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**STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY  
(2009-2010)**

**FIFTEENTH LOK SABHA**

**MINISTRY OF COMMUNICATIONS & INFORMATION TECHNOLOGY**

**(DEPARTMENT OF POSTS)**

**DEMANDS FOR GRANTS**

**(2010-2011)**

**FIFTH REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

***April, 2010/Chaitra, 1932 (Saka)***

**FIFTH REPORT**  
**STANDING COMMITTEE ON INFORMATION TECHNOLOGY**  
**(2009-2010)**

**(FIFTEENTH LOK SABHA)**

**MINISTRY OF COMMUNICATIONS & INFORMATION TECHNOLOGY**

**(DEPARTMENT OF POSTS)**

**DEMANDS FOR GRANTS**

**(2010-2011)**

*Presented to Lok Sabha on 21 April, 2010*

*Laid in Rajya Sabha on 22 April, 2010*



**LOK SABHA SECRETARIAT**  
**NEW DELHI**

*April, 2010/Chaitra, 1932 (Saka)*

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\*Not included in the cyclostyled copy.

**COMPOSITION OF THE  
STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2009-2010)**

**Shri Rao Inderjit Singh - Chairman**

**Lok Sabha**

2. Shri Rajendra Agrawal
3. Shri Nikhil Kumar Choudhary
4. Shri Milind Deora
- \* 5. Shri Charles Dias
6. Shri Rajen Gohain
7. Smt. Darshana Jardosh
8. Shri Mithilesh Kumar
- \*\* 9. Shri Sadashivrao Dadoba Mandlik
10. Shri Inder Singh Namdhari
11. Shri Abdul Rahman
12. Shri Prem Das Rai
- # 13. Shri Tufani Saroj
14. Shri Tathagata Satpathy
15. Shri Adhalrao Patil Shivaji
16. Dr. Bholu Singh
17. Shri Dhananjay Singh
18. Shri Sushil Kumar Singh
19. Shri C. Sivasami
20. Smt. M. Vijaya Shanthi
21. Shri Dharmendra Yadav

**Rajya Sabha**

22. Prof. Alka Balram Kshatriya
- @ 23. Vacant
24. Shri Jesudas Seelam
25. Shri Ravi Shankar Prasad
26. Shri Prabhat Jha
27. Shri P. Rajeeve
28. Shri Shriram Pal
29. Shri N.R. Govindarajar
30. Shri M.P. Achuthan
31. Shri Rajkumar Dhoot

**SECRETARIAT**

1. Shri T.K. Mukherjee - Joint Secretary
2. Smt. Sudesh Luthra - Director

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\*\* Nominated to Committee w.e.f. 10<sup>th</sup> September, 2009.

# Nominated to Committee w.e.f. 13<sup>th</sup> October, 2009.

\* Nominated to Committee w.e.f. 19<sup>th</sup> November, 2009.

@ Consequent upon retirement of Shri Dharampal Sabharwal from Rajya Sabha w.e.f. 9<sup>th</sup> April, 2010.

## LIST OF ABBREVIATIONS

AMPC	-	Automatic Mail Processing
BE	-	Budget Estimates
BIS	-	Bureau of Indian Standards
BPO	-	Branch Post Office
BSNL	-	Bharat Sanchar Nigam Limited
C & AG	-	Comptroller and Auditor General
CGA	-	Controller of Government Accounts
DoP	-	Department of Posts
DoT	-	Department of Telecommunications
DSO	-	Departmental Sub Office
EDBO	-	Extra Departmental Branch Office
EPFO	-	Employee's Provident Fund Organisation
GBD	-	Global Business Division
HPO	-	Head Post Office
HQ	-	Head Quarters
IAY	-	Indira Awaas Yojna
IMO	-	International Money Order
IMTS	-	International Money Transfer Service
KVP	-	Kisan Vikas Patra
LAWCET	-	Common Entrance Test for Law Colleges
MBC	-	Mail Business Centre
MIS	-	Monthly Instalment Scheme
MO	-	Mail Office/Money Order
MoU	-	Memorandum of Understanding
NREGA	-	National Rural Employment Guarantee Act
NDC	-	National Data Centre
NOAPS	-	National Old Age Pension Scheme
NSC	-	National Saving Certificate
PAO	-	Postal Accounts Office
PFRDA	-	Pension Fund Regulatory Development Authority
PLI	-	Postal Life Insurance
PO	-	Post Office
POLIF	-	Post Office Life Insurance Fund
POSB	-	Post Office Savings Bank
PPF	-	Public Provident Fund
RD	-	Recurring Deposit
RE	-	Revised Estimate
RPLI	-	Rural Postal Life Insurance
SB/CC	-	Savings Bank/Cash Certificate
SCSS	-	Senior Citizen Saving Scheme
SHG	-	Self Help Group
SPO	-	Sub Post Office
TAC	-	Telecom Advisory Committee
TD	-	Term Deposit
TRCA	-	Time Related Continuity Allowances
WUMT	-	Western Union Money Transfer

## **INTRODUCTION**

I, the Chairman, Standing Committee on Information Technology (2009-10) having been authorized by the Committee to submit the Report on their behalf, present this Fifth Report on Demands for Grants (2010-11) of the Ministry of Communications and Information Technology (Department of Posts).

2. The Standing Committee of Information Technology (2009-10) was constituted on 31 August, 2009. 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 current year i.e. 2010-11 which were laid on the Table of the House on 15<sup>th</sup> March, 2010. The Committee took oral evidence of the representatives of the Department of Posts on 25 March, 2010.

4. The Report was considered and adopted by the Committee at their sitting held on 13 April, 2010.

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  
19 April, 2010  
29 Chaitra, 1932 (Saka)**

**RAO INDERJIT SINGH  
Chairman  
Standing Committee on  
Information Technology**

# REPORT

## PART-I

### I. INTRODUCTORY

The Department of Posts (DoP), which forms a part of the Ministry of Communications and Information Technology, is responsible for Planning, development, expansion, operation and maintenance of postal services in the Country. It also discharge certain agency functions in respect of Savings Bank and other small Savings Schemes, collection of custom duty on Postal article and disbursement of pension to military and Railway Pensioners, Family Pension to Industrial Employees of Coal Mines, etc. The Department administers Postal Life Insurance for the benefit of Postal, Telecom and other Central Government Employees and Employees of State Governments, Public Sector Undertakings, Nationalized Banks, Local Bodies etc.

2. 'India Post' operate a wide network of Post Offices in the length and breadth of the Country. This network forms the largest postal system in the world with an array of about 1.55 lakh of Post Offices. There are 5926 Panchayat Sanchar Sewa Kendras to provide basic postal services in the rural areas in addition to the 1.55 lakh Post Offices. On an average, a Post Office covers an area of 21.2 sq. km. (all India) and 22.61 (rural) and serves 7166 people (all India) and 5686 (rural). According to DoP, this compares favourably with USA, where a Post Office covers an area of 259.25 sq. km. and serves 8029 people, and China where a Post Office covers an area of 145.59 sq. km. and serves 1962 people.

3. In its 150 years of existence, the Post Office in India has been more than a 'means of communications'. Apart from connecting the diverse regions and populace of the Country, 'India Post' has an important role in the lives of Indians in more ways than one. It seek to provide a wide range of services to the people. The four main areas of services offered by the 'India Post' are as follows:-

- |                            |   |  |
|----------------------------|---|--|
| 1. Communication Services  | - | Letters, Post Cards, etc.                            |
| 2. Transportation Services | - | Parcel, Logistics, etc.                              |
| 3. Financial Services      | - | Savings Bank, Money Order, Insurance, etc.           |
| 4. Value Added Services    | - | Speed Post Service, Business Post, Direct Post, etc. |

4. The Demand for Grants of DoP for 2010-2011 was presented to Lok Sabha under Demand No. 13. The detailed Demands for Grants of the Department were laid in Lok Sabha on 15 March, 2010. The Demands for Grants of the Department of Posts for the fiscal 2010-11 are Rs. 11658.33 crore i.e. Rs. 11328.78 crore under the Revenue Section (inclusive of Rs. 10 lakh charged) and Rs. 329.55 crore under the Capital Section and the projected Deficit for the fiscal 2010-11 is stated at Rs. 3936.59 crore.

5. In the present Report, the Committee have *inter-alia* analysed the position of Outlay and the expenditure, particularly, the performance of some of the major Plan Schemes in the context of examination of the Demands for Grants (2010-11).

