'Sale of Postage Stamps' have declined in the year 2010-11 when compared with the previous year.

19. When the Department was asked to explain the reasons for the declining trend of revenue receipts under the aforesaid two items, it has been stated that the use of postage stamps for booking of postal articles has been coming down as postage stamps are not required for computerised booking. Besides, at Business Post Centres and Mail Business Centres, where bulk mail is handled, postage stamps are not used for booking. Instead franking machines are used for this purpose.

20. Elaborating further on the issue, the Secretary during the course of the oral evidence stated as under:-

"xx mail is coming down. The Postage realization in cash is quite linked to that. We have now MPCMs at the Counters so that stamp is not required."

21. On the new initiatives taken by the Department to increase revenue receipts, the Committee have been informed that the Department among other steps are signing MoUs with UIDAI for enrolment and dispatch/delivery of Aadhar letters. The total expected revenue is approximately Rs. 1200 crore for handling of 60 crore articles. Besides, they are also making arrangements for dispatch and delivery of Smart ID Cards (NPR) for Registrar General of India, which is expected to generate the revenue

to about Rs. 500 crores; taking initiative to rope in the e-commerce companies; delivery of the Driving License (in Maharashtra and Gujarat) and Passports through Speed Post and entering into a MoU with Air India for introduction of Air Logistics Services.

(v) Revenue Deficit

22. From the documents provided by the Department, the Committee observe that the Department could contain deficit to some extent during the year 2010-11 and 2011-12 as compared to the previous years. The actual revenue deficit in 2010-11 was Rs. 6345.62 and the actual revenue deficit up to January, 2012 for the year 2011-12 was Rs. 5295.13 crore. However, the deficit projected for 2012-13 at BE stage at Rs. 5921.35 crore is higher than BE projection for 2011-12. The Department have now informed the Committee that remuneration rate of SB/CC work for 2012-13 was enhanced by Ministry of Finance and communicated to the Department in the month of February 2012, thus enhanced revenue due to revised rate has not been incorporated in estimated revenue figure of 2012-13. It is expected that actual deficit of the department, as projected in BE 2012-13, will come down as compared to the shown estimates of Rs.5921.35 crores.

IV. SHARE OF POSTS IN VARIOUS SERVICES

23. As regards share of Posts in various services, the Department has stated that the share of insurance business of the Department in the insurance industry is 2.5 per cent in terms of premium income (non-linked premium) and about 8 per cent in terms of number of policies. As per market survey carried out by M/S IMRB, share of India Post in outstanding balance in savings account is 2.3 per cent as on 31st March 2010 in comparison to outstanding balance in all Scheduled Commercial Banks. So far as customer base is concerned, DoP has largest number of customers in terms of number of small savings accounts in comparison to all Scheduled Commercial Banks. Similarly, market share of International Money Transfer Service of DoP is 2.4 per cent of overall money remitted into India through all channels and DoP is having 14 per cent share out of total money remitted through Western Union in India for the last year.

24. In order to make remittances available through different channels, and to increase the amount of remittances, India Post has entered into an Agreement with MoneyGram, which is a Company dealing in International Money Transfer, apart from the existing tie-up with Western Union. The amount of remittance transacted through India Post during the last three years are provided as under :

Year	Principal Payout (Rs. in Crores)
------	-----------------------------------

2009-10	6502.92
2010-11	4918.41
2011-12 (upto Feb. 2012)	3939.06

V. RATE OF REMUNERATION

25. During examination of Demands for Grants (2011-12), the Committee enquired about the status of the Expert Group appointed by the Ministry of Finance to examine the payment of rate of remuneration to Department. In their Action Taken Notes furnished by the Department on Demands for Grants (2011-12), it has been stated that the Expert Group set up by the Ministry of Finance on review of rate of remuneration has submitted its Report to Finance Minister on 19th May, 2011. 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 and on MGNREGA accounts, remuneration on zero balance deposits/Balance Accounts and yearly escalation in the rate of remuneration, the issues are still under the consideration of the Ministry of Finance.

26. When the Department was asked to state the measures adopted by them to settle the issues with the Ministry of Finance, the Department has stated that they have accepted the decision of Ministry of Finance (DEA) on fixation of revised rate of remuneration based on the recommendations of the Expert Committee. While considering recommendations of the Expert Committee, the Ministry of Finance (DEA) has notified revised rate of remuneration for the financial year 2011-12 as per following details:-

(Amount in Rs.)

Financial Year 2011-12	Live accounts (per account)	MG NREGA accounts (per account)	Savings Certificates (per certificate issued+disc- harged)	IVP (per IVP discharged)	Silent Account (per account)	Remarks
Old rate	142.76	NIL	40.29	10.69	NIL	
Revised Rate	151.76	Not yet fixed	51.64	13.67	20.93	

27. The Committee have also been informed that remuneration rate of SB/CC work for 2012-13 was enhanced by Ministry of Finance and communicated to the Department in the month of February 2012.

VI. REVENUE EARNED PER PERSON

28. When the Department was asked to provide the details of the revenue earned per person and the percentage increase in the revenue earned per person in the last three years, the Committee were informed that the Department did not maintain any data of such information but based on the number of its employees and the revenue earned by it during the last three years, the revenue earned per person is as under:

(in Rs.)

Year	2008-09	2009-10		2010-11	
	Revenue per person	Revenue per person	% Inc/dec. over prev. year	Revenue per person	% Inc/dec. over prev. year
	1,27,602	1,41,171	10.6	1,59,520	13.0
	61631500000/ 483000	67056400000/ 475000		74480500000/ 466903	

(Revenue includes recoveries)

29. The analysis of the above table indicates that though the revenue earned per person has been gradually increasing in the last three years, there has also been gradual decline in the numbers of employees.

VII. CAPITAL SECTION

30. Capital Expenditure of the Department during each year of the Eleventh Five Year Plan and the projections for the current fiscal year are as under:-

(Rs. in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
BE	232.22	426.61	388.80	329.55	518.12	615.77
RE	202.22	255.67	224.77	297.65	263.27	--
Actuals	90.62	244.85	261.66	273.73	105.57 (upto Jan, 2012)	--

31. The aforesaid data indicate that there is an under-utilization of funds under Capital Section in each year of the Eleventh Plan. Whereas, the BE allocation in totality for five years during 11th Plan from 2007-12 was Rs. 1895.30 crore which was reduced to Rs. 1243.58 crore at the RE stage. The actual utilization upto January, 2012 was however Rs. 976.43 crore only. During the year 2012-13, Rs. 615.77 crore has been allocated under Capital section at BE stage.

32. When the Department was asked to furnish the reasons for under utilization of funds under Capital Section during each year of the eleventh Plan, the Department has furnished the reply as under:-

"During 2007-08 being first year of plan period, the communication of approved outlay was received from Planning Commission during September, 2007 only thereafter action was initiated for obtaining the approval of schemes. Only 3 (three) schemes i.e. Postal Life Insurance, Quality Management and Philately Operations got approved in the last quarter of financial year 2007-08. Thus implementation of most of the activities could not take off during 2007-08 which resulted in under utilization. The amount utilized is only to meet the spill-over expenditure of X Plan under Capital segment.

During 2008-09, except two major schemes, most of the schemes got approved. Due to restriction of outlay at RE stage, implementation of the schemes had to be restricted, and out of RE outlay, 79% of the funds have been utilized.

During 2009-10, the approval of major schemes of IT Induction, Postal Operations and Automatic Mail Processing Centres (AMPCs) got approved by last quarter of financial year. In the meantime, the BE outlay was reduced by Ministry of Finance at RE stage thereby the Department had to restrict the implementation of the scheme. However, the funds allocated at RE stage were fully utilized and the expenditure incurred was more than the RE outlay.

During 2010-11 – Most of the schemes were ready for implementation; action was initiated for implementation of the schemes by Circles. Due to reduced allocation at RE stage, the scope of implementation had to be restricted. 94 % of the funds have been utilized.

During 2011-12- the major activities under IT Induction did not materialize as anticipated due to delays in completing the codal formalities for finalizing the RFPs. The delays arose partly due to the complex nature of the RFPs which resulted in several clarifications/queries being raised which had to be sorted out to the satisfaction of all stakeholders concerned. Hence, the funds were restricted at RE stage to the extent required only and it is anticipated that the entire amount will be utilized.

During 2012-13, the funds under Capital segment are mainly earmarked for meeting the spill over payments of XI Plan. Hence funds allocated are likely to be fully utilized."

33. With regard to utilization of fund under Capital section during 2012-13, the Department has stated that Rs. 605.77 crore has been earmarked at BE stage under capital plan segment out of which Rs. 380.27 crore has been earmarked to meet the spillover payments of 11th Plan and Department shall make all efforts to get the approval of scheme by September 2012. Hence, it is likely that funds shall be utilized during the second half of the financial year. Further, of the 8 RFPs processed under IT Induction or procurement of hardware, software and Network Integration, 5 RFPs have

been finalized and once contractual formalities with vendors are finalized, funds allocated will be utilized within the financial year.

VIII. UTILISATION OF PLAN OUTLAYS

34. Financial performance of the Department of Posts during Eleventh Plan as a whole with respect to the Plan Schemes has been as under:-

(Rs. in crores)	
Total proposed outlay for the whole 11 th Plan	6487.73
Total approved 11 th Plan Outlay	4180.00
Budget Estimates	2995.00
Revised Estimates	1865.00
Actual expenditure upto January, 2012	1458.28

35. The Statement indicating proposed allocation, outlay earmarked at BE, RE stages and the actual expenditure during each year of the Eleventh Plan and BE for 2012-13 in respect of the Plan Schemes has been given in Annexure-I.

36. An analysis of the above table indicates the following:-

37. Out of the total Plan Outlay of Rs. 4180 crore for the Plan Schemes during the Eleventh Plan, the total budgetary allocation at BE stage for the Eleventh Plan was Rs. 2995 crore which was brought down at RE stage to Rs. 1865 crore whereas the actual utilization upto January, 2012 was only Rs. 1458.28 crore.

38. In 2011-12, Rs. 800 crore has been allocated for the Plan Schemes at BE stage. However, this was reduced to Rs. 350 crore at the RE stage and the actual utilization upto January, 2012 was only Rs. 160.80 crore.

39. When asked to furnish reasons for huge variations at each stage, the Department has provided the following comments:-

“The total outlay proposed by the Department for 11th plan was Rs 12340.84 crore against which an outlay of Rs 4000 crore was approved for Eleventh plan period by Planning Commission (excluding allocation for MNREGA for 2 years i.e. Rs. 180 crore). The total of Budget Estimates received during the 11th plan by the Department for 5 years is Rs. 2995 crore which was subsequently reduced by Ministry of Finance every year at RE stage and the total of Revised Estimates for 5 years is Rs. 1865 crore out of which Rs 1474.54 crores has been utilized upto Feb 2012 and it is likely that the expenditure level may go up once the expenditure figures for the financial year 2011-12 are firmed up.”

40. The main reasons for under utilization have been stated by the Department are as under:-

- The tentative 11th plan outlay approved for the Department was received from Planning Commission only in September 2007, after which the process of obtaining approval for the schemes to be implemented was initiated.
- Some of the schemes got approved only in the last quarter of the financial year, funds were released to Circles only thereafter. Thus due to paucity of time funds allocated for the activities could not therefore be spent fully.
- Delay in obtaining the approval of schemes from competent authority being the first year of the plan period.
- Delay in adjustment of DGS&D bills well within the stipulated time.