## II. BUDGETARY ANALYSIS

### (i) Overview of Demands for Grants For 2010-11

6. The Department of Posts has presented Demand No. 13 for Grants to the Parliament for the year 2010-11, the details of which are as follows:-

<b>(Rs. in crore)</b>				
		<b>Revenue</b>	<b>Capital</b>	<b>Total</b>
<b>Voted</b>	Plan	340.45	319.55	660.00
	Non-Plan	10988.23	10.00	10998.23
	Total	11328.78	329.55	11658.23
<b>Charged</b>	Plan	-	-	-
	Non-Plan	0.10	-	0.10
	Total	11328.78	329.55	11658.33

7. Headwise details of the Revenue and Capital Section of the year 2010-2011 Budget are as follows:-

<b>(Rs. in crore)</b>			
Revenue Section		Capital Section	
Head of Account	BE 2010-11	Object Head	BE 2010-11
1	2	3	4
1. General Administration	725.62	Training Buildings	2.55
2. Operation	7453.85	Post Office and RMS Buildings	11.00
3. Agency Services	436.48	Administrative Office Buildings	1.50



4.	Accounts & Audit	252.35	Staff Quarter Buildings	2.60
5.	Engineering	120.27	Training Land	1.00
6.	Amenities to Staff	72.13	Post Office Land	0.0
7.	Pension	2100.00	Staff Quarter Land	0.0
8.	Stationery & Printing	128.38	Administrative Office Land	0.0
9.	Others	13.00	Mechanization and Modernisation of Postal Services	260.50
10.			Railway Mail Services	1.11
11.			Mail Motor Vehicles	0.00
12.			Civil Engineering Store Suspense	0.00
13.			Other Expenditure	0.00
	Total	11302.08		290.25
	Provision for North-East	26.70		39.30
	Grand Total	11328.78		329.55

## (ii) Revenue Section

8. The comparative Analysis of the Demands for Grants with reference to BE and RE for the year (2009-10) and Actual for the year 2007-08 and 2008-09 has been given at **Appendix-I.**

9. The financial achievements of the Department under Revenue Section during each year of the Eleventh Plan are as under:

### Gross Expenditure

	(Rs. in crore)			
	2007-08	2008-09	2009-10	2010-11
BE	7237.39	7562.40 2729.99 (Supplementary Grant)	12090.20	11328.78
RE	7291.79	10263.33	12526.80	--
Actuals	7272.66	9756.24	11063.87 (upto Jan., 2010)	--

### Recoveries

	(Rs. in crore)			
	2007-08	2008-09	2009-10	2010-11
BE	215.50	267.35	322.00	436.55
RE	293.25	324.00	375.49	-
Actuals	266.32	300.82	96.03 (upto Jan., 2010)	-

## Revenue Receipts

(Rs. in crore)

	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
BE	5539.73	6159.31	6135.74	6955.54
RE	5707.20	5966.22	6552.62	--
Actuals	5494.90	5862.33	5730.32 (upto Jan., 2010)	--

## Revenue Expenditure (Net)

(Rs. in crore)

	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
<b>BE</b>	7021.89	7295.05	11768.20	10892.13
<b>RE</b>	6998.54	9939.33	12151.31	-
<b>Actuals</b>	7006.34	9455.42	10967.84 (upto Jan., 10)	-

## Revenue Deficit

(Rs. in crore)

	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
BE	1482.16	1135.74	5632.46	3936.59
RE	1291.34	3973.11	5598.69	--
Actuals	1511.44	3593.09	5237.52 (upto Jan., 2010)	--

10. The analysis of the aforesaid data indicates the following:-

- (i) The Revenue Expenditure (net i.e. Gross Expenditure less Recoveries) position of the Department has got slight better during the current fiscal till January, 2010. There was an increase of Rs. 2449.08 crore in the Revenue Expenditure during the fiscal 2008-09 when compared with the Actuals for the year 2007-08. However, a comparison of Actuals (till January, 2010) for the fiscal 2009-10 with the Actuals of 2008-09 shows an increase of Rs. 1512.42 crore. Further, the projected revenue expenditure during the year 2010-11 is Rs. 10892.13 which is Rs. 275.71 crore less than the Actuals for the year 2009-10.
- (ii) Recoveries of the Department during the current fiscal (upto January, 2010) have been dismal sum of Rs. 96.03 crore which is Rs. 204.79 crore less than the Actual Recovery of Rs. 300.82 crore for the fiscal 2008-09. Actuals for the fiscal 2009-10 are Rs. 225.97 crore less than BE and Rs. 279.46 crore less than RE. Further BE for 2010-11 is Rs. 436.55 crore which is Rs. 114.55 crore more than the BE for 2009-10 and Rs. 340.52 crore more than the Actuals (till January, 2010) for the fiscal 2009-10.
- (iii) Actuals (till Jan, 2010) for Revenue Receipts is Rs. 822.30 crore less than RE and Rs. 405.42 crore less than BE of the fiscal 2009-10. Further, Revenue Receipts (till

January, 2010) are Rs. 132.01 crore less than the Actuals for the year 2008-09. The Actuals for Revenue Receipts have fallen short of RE during 2007-08, 2008-09 and 2009-10 (till January, 2010).

- (iv) Projected BE of Gross Expenditure of the Department for 2010-11 is Rs. 11328.78 crore which is Rs. 761.42 crore less than the BE for 2009-10.
- (v) As regards, the Deficit position, Department has fared better by containing the Deficit at RE and Actuals (till January, 2010) less than the BE for the fiscal 2009-10. Further, projected Deficit for the 2010-11 is Rs. 3936.59 crore which is less than RE for the year 2009-10 by the tune of Rs. 1662.1 crore.

11. When asked about the amount of arrears which are to be paid to Grameen Dak Sewaks during the year 2010-11, the Department stated that the total arrears of Time Related Continuity Allowance (TRCA) to Grameen Dak Sewaks payable from 1.1.2006 to 30.09.2009 are estimated as Rs. 1030.76 crore. 40 per cent arrears amounting to Rs. 412.30 crore have been paid during 2009-10 and 60 per cent of arrears amounting to Rs. 618.46 crore are still payable in 2010-11. In this regard, the Department during the course of oral evidence clarified as under:

“xxx the Sixth Pay Commission arrears, which were due for all the Governmental employees, were paid in 2007-08 and 2008-09. On the similar pattern, in our Department for the Gram Dak Sewaks, the approval was received in the year 2009-10. So, we have disbursed 40 per cent as per approval in 2009-10 and we have budgeted 60 per cent to release in the next financial year in 2010-11. This is in accordance with the approval we have received.”

12. The details of the Revenue Receipts item wise as made available to the Committee are as under:-

<b>Description</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10 (upto Feb., 2010)</b>
Sale of Postage Stamps	619.77	552.97	561.50
Postage realized in cash for Ordinary Post	681.85	650.85	474.55
Postage realized in cash for Premium Service	1186.70	1384.00	1395.57
Commission on Money Orders/IPOS	374.79	338.30	296.93
Others	123.39	133.75	81.89
Total Postal Operation	2986.50	3059.87	2810.44
SBCC Remuneration	2508.40	2802.46	Calculated at the closure of financial year

13. From the information provided by the Department, it is seen that the Revenue Receipts under the category Postage realized in cash for ordinary post and Commission on Money Orders/IPOs is decreasing over the years during the Eleventh Plan. Under the category Sale of stamps and Postage realized in cash for premium services, there is slow increase in Revenue Receipts. When enquired about the reasons for decreasing Revenue Receipts in the categories mentioned above, the Department has submitted that decrease in Revenue Receipts in terms of postage realized in cash for ordinary mail is due to the decline in the mail traffic over the last few years (2003-04 to 2007-08). However, the trend of decline in the mail traffic has been reversed of late, and during 2008-09, there is an increase of 2.34 per cent in the mail traffic compared to that in 2007-08. Further, the revenue under premium products have shown continuous increase in revenue over the years. The Department has further submitted that due to shift of the major customers (who contribute a sizeable share of Revenue) towards BNPL (Book Now Pay Later) Scheme where the revenue receipt is in cash, there is slow increase under the category Sale of Postal Stamps for Premium Services.

14. Elaborating further on the same issue, the Department has stated that they provide various services that are in the nature of universal service such as post cards, registered newspaper, etc., the tariffs of which are within reach of all. Such services therefore, cannot contribute significantly to revenue growth even when volume increases. The Saving Bank Scheme which is administered by the Department is at the same time regulated by Ministry of Finance. However, in other areas of premium services such as speed Post, Express parcel, logistic etc., the Department has put in place initiatives such as developing Mail Business Centre optimizing connectivity and computerization, etc. It is further submitted that these initiatives which addressed at improving quality of services provided, would provide anticipated lead to improved revenue generation.

15. Further, describing the actions taken particularly during the year 2009-10 to reverse the trend of decreasing receipts and also for higher growth in the areas where the growth is slow, DoP submitted that during the Eleventh Plan, the Department has undertaken new initiatives to improve the quality of mail operations, which include automation of mail processing activities, induction of dedicated freighter aircraft for transmission of mail, restructuring of the existing mail network, popularization of Pin Codes, creation of a National Address Database Management System and introduction of RFID in mail offices. During 2009-10, the Department has placed orders for setting up of

Automated Mail Processing Systems at Delhi & Kolkata. The Department has also appointed a Consultant for the Mail Network Optimization Project and initiated the process for redesign of the existing mail network. Initiatives are also taken to introduce RFID Technology in mail processing for the purpose of tracking of mail bags and articles during the current financial year. Moreover, the Business Development and Marketing Directorate reviews the performance of all the premium services at the national level Circle wise. The targets fixed by the Division are reviewed and feedback given to the Circles to improve the performance. Various initiatives are also taken for marketing the premium products and creating brand identity of India Post at the national level. The Division also provides necessary policy level inputs and support to the field formations for garnering higher growth in the potential areas of revenue.

16. When asked about the Recoveries due, Recoveries Actually made and the outstanding balance from various Department/Organisations with regard to agency charges for the services rendered by the Department during 2007-08, 2008-09, 2009-10, the Department has stated that there are no Recoveries due from Western Union Money to be still outstanding with regard to family pension and commission in respect of Coal Mine Provident Fund's (CMPF) Pension Payments (upto September, 2009).

**(iii) Revenue earned per person**

17. In respect of the information about per cent increase in Revenue earned per person in the Department of Posts during last three fiscal, following data have been furnished:-

Year	No. of Employees	Revenue	Revenue per employee	(Rs. in lakh)
				per cent increase
2006-07	500883	552960	1.1	-
2007-08	494589	576122	1.2	5.51
2008-09	483385	616315	1.3	9.66

18. The per person percentage increase in Revenue earned by each employee is 9.66 per cent during the year 2008-09 which, however does not seem to be reflected in the position of Revenue Receipts of the Department. Moreover, the Revenue Deficit during the year 2008-09 has increased almost two and a half time of the Deficit of the previous year. When asked for the comments of the Department on the aforesaid observation, the Committee have been apprised that it is due hike in pay and allowance of employees and

because of payment of arrears in pursuance of the implementation of the Sixth Pay Commission recommendation.

**(iv) Rate of Remuneration for Agency Services**

19. When asked about the amount of remuneration received/to be received for performing various agency functions during each year of the Eleventh Plan and the projected figure for the fiscal 2010-11, the following information was provided.

<b>Year</b>	<b>Amount (Rs. in crore)</b>	<b>Remarks</b>
2007-08	2476.36	Actuals
2008-09	2802.46	Actuals
2009-10	3088.93	RE
2010-11	3405.54	BE

20. On the issue of the trend of increasing Revenue Deficit of the Department particularly during each year of the Eleventh Plan the Department have submitted that it is due to implementation of Recommendations of Sixth Pay Commission as accepted by the Government and implementation of GDS Committee Report of the Department as accepted by the Cabinet and Ministry of Finance. However, the Department is initiating steps to the Revenue Deficit by generating revenue from the various areas/fields, the details of which has been given in the preceding para of the Report.

21. For the fiscal 2010-11, Revenue Deficit of the Department has been estimated to be Rs. 3936.59 crore, which is Rs. 1695.87 crore less than the BE of the previous fiscal. When asked to jointly the lower projection during the fiscal 2010-11, the Department have stated that the reason for decrease in Deficit of the Department during the year 2010-11 is mainly due to clearance of payment of arrears of Pay and Allowances to the regular employees and arrears against pensionary charges of retired employees by the end of the year 2009-10.

**III. CAPITAL SECTION**

22. Capital Expenditure of the Department during last three fiscals of the Eleventh Plan and the projections for the year 2010-11 are given as under:-

	<b>(Rs. in crore)</b>			
	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
<b>BE</b>	232.22	453.51	388.80	329.55
<b>RE</b>	202.22	278.27	224.77	-
<b>Actuals</b>	90.62	244.85	172.36 (upto Jan., 2010)	-

The following analysis of the above data indicates:-

- (i) The Actual percentage utilisation the year 2007-08 was just 39.02 of the Budget Estimates.
- (ii) For the fiscal 2008-09, BE was pruned down by Rs. 175.24 crore at the RE stage and Actual percentage utilisation was 53.98 of the BE allocations.
- (iii) For the fiscal 2009-10, Actual percentage utilisation was 14.33 of the BE.
- (iv) BE of 2010-11 is Rs. 59.25 crore less than the fiscal 2009-10.

23. When enquired about the reasons for gross under spending of Outlay under Capital Section, the Department submitted that the BE Outlay under Capital segment for Plan component during 2009-10 was Rs. 382.80 crore, out of which Rs. 167.70 crore has been utilized upto January, 2010 which amounts to 43.8 per cent utilisation.

24. The Department has further submitted that the BE Outlay was communicated only in July, 2009, after which the Department had to implement the Schemes. There are a number of formalities to be completed before the implementation of the Scheme, which takes a few months. As a result, by the time of finalisation of Revised Estimates by the Ministry of Finance, the Actual utilisation of Outlay was very less which led to cut in the BE Outlay.

25. When asked about the reason for the huge gaps between BE, RE and Actual during the year 2009-10, whereby, the BE amounting to Rs. 388.80 crore was reduced to Rs. 224.77 crore at RE stage and Actual utilisation was Rs. 172.36 crore (upto January, 2010) the Department have submitted that the BE for the Department was reduced to Rs. 350 crore from Rs. 620 crore by Ministry of Finance at RE stage. Thus the Outlays have to be proportionately reduced restricting the overall Outlay to Rs. 350 crore. Thus keeping the requirements and status of implementation of the Schemes funds were proportionately allocated under various Schemes.

26. The major Schemes which were affected due to reduction of the Outlay at RE stage as stated by the Department are as under:-

1. Computerisation & Networking of Post Offices
2. Estates Management
3. Setting up of Mail Business Centres
4. Establishment of Parcel Post centres.
5. Establishment of logistics Post centres etc.

#### IV. UTILISATION OF PLAN OUTLAYS

##### (i) Analysis of Plan Allocations of the Eleventh Plan Annual Plan wise:

Annual Plan	Outlay as per Eleventh Plan	2007-08	2008-09	2009-2010 (upto Dec. 09)	2010-11
<b>Proposed Allocation</b>		317.69	1492.57	2100	1270
<b>BE</b>	4000	315.00	600.00	620.00	660.00
<b>RE</b>	4000	285.00	400.00	350.00	-
<b>Actuals</b>	4000	136.81	318.83	228.49	-
<b>Difference between BE &amp; RE</b>	-	30.00	200	270	-
<b>Difference between BE &amp; Actuals</b>	-	178.19	281.17	391.51	-
<b>Difference between RE &amp; Actuals</b>	-	148.19	81.17	121.51	-
<b>Per cent Utilisation</b>		74	80	36.85	

27. When asked about the reasons for under spending during each year of the Eleventh Plan even when the allocations made at BE stage had considerably been reduced at RE stage, the following reasons were submitted by the Department:-

- (i) The tentative Eleventh 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.
- (ii) 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.
- (iii) Delay in obtaining the approval of the Schemes from competent authority, being the first year of the Plan period.
- (iii) Delay in adjustment of DGS&D bills well within the stipulated time.



28. Further in Post Evidence Replies, the Department have stated that during 2009-10, the Department has been able to utilize Rs. 318.52 crore upto February, 2010 out of RE Outlay of Rs. 350 crore.

29. From the data furnished above as well as in various documents submitted by the Department, the Committee observe that there is constant under spending of the Plan Outlay during first three years of Eleventh Plan. BE during each year is much less than the proposed allocation and difference between BE and RE is constantly increasing. Even the reduced allocations at RE stage could not be utilized fully. The Committee further observe from the analysis of the Expenditure status separately for Plan, Non-Plan indicates that under the Non-Plan Schemes, the expenditure is 100 per cent whereas for the Non-Plan activities, there is gross under utilisation of resources. During the year 2008-09, status of utilisation under Plan Segment was 52.73 per cent of the BE allocations and it was 131.03 percent of the BE allocations. Similarly, during the year 2009-10, percentage utilisation under Plan Segment was 48.06 percent at BE stage and under Non-Plan Segment it was 92.70 per cent.