41. With regard to the physical achievement under the Plan Schemes , information from the Department reveal that in as many as 31 activities under various Schemes, the physical achievement in the Entire eleventh Plan from 2007-12 have been shown as Nil. The details of the status of implementation of various schemes are provided in the Annexure-II.

42. For the Twelfth Five year Plan, the Department has projected Rs. 12,000 crore. When the Department was asked to furnish the initiatives that have been undertaken in terms of capacity building of the Department to ensure the spending of Rs. 12,000 crore allocations for the Twelfth Plan against the utilization of a meagre amount of Rs. 1458.28 (upto January, 2012) crore during the Eleventh Plan, the Department have furnished the information that change management, necessary training and IT induction have been stated to be strategies of the Department.

43. On the measures taken by the Department to ensure full utilization of funds under Plan Schemes during the Twelfth Plan, the Department has stated that during Twelfth Plan efforts are being made by them for obtaining the approval of the schemes during the first year of Twelfth Plan period itself, subject to communication of outlays by Planning Commission at an early date, thereby implementation of the scheme during the further four years of plan period shall not be delayed and allocated funds can be utilized fully.

IX. BUDGETARY ALLOCATION FOR NORTH EAST

(i) Provisions under Revenue Section

44. The details of allocation under Revenue Section for North-East during the period of Eleventh Plan are as under:-

	2007-08	2008-09	2009-10	2010-11	2011-12	(Rs. in crore) 2012-13
BE	8.54	26.90	43.70	26.70	60.23	17.84
RE	32.54	22.60	26.56	121.15	35.13	

Actuals	29.01	16.40	28.29	121.23	39.05 (upto February, 2012)	
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45. From the aforesaid data, it is observed that the total allocation under Revenue Section for North-East at BE during the entire Eleventh Plan from 2007-12 was Rs. 166.07 crore which was increased to Rs. 237.98 crore at the RE stage and the actual utilization during the Eleventh plan upto January, 2012 was Rs. 233.98 crore which may have increased by the close of the financial year 2011-12. The Department has stated that during 2011-12, the activities under the Plan scheme IT Induction could not materialize, as anticipated. Hence, the outlay was reduced and retained only to the extent required at the RE stage.

46. When the Department was asked to provide the reasons for seeking the reduced allocation of Rs. 17.84 at BE stage in the year 2012-13, the Department has stated that 2012-13 is the first year of Twelfth Plan period, schemes are yet to be approved, and hence only token amount has been earmarked keeping the 10 per cent mandatory allocation in view.

(ii) Provisions under Capital Section

47. Under the Capital Section, the following amount has been allocated during each year of the Eleventh Plan period for the North-East:-

(Rs. in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
BE	22.80	33.10	18.30	39.30	23.52	62.16
RE	17.82	41.06	8.87	11.01	3.51	
Actual	5.83	2.48	7.07	3.99	1.76 (upto February, 2012)	

48. The Committee observe that during the Eleventh Plan period the total allocation under Capital Section at BE stage was Rs. 137.02 crore which was decreased to Rs. 82.27 crore at the RE stage and the actual utilization upto January, 2012 was Rs. 21.13 crore only.

49. On asking for the reasons for seeking an enhanced allocation of Rs. 62.16 crore under Capital Section at BE stage for the year 2012-13, the Department has stated that during 2012-13, funds have been mainly allocated for meeting the spill-over expenditure on projects of Eleventh Plan and for payments which will fall due under IT Induction – Postal Operation since RFPs for finalizing vendors and contractual liabilities are being completed. Further 10% mandatory allocation for North East is also to be maintained.

50. On the measures taken to ensure complete utilization of funds under Capital Section in the Twelfth Plan, Department has stated that efforts are being made by the Department for obtaining the approval of the schemes during the first year of Twelfth Plan period itself, subject to communication of outlays by Planning Commission at an early date. Thereby implementation of the schemes during the further four years of Plan period shall not be delayed and allocated funds can be utilized fully.

(iii) Plan Expenditure in North East

(Rs. in Crore)

Annual Plan	Total Plan Expenditure	Expenditure in NE	% of Total Expenditure
2007-08	136.8	34.8	25.46
2008-09	318.8	18.9	5.93
2009-10	392.4	35.3	9.01
2010-11	449.9	125.2	27.83

51. An analysis of above table indicates that during the year 2010-11, the expenditure for North East has been to the tune of Rs. 125.2 crore which is 27.83 per cent of total Plan expenditure of the Department as a whole. The expenditure met is far more than mandatory 10 per cent allocation for North East provided by the Department. The Committee observe that even when 125.2 crore i.e. 27.83 per cent of the total expenditure for plan schemes is stated to have been spent in North East, an amount of Rs. 6.94 crore was surrendered in the non-lapsable pool of resources.

52. When asked about the reasons for the spending 27.83 per cent of plan expenditure for North East which is far more than the mandatory 10 per cent allocation of outlay whereas in the same year transferring Rs. 6.94 crore to non-lapsable pool of resources. The Committee have been informed that funds to the extent of Rs. 132.16 crore was earmarked for North East at RE stage in 2010-11 out of which Rs. 125.22 crore has been utilized. Rs. 6.94 crore could not be utilized fully as anticipated under the activities Computerization & Hardware of Post offices, Project Arrow, Annual Maintenance & consumables due to paucity of time and in some cases expenditure could not be reflected in the Books even though expenditure was incurred within the financial year which resulted in under utilization of funds to the extent of Rs 6.94 crore which lapsed and was transferred to Non Lapsable Central Pool Reserve.

53. On being asked about the information regarding total amount of funds that have been transferred to non-lapsable pool of resources from plan allocation provided to North East in each year of the Eleventh Plan, the Department has furnished the following information:-

(Rs. in crore)

Years	Funds Transferred
2007-08	15.52
2008-09	27.40
2009-10	0.07
2010-11	6.94

54. It has further been informed by the Department that funds transferred to non-lapsable pool is under the control of DONER and Department is not utilizing such funds.

X. ACCESS TO POSTAL NETWORK

55. The objective of this Scheme is to increase access to the postal networks keeping in view the Universal Service Obligation and to bring postal facility within the reach of every citizen of this Country. This Plan scheme is based on the Tenth Plan Scheme "Expansion of the Postal Network" and continued in the Eleventh Plan as Access to Postal Network. The scheme has been continued in Twelfth Five Year Plan under the nomenclature of 'Rural Business and Access to Postal Network' with emphasis on Rural Business. Embedding cash chests at rural branch offices is a new activity to be initiated in 2012-13 subject to approval of the scheme before the end of the financial year.

56. During the examination of Demands for Grants (2011-12), the Committee were informed that there was a proposal to open 400 Extra Departmental Branch Post Offices (EDBOs) by creating equal number of new Gramin Dak Sewak (GDS) posts. When the Department was asked to furnish the latest status in this regard, the Department have stated that the proposal of opening 400 BOs by creating equal number of GDS Posts has not been accepted by the Internal Finance Wing of the Department. However, for the year 2012-13 the Department has taken up with the Ministry of Finance for creation of additional GDS posts. During the year 2012-13, the Department has set the target of opening 652 Post offices through opening of BOs in rural areas by creation of new Post/redeployment/relocation subject to communication of outlays by Planning commission at an early date and approval of scheme.

57. During the examination of Demands for Grants 2012-13, the Committee also observed that the total number of Post offices have declined from 1,54,979 Post Offices (1,39,182 Post Offices in rural areas and 15,797 Post Offices in Urban areas) as on 31.03.2010 to 1,54,866 Post Offices (1,39,040 Post offices in rural areas and 15,826 Post offices in Urban areas) as on 31-3-2011.

58. When the Department was asked to furnish the number of proposals received by them for opening of Post Offices and the number of proposals found justified in the last 3 years, the Department has stated that during financial years (2008-09, 2009-10 &

2010-11), 1350 proposals were received, out of which 440 proposals were found justified. Out of 440 justified proposals, 421 new Post Offices have been opened and remaining 19 proposals are pending with the Department. The status of the pending proposals is as below:

- Approval of the competent authority is awaited in 5 cases.
- Non availability of buildings in 3 cases.
- Proposals under process in 10 cases.
- 1 Post Office could not be opened due to public agitation.

59. It has further been informed by the Department that on the demand of the Postal Joint Council of Action representing 5.5 lakh postal employees that every case of closure of post office should be accompanied with simultaneous relocation of the same, to the other areas where it is required, instructions have been issued to the Circles to identify areas where new post offices are required and relocated.

(i) Status of Gramin Dak Sevaks Employees

60. As stated by the Department, expansion of Postal Network in the country, especially in rural areas, has taken place mainly through opening of Extra Departmental Post Offices, and on a smaller scale by opening Departmental Post Offices. The Extra Departmental Post Offices function for a period of three hours upto a maximum of five hours. These are manned by Gramin Dak Sewaks who are paid time related continuity allowance for services they render.

61. The Committee observe that in their Charter of Demands, Postal Joint Council of Action has demanded for grant of Central Civil Servant Status to Gramin Dak Sevaks (GDS), raising their bonus on par with regular Government servants, stopping reduction of TRCA in cases of reduction of work load and their compassionate appointments.

62. With regard to grant of Central Civil Servant Status to GDS, the Committee have been informed that the proposal cannot be agreed to in view of their altogether different terms and conditions of engagement.

63. Commenting on the issue, the Secretary, Department of Posts during oral evidence stated as under:-

“Sir, as far as Grameen Dak Sevak is concerned, he is employed for only three to five hours work. He is not a full-time employee. Therefore, he cannot be equated with a Government serving employee.”

64. When asked about the reasons for not granting civil employees status to GDS employees, the Department has stated that their working conditions are governed by Gramin Dak Sevaks (Conduct & Engagement) Rules, 2011 which are non-statutory in

nature. Gramin Dak Sevaks are only entitled to protection under Article 311(2) of the Constitution of India as held by the Apex court and not in other matters. The Gramin Dak Sevaks before engagement are required to give a certificate that they have other sources of income besides the allowances paid or to be paid by the government for adequate means of livelihood for themselves and their families. The Department has also stated that the issue of conferment of status of regular departmental employees to the Gramin Dak Sevaks with 8 hours duty was examined by the Group of Ministers in the year 1998 following the recommendation made by the Justice Talwar Committee but the same was not agreed to.

65. On the matters of raising the bonus limit for GDS and stopping reduction of TRCA with regard to GDS employee, the Department has informed that the issue for raising bonus limit for GDS employees from Rs. 2500/- to Rs. 3500/-, was referred to the Ministry of Finance on 02-03-2012. Regarding stopping reduction of TRCA in cases of reduction of workload, the Department has stated that at present we have five (5) TRCAs for GDS BPM. The Department has appointed a Committee to examine this issue along with some other issues relating to GDS employees. The Report of the Committee is under submission.

(ii) Opening of Franchisee Outlets

66. The Department proposed 8100 Franchisee Outlets during Eleventh Plan. The physical achievements during the whole Eleventh Plan are just 463. When the Department was asked to furnish the reasons for dismal performance during Eleventh Plan, it was informed that the Scheme being voluntary, Department has not been receiving sufficient applications for opening of Franchisee Outlets. The Committee have also been informed that in Urban outgrowths, there is need for opening of Post Office/Franchisee Outlets. The volumes of business conducted by the Franchisee Outlets during the last three years are provided as under:-

Year	Stamp/Stationery sold(Amt. in Rs.)	No. of RLS booked	No. of Speed Post articles booked	MOs booked	No. of other retail transactions
2008-09	32,59,37,875	12,70,643	6,29,313	48,35,324	1,87,969
2009-10	15,37,17,528	28,48,205	15,44,235	1,53,343	2,52,898
2010-11	26,36,18,817	25,42,859	22,69,881	37,348	1,49,887

67. When enquired about the decline in number of Money Orders booked during 2010-11, the Department has stated that the decline is due to facts that alternate mode of money remittance is becoming popular and the Paper-based money orders have almost been discontinued. A case for booking of e-MOs at Franchisee Outlets is under examination.