30. While giving details of the quarter-wise spending pattern of the Department under Revenue/Capital Section and Plan/Non-Plan heads during last three fiscals of the Eleventh Plan the Department gave following details:-

**Quarter-wise performance of the Department for the year 2007-08**

(Rs. in crore)				
Description	1 quarter	II quarter	III quarter	IV quarter
Revenue (Non Plan)	1529.62	1739.31	1888.69	2066.17
Revenue (Plan)	1.43	0.7	2.38	44.36
Capital (Non Plan)	-0.06	0.36	0.02	2.36
Capital (Plan)	1.79	9.55	16.59	60.01
<b>Total</b>	<b>1532.78</b>	<b>1749.92</b>	<b>1907.68</b>	<b>2172.9</b>

**Quarter-wise performance of the Department for the year 2008-2009**

(Rs. in crore)				
Description	1 quarter	II quarter	III quarter	IV quarter
Revenue (Non Plan)	1671.70	2080.74	2949.61	2974.82
Revenue (Plan)	1.98	12.58	6.89	57.92
Capital (Non Plan)	0.45	1.02	0.59	3.33
Capital (Plan)	1.48	14.43	44.57	178.98
<b>Total</b>	<b>1675.61</b>	<b>2108.77</b>	<b>3001.66</b>	<b>3215.05</b>

**Quarter-wise performance of the Department for the year 2009-10  
(Upto III quarter)**

<b>(Rs. in crore)</b>			
<b>Description</b>	<b>1 quarter</b>	<b>II quarter</b>	<b>III quarter</b>
Revenue (Non-Plan)	2407.43	3938.00	3577.62
Revenue (Plan)	25.36	33.48	19.7
Capital (Non-Plan)	0.28	-0.07	3.04
Capital (Plan)	2.81	34.45	112.69
<b>Total</b>	<b>2435.88</b>	<b>4005.86</b>	<b>3713.05</b>

**(ii) Financial Outlays for the Eleventh Plan – Scheme Wise**

31. The Department while giving financial targets proposed, allocated and achieved during each year of the Eleventh Plan and projections for the fiscal 2010-11 has submitted a detailed chart. **(Appendix II)** From the information provided by the Department the Committee observe that there is under utilisation of funds in all the Schemes of the Department. However, gross under utilisation is seen in 5 Schemes viz. Banking and Money Transfer operations, IT induction – Postal Operations, Marketing Research and Product Development, Material Management and Quality Management where Actual utilisation till December 2009, is to the tune of 5- 10 percent only against the total Plan Outlay for the Eleventh Plan for each Scheme.

32. Against total Outlay of Rs. 4000 crore for the total Plan Outlay of the Eleventh Plan, during first three years of the Eleventh Plan, amount projected at BE was Rs. 1535 crore which was subsequently reduced to Rs. 1035 crore at RE stage and Actual expenditure against this is Rs. 684.13 crore which is 44.56 percent of the BE and 66.10 percent of RE. During the year 2009-10 BE of Rs. 620 crore was reduced to 350 crore at RE stage. The Committee observe that for the Scheme Mail Operations out of total Plan Outlay of Rs. 470.88 crore, expenditure till December, 2009 is Rs. 91.78 crore i.e. 19.49 percent, for the Scheme, Estates Management against total Plan Outlay of 126.81 crore, Actual expenditure is Rs. 38.64 crore i.e. 30.47 per cent and for the Scheme, Insurance Operation against total Outlay of Rs. 35 crore, expenditure till December, 2009 is Rs. 8.19 crore i.e. 23.4 percent. Similarly, under the Scheme support of payment of wages under NREGS, there was no allocation made for the Eleventh Plan but during 2008-09, Rs. 80 crore were allocated out of which Rs. 22.88 crore has been spent. Similarly, during 2009-10, Rs. 100 crore was projected at BE and it was reduced to zero at RE stage and Actual expenditure till December, 2009 is nil.

33. During the course of the examination of Demands for Grants of 2009-10, the Committee have been informed that expenditure position with regard to Plan Schemes upto July, 2009 was Rs. 22 crore i.e. 3.5 per cent of the allocations. In the replies furnished to the Committee in the context of examination of the Demands for Grants of the current year, the expenditure during the first six months of the Financial Year i.e. upto September, 2009 was 96.10 crore, which means that Rs. 74.10 crore were spent in two months i.e. August and September, 2009 against Rs. 22 crore as utilisation status during the first four months of the Financial Year 2009-10. The projected expenditure during the last five months has been given as Rs. 131.76 crore.

34. When asked about measures for ensuring utilisation of Outlays in phased manner during remaining years of the Plan years, the Department submitted that The budget for the first two months of financial year 2009-10 was passed only for one sixth of the BE Outlay. The full budget was voted only in July and was communicated by Ministry of Finance in August 2009. Only thereafter the Department was able to release and utilize funds as per the allocation. During the month of April itself all Divisions/Circles were informed about the total Outlay available for the various activities to be implemented during the year. Further they are also instructed to restrict the expenditure to one sixth during the first two months of the financial year. However they were asked to complete all the formalities for full utilization of Plan funds once the allotment was received. After the budget being voted for full Outlay, Divisions/Circles are intimated to implement the activities in order to ensure 50per cent utilisation by September end and 70 per cent by December end. Vigilant monitoring was taken up with Circles and Divisions with a follow-up with budget division also on a monthly basis which resulted in higher utilization of funds by December end and funds to the extent of Rs 228.49 crore could be utilized which resulted in 65 per cent utilization of RE Outlay. It was stated that the funds were being utilized keeping the norms prescribed by Ministry of Finance.

#### **V. APPROVAL STATUS OF VARIOUS PLAN SCHEMES**

35. Analysis of the documents furnished by the Department indicates that one of the reason for under utilisation of Outlay is pending approval of the most of the Schemes of the Department. During the examination of the previous Demands for Grants of the Department, the Committee were informed that even after two years since the commencement of the Eleventh Plan, Fourteen Schemes of the Department were not approved. When asked to give update in this regard, the Department submitted that out

of the Fourteen Schemes pending for approval, 8 Schemes are yet to be approved or under EFC/SFC submission. The Department has also submitted that two Schemes viz. Linkages of SB, EFT, ECS of domestic sector with international system' and Infrastructural Equipment for materials Management have been dropped. **(Appendix III)**

36. The Department in Budget Brief has claimed that in order to improve the implementation aspect of the Schemes, an important measure of securing administrative approvals of the competent authorities for the full Plan period in the first year had been taken. However, it is evident from the scrutiny of various Budget documents that administrative approvals for various Schemes were still awaited even after the completion of the third year of the ongoing Five Year Plan. When asked for clarification, the Department has stated that SFCs for Plan Schemes 'Access to Postal Network' and 'Provision of Infrastructure to BOs' have been approved and are under implementation. The Plan Scheme for 'Opening of BOs by creation of Posts' was not yet approved and is under consideration of Finance. However, BOs are being opened by relocation at needy and justified places. As regards Plan Schemes handled in respect t of financial services, the requisite approvals from the competent authorities had been obtained. Almost all the Schemes are approved, except the major Scheme 'Computerization & Networking of Post Offices' wherein Phase I has been approved and Phase-II is under submission. All Schemes of Business Department & Marketing Directorate had been approved. There was no Scheme pending for any administrative approval. The EFC phase II for computerization and networking of all the Post Offices has already been prepared by the Department with an overall Outlay of Rs 1987 crore and is under the process of obtaining administrative approval.

## **VI. BUDGETARY ALLOCATION FOR NORTH EAST**

37. Details of the Plan Expenditure in North-East Region has been given as under:-

<b>(Rs. in crore)</b>			
<b>Annual Plan</b>	<b>Total Plan</b>	<b>Expenditure in NE</b>	<b>per cent over total Expenditure</b>
2007-08	136.81	34.83	25.46
2008-09	318.83	18.91	5.93

38. When enquired about the reasons for only 25.46 per cent expenditure over the total Plan expenditure during the first year and a meager 5.93 per cent expenditure during the year 2008-09, the Department has submitted that 2007-08 being the first year of the Plan

period, Appraisal/Approval of the all the Schemes have to be obtained before implementation. Further, during 2008-09 although Rs. 60 crore was allocated at BE stage to North East out of the total BE Outlay of Rs. 600 crore, the same was reduced to Rs. 41.06 crore at RE stage due to reduction of Outlay by Ministry of Finance out of which Rs. 18.89 crore has been utilized which amounts to 48 per cent utilisation. The under utilisation is due to delay in obtaining the approval of some of the major Schemes like – computerization & Networking of Post Office, Setting up of Mail Business Centres, Setting up Automatic Mail Processing Centres etc.

39. During 2009-10 Rs. 62 crore has been allocated for North East out of the total Outlay of 620 crore and at RE stage funds to the extent of Rs. 35.43 crore had been retained proportionately as per the allocation revised by Ministry of Finance at RE stage and the details of the expenditure is Rs. 5.82 crore upto January, 2010. Further, during 2010-11 funds to the extent of Rs. 66 crore has been earmarked for North East as against the BE allocation of Rs. 660 crore.

40. Clarifying about the position of unutilized amount deposited in non-lapsable pool of resources meant for North-Eastern regions during each year, the Department stated that during 2007-08 funds to the extent of Rs. 15.52 crore have been transferred to non-lapsable pool of resources. During 2008-09 funds to the extent of Rs. 27.40 crore had been transferred to non-lapsable pool of resources. For 2009-10, the Department stated that the accounts for the year will be compiled only after the completion of the financial year. However, the expenditure upto February, 2010 for 2009-10 is submitted to be Rs. 31.06 crore.

41. Analysis of the expenditure position of the Outlay for North East Region under Revenue and Capital head as per the information provided by the Department had been done.

**(i) Outlay under Revenue Section**

42. Under the Revenue section, the following amounts had been allocated during each years of the Eleventh Plan for North East Region.

	<b>(Rs. in crore)</b>			
	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
<b>BE</b>	8.54	26.90	43.70	26.70
<b>RE</b>	32.54	22.60	26.56	-
<b>Actuals</b>	Not available	Not available	Not available	-

43. When asked about the reasons for non-availability of Actuals figure for all the three years of the Eleventh Plan, the Department stated that in accordance with the Ministry of Finance O.M. No. 2(66)-B(CDN)/2001 dated 14<sup>th</sup> September, 2005, the major Head 2552 (Revenue Expenditure) and major Head 4552 (Capital Expenditure) earmarked for North East Region are only for allocation of funds for development of North East Region. The expenditure on the score is booked under the relevant functional heads of Account of Major head 3201 for Revenue Expenditure and Major Head 5201 for Capital Expenditure.

44. During 2007-08, BE Outlay under Revenue was Rs. 8.54 crore which was enhanced to Rs. 32.54 crore at RE stage out of which funds to the extent of Rs. 29.01 crore has been utilized. During 2008-09 funds to the extent of Rs. 16.40 crore has been utilized and the Actual utilisation for 2009-10 the figures are yet to be firmed up.

**(ii) Outlay under Capital Section**

45. When asked for an explanation about Nil Expenditure/non-availability of Actual figures under Capital Section for the three years of Eleventh Plan, with regard to North-East Region the Department stated that the term Nil is used in respect of the expenditure for development of North East Region due to the fact that the amount of expenditure against the allotment of funds for North East under head 2552/Revenue and 4552/Capital are booked to the functional Heads viz. 3201 (Revenue) and 5201 (Capital) the figures/amount of which are shown collectively against the relevant Heads (3201 & 5201)/Circles/Units.

46. The Committee in the first Report on the Demands for Grants for the previous year had observed that instead of the current practice of booking expenditure under the Common Head 3201 and 5204 for Revenue and Capital Outlay which is not bifurcated at the final compilation stage and recommended that Outlay and Expenditure pattern for North East need to be monitored periodically and reflected as such in Budget documents.

47. When asked about the steps taken by the Department in pursuance with the Committee's recommendation, the Department submitted that all budgeting units had been directed to compile the monthly statement showing expenditure under Major head 4552/5201 and Major Head 2552/3201 separately certifying the figures duly agreeing with booked figure of the month with the concurrence of COIFA and approval of the CMPG.

However, it is proposed to take up the matter with CGA for approving the Major Head 2552 and 4552 for accommodating the expenditure of North East Region.

## VII. ACCESS TO POSTAL NETWORK

48. The Department of Posts has a large network of 1,55,015 Post Offices making it the largest Postal Network in the World. Despite this only 1,37,508 out of 5,93,113 habited villages have Post Offices. If the number of Post Offices is seen in the context of the total number of Gram Panchayats, 1,15,881 out of a total of 2,34,755 have Posts offices. Rs. 55.11 crore was allocated for the activity during the Eleventh Plan period. However, the Outlay for the activity was revised to Rs. 29.56 crore. On being asked how the Department endeavor to achieve Postal access to every nook and corner of the Country in the light of the above observations, the Department has replied that it has a large network of 1,55,015 Post Offices including 1,39,144 Post Offices in rural areas supplemented with franchisee outlets, PSSKs, LPAs and LSVs. At present, regular posted facilities are being provided in every nook and corner of the Country.

49. The details of the physical targets for the Scheme during each Annual Plan of the Eleventh Five Year Plan has been given as under:

Sl No.	Activity	2007-08	Achievement	%	2008-09	Achievement	%	2009-10	Achievement	%
1.	Opening of BPOs	255	5	1.96	500	Nil	Nil	100	Nil	Due to reduction of funds at RE stage, no targets have been fixed and only token provisions made
2.	Opening of SPOs	501	1	0.2	375	Nil	Nil	50	Nil	
3.	Opening of Franchisee Outlets	500	Nil	Nil	2375	Nil	Nil	500	Nil	
4.	Relocation of BPOs	100	Nil	Nil	50	Nil	Nil	150	Nil	
5.	Relocation of SPOs		Nil	Nil	50	Nil	Nil	100	Nil	
6.	Infrastructure Equipments for EDBOs	1500	1157	77	10900	99722	91.5	20000	8948 (UptoDec 2009)	

50. During the course of deliberations, when it was pointed out that under the important Scheme of opening of new Post Offices, a tendency of downgrading of Extra Departmental Post Offices to Branch Offices is noticed, the Secretary submitted that,

“EDSOs had earmarked for downgrading whatever is their functions, in urban areas. That is probably why the CPMGs took this review; EDSOs have eight hours

of work unlike the branch offices which work for 3-5 hours. There might not have been enough work to sustain EDSO. That is what my presumption is.”

**(i) Grameen Dak Sewaks**

51. As stated by the Department, expansion of the Postal Network in the Country, especially in rural areas has taken place mainly through the opening of Extra Departmental Post Offices. They are manned by Grameen Dak Sewaks who are paid time related continuity allowance (TRCA) for the service they render. During the course of the examination of Demands for Grants (2010-11), the Committee have been informed that there are 2,73,336 GDS deployed in the Department as on 31.03.2009. On being asked what steps have been taken by the Department to ensure parity of Grameen Dak Sewaks employees in wages and pension with the Departmental employees, the Department has replied that there was no proposal to bring about parity between Grameen Dak Sewaks and Departmental Employees. However, as recommended by one-man Committee, the Department is processing a proposal for service Discharge Benefit Scheme under annuity through Pension Fund Regulatory Development Authority in consultation with Nodal Ministry. Similarly, providing Health Insurance to Grameen Dak Sewaks in the lines of Rashtriya Swasthya Bima is also under process.

52. On the issue of proposed pension Scheme for the Extra Departmental Employees, the representative of the Department during oral evidence elaborated as under,

“The Grameen Dak Sewaks Committee under the Chairmanship of one of our retired Members, Shri Natraja Murthy, had recommended that the Grameen Dak Sewaks should be given the social security Scheme more or less one the line of the Departmental employees. In the case of Departmental employees, the Government has launched a new pension Scheme where both contribute 10 per cent by the employer and 10 per cent by the employee. In the case of Grameen Dak Sewaks, they are of a different nature. The Committee recommended that the Government would make a contribution at the rate of Rs. 200 per month, which works out to Rs. 2400 in a year in lieu of severance allowance which is paid to them. At present, they are being paid severance allowance at the rate of Rs. 1500 per annum. This is an improvement over that so, they have to switch over to the new Scheme where they would be given an added benefit and this Rs. 2400 would be invested per annum by PFRDA and they would be given annuity which would give them an assured return of at least eight per cent. It may be more. It will be invested by PFRDA.”



53. The Committee have been further informed that the total arrears of Time Related Continuity Allowance (TRCA) to Grameen Dak Sewaks payable from 1.1.2006 to 30.9.209 were estimated as Rs. 1030.76 crore. 40per cent arrears amounting to Rs. 412.30 crore have been paid during 2009-10 and the amount of 60 per cent of arrears payable in 2010-11 is Rs. 618.46 crore.

**(ii) Franchisee Outlets**

54. On being asked whether the Department of Post will be able to achieve the targets of opening 10,000 franchisee outlets in the Eleventh Plan, the Department replied that the original proposal of 10,000 Franchisee Outlets has been scaled down to 8100 in the SFC memo. Now, physical target for opening of 8,100 Franchisee Outlets has been approved for the Eleventh Plan and it is under implementation.

55. During the course of the oral evidence the Committee have further been informed that 943 Franchisee Outlets were functioning and to attract more people the Department can look into the Commission rates that the Department were paying the franchisees for various transactions they perform. Business transacted by these outlets in 12 Circles in the last three years is given below.