68. On the issue of enhancing the rate of Commission under Franchisee Scheme as recommended by the Committee in their Twenty-fourth Report, the Department has submitted that the matter was examined and it has been decided not to change the rate for time being.

XI. MAIL OPERATIONS

69. The objective of this scheme is to streamline mail operations, keeping in view the emerging needs of various customers segments, with special emphasis on the business mail segment and speedy transmission of mails. Extending the plan schemes into Twelfth Plan, the main focus will be on rationalization of the mails network and expediting transmission and delivery.

70. In order to improve the quality of mail operations, the Department has undertaken consolidation and optimization of mail network, "Track and Trace" system for Speed Post, i.e., online tracking of Speed Post consignments, has been strengthened and improvised, Installation of Automated Mail Processing Centres in Delhi and Kolkata, enhancing the usage of PIN code by publicity through print and electronic media, digitization of Street directory for Delhi and Kolkata, mechanization of mail delivery process in the North-East, and Mail Motor vehicles used by the Department in the North East region have been made GPS enabled for effective monitoring of mail transmission and delivery process.

71. During the examination of Demands for Grants (2011-12) of the Department, the Secretary conceded during the course of the oral evidence 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.

72. Elaborating on the measures to improve the services under ordinary First class mail, the Secretary further stated as under:-

"Now, in the First Class Mail Network Optimisation, we have improved our processing in mail offices. We have done away with redundant mail offices so that mail does not get locked anywhere. We are going to have test letter programmes which will be run by a private agency for which we are calling for tenders."

(i) Speed Post

73. Speed Post Services was introduced in 1986 to provide fast and time bound delivery service between seven major cities in the Country. Since then the network was expanded across all major cities in the country.

74. On the steps taken by the Department to improve speed post delivery, the Secretary, during the course of the oral evidence stated as under:-

"In fact, two years back we started Mail Network Optimisation Project to improve our mail delivery. We began with speed post where we have achieved some success. Now, 68 per cent of the Speed Post is being delivered within two days of the posting. We are monitoring the Speed Post. We are trying to improve it further and fine tune it".

75. During the course of the oral evidence, the Committee also enquired about the reasons for the delay in delivery of Speed Post articles, deficiency of Speed Post services when compared with the Private courier etc., the Secretary during the course of the oral evidence replied as under:-

"We are monitoring the whole journey of the speed post article and wherever we found that they are delayed or systems have not been followed, we take action.....xxxxxxx....Every fortnight we have a video conference with the Circle heads and we check a number of items whether the articles are pin coded, whether mail bag had bar code, whether all the articles were scanned, what was the transit time taken, etc. So, we are trying to improve our system so that we can take on the courier and provide best of class services"

(ii) Issues relating to Certificate of Posting

76. When the Department was asked to furnish the reasons for stopping of Certificate of Postings, the Secretary, during the course of oral evidence replied as under:-

"Lately, we started having a lot many court cases where with some connivance people would get those stamps done. So, the Department had to suffer a lot on account of a number of court cases. Therefore, the Department had this re-thinking and stopped this certificate of posting".

77. Adding further, she stated:-

"We cannot track that down. The person who posted that letter had the certificate of posting, but we could not give the delivery intimation because it is just a first class mail."

(iii) Setting up of Automated Mail Processing Centres

78. The Department has informed the Committee that the plan scheme for setting up of AMPCs was approved on 19th January 2010 by Hon'ble Minister of Finance. The Department had accordingly initiated the process for drafting Request for Proposal. The Department proposed to set up AMPCs in Delhi, Kolkata, Chennai, Hyderabad and Bangalore during the 11th Plan. However, AMPCs could be set up only in Delhi and Kolkata during 11th Plan and AMPCs in remaining cities could not be set up due to building related issues.

79. It has now been informed that in Bangalore and Hyderabad, the Department is exploring the possibility of using the existing land. The Secretary during the course of the oral evidence had also informed the Committee that in Chennai, already 11643 square meters of land has been approved and the Department is in discussion with the Mumbai International Airport Limited.

80. The Department has also stated that under the Twelfth Plan, it is proposed to continue the project for Setting up of AMPCs in Mumbai, Chennai (replacement of the existing machines in these two cities), Bangalore and Hyderabad. In addition, it is proposed to set up AMPCs at Ahmedabad, Jaipur, Kochi, Patna, Lucknow, Bhubaneshwar, Ludhiana and Vashi (Navi Mumbai).

(iv) Wet Leasing of Air Crafts and Sea Mail

81. The Department had plans of Wet leasing of four freighter aircraft for the purpose of carriage of mail, parcels and logistics during Eleventh Plan. It has been informed by them that the Department had successfully inducted the freighters. However, due to inability of Air India to provide consistent and reliable services, the Department decided to discontinue freighter operations on metro routes w.e.f. 1 April, 2010. The North East operation was discontinued in April, 2011 after withdrawal of aircraft by Air India. Now the Department has proposed a scheme for charter of helicopter/aircraft for transmission of mail in the North East region under the Twelfth Plan.

82. Elaborating further on this issue, the Secretary during the course of the oral evidence stated as under:-

“In fact, if I remember correctly at this stage, maybe out of 115 days, over 90 days there were some problems or the other. Either the pilot did not come or the plane developed snags. So, we had a lot of problem. That is why, the metro freighter service was discontinued.’

83. When the Department was asked as to how far the discontinuation of freighter operation has affected the mail business of posts in North East regions, the Department has stated that the Logistics Post Air business of the Department has been affected. However, Speed Post and other categories of mail are being transported through regular flights of Air India as well as private airlines.

84. On the arrangement made for the North East, the Secretary stated during the course of the oral evidence that Quick Jet which is in collaboration with the Finnish Airlines are going to start the services in the North-Eastern corridor soon from Kolkata

to Agartala if they accept the rate that has already been approved by the Ministry of Finance for the Department of Posts. The Department is also in touch with the Pawan Hans for the North-East.

85. On a suggestion of the Committee to consider that since many courier companies like DHL and Bluedart have their own aircraft, the Department of Posts being the largest postal networks could also has its own aircraft, the Secretary replied as under:-

“We will consider that”.

XII. BANKING AND MONEY TRANSFER OPERATIONS

86. The objective of this scheme is to fully realize the potential of the vast customer base and credibility of India Post in the area of banking and money transfer operations. The scheme is being continued in 12th plan under the nomenclature of 'Financial Services (Savings Bank & Remittances)' with a widened scope and object.

(i) Post Bank of India

87. The Committee have been informed that the aim of setting up of Post Bank of India is to provide full banking services primarily to the rural poor who still do not have the privilege of modern banking facilities and have to depend on the informal sector for their credit requirements. Post Bank of India is envisaged as a profit generating institution, which would enable the Department of Posts to reduce its deficit. Minister of Communication and Information Technology have given in-principle approval to the concept of Post Bank of India on 30 April, 2011 as a logical next stage of evolution for the Postal Financial Services.

88. On being asked about the specific timelines for setting up of the Post Bank of India, the Department has stated that the Expression of Interest (EOI)/Request for Proposal is being finalized for engaging a Consultant who will carry out a detailed project report on Establishing a Post Bank of India. The same is likely to be completed by end of December 2012. Further activities for creation of Post Bank of India will depend on the Detailed Project Report for which no timeline can be set at this stage.. Further action on the project will be taken on the basis of the Detailed Project Report. Elaborating on the matter, the Secretary during the course of the oral evidence stated as under:-

“As far as Post Bank is concerned, we have got a study carried out from ASCI and after that, a road map was given to us. Now, we are preparing a detailed project report. The Minister has given approval for that and we are calling RFPs for that. And after the detailed project report is prepared,

then we shall be moving forward, taking it up with the RBI and Ministry of Finance for further approvals.”

(ii) Financial Inclusion

89. Finance Minister in the Budget Speech 2012-13 has stated that out of 73,000 identified habitations (having population in excess of 2000) that were to be covered by March, 2012 about 70,000 habitations have been provided with banking facilities. With this over 2.55 crore beneficiary accounts would have been operationalised. The remaining habitations are likely to be covered by March, 31, 2012. As a next step, Extra Small Branches are being set up at these habitations, where the Business Correspondents would deal with cash transactions.

90. When the Department was asked about the role of Posts in the financial inclusion initiative of the Government, the Department has stated that Government has not given any role to the Department in its initiative on Financial Inclusion. However, the Department on its own is utilizing its network and limited resources to reach to the unbanked rural population to bring them into the fold of Small Savings Schemes. Since, Department of Posts is not doing full-fledged Banking activities, its efforts are not being recognized in the National figures of Financial Inclusion.

91. The Committee have also been informed that during 2011-12 (upto January, 2012) 5.39 crore MGNREGA accounts have been opened with the Department. Department had highlighted its activities particularly opening of MGNREGA accounts to Planning Commission, Cabinet Secretariat as well as Finance Ministry while requesting to include its data in the National statistics on Financial Inclusion but despite this, it was not agreed to by Ministry of Finance.

XIII. ESTATES MANAGEMENT

92. During the examination of Demands for Grants (2011-12) of the Department, the Committee were informed that the Department will enter into a PPP to develop Estates in the commercial locations for revenue generation and an Inter-Ministerial Group has been formed for the purpose which is likely to submit its report by October, 2011.

93. When the Department was enquired about the status of the Report from the Inter-Ministerial Group, the Department replied that the Inter-Ministerial Group has pointed out deficiencies/ discrepancies in the Model Concession Agreement, some of which appear to be highly technical in nature and examination thereof may need the help of a professional. It was noticed that services of a consultant was necessary to

handle this subject and this was also suggested by the Committee of Secretaries in their meeting held on 22nd May, 2008. A decision has been taken to hire the services of a consultant and for the purpose an EOI is under issue.

94. The Department has further informed the Committee that after finalization of Model Concession Agreement the proposal regarding commercial exploitation of vacant plots of land will be placed before the Cabinet. After the proposal is agreed to in principal, plot wise agreement will have to be finalized with the approval of M/o Law & Justice. After that offers will be invited from the interested parties. The examination of response will be done keeping in view the basic terms and conditions of the Model Concession Agreement and also the General Financial Rules.

95. When enquired about any study done to ascertain the potential of revenue earnings through this venture , the Committee have been informed that a study has been done to ascertain the potential of revenue earnings that can be made available to the Department through commercial utilisaton of land available with the Department by taking into account four sample of plots of land, one is in Lokhandwala, (Mumbai, Maharashtra), Chikmagalur (Karnataka), Ekkaduthangal (Tamil Nadu), Calico Mills (Ahmedabad, Gujarat). Identification of premium plots of land has also been done keeping in view the element of the revenue earning.

(i) Status of land available with the Department

96. During the examination of Demands for Grants (2011-12), the Department had informed the Committee that there are 1871 total number of plots, 232 total numbers of vacant plots under encroachment and legal recourse has already been initiated in 62 cases. The Department has now informed the Committee that as on 31st March, 2011 there are 1802 plots available with the Department, 223 plots are under encroachment and 59 cases are under litigation. In States of Jharkhand, Karnataka, Maharashtra, Rajasthan, Uttar Pradesh and West Bengal, the percentage of the plots under encroachment is higher.

97. On the steps that have been taken during Eleventh Plan to address the issue of encroachment of plots of the Department, the Committee have been informed that the Heads of Postal Circles have been instructed to take action for eviction of unauthorized personnel from the encroached land of the Department, with the assistance of the law enforcing agencies. Besides, all the Circles have been instructed to erect sign board in all the vacant plots. Further, to protect the vacant plots from encroachment, boundary walls on important/sensitive plots have been constructed. During the financial year

2011-12, funds of Rs. 5.69 crore have already been allotted for construction of 84 boundary walls on different vacant plots, which were reported to be vulnerable.

98. As regards using the satellite imagery for getting up to date status of the encroachments in Postal plots, it has been submitted by the Department that matter for developing such provision is under examination.

(ii) Post Office operating from rented accommodation

99. When the Department was asked to provide details about Circle-wise break-up of Post Offices functioning from rented accommodation and the amount spent towards rent payment in the last three years, the Department had furnished a statement which is enclosed as Annexure-III.

XIV. IT INDUCTION-POSTAL OPERATIONS

100. The Committee have been informed that this scheme aims at seamless integration of the entire postal network through induction of appropriate technology in all operations and support areas, with a view to providing unparalleled efficiency and outreach in services and achieving a turn around to India Post in achieving financial self- sufficiency. Eight Requests for Proposal (RFPs) have been floated as proposed in the DPR and are pending for finalization at various stages. Statement showing Proposed Allocation, Budget Estimates, Revised Estimates and Actual Expenditure under this scheme for the past five years are as follows:

(Rs. in crores)					
Sl. No	Year	Proposed Allocation	Budget Estimates	Revised Estimates	Actual Expenditure
1	2007-08	174.10	174.10	139.57	65.36
2	2008-09	940.31	360.00	221.05	216.51
3	2009-10	1500.05	358.50	220.00	250.31
4	2010-11	600.66	474.97	294.76	269.29
5	2011-12	917.97	676.50	142.36	50.61 (upto Jan 2012)

101. The analysis of the above table indicates that during 2011-12, the total allocation at BE stage was Rs. 676.50 crore which was brought down to Rs. 142.36 crore at RE stage. The actual utilization upto January, 2012 was only Rs. 50.61 crore. The information furnished by the Department indicate that under the activities Networking LAN/WAN and IT security software etc., Rural ICT applications, Software applications – CIM, Mails, CBS and PLI and Administration of Project Management Unit and procurement of Project Management tools, the achievement made in each of the Eleventh Five year Plan has been shown as Nil.

102. When the Department was asked to state the reasons for the poor utilization of funds and showing Nil achievements on the aforesaid activities, the Department have stated that the achievement in respect of IT induction besides computerization could not be possible as it is a long exhausted and detailed project. For the purpose of implementation, the IT Modernization programme has been divided into 8 projects. Separate RFP was floated for each project to discover the price and to select the vendors. Of the 8 RFPs floated by the Department, 7 RFPs constituting the bulk have been opened and the prices for Capex and Opex have been discovered.

103. The reasons for delay are detailed below:

1. The India Post IT project 2012 is the biggest public procurement activity of the Department of Posts.
2. During the process of procurement, at the interim stage there were complaints received by the Office of the Hon'ble MoC & IT. Accordingly there was a direction from the Hon'ble MoC & IT to review the entire project to ensure that the procurement exercise has been made as per the codal formalities and conform to procedures of public procurement
3. Therefore, the procurement process was reviewed by the full Postal Services Board and the Steering Committee. The Steering Committee is the mandated committee as per approval of CCEA to monitor, review and approve the procurement for the project.
4. During the review, views of Nodal Ministries who are part of the Steering Committee were sought for.
5. All the above activities took time which was required for carrying out the due diligence process, pursuant to the various complaints received.
6. The Department has nominated cross sectional committee members from DIT/NIC and experienced eminent resource from various IITs/IIITs in all the RFP Management Committees. RFP meeting had to be convened as per their convenience to ensure their presence in meetings. This process has affected the continuity of the RFP Committee meetings on evaluation of RFPs and its finalization.
7. Due to Complex nature of RFPs many queries and clarification were sought by the bidders to understand and to prepare the bid documents. Accordingly last date of submission of bid documents had to be extended several times in almost all RFPs to give ample opportunity to ensure maximum participation of bidders.
8. Many clarifications were sought during pre-qualification and technical evaluation stage by the RFP Management Committee. Bidders had to be given reasonable time to answer and provide some additional documents to ensure fair and transparent evaluation of Bids, which caused considerable delay in evaluation of RFPs.

104. The delay in finalization of the RFPs ultimately has resulted in delay in implementation of the project.

105. On the measures initiated to ensure transparent procurement procedures particularly when it has been stated that IT project 2012 is the biggest procurement

activity of the Department of Posts, the Department has furnished the information as under:-

"The procurement process in the 8 RFPs were based on open tender with competitive bidding. Each of these EOIs and RFPs were invited through advertisement and notice in leading newspapers. Each of the RFPs as mentioned above, had a pre-bid conference as part of the process to ensure that prospective bidders can express their views and provide inputs. These views, as appropriate were considered by way of clarifications and changes to the RFP documents. Proper processes were followed, bidders were given many opportunities to raise queries, and numerous extensions were given to accommodate every prospective bidder.

The extant rules and instructions issued by the nodal ministries such as Ministry of Finance and CVC etc were followed for preparation and processing of the RFPs.

The evaluation of the RFPs has been done strictly as per the evaluation criteria announced in the RFPs and due processes have been followed. All bids were evaluated by respective committees comprising of sanction technical experts and others. Sufficient regard was given to due diligence and the public procurement process. The recommendation of the RFP Management Committees were examined by the Finance Advice Division and were considered for approval by the Steering Committee which has been authorised to the components under the IT project."

106. The Committee have also been informed that on the matter relating to uniform procurement guidelines is concerned, all procurement are being made in accordance with the provisions of GFR-2005. Tenders are floated in accordance with the procedures laid down in GFR-2005. Along with wide spread publicity in print media, tenders are also hosted in website of Department of Posts. With Central Public Procurement Portal coming into effect from 1.1.2012, the tenders are also being hosted on the website.

107. On the status of broadband connectivity, it was stated that out of 24015 Departmental Post Offices, 8270 Departmental Post Offices does not have Broad Band connection. When enquired about the action being initiated by Department to cover all Departmental Post Offices under the broadband connectivity and proposed timelines for the same, the Department informed that a Note has been sent to Steering Committee for consideration to provide Broad Band connection in 8270 Departmental Post Offices. Tentatively in case the Steering Committee approves the proposal, 8270 Departmental Post Offices will be provided with Broad Band by 30th April 2012.

XV. PROVISION OF COMPETITIVE RATES OF INTEREST UNDER VARIOUS SMALL SAVINGS SCHEMES

108. The Committee have been informed that MoF has not agreed to provide autonomy to DoP to fix interest rates. However, on the recommendations of an Expert Committee headed by the Dy. Governor of RBI, MoF has decided to review interest rates of Small Savings Schemes before the start of each financial year based on the market rate of auction of Government Securities on comparable maturity. Interest rates were first revised from 1.12.2011 and now have been revised again from 1.4.2012.

109. During the recent study visit of the Committee to Chennai, the Committee were apprised by the officials of the Department of Posts that the main reason for reduction in Accounts under various Saving Schemes was non- competitive rate of interest due to the policy of the Government whereby the Posts has not been provided autonomy for fixing rate of interests.

XVI. EXTENSION OF CLIENTELE AND INTRODUCTION OF NEW PRODUCTS UNDER PLI/RPLI

110. In the Action Taken Note on Demands for Grants (2011-12), the Committee had been informed that as per the opinion given by the Ministry of Law, it would be advisable for the 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. However the MoF have stated that no expansion of the insurance activity by the Department of Posts can be permitted and the present operations of the Department of Posts will have to be supervised by IRDA. The Department during the examination of Demands for Grants (2012-13) have informed the Committee that on the basis of the opinion of the Ministry of Law, several correspondences have taken place with the Department of Financial Services, Ministry of Finance. Secretary, Department of Posts has again written to Secretary, Department of Financial Services after a meeting on 31st January, 2012 vide D.O. number 18-01/2008-LI (Vol.II) dated 14th February 2012 Reply is awaited.

111. Elaborating on the expansion of PLI, the Secretary during the course of the oral evidence stated as under:-

'So we shall take further action, taking it to Cabinet Secretary when there are two different opinions of two different Departments'.

XVII. IMPLEMENTATION OF UIDAI PROJECT BY POSTS

112. The Committee have been informed that Department of Posts has signed MoU with UIDAI to enroll and dispatch/delivery Aadhar number. At present UIDAI has a total mandate of issuing 60 crore Aadhar number and the total revenue

expected is approximately Rs. 1200 crore. As of now 73.3 lakh enrollments have been done at Post Offices and approximately 8.5 crore Aadhar letters have been booked. The Department has stated that there are 4619 total number of enrollment stations proposed, whereas, the total number of 1374 enrolment stations have been activated for UID enrolment work. With regard to delay in delivery of UID card, the Department has stated that it occurred due to reasons like wrong pin code entered at the time of enrolment, incomplete address, misspelt, etc.,.

XVIII. MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT

113. Comparative data of disbursement of wage accounts and the money disbursed under MGNREGA through Banks and Post Offices during the Eleventh Plan year wise have been provided by the Department as under:-

Year	Post Offices		Banks	
	No. of accounts	Amount disbursed	No. of accounts	Amount disbursed
2008-09	2.92 crore	Rs. 3,863 crore	3.84 crore	Rs. 6,679 crore
2009-10	4.25 crore	Rs. 7,900 crore	4.99 crore	Rs. 13225 crore
2010-11	4.90 crore	Rs. 9,179 crore	5.51 crore	Rs. 12350 crore
2011-12 (Upto January 2012)	5.39 crore	Rs. 6,279 crore	Not Available	
Total		Rs. 27,221 crore		

114. When it was pointed out that during the year 2011-12 (upto January, 2012) the amount disbursed through Post has declined whereas the number of accounts have increased when compared with the previous years, the Department has stated that account holders have the options of using other institutions like banks and the amount disbursed depends on MGNREGA work being conducted in different states and the decision of the State Governments regarding how much of such wages are to be paid through Post Offices. The total disbursements (Post Offices and Banks) have declined during 2011-12. The disbursement till January, 2012 in the current Financial Year has been Rs. 12,467 crore.

115. With regard to cases of delay in disbursement of wages under MGNREGA, the Department has stated during the period from 1st January, 2011 to 31st December, 2011, total 252 complaints were received out of which 230 cases have been settled and 22 are pending. The complaints received are regarding delay in payment, less

payments, wrong payment, non-payment of wages to MGNREGA beneficiaries etc. Out of 22 cases pending, 17 cases were related to Chattishgarh and Maharashtra and out of the 17 cases 9 cases have been settled as on date.

116. On the issue of toll free number for redressal of grievances in various States/UTs, the Department has stated that effort would be made to expedite the provision of a toll free number.

117. On the number of corruption cases reported with regard to disbursement of wages under MGNREGA, the Department has informed the Committee that in 69 cases, Disciplinary action has been initiated against the corrupt officials and in 25 cases Criminal Proceedings under IPC and Prevention of Corruption Act have been initiated.