<b>Sl.No.</b>	<b>Items</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2010-10 (till date)</b>
1.	Sale of stamps and stationary (Rs.)	21382467	29694091	34512096
2.	No. of regd. Letters booked	199623	359241	594201
3.	No. of speed post articles booked	90244	170439	294170
4.	No. of Money Order booked	16798	18799	52364
5.	No. of PLI transactions	2675	5238	10148
6.	Other retail services	19867	70872	49290

**VIII. MAIL OPERATIONS**

56. The purpose of the Scheme is to further streamline mail operations, keeping in view the emerging needs of various customers segments, with special emphasis on the business mail segment. Initially Rs. 470.88 crore had been allocated for the activity during the Eleventh Plan period. However slight modifications were made in the Outlays

for Eleventh Plan based on the assessment made at the time of framing the EFC/SFC memorandums. Thus, the Outlay now has been enhanced to Rs. 614.28 crore. On being asked how will the Department would ensure successful utilisation of the funds allocated, the Department has replied that all plan Schemes relating to mail operations now stand approved by the competent authority. Necessary action is being taken to successfully utilize the allocations for the Schemes.

57. The details of the Financial targets for the Scheme during each Annual Plan of the Eleventh Five Year Plan has been given as under:

<b>Sl. No.</b>	<b>Year</b>	<b>Allocation</b>	<b>Achievement</b>	<b>%</b>
1.	2007-08	17.67	26.56	150.31
2.	2008-09	70.00	13.92	19.88
3.	2009-10	71.00	62.04 (upto Jan, 2010 )	87.38

**(i) Wet Leasing of Aircraft**

58. As of now 5 freighter Aircraft are in the service of the Department of Posts – 2 for North East and 3 for the Metros (Delhi, Mumbai, Chennai and Bangalore). On being asked to what extent Wet Leasing of Aircraft has contributed to speedier delivery of mails and parcels in the Country and whether it is viable to maintain this Scheme at such a huge operational cost especially in this era of increased Private Airlines, the Department has replied that the primary objective of the induction for Freighter Aircraft was to bring in consistency in mail transmission on the major metro routes as well as in the North-East Region. However, this objective to improve the quality of mail transmission and delivery services through the use of dedicated freighter aircraft was adversely affected in the metros on account of the inability of Air India to ensure on-time performance of the freighters. Accordingly, a review of the Scheme has been carried out by the Department and it has been decided to discontinue the freighter operations on the metro routes with effect from 1<sup>st</sup> April, 2010. The North East freighter operations would continue which has shown better results and the capacity utilization from Kolkata to destinations in the North East has been very good.

59. When enquired whether there was any penalty clause on the agreement with Air India, the Secretary stated,

“Air India refused to accept any penalty clause from us when we signed the agreement. In fact, we got stuck on this.”

## (ii) Mail Business Centres

60. It has been mentioned in the Budget Brief that almost 60 per cent of the mail volume at present is Business mail and the demand is growing for setting up more business mail centres with the latest technology. With increase in number of corporate customers to this service, revenue growth of 15.36 per cent has been recorded during financial year 2008-09. This service has topped in revenue generation among BD products with net revenue of Rs. 60.32 crore in 2008-09. The Committee have further been informed that at present, 142 Mail Business Centres are functioning in the Country. On being asked about the reason for the drastic reduction in physical targets for setting up Mail Business Centres for the Annual Plan 2009-10 from 150 to 50, the Department in the written replies has stated that since the plan Scheme relating to MBC involved a Mail Network Optimization Project, the implementation of the project for restructuring of existing MBCs/ mail offices and setting up of new MBCs could not be undertaken earlier. Now the process for selection of the Consultant for the project has been completed. The road map for implementation of the project is being prepared with the help of the Consultant. It is envisaged to implement the project in a phased manner and hence, the physical target was pruned.

61. The information with regard to the product wise Revenue growth of Business Development Activities as furnished by the Department is as under:-

<b>Product wise Revenue Growth of Business Development Activities (Rs. in Million)</b>			
<b>Product</b>	<b>2007-08</b>	<b>2008-09</b>	<b>per cent of growth</b>
Speed Post	4552.4	5152.7	13.18
Business Post	5228.9	6032.5	15.36
Bill Mail	594.2	653.6	9.99
Other Services	2445.8	2510.9	2.66
<b>Total</b>	<b>12821.3</b>	<b>14349.7</b>	<b>11.92</b>

## IX. BANKING AND MONEY TRANSFER OPERATIONS

62. The objective of this Scheme is to fully realize the potential of the vast customer base and credibility of India Post in area of banking and money transfer operations. Rs. 142.50 crore has been allocated for the activity during the Eleventh Plan period. The details of allocation are as follows:-

Sl. No.	Years	Proposed Allocation	BE	RE	AE	percentage of achievement when compared with BE
1.	2007-08	21.00	20.50	8.82	1.05	5
2.	2008-09	18.84	15.00	7.38	5.49	36.6
3.	2009-10	42.76	14.50	3.70	1.53 (upto year 2010)	10.55
4.	2010-11	35.88	6.00	-	-	

63. On being asked the reasons for gross under utilisation of the funds allocated, the Department has replied that the year 2007-08 was the first year of the Eleventh Plan Period (2007-08). Procedural formalities like preparation of SFC/EFC memo, technical evaluation of the project, concurrence of IFA, consultation with other Government Department like Ministry of Finance, Ministry of Law, Ministry of Planning Commission, etc. obtaining approval of EFC/SFC were to be completed before incurring expenditure under plan activities. These were time consuming exercises. Due to non-receipt of approval, the expenditure could not be incurred in the year 2007-08. The EFC/SFC was finally approved in 2008-09. The introduction of the Core Banking System in the POSB is dependent also on approved EFC for comprehensive induction of the technology platform upon which the software will be installed and setting up data centres where the CBS data would rest. However simultaneously work on data cleansing, training of staff and other important pre CBS implementation activities are ongoing. Since the majority of the funds allocation in regard to financial services is related to purchase of CBS software, its non-utilization for aforesaid reasons is indicating the state of under utilization of all funds. In regard to the Post Bank of India, the Request for Proposals has been floated and it is planned to complete the study and utilize the funds during 2010-11.

#### **X. IT-INDUCTION – POSTAL OPERATIONS**

64. 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. Rs. 2700 crore was initially allocated for the activity during the Eleventh Plan period, however while framing the EFC memos the requirement of funds was restricted at Rs. 2572.60 crore.

## **(i) Computerisation and Networking**

65. The Committee have been further informed that in the initial project stage of Eleventh Plan it was proposed to include only 64000 Branch Post Offices for computerization. However during the approval stage of EFC phase – I the Department was advised to come up with the comprehensive proposal of computerization of all the 1,55,015 Post Offices including all the rural Post Offices and therefore there is requirement of the additional funds. The Department of Posts has prepared EFC phase –II proposal with a proposed Outlay of Rs. 1987 crore which is under process of obtaining administrative approval.

66. The details of the Financial targets for the Scheme during each Annual Plan of the Eleventh Five Year Plan has been given as under:

<b>Sl. No.</b>	<b>Year</b>	<b>Allocation</b>	<b>Achievement</b>	<b>%</b>
1.	2007-08	174.10	65.36	37.54
2.	2008-09	360.00	216.51	60.14
3.	2009-10	358.50	164.60 (upto Jan, 2010 )	45.91

## **(ii) Project Arrow**

67. 50 Post Offices were selected for Project Arrow in Phase-I, 450 in Phase-II and 500 Post Offices in Phase-III. The Committee have been informed that with the launch of phase IV in April, 2010, all Head Post Offices in the Country will be covered. The Committee were further have been informed that Department of Posts had appointed TUV India Post Limited to conduct audits/customer and staff satisfaction survey in 50 Project Arrow-Phase –I Post Offices to evaluate performance of Post Offices in 18 parameters. Major findings of the External Audit are as under:

- Same day delivery registered letters was 99 per cent.
- Same day delivery of Speed post articles ranged between 98 per cent to 99 per cent.
- 90 to 92 per cent of the test letters posted during three rounds of audit were received back from the auditors with same day delivery performance ranging from 94 per cent to 100 per cent.
- Performance of computerized Banking operations (data digitization and signature scanning) increased from 72 per cent to 81 per cent during the course of the audit.

- All 50 Post Offices were found to be having adequate infrastructure including computer hardware and other facilities.
- Average Customer satisfaction score was found to be 9.52 on a scale of 10.
- Employees were found to be motivated and satisfied in general. The score of average Staff satisfaction level was observed to be 5.8 on a scale of 6.

68. The Department has decided to conduct External Audit for Post Offices under Phase II and Phase III as well.

### **(iii) Setting up of Automatic Mail Processing Centres (AMPCS)**

69. This Scheme seeks to address the problems in 'Processing segment by mechanizing the mail processing capacity, which is at present largely manual. On being asked why no AMPCs have been set up since 2007, the Department in written replies has stated that the tender which was floated got cancelled because only a single bid was received. The global tender had to be re-floated and because of this it took time and hence the Annual Plan target could not be met. However, orders have been placed in 2009-10 for setting up of AMPCs in Delhi and Kolkata and the systems will be installed during 2010-11. The average speed of sorting of manual sorter is 1000 articles per hour. The speed of sorting of a letter sorting machine is 36,000 articles per hour.