XIX. INCENTIVES FOR OPENING NEW MGNREGA ACCOUNTS/MGNREGA PAYMENT/LEDGER ENTRIES

118. During the Study visit of the Committee to Kolkata in 2011, on an issue regarding incentives being given to Postal Officials for opening new MGNREGA Account, it was informed by the Circle Office that for opening per new account, Rs. 0.35 is payable to GDBPM, Rs 0.40 to PA in Sub Office and Rs 0.10 to Supervisor in Sub office, Rs. 0.30 to Ledger Assistant and Rs. 0.10 to Leger Supervisor in the account office. The Committee were also informed that the incentives at BO/SO level for making MGNREGA payment and at Back office level for making ledger entries are as under :

Incentive at BO/So level making MGNREGA payment

Office	Designation	Rate of incentive
Branch office	BPM	Rs. 1.50 per payment in excess of 20 payments daily
	Other GDS	Rs. 0.20 per payment in excess of 20 payments daily
Sub Office	SPM	Rs. 1.50 per payment in excess of 60 payments daily
	Gr. 'D'/Packer/GDS	Rs. 0.20 per payment in excess of 60 payments

		daily
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Incentive at Back Office level for making ledger entries

Sl No.	Office	Designation	Rate of incentive
1.	Sub Office	Ledger PA	Rs. 0.10 per deposit Rs. 0.10 per withdrawal
		Supervisor	Rs. 0.05 per deposit Rs. 0.05 per withdrawal
2	Head office	Ledger PA	Rs. 0.10 per deposit Rs. 0.10 per withdrawal
		Supervisor	Rs. 0.05 per deposit Rs. 0.05 per withdrawal

Part-II

Recommendation/Observations

Gross Expenditure

The Committee note that the Gross Expenditure of the Department is gradually increasing over the years. The actual gross expenditure of the Department which was Rs. 13346.94 crore in the year 2009-10 has increased to Rs. 13793.67 crore in 2010-11. During 2011-12, the Gross Expenditure at BE stage was Rs. 13522.36 crore which increased to Rs. 13763.91 at RE stage and the actual expenditure upto January, 2012 was Rs. 11590.30 crore. The Committee are of the view that the Gross Expenditure might have increased further with the closing of the Financial Year 2011-12. According to the Department, the gross expenditure has increased in the year 2008-09 onwards mainly due to payment of arrears of Pay and admissible allowances and arrears of pensionary charges due to implementation of Sixth Central Pay Commission Report. Implementation of the Gramin Dak Sewak One Man Committee Report in 2009-10 also

led to payment of arrears of Time Related Continuity Allowance to the GDS. The Committee are of the view that since the main components of the gross expenditure are salary and pensionary charges which are subjected to annual increase, prudent utilization of resources would help the Department in reducing the working expenses. The Committee hope that the Department would be able to contain working expenses during 2012-13 by better management of areas of growing expenditure and devise measures to contain growing expenditure in such areas by having an objective analysis of the same. The Committee would like to be apprised about the concrete initiatives taken by the Department in this regard.

Recoveries

2. The Committee appreciate that the recoveries received by the Department are gradually increasing . They however, also note that recoveries are still pending from a few departments besides declining trend of recoveries under certain Heads. The actual recoveries in 2010-11 were Rs. 485.72 crore thus showing an increase of Rs. 46.78 crore from the previous year. However, during the year 2011-12, the recoveries at BE stage were projected at Rs. 695.11 crore which were reduced to Rs. 572.05 crore at the RE stage. The actual recoveries upto January, 2012 were Rs. 54.90 crore. As regards the reasons for this slow recoveries in 2011-12, the Department have stated that out of the estimated recoveries of Rs. 572.05 crore at RE in the year 2011-12, Rs. 449.00 crore is related to PLI/RPLI recoveries and the target would thus be achieved when the recoveries on account of PLI/RPLI are booked in the account of the Department at the closing of the Financial year. The Committee note that recoveries under the heads 'Commission on WUMTS' and 'WUFSI' have declined

considerably in 2010-11 as compared to the previous year. The Committee also note with concern that as on 31st December, 2011, Rs. 19 crore was due from EPF, Rs. 10 crore from CMPF and Rs. 6 crore from DoT. The Committee feel that the Department is not making sincere efforts to effect these recoveries and need to intensify their efforts further in the matter. In this direction, the Committee recommend that efforts should also be made by the Department to increase the total share of Department in money remittance through Western Union by extending its services to more Post Offices and locations in the Country. As regards recoveries to the amount of Rs. 35 crore due from EPF, CMPF and DoT, the Committee strongly recommend to intensify their efforts to recover the outstanding amount from these Departments by taking up the matter at an appropriate level.

Revenue Receipts

3. The Committee note that the revenue receipts of the Department are gradually increasing. The actual revenue receipts in 2010-11 was Rs. 6962.33 crore which was Rs. 695.63 crore more than the actual revenue receipts of the previous year. During the year 2011-12, the revenue receipts at BE stage were Rs. 7517.70 crore which were increased to Rs. 7522.02 crore at the RE stage. The actual revenue receipts upto January, 2012 were Rs. 6240.18 crore. The item wise analysis of the revenue receipts indicates that under the heads 'PRC on Ordinary Services' and 'Sale of Postage Stamps', revenue receipts have declined in the year 2010-11 when compared with the previous year. The Committee also note that to increase revenue receipts the Department has signed MoUs with UIDAI for enrollment and dispatch/delivery of Aadhar letters, dispatch and delivery of Smart ID Cards for Registrar General of India,

Business from e-Commerce Companies like Naptol.com, e-Vitaran etc, signing MoU with Air India for introduction of Air Logistics Services. The Committee are of the view that the Department have huge potential for revenue generation which is not being tapped properly. While acknowledging the various initiatives taken by the Department to increase its revenue receipts, the Committee feel that there is an urgent need to make the postal services cost effective and viable and the Department should make efforts to earn maximum revenue so as to meet its working expenses from its revenue receipts. With the entry of private players in the core function of postal Department, the Department has to face new challenges everyday. In order to compete with them, the Committee strongly feel that the Department should come out with new initiatives which should not only be competitive but also cost effective, at the same time not deviating from its social responsibility. The Committee also recommend that while making efforts to increase its revenue receipts by taking new initiatives, the Department should also not deviate from its core activity that is mail delivery. The Committee desire that they should be apprised of the initiatives taken by the Department.

Revenue Deficit

4. The Committee note that the Department could contain revenue deficit to some extent during the years 2010-11 and 2011-12 when compared to the respective previous year. The actual revenue deficit in 2010-11 was Rs. 6345.62 crore as compared to Rs. 6641.30 crore in the year 2009-10. The actual revenue deficit upto January, 2012 was Rs. 5295.13 crore. The Department has now projected the Revenue deficit at Rs. 5921.35 crore at BE for the year 2012-13 which shows an increase of Rs.

611.8 crore over the revenue deficit at BE stage of the previous year. The Department has stated that this is due to increase in Gross Expenditure of the year 2012-13, decline in recoveries in BE 2012-13 and approved SB/CC Revenue of Rs. 3793.31 crore in the year 2012-13 by the Ministry of Finance whereas the Department expects to earn more revenue in 2012-13. The Department expects that the revenue deficit as projected in BE 2012-13 would come down as the remuneration rate of SB/CC work for 2012-13 was enhanced by the Ministry of Finance. As revenue deficit is the difference between the gross expenditure and the total revenue receipts, the Department need to adopt various strategies to increase revenue receipts which include proper implementation of Plan Schemes relating to IT Modernization, aggressive marketing of its products, expansion of scope and activity relating to insurance, banking activities, efficient management of the human resources, optimization of its network for better delivery of mails, exploring new initiatives for business expansion with a view to increase revenue earnings of the Department and by introducing customer friendly and competitive devices so as to attract customers for various services provided by the Department of Posts. The Committee would like the Department to take concrete action on the suggested lines and also remind them of the mandate given to them during the previous plan to become deficit free.

Share of Posts in various Services

5. The Committee note that in insurance sector, the share of the Department is 2.5 per cent in terms of premium income and 8 per cent in terms of number of policies. As per the market survey carried out by M/S IMRB, the Department of Posts has the largest number of customers of small saving accounts when compared with all

scheduled Commercial Banks. The share of Posts in International Money Transfer Services is 2.4 per cent. The Committee are of the view that Department is earning revenue in the form of 'recoveries' and 'remuneration' through insurance, International Money Transfer Service and maintaining small saving accounts. The Committee recommend that the Department should make sincere efforts to increase its share in the above-mentioned areas by adopting a proper marketing strategy. Further, in regard to the share of Department in Insurance sector, the Committee feel that the Postal Life Insurance (PLI) can be made a key revenue driver for the Department and for that the Department need to relook at its entire operating strategy, including a structural framework in the insurance division and to develop a roadmap for the future including an analysis of insurance market.

The Committee also observe that the amount of remittance transacted through India Posts has declined from Rs. 6502.92 crore in 2009-10 to Rs. 4918.41 crore in 2010-11. The Total amount of remittance transacted through India Posts in 2011-12 (upto February, 2012) is Rs. 3939.40 crore. The Committee are of the view that with proper marketing strategy, the share of India Posts in international money remittance can still grow tremendously. The Committee, therefore, recommend that the Department should make an endeavour to increase its share in various services by adopting proper marketing strategy by analyzing market forces coupled with proper publicity campaigns. The Committee would like to be apprised of the steps taken in this regard.

Rate of Remuneration

6. The Committee observe that the Department has accepted the decision of the Ministry of Finance (Department of Economic Affairs) on fixation of revised rate of remuneration based on the recommendations of the Expert Committee. Revised rate as applicable in the year 2011-12 is Rs. 151.76 per live account, Rs. 51.64 per Savings Certificate, Rs. 13.67 per IVP and Rs. 20.93 per silent account. With regard to MGNREGA account, it is stated as 'Not Yet Fixed' and in the matter regarding remuneration on Zero Balance Deposit/Balance Accounts and yearly escalation in the rate of remuneration, the Department have not furnished any information. The Committee are of the view that disbursement of wages to labourers under MGNREGA is an important activity, hence the rate of remuneration account should be settled at an early date with the Ministry of Finance so that an early decision in this regard is taken which would also help the Department in increasing their revenue and reducing the deficit. In the matter regarding status of remuneration on Zero Balance Deposits/Balance Accounts and yearly escalation in the rate of remuneration, the Committee would like to be apprised of the latest position in this regard.

Revenue earned per Person

7. The Committee observe from the information made available by the Department that the percentage increase in revenue earned per person is 13 per cent during the year 2010-11 as against 10.6 per cent during the year 2009-10. The Committee are however perturbed to note that the number of employees of the Department are also declining which does not depict a fine picture of the Department about revenue earned per person. The total number of employees in 2009-10 was 475000 which declined to 466903 in 2010-11. The Committee recommend that the

Department should work out a more appropriate means for working out the information relating to revenue earned per person. The Committee hope that this would help the Department in realizing its potential and tracking the efficiency and productivity of the humans resources of the Department.

8. The Committee also recommend that the Department should take all necessary steps to fill up the existing vacancies in the Department and apprise them accordingly.