70. The Secretary further stated,

"An equipment for Delhi and Kolkata costs about Rs. 82 crore and the one for Chennai and Mumbai will cost us about Rs.145 crore. These machines can do sorting of about 36,000 letters in an hour. So, we are putting them only in cities which generate very high volume of mail. For example, Delhi, Chennai and Kolkata generate about 20 crore pieces in a day."

## **XI. SUPPORT FOR NATIONAL RURAL EMPLOYMENT GURANTEE SCHEME (NREGS)**

71. This Scheme has been introduced during 2008-09 by Planning Commission and is being continued during 2009-10 also. The funds are being provided as a support for payment of wages through Post Offices Savings Banks for NREGS. On being asked about the reason for the Nil allocation in the Revised Estimate of the Annual Plan 2009-10, the Department in the written replies has replied that the entire fund of Rs. 100 crore allocated in the BE of 2009-10 will come from the administrative expenses part of the budget of Ministry of Rural Development under NREGA. Against the proposed allocation of

Rs. 250 crore for the year 2010, no amount has been approved. In this regard, the Committee are informed that the matter of providing budgetary support from the administrative expenses for the NREGs activities has been taken up with the Ministry of Rural Development.

72. The details of the Financial targets for the Scheme during each Annual Plan of the Eleventh Five Year Plan has been given as under:

<b>Sl. No.</b>	<b>Year</b>	<b>Allocation</b>	<b>Achievement</b>	<b>%</b>
1.	2008-09	80.00	22.88	28.60
2.	2009-10	100.00	1.00 (upto Jan, 2010 )	1
3.	2010-11	-	-	-

73. The Committee have also been informed that the total number of NREGs accounts opened till February 2010 are 4.07 crore, and the percentage share of Post Offices distributing NREGs wages is 40.32 per cent. The Committee in the First Report had recommended for the introduction of mobile services for the disbursement of wages to the workers at the work site. When the Department of Posts was asked to apprise the Committee on this matter, the Department stated that as part of its Information Technology modernization effort, Department of Posts is planning to put in place a ICT solution to over 1,30,000 rural Branch Offices. One key feature of this solution will be the ability to disburse NREGS funds to workers, which will facilitate disbursement at appropriate places”.

74. The Secretary during the course of the oral evidence further stated as under,

“Regarding mobile Post Offices, we are soon bringing rural ICT into effect where all our Branch Post Masters or ED PostMasters will be given a hand device. In effect, the post office will be in the hand device. So, it gives a huge amount of mobility to the Branch post Master himself to move around. In the case of NREGS payment, instead of people coming to his location, he can easily move there and made the payment at the work spot itself. Regarding the rural ICT, RFP is ready. As soon as the Department of Expenditure gives us the clearance we will be issuing the tender for this very shortly.”

## **XII. MISCELLANEOUS**

### **(i) Grievance Redressal/Vigilance Activities**

75. Comptroller & Auditor General have made certain observations in Audit Report No. CA 14 of 2008-09, Para 2.2, Para 2.3, Para 2.5 and Para 2.6 which is give as under:-

**(a) Irregularities in issue, discharge and accounting of Post Office Savings Certificates**

Department of Posts allowed ineligible investment in Post Office Savings Certificates that led to irregular payment of interest of Rs. 21.32 crore. This also resulted in unauthorized payment of commission of Rs. 98.09 lakh to agents.

Paragraph 2.2

**(b) Short recovery of commission from the Department of Telecommunications and Railways**

Postal Account Offices failed to recover commission at revised rates for the disbursement of pension, resulting in short recovery of commission of Rs. 8.62 crore from Railways and Department of Telecommunications.

Paragraph 2.3

**(c) Failure to realize dues and penal interest thereon**

Postal dues and penal interest totaling Rs. 110.79 lakh remained unrecovered under the "Book Now Pay Later Scheme".

Paragraph 2.5

**(d) Excess payment of service tax**

Failure to avail Cenvat credit resulted in excess payment of service tax amounting to Rs. 92.18 lakh.

Paragraph 2.6

76. Recently it has been reported by the media that CBI has arrested Chief Post Master General of Maharashtra and Goa, General Post Office Mumbai for allegedly accepting the bribe of Rs. 1.25 crore. When the Department was asked to state the actions taken in this regard, the Secretary during the course of oral evidence replied,

"Regarding what happened in Maharashtra and Goa, it is under investigation. I can not say anything about it right now."

77. The Committee were further informed that the matter is with CBI and under investigation. Shri Manjeet Singh Bali, Chief Post Master General, Maharashtra & Goa Circle is under suspension by the Department as Shri Bali was under the custody of CBI for more than 48 hours.

**(ii) Issues pending with the Ministry of Finance**

78. Some of the issues recommended by the Committee which are long pending with the Ministry of Finance for implementation include providing autonomy to the Department of Posts on the issues of rates of interest provided under various Small Savings Schemes,



increasing the ceiling of Deposits in Single and Joint Accounts of the Postal Savings Bank, starting of new Schemes under Small Savings Schemes, in terms of policy matters with regard to insurance activities of DoP and positive consideration in fixing the rate of remuneration provided to DoP for various agency services, etc. In this regard, the Committee took evidence of the representatives of Department of Posts and Departments of Financial Services and Economic Affairs of the Ministry of Finance on Action Taken Notes on Sixty-second Report on Management of Funds by the Department of Posts through Banking and Insurance Activities at their sitting held on 4<sup>th</sup> March, 2010. In this regard, the Committee agreed to provide one month time to sort out the matters between the Ministry of Finance and Department of Posts. When asked about the status of the consultations between the Secretaries of Department of Economic Affairs and Finance Services and Department of Posts, the Committee has been informed that in pursuance of directions of the Hon'ble Committee, Secretary (Posts) had demi-officially taken the matter up with the Finance Secretary on 12.3.2010 detailing the views of this Department on various issues raised by the Committee and sought a date of meeting for discussion. However, reply from Finance Secretary is awaited.

79. Further, during course of deliberations, the Secretary, submitted,

"Regarding the question pertaining to the Finance Ministry, I think, in the last meeting of the Standing Committee, it was decided that we should put across our points to the Finance Ministry and also to the Secretary (Financial Services). We have done this last week. We will be following it up in asking for a meeting with them. We have identified all the points for discussions and sent it to them. We will be meeting shortly depending upon their convenience, of course."

## **PART-II**

### **RECOMMENDATIONS/OBSERVATIONS**

#### **I. INTRODUCTORY**

**The Department of Posts (DoP) under the Ministry of Communication & Information Technology is entrusted with the task of fulfilling Universal Service Obligation for providing basic postal services throughout the Country, irrespective of terrain at an affordable price. To fulfill this obligation, the Department operate through mammoth network of 1,55,015 Post Offices, out of which 1,39,144 Post Offices *i.e* around 89 per cent are in rural areas and 15,871 are in Urban areas. The Department constitutes of 2,10,000 Departmental Employees and 2,73,000 Gramin Dak Sevaks to successfully carry out the entrusted task. Besides providing basic postal services, Post Offices also perform certain agency functions on behalf of other Ministries/Departments of the Government of India/other organisations. The Demands for Grants of the Department of Posts for the fiscal 2010-11 are for Rs. 11658.33 crore *i.e.* Rs. 11328.78 crore under the Revenue Section (inclusive of Rs. 10 lakh charged) and Rs. 329.55 crore under the Capital Section and the projected Deficit for the fiscal 2010-11 is Rs. 3936.59 crore. The earnings of the Department are in the form of 'Revenue' and 'Recoveries' and the Deficit of the Department is met from the budgetary support by the General Revenues. Similarly, Capital Expenditure of the Department of Posts is also met from the General Revenues. Various aspects arising out of examination of the Demands for Grants of DoP for the year 2010-11 by the Committee are dealt with in the succeeding paragraphs.**

## **II. BUDGETARY ANALYSIS**

### **Revenue Section**

#### **(i) Gross Expenditure**

**2. The Committee observe from the data made available by the Department that the gross expenditure of the Department under Revenue Section is increasing over the years. The working expenses of the Department during the year 2009-10 were proposed to be Rs. 12090.20 crore at Budget Estimates stage which however at Revised Estimates stage, increased to Rs. 12526.80 crore i.e. an enhancement of Rs. 336.60 crore. Actuals in this regard upto January, 2010 are to the tune of Rs. 11063.87 crore. The Committee feel that by the end of the financial year, the Working Expenses might cross projections of RE. The Department's projections for Gross Expenditure during the year 2010-11 has been indicated as Rs. 11328.78 crore at BE stage which is Rs. 771.42 crore lesser than the RE and Rs. 1198.02 crore lesser than the BE of the previous year. The detailed examination in this regard has revealed that the Department appears optimistic to contain the working expenses to the level of the BE projections in spite of the fact that Rs. 618.46 crore i.e. 60 per cent of the total arrears of Time Related Continuity Allowance (TRCA) to Grameen Dak Sewaks as per the recommendations of One-man Committee are also payable during the financial year 2010-11. The Committee hope that the Department would be able to contain working expenses to the level of BE projections i.e. 11328.78 crore during the year 2010-11 by better management and taking austerity measures. The Committee in this context feel that there is an urgent need to review the overall position of the working expenses of the Department so as to understand the areas of growing expenditure. This exercise would help**

the Department to devise mechanism to contain the expenses in the areas where there is considerable growth.

**(ii) Revenue Receipts**

**3. The Committee note that there is slow growth in the Revenue Receipts during each year of the Eleventh Plan. During the year 2008-09 Revenue Receipts were Rs. 5862.33 crore as compared to Rs. 5494.90 crore during the previous year. For the year 2009-10, Revenue Receipts upto January, 2010 are for Rs. 5730.32 crore. The data with regard to the trend of the Revenue Receipts further indicates that the Actuals during the year 2007-08 and 2008-09 are marginally lower than the projections made at Revised Estimates stage which were increased slightly as compared to BE during the year 2007-08 and reduced marginally during the year 2008-09 as compared to BE. The Revenue Receipts from total Postal Operations during the year 2008-09 were for Rs. 3059.87 crore which is only Rs. 73.27 crore more than the previous year. During the year 2009-10 upto February, 2010, Revenue from total Postal Operations is Rs. 2810.44 crore as compared to Rs. 3059.87 crore during the previous year. The item-wise analysis of the Revenue Receipts indicates that under the head 'Postage realized in cash for Ordinary Post', the Revenue Receipts have declined considerably as compared to the previous year. Besides there is slight decline under the head 'Commission on Money Orders, IPOs'. Under the head 'Others', again the decline is apparent during the year 2009-10. Considering the status of Revenue Receipts during the year 2009-10, the Committee feel that the Department would at best be able to achieve Revenue Receipts targets to the level of the year 2008-09. The Committee have persistently been recommending to take the desired action to ensure that all the working expenses of the Department are met from the**

Revenue earned by the Department. In spite of that, there is not much improvement. Year after year under some of the items the Revenue Receipts are declining. The Committee strongly recommend to analyze the position and take the effective steps to increase the Revenue Receipts particularly when the working expenses of the Department are increasing year after year. The Committee should also be kept apprised about the details of the action taken/proposed to be taken in this regard.

**(iii) Revenue earned per person**

4. The Committee observe from the information made available by the Department that per person percentage increase in revenue earned by each employee is 9.66 per cent during the year 2008-09 as against 5.51 per cent during the year 2007-08. The Committee appreciate that the Department is maintaining the information with regard to revenue earned per person which can definitely help the Department in maintaining the track of efficiency and productivity of the human resource of the Department. However, looking at the trend of marginal increase in the Revenue Receipts, the details of which have been given above, the Committee are of the view that the hike in revenue earned per person is not reflected in the position of the Revenue Receipts of the Department. While acknowledging the aforesaid fact, the Department in the written note has tried to justify the position by stating that it is due to hike in pay and allowances of employees and payment of arrears in pursuance of the implementation of the Sixth Pay Commission's recommendations. While noting that the impact of increase in salary and arrears would be reflected in the gross expenditure of the Department the statement of the Department that it has affected the position of Revenue Receipts is not understandable. The Committee

would like to be clarified about the mechanism of calculating revenue earned per person. The Department also need to analyze why the percentage hike in revenue earned per person is not reflected in the earnings of the Department.

**(v) Revenue Deficit**

5. The difference between the Gross Expenditure and Revenue Receipts is the Deficit of the Department. The data furnished by the Department indicates that the Revenue Deficit is multiplying over the years. During the year 2008-09, the Revenue Deficit was Rs. 3593.09 crore as compared to Rs. 1511.44 crore of the previous year. During the year 2009-10, the Revenue Deficit upto January, 2010 is to the tune of Rs. 5237.52 crore against Rs. 3593.09 crore during the previous year. The Committee have consistently been recommending to take the desired action to contain Revenue Deficit by increasing the Revenue Receipts and containing the Working Expenses of the Department but to the displeasure of the Committee, no improvement is seen in this regard. The Committee during the course of examination of Demands for Grants of the previous year had been apprised that the mandate given to the Department during the previous Plan was that the Department should become Deficit free. The trend of multiplying of Revenue Deficit during the first three years of Eleventh Plan indicates that there are bleak chances of wiping out the Revenue Deficit by the Department during the current fiscal or in the remaining period of the Eleventh Plan. The Committee would like to emphasize that the Department has to take concerted efforts to increase the revenue by multi pronged strategy which include expanding the business of the Department by aggressive marketing strategy, by capturing the rural market, by imparting training to its employees to make them efficient and by introducing customer friendly and competitive devices to lure the customers for various services provided by the

**Department. The concrete action on the suggested line should be taken by the Department and the Committee informed accordingly.**

### **III. CAPITAL SECTION**

**6. The Committee observe that the Capital Expenditure of the Department was 39.02 per cent of BE during 2007-08, 53.98 per cent during 2008-09 and 43.8 percent (considering Actuals till January, 2010) of BE for 2009-10. However, BE for 2010-11 is Rs. 329.55 crore which is Rs. 53.25 crore less than the fiscal 2009-10. The Committee are concerned to observe the consistent shortfalls on the part of the Department throughout the Eleventh Plan period despite the Department's efforts for judicious utilisation of the allocations. Further, the Committee observe that due to alarming pattern of under spending in all years of the Eleventh Plan, the Department are getting a reduced allocation in successive years and that too is drastically pruned down at RE stages. The Committee are perturbed with this reduction of Outlay at RE stage which is negatively affecting various important Schemes of the Department. Expressing serious concern over this alarming situation hindering the effective implementation of various Schemes and gross under utilisation of the Capital Outlay during the ongoing fiscal and in previous years, the Committee strongly recommend that at least now the Department should take the desired initiatives for effective utilisation of Capital expenditure particularly when the performance under the Capital Section has direct impact on the overall working of the Department**

### **IV. UTILISATION OF PLAN OUTLAYS**

**7. The Committee note from the data provided by the Department that against total Outlay of Rs. 4000 crore for the Eleventh Plan, during the first three**

years of Eleventh Plan, the amount projected at BE was Rs. 1535 crore which was subsequently reduced to Rs. 1035 crore at RE stage and Actual expenditure against this is submitted as Rs. 684.13 crore which is 44.56 percent of the BE and 66.10 percent of RE allocation. The Committee have repeatedly been expressing concern over under utilization of resources under the Plan Schemes. In spite of that, the trend of under utilization persist during the third year of the Eleventh Plan. The proposed allocation during the year 2009-10 was Rs. 2100 crore, however the amount allocated at BE stage was Rs. 620 crore which is less than one third of the proposed allocation. The allocations made at BE stage were reduced to Rs. 350 crore at RE stage which is about 50 per cent of the allocations made at BE stage implying Department could not utilize even the reduced allocations as the Actual expenditure position upto February, 2010 amounts to Rs. 318.52 crore. Another point of concern is the tendency of uneven spending during various quarters of the Annual Plan. During 2009-10, substantial part of the Revenue (Plan) allocation as provided at RE stage remained unspent during the first three quarters of the year, as only 78.54 crore i.e. 24.66 per cent of allocation was utilized, leaving Rs. 239.97 crore i.e. 75.33 per cent of the allocation to be utilized during the last quarter of the year. The aforesaid scenario indicates that there are serious problems in implementation of the Plan Schemes of the Department. The Committee strongly recommend that the analysis of the implementation of Plan Outlay should be done scheme-wise by the Department and the corrective action taken accordingly. The Committee should be kept apprised about the detailed strategy of the Department to improve the status of implementation of the Plan Schemes which will impact on overall performance of the Department.



## **V. STATUS OF APPROVAL OF VARIOUS SCHEMES OF THE DEPARTMENT**

**8. The Committee during the course of examination of Demands for Grants of the previous year had been informed that out of 14 Schemes which were pending for approval, only 4 Schemes could be approved. Further, 2 Schemes viz. Infrastructural Equipment for Material Management and Linkages of SB, EFT, ECS of Domestic Sector with International System have been dropped by the Department. Thus, 8 Schemes are still under consideration and the final approval is awaited. The Committee have repeatedly been expressing concern over the planning process of the Department whereby