Capital Section

9. The Committee find that the under utilization of Outlays under the Capital Section has been a matter of concern. The total allocation at BE stage during the entire period of the Eleventh Plan was Rs. 1895.30 crore which was reduced to Rs. 1243.58 crore at the RE stage. The actual utilization upto January 2012 was Rs. 976.43 crore only. The Committee are not satisfied at all with the reasons advanced by the Department for the under utilization of funds under capital section during the Eleventh Plan period. The Committee find that during the years 2008-09, 2009-10 and 2010-11 most of the schemes were approved and ready for implementation, however, due to the poor performance of the Department during the first six months of each year of the Eleventh Plan, the Ministry of Finance had to reduce the funds at RE stage. What is more disturbing to note that even the reduced allocation could not be utilized by the Department. In 2011-12, the major activities under IT induction did not materialize due to delay in completing the codal formalities for finalizing the RFPs. The above observations indicate the lack of efforts and sincerity on the part of the

Department to utilize the funds under Capital Section. The Committee clearly disapprove the non-seriousness of the Department with regard to the under utilization of funds allocated under capital section in each year of the Eleventh Plan even when most of the Plan schemes were approved and funds were readily available for the purpose. The Committee feel that there is some serious problem with the planning and execution process of schemes in the Department which results in under utilization of funds under Capital Section during each year. They, therefore, recommend that the entire mechanism for the same in the Ministry needs an introspection and review by the Department . In this regard as stated by the Secretary during the course of oral evidence that the Department have learnt lessons from the Eleventh Plan, the Committee hope that the Department would analyze their failures , clearly identify the areas where the Department were found lacking and improve upon them so that there could be better utilization of funds during the twelfth plan.

Utilization of Plan Outlays

10. The Committee observe that there has been under-spending of Plan Outlays by the Department during the Eleventh Plan. Out of Rs. 4180 crore which was the total approved outlay for the Plan Schemes during the Eleventh Plan, the total budgetary allocation at BE stage was Rs. 2995 crore which was brought down at RE stage to Rs. 1865 crore. The actual utilization upto February, 2012 was only Rs. 1474.54 crore. The Committee are dismayed to note that due to under utilization of Plan Outlays in as many as 31 activities under various schemes, the physical achievements in the entire plan period have been shown as nil. The Committee are not convinced by the reasons furnished by the Department, such as, delay in approval of plan schemes and delay in

adjustment of DGS&D Bill well within the stipulated time for under utilization of plan funds. The Committee note that most of the schemes were approved by the year 2009-10 and even delay in adjustment of DGS&D Bill of a year could have been adjusted in the next Financial Year. The Committee also regret to note that some of the projects which were already cleared were not followed up by the Department. The Department has now stated that during Twelfth Plan efforts are being made by the Department for obtaining the approval of the Schemes during the first year of Twelfth Plan itself. The Committee recommend that to better utilize funds under Plan Outlay during Twelfth Plan, a specific time frame should be drawn to obtain the approvals of the schemes during the first year of the Twelfth Plan by taking a lesson from the failures in Eleventh Plan. In this regard the Committee while drawing the attention of the Department to their earlier recommendation made in their Fifth Report reiterate that the Department should make an analysis of the implementation of Plan Outlays scheme-wise and take concrete action accordingly. Details of the concrete action taken in this regard may also be communicated to the Committee.

Budgetary Allocation for North-East

11. The Committee observe that the utilization under revenue section during the Eleventh Plan upto January, 2012 for the North-East was Rs. 233.98 crore, whereas during the same period the utilization under Capital Section was Rs. 21.13 crore . The Committee are happy to note that the utilization of plan outlay under the revenue section during the years 2008-09, 2009-10 and 2010-11 has increased with the exception of the year 2011-12. They hope that this trend of utilization of funds in the region will continue in future also. The Committee would however, like to know the

impact of this increasing utilization being felt in the region alongwith the specific sectors where the impact is clearly visible. The Committee, also recommend that Department should make earnest efforts to utilize the funds allocated under Capital Section also during the period of Twelfth Plan keeping in mind the necessities and geographical factors. The Committee also desire that the Department should also identify the underlying reasons for the perennial non-utilization of funds under Capital Section in the region and to take remedial action to address these problems.

Access to Postal Networks

12. The Committee have been persistently recommending for the opening of new Post Offices in the country. The Committee find from a reply to an Unstarred Question number 478 dated 3 August, 2011 that as on 31 March, 2011, there were 1,39,848 villages with Post Offices and 4,89,300 villages without Post Offices. The Committee are surprised to note that almost three fourth of villages in the country still do not have Post Offices. With regard to the number of Post offices, the Committee are dismayed to observe that there was a decline of 113 Post offices in the Country within a period of one year from 31.03.2010 to 31.03.2011

The Committee observe that during Financial Years (2008-09, 2009-10 and 2010-11), 1350 proposals for opening of Post Offices were received, out of which 440 proposals were found justified and 421 new Post offices have been opened. 19 proposals are pending with the Department due to various reasons such as delay in getting approval in 5 cases, non availability of building in 3 cases, proposals under process in 10 cases and 1 Post office could not be opened due to public agitation. The

Committee have also been informed that the proposal for opening 400 EDBOs by creating equal number of GDS Posts has not been accepted by the Internal Finance Wing of the Department and for the year 2012-13, the Department has taken up with the Ministry of Finance for creation of additional GDS Posts.

The Committee wonder how the Department would achieve their target to provide postal services to the last person of the society with this pace of progress. The Committee are perturbed to note that inspite of the fact that there is a Plan scheme of the Department which has been continued during the Twelfth Plan with emphasis on rural business, a lot of relocation of Post Offices are being done and the Department seems to be contended with the existing number of Post Offices in the country. The Committee strongly recommend that all desired initiatives should be taken by the Department as per the proposals received from various State Governments /UTs. They also recommend that in view of declining number of Post Offices in rural areas, the proposal to open 400 EDBOs should be reconsidered by the Department by creating equal number of GDS Posts. besides, settling the issue of creation of additional GDS Posts for 2012-13 with the Ministry of Finance at the earliest.

The Committee also strongly recommend that the Department should take necessary steps to open 19 Post offices which are pending with the Department and make all efforts to fulfill the annual plan target of opening 652 BOs during 2012-13.

Status of Gramin Dak Sewaks Employees

13. The Committee note that GDS employees are governed by Gramin Dak Sevaks (Conduct & Engagement) Rules, 2011 which are non-statutory in nature. The

Committee also observe that the issue of conferment of status of regular departmental employees to the Gramin Dak Sevaks with 8 hours duty was examined by the Group of Ministers in the year 1998 following the recommendation made by the Justice Talwar Committee but the same was not agreed to. The Committee feel that the Gramin Dak Sevaks are the back bone of the Department for running the rural network of Post Offices and their welfare plans should be accorded due priority. In order to improve the postal operations in rural areas, the Committee feel that they should be granted Departmental employees status and their working hours may be extended by utilizing their services in other activities of the Department. In this regard, the Committee understand that to deal with MGNREGA wages, the Department have been hiring the temporary staff to help the existing workforce to manage the large number of accounts. The Committee are therefore ,of the view that the services of GDS may also be utilized in this area. This would definitely lead to better services to the people in rural areas by experienced personnel. The Committee are also of the view that the recommendations made by the Justice Talwar Committee need to be seriously re-considered by the Department which would greatly help the Department in improving the Postal Services in the rural areas. They also urge the Department that the other demands of GDSs employees regarding raising bonus and stopping reduction of TRCA in cases of reduction of workload should also given due consideration and the matters may be taken up with the concerned Ministry/Department for settling the issues. The details of action taken by the Department on the aforesaid issues may also be communicated to the Committee at the earliest.

Franchisee Outlets

14. The Committee observe a poor performance of the Department under the activity of opening of Franchisee Outlets during the entire Eleventh Plan. As against the proposal of opening 8100 Franchisee Outlets, only 463 could be opened during entire Eleventh Plan. The Committee feel the need for opening more Post offices/Franchisee Outlets in urban outgrowths. The Department have however, not been able to receive sufficient applications for opening Franchisee Outlets in these areas, because of voluntary nature of scheme. In this regard, the Committee are surprised to note that instead of making the scheme more attractive, the Department have decided not to change the rate of commission under the Franchisee Schemes for the time being which would have attracted more parties to come forward .The Committee wonder if this could be one of the reasons for the private parties not volunteering to come forward in the matter of franchisee outlets. The Committee are of the view that the activity 'Opening of Franchisee Outlets' is a novel idea of making private participation in the activity of the Department of Posts. If implemented earnestly, this scheme would be able to meet the demand for opening of Post Offices in the urban outgrowth areas. As recommended in their Twenty-fourth Report, all initiatives should be taken by the Department to open more Franchisee Outlets in upcoming urban townships, new industrial centres, colleges, etc. even if it necessitates reviewing of their decision not to change the rate of commission. The Committee also recommend that a thorough review of the functioning of Franchisee Outlets may be undertaken so as to increase their business performance.

Mail Operations

15. The Committee observe that the main focus under this Scheme during the Twelfth Plan will be on rationalization of the mails network and expediting transmission and delivery to improve the quality of mail operations. The Department has undertaken consolidation and optimization of mail network, track and Trace system for speed post, installation of AMPC in Delhi and Kolkata, enhancing the usage of Pin Code, mechanization of mail delivery in North-East and GPS enabled for MMS vehicles in North-East. The Secretary during the course of the oral evidence informed about first class mail that the Department are going to have test letter programmes which will be run by a private agency for which the Department is calling tenders. While appreciating the efforts made by the Department to improve mail delivery and the achievement made in delivery of Speed Post articles, the Committee are of the view that a more stringent monitoring needs to be done so as to ensure better delivery of mail. The Committee also recommend that the Department besides paying attention to Speed Post should also improve the service delivery of ordinary mails so as to increase customer confidence in ordinary mails as reliable and cost effective option of sending mail.

16. With regard to stopping of Certificate of Posting, the Secretary during the course of oral evidence admitted that lately due to many court cases where the Department has to suffer a lot, the Department has stopped certificate of Posting. The Committee do not find this a plausible reason for stopping the Certificate of Posting which provided an assured service to a customer at affordable cost besides being a revenue drivers for the Department. They feel that the reasons cited by the

Department for stopping this service could have been dealt with by them in a more vigilant and effective manner. The Committee therefore would like to know the circumstances under which this service was stopped and would recommend to review their decision and apprise them accordingly.

Speed Post

17. The Committee observe that Speed Post Service was introduced to provide fast and time bound delivery of services. The Committee have also been informed that now 68 per cent of the Speed Post is being delivered within two days of posting. The Committee are however dismayed to note that despite the numerous efforts made by the Department to improve Speed Post, the standard of service delivery by the Speed Post is still deficient in comparison to the private courier services. The Committee recommend that the Department should find ways and means to improve this service by way of improving their monitoring mechanism , besides providing pick up, SMS intimation facilities to the Customers.

Automated Mail Processing Centres

18. The Committee observe that the Department had proposed to set up AMPCs in Delhi, Kolkata, Chennai, Hyderabad and Bangalore during the Eleventh Plan and the Plan Scheme for setting up of AMPC was approved by the Finance Minister on 19 January, 2010. However, AMPCs could be set up only in Delhi and Kolkata during the Eleventh Plan and AMPC in remaining cities could not be set up due to building related issues. Now that 11643 sq. meters. of land has been approved in Chennai, the Committee would like the Department to take speedy action for setting up of new AMPC in Chennai. Necessary steps should also be taken up by the Department with

Mumbai International Airport Limited for early settlement of site for AMPC. The Committee also observe that during the Twelfth Plan, in addition to the Eleventh Plan proposal, the Department proposes to set up AMPCs at Ahmedabad, Jaipur, Kochi, Patna, Lucknow, Bhubaneswar, Ludhiana and Vashi (Navi Mumbai). The Committee are of the view that setting up of AMPCs would have tremendous impact on the mail delivery and revenue generation of the Department. The Committee are not happy with the reasons cited by the Department for not setting up AMPCs in other cities as alternative sites in those cities could have been explored. The Committee, therefore, recommend that the building related issues for setting up AMPCs at Mumbai, Chennai, Bangalore and Hyderabad may be sorted out at the earliest in consultation with the respective States lest alternative options should be explored by them. Initiatives taken for setting up of AMPCs during the Twelfth Plan may also be completed in a time bound manner and Committee be informed accordingly.

Wet Leasing of Aircrafts and Sea Mail

19. The Committee observe that freighter operations for Metros were discontinued w.e.f. 1st April, 2010 due to inability of Air India to provide consistent and reliable services. Further, the freighter operations in North East were also discontinued in April 2011 due to withdrawal of the Aircraft by Air India. The Committee are of the view that the carriage of mail in these sectors might have been seriously affected with the withdrawal of aircrafts by Air India. Besides, the Committee also note that the Department have decided to do away with the Sea Mail. With these impediments, the Committee wonder how the Department is going to run their business and compete with other players in the field. They are perturbed to note that no serious thought

seems to have been given by the Department to these problems having a cascading effect on the overall performance of the Department. The Committee have been recommending the Department to explore the possibility of owning an aircraft like other private players in the field. The Committee recommend that serious efforts should be made by the Department in this direction at the right earnest and restart freighter operations for Metros and North-East by exploring the option of engaging private airlines. Besides, the Committee would also like to know the reasons for stopping the sea mail and would recommend that the Department should reconsider their decision to restart this service.

20. With regard to having their own aircraft by the Department, the Committee also recommend that the Department may first examine whether they have the technical expertise to own and operate its own freighter operations. In this regard they recommend that the Department should first do a cost effective analysis between operating its own aircraft and utilizing the aircraft of other agency, before taking a decision.

Post Bank of India

21. The Committee observe that the aim of Post Bank of India is to provide full banking services primarily to the rural poor who still do not have the privilege of modern banking facilities and have to depend on the informal sector for their credit requirements. PBI is envisaged as a profit generating institution, which would enable the Department of Posts to reduce its deficit. The Committee feel that an enormous amount of thought, structuring effort would be needed to make the new entity a

success and fulfill its development role. The Committee also feel that the bank will have to become an efficient deposit taker and provider of better financial services like payments and remittances. To achieve the objective, the Committee recommend that the proposed Post Bank of India will have to take core banking to rural areas provide ATM facilities in the remote areas. This will immensely help in mobilizing small savings from rural areas. The Committee are however, perturbed to note that this proposal is still at a conceptual stage since Eleventh Plan. The Committee would therefore like the Department to work out all details including finalization of the Expression of Interest/Request for Proposal to engage a Consultant so that a detailed project report on establishing a Post Bank of India may be completed at the earliest. As the proposal has to be put up to Reserve Bank of India and Ministry of Finance for further approval, the Committee would like the Department to draw proper timelines so that Post Bank of India could become a reality within the Twelfth Plan.

Financial Inclusion

22. The Committee note that 5.39 crore MGNREGA accounts have been opened with the Department upto January, 2012 and the Department on its own is utilizing its network and limited resources to reach to the unbanked level population to bring them into the fold of small saving schemes. The Committee are however surprised to note that since Department of Posts is not doing full-fledged Banking Activities, its efforts on financial inclusion are not being recognized at the national figure of financial inclusion. The Committee also observe that the Department had highlighted its activities particularly opening of MGNREGA accounts to Planning Commission, Cabinet Secretariat as well as the Finance Ministry to include its data in the National

Statistics of Financial Inclusion but despite this, it was not agreed to by the Ministry of Finance. The Committee are of the view that apart from MGNREGA accounts, the Department are also operating RPLI and small saving schemes in rural areas and there is no reason why the Department should not be included in the national statistics of financial inclusion. As the Department have vast rural networks and rural Post Offices are engaged in various financial activities, the Committee recommend that the Department should take it up afresh with the Ministry of Finance at the highest level in a forceful manner by way of projecting clear picture of the activities of the Department.

Estates Management

23. The Committee note that the Department has decided to enter into a PPP to develop Estates in the Commercial locations for revenue generation and an Inter-Ministerial Group has been formed for the purpose. They further note that the Inter-Ministerial Group has pointed out deficiencies/discrepancies in the Model Concession Agreement and a decision has been taken to hire the services of a Consultant and for the purpose an EoI is under issue. The Committee are dismayed to observe the slow pace of work of the Department for entering into a Public Private Partnership to develop Estates in the commercial locations for revenue generation. They regret to note that even the Expression of Interest for engaging the service of the Consultant to draft a Model Concession Agreement is still yet to be issued by the Department and are of the view that with this slow pace it will take years to develop Estates in the commercial locations, as a number of formalities would be required to be completed even thereafter. They feel that since, the Department has already done a study to

ascertain the potential of revenue earnings through commercial utilization of land by taking into account four sample of plots, the Department should issue EoI for engaging the Consultant at the earliest so that a Model Concession Agreement may be finalized. The Committee would like to be apprised of all the efforts made by the Department in this regard.

Protection of land available with the Department of Posts

24. Comparison of data furnished by the Department while examining Demands for Grants (2011-12) and Demands for Grants (2012-13) have revealed the contrasting figure with regard to the number of plots available, number of plots under encroachment and number of cases under litigation. Within a period of one year, the number of plots under encroachment have declined from 232 to 223 and the number of cases under litigation from 62 to 59. While it is appreciable that the number of plots under encroachment and litigation have declined, the Committee are surprised to note that within one year of the examination Demands for Grants (2011-12), the total number of plots have declined from 1871 to 1802. Taking serious note of the discrepancies in the number of plots available, the Committee would like the Department to furnish a detailed factual reply at the earliest. Besides, the Committee also recommend that matter regarding encroachment of plots in the States may be taken up by the Department with the concerned authorities there and efforts should also be made to erect boundary walls in all the vacant plots belonging to the Department. They also recommend that the application of satellite imagery for getting upto date status of encroachment at the postal plots which is under examination should also be completed at the earliest.

Posts Offices operating from Rented Accommodation

25. The Department has furnished the information that 19941 Post Offices are functioning from rented accommodation in various Postal Circles. The amount of money spent towards payment of rent was Rs. 54.60 crore in 2008-09, Rs. 69.39 crore in 2009-10 and Rs. 74.65 crore in 2010-11. With regard to Circle wise scenario maximum number of rented Post Offices are in Andhra Pradesh, Gujarat, Karnataka, Kerala, Maharashtra, Tamil Nadu, West Bengal and Orissa. As the amount of money spent towards rent payment is increasing year after year, the Committee recommend that the Department should seriously consider having its own buildings for Post Offices especially in the Circles where there are high number of Post Offices functioning from rented accommodation. The Department should also explore the option of hiring municipal/Panchayat and government building instead of hiring offices from the private and other commercial establishment at huge rent.

IT Induction – Postal Operations

26. The Committee observe poor utilization of funds under the scheme IT Induction-Post Operations during the year 2011-12 where an amount of Rs. 676.50 crore was allocated at BE stage which was reduced to Rs. 142.36 crore at RE stage. The actual utilization upto January, 2012 was only Rs. 50.61 crore which is just 7.48 percent of the BE Outlay. The Committee note that delay in finalization of RFPs was mainly due to review of the entire project to ensure that procurement exercise

conform to procedure of public procurements, meeting of the RFP Management Committee consisting of members from DIT/NIC and experienced eminent resource from various IITs/IIITs, queries and clarification to bidders due to complex nature of RFPs etc. The Committee note that now 8 RFPs have been floated and are at various stages of finalization. The Committee feel that the Department has somewhat been negligent in attaching due importance to this important component of Postal industry which would have boosted the performance of Department considerably. In this regard the Committee feel that plans of the Department relating to mail operations, Core Banking Solutions, setting up of Post Bank of India, PLI software, provision of toll free number for MGNREGA for grievance redressal, operating of call centre for DoP, net working of Post Offices and various other activities are dependent on the success of the implementation of the scheme IT-Induction in Postal Operations. The Committee recommend that necessary steps may be taken for the early finalization of 8 RFPs so that various activities of the Department under this scheme may be initiated during the current Financial Year. The Committee would like to be apprised of an updated status in this regard.

27. Further, the Committee note that India Post IT Project 2012 is the biggest public procurement activity of the DoP and during the process of procurement there were complaints received by the office of the Hon'ble MoCIT and hence there was a direction from the Hon'ble MoCIT to review the entire project to ensure that the procurement exercise has been made as per the total formalities and conform to procedures of public procurement. The Committee observe that to ensure transparent procurement, 8 RFPs were floated based on open tender with competitive bidding. To

the extant rules and instructions issued by nodal ministries such as Ministry of Finance and CVC etc were followed for preparation and processing of the RFPs. The tenders are being hosted on the website also. The Committee recommend that since IT Modernization Project 2012 is the biggest public procurement activity of the DoP all necessary steps must be taken by the Department to ensure that the project do not suffer due to lack of transparency and accountability and that the procurement process is transparent and e-enabled. The Committee would also like to know the various measures taken by the Department in this regard.

Status of Broadband Connectivity

28. On the status of broadband connectivity, the Department has informed that the proposals of providing broadband connectivity in 8270 Departmental Post Offices have been submitted to the Steering Committee for approval and if the same is approved, 8270 Departmental Post Offices will be provided with Broadband by 30th April, 2012. The Committee are however, dismayed to note that this important activity to connect Post Offices with the Broad band connections is still under approval stage and the Department does not seem to have taken timely steps to expedite the matter. The Committee feel that this will mark a new beginning for the India Post. The Committee would therefore, like the Department to take all necessary steps in this regard including advance coordination meetings with the executing agency to finalise details so that the proposal do not suffer for want of other formalities as soon as the same is cleared by the Steering Committee and the work is started at the right earnest.

Provision of competitive rates of interest under various Small Savings Schemes.

29. The Committee note that MoF have not agreed to provide autonomy to DoP to fix interest rates provided under various Small Saving Schemes, however, on the recommendations of an Expert Committee headed by the Dy. Governor of RBI, MoF have decided to review interest rates of Small Savings Schemes before the start of each financial year based on the market rate of auction of Government Securities on comparable maturity. While examining the Action Taken Note on Demands for Grants (2011-12), the Committee note that the Department were of the view that interest rates on small saving schemes should be market linked in line with the recommendation of the Committee. The Committee also note that the main reason for the reduction in accounts under various saving schemes is because Department of Posts have not been provided autonomy for fixing rate of interests. As recommended by the Committee consistently , the Department should take up the matter with the Ministry of Finance to provide autonomy to the Department of Post in the matter of fixing interest rates under various small saving schemes.

Extension of clientele and introduction of new products under PLI/RPLI.

30. With regard to the extension of clientele and introduction of new products under PLI/RPLI, the Committee note that the Ministry of Law have given the opinion that it would be advisable for the 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. However, the Ministry of Finance have stated that no expansion of the insurance activity by the Department of Posts can be permitted and the present operations of the Department of Posts will have to

be supervised by IRDA. On the basis of the opinion of the Ministry of Law, several correspondences have taken place with the Department of Financial Services, Ministry of Finance. The Secretary during the course of oral evidence apprised the Committee that the matter would be taken to Cabinet Secretary particularly when two different opinions of two different Departments have emerged. The Committee while taking note of the status of the long pending issue raised by the Committee consistently in the Report, emphasize that the matter should be taken up with the Cabinet Secretary so as to sort out the matter expeditiously. While taking any decision in this regard, the Committee would also like to reiterate their cautionary observation to maintain the identity of Posts.

Implementation of UIDAI Project by the Department of Posts

31. The Committee note that the Department has signed MoU with UIDAI for enrollment and dispatch/delivery of Aadhar letters. The Committee also observed that as of now 73.3 lakh enrollments have been done and approximately 8.5 crore Aadhar letters have been booked. The Committee have been informed that at present UIDAI has a total mandate of issuing 60 crore Aadhar numbers and the total revenue expected is Rs. 1200 crore by way of delivery of these letters. The Committee are of the view that the initiative taken by the Department of Posts with UIDAI hold tremendous challenges for the Department in terms of revenue generation and preparedness of the Department to deliver Aadhar numbers throughout the length and breadth of the Country. The Committee recommend that the Department of Posts should set up more enrollment Centres and launch widespread publicity campaigns so as to ensure maximum enrollment. The issue of delay in delivery should also be addressed so that the Aadhar number could be delivered to the enrolled person in

time. Any difficulty encountered by the Department in this regard may be communicated to the Committee.

Mahatma Gandhi National Rural employment Guarantee Act

32. The Committee observe that during the year 2011-12 (upto January, 2012), the total number of MGNREGA accounts opened with the Department have increased however the amount disbursed have declined as the account holders have the option of other institutions like banks and the decision of the state governments regarding amount of such wages to be distributed through Post Offices. The Committee have also been informed that the total disbursements by Posts and Banks have declined during 2011-12 and the total disbursement till January, 2012 has been Rs 12,467 crore. The Committee wonder if the decline in the amount disbursed by the Post Offices during the period is due to the deficient services by Postal Department in comparison to Banks. They feel that if the services provided by Posts are comparable with the banks then the increase in the opening of accounts would have led to increase in the amount disbursed. As the Department have greater network than banks in the rural areas necessary steps should be taken to increase amount of wages disbursed through Posts by way of improving their services and projecting themselves. In this regard, the services of GDSs in mobilizing the account holders can be of immense helpful.

The Committee also note that during 2011, 252 complaints relating to delay in payment, less payment, wrong payment, non-payment of wages, etc have been reported and 239 cases have been settled. The Committee are dismayed to note that the toll free number for redressal of grievances in various States/UTs has still not been set up. The Committee

are of the view that to deal with such cases a strong grievance redressal mechanism is essential within the Department. The Committee recommend that toll free number for grievance redressal should be set up in all States in order to help the Department to address the complaints of the MGNREGA labourers in an efficient and effective manner which would also increase their confidence in the Department.

The Committee are also seriously concerned to note that 94 officials have been found involved in corrupt practices. Disciplinary action has been initiated against 69 corrupt officials and in 25 cases criminal proceedings under IPC and Prevention of Corruption Act have been initiated. The Committee are of the view that such cases have shown the Department in poor light. The Committee strongly recommend that the Department should identify such loopholes in their system which has led to corruption and deal sternly with the corrupt officials to instill confidence of account holders in the Department. The Committee also hope that the recommendations made in their Twenty Fifth report on the subject would be followed in letter and spirit by the Department. The Committee would like to be apprised of the action taken on all of the above issues.

Incentives for Opening new MGNREGA Accounts/payment /ledger entries

33. The Committee during the Study visit to Kolkata in the year 2011 were apprised of the rate of incentives being given to the Postal officials for opening new MGNREGA account/ MGNREGA payment/ ledger entries by the Circle Office, the details of which have been given in the Part –I of the Report. The Committee observe that the incentives being given to postal officials for opening the new account , for making payment and for making ledger entries are too low and wonder if this could be one of the reasons

for the Department's inability to tap their full potential. The Committee feel that increase in incentives would induce the postal officials to deliver better services and therefore, recommend that the Department should explore the possibility of increasing the incentives under these heads in order to motivate the postal officials to intensify their efforts to bring more MGNERGA workers within the ambit of Department and thus increasing the number of Accounts and disbursal.

New Delhi
April, 2012
Vaisakha, 1934 (Saka)

RAO INDERJIT SINGH
Chairman
Standing Committee on
Information Technology

Appendix-I

Statement showing proposed allocations, Budget Estimates, Revised Estimates and Actual Expenditure for past five years and Budget Estimate

(Statement not appended in the Report)

Appendix-II

**Total targets in the Eleventh Plan/Year-wise/Project-wise/ Physical Targets laid down
in the Plan**

(Statement not appended in the Report)

Number of Post Offices functioning from rented accommodation and the amount spent towards rent payment in the last three years					
Sl. No.	Name of Circle	No. of Post Offices functioning from rented accommodation	Amount spent towards rent Payment for the last three years (Rs. in thousands)		
			2008-09	2009-10	2010-11
1	2	3	4	5	6
1.	Andhra Pradesh	2023	48154	48115	53604
2.	Assam	585	17298	17669	17856
3.	Bihar	779	8097	21111	16031
4.	Chhatisgarh	278	6174	4791	7776
5.	Delhi	210	21020	17995	55052
6.	Gujarat	1057	16616	19044	24055
7.	Haryana	354	9291	9323	10404
8.	Himachal Pradesh	368	5747	5550	5999
9.	Jharkhand	331	8089	7816	5801
10.	Jammu and Kashmir	204	4992	6114	7364
11.	Karnataka	1320	41223	39042	59960
12.	Kerala	1216	35302	38710	43430
13.	Mahdy Pradesh	765	12828	14013	15381
14.	Maharashtra	1803	59807	69564	73954
15.	North East	192	9335	6819	7810
16.	Orissa	947	16707	14744	15622
17.	Punjab	522	12286	12696	13006
18.	Rajasthan	927	24938	27868	32119
19.	Tamil Nadu	2273	61660	180463	122873
20.	Uttar Pradesh	2057	51729	55914	56389
21.	Uttarakhand	296	8096	8821	10200
22.	West Bengal	1434	66692	67776	91880
	Total	19941	546081	693958	746566

**STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2011-2012)**

MINUTES OF THE NINTH SITTING OF THE COMMITTEE

The Committee sat on Tuesday, the 3rd April, 2012 from 1100 hours to 1320 hours in Committee Room '62', First Floor, Parliament House, New Delhi.

PRESENT

Shri Rao Inderjit Singh –Chairman

MEMBERS

Lok Sabha

2. Shri Rajendra Agrawal
3. Shri Nikhil Kumar Choudhary
4. Dr. Charles Dias
5. Shri A. Ganeshamurthi
6. Shri Rajen Gohain
7. Smt. Darshana Vikram Jardosh
8. Dr. Tarun Mandal
9. Shri P.R. Natarajan
10. Shri Tapas Paul
11. Shri Rajiv Ranjan Singh *alias* Lalan Singh

Rajya Sabha

12. Shri M.P. Achuthan
13. Shri Salim Ansari
14. Shri Mohammad Adeeb
15. Shri P. Rajeeve
16. Shri Jesudasu Seelam

SECRETARIAT

1. Shri T.K. Mukherjee - Joint Secretary
2. Smt. Sudesh Luthra - Director
3. Shri Y.M. Kandpal - Additional Director
4. Dr. Sagarika Dash - Deputy Secretary

LIST OF WITNESSES

Sl. NO	Name	Designation
1.	Ms. Manjula Prasher	Secretary (Posts)
2.	Ms. P. Gopinath	Member (Tech)
3.	Ms. Sunita Trivedi	Member (Planning)
4.	Ms. Yasodhara Menon	Member(P)
5.	Shri Santhosh Gauriar	Member(O)
6.	Shri S. Sarkar	Member (PLI)
7.	Ms. Sudha Krishnan	JS & FA
8.	Ms. Kalpana Tiwari	CGM (MB)
9.	Shri Y.P.S. Mohan	CGM (BD & Mktg.)
10.	Shri S.K. Sinha	CGM (PLI)

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee convened to take oral evidence of the representatives of the Ministry of Communications and Information Technology (Department of Posts) in connection with the examination of the Demands for Grants (2012-13).

3. *** **

[The representatives of the Department were then called in]

4. The Chairman welcomed the representatives of the Department of Posts. The Chairman, then, drew the attention of the representatives of the Department about the confidentiality of the deliberations till the report on the subject is presented to Parliament. The representatives of the Department then explained salient features of the Demands for Grants (2012-13) with the help of a power point presentation, which inter alia included major features and achievement of Eleventh Plan, Financial performance of the Department under Plan during Eleventh Plan and the Plan activities for 2012-13. The detailed information with regard to major sources of Revenue Receipts during the last three years, revenue as compared to staff strength during 2007-11, and working expenses of the Department for the last three years were also highlighted in the power point presentation.

5. The Members sought certain clarifications on various issues relating to the examination of Demands for Grants (2012-13) of the Department and representatives of the Department of Posts responded to the same. Further, the Secretary assured the Committee to furnish written replies of the issues on which information was not readily available.

6. The Chairman thanked the representatives of the Department of Posts for appearing before the Committee as well as for furnishing valuable information that the Committee desired to know in connection with the examination of the Demands for Grants (2012-13) of the Department.

[The witnesses then withdrew]

A copy of verbatim proceedings of the sitting has been kept.

The Committee, then, adjourned.

**STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2011-2012)**

MINUTES OF THE THIRTEENTH SITTING OF THE COMMITTEE

The Committee sat on Friday, the 20th April, 2012 from 1430 hours to 1600 hours in Committee Room '62', First Floor, Parliament House, New Delhi.

PRESENT

Shri M.P. Achuthan – In the Chair

MEMBERS

Lok Sabha

2. Shri Rajendra Agrawal
3. Smt. Sarika D.S. Baghel
4. Shri Nikhil Kumar Choudhary
5. Dr. Charles Dias
6. Shri Rajen Gohain
7. Smt. Darshana Vikram Jardosh
8. Dr. Tarun Mandal
9. Shri P. R. Natarajan
10. Shri Tapas Paul
11. Shri Rajiv Ranjan Singh alias Lalan Singh

Rajya Sabha

12. Shri Raj Kumar Dhoot
13. Prof. Alka Balram Kshatriya
14. Shri P. Rajeev

SECRETARIAT

- | | |
|------------------------|-----------------------|
| 1. Shri T.K. Mukherjee | - Joint Secretary |
| 2. Smt. Sudesh Luthra | - Director |
| 3. Shri Y.M.Kandpal | - Additional Director |
| 4. Dr. Sagarika Dash | - Deputy Secretary |

2. As the Chairman was not present, the Committee under Rule 258(3) chose Shri M.P. Achuthan, M.P., and a member of the Committee to preside over the meeting.

3. At the outset, the Convenor welcomed the Members to the sitting of the Committee. The Committee then took the following Draft Reports for consideration:-

(i) ***** ***** ***** ***** *****;

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

(iii) Draft Report on Demands for Grants (2012-13) relating to the Department of Posts.

4. The Committee adopted the above-mentioned three Draft Reports with some amendments/modifications.

5. The Committee, then, authorized the Chairman to finalize and present the above-mentioned Reports to the House in light of the factual verifications received from the concerned Ministries/Departments on a day convenient to him.

The Committee, then, adjourned.

* Matter not related to the Report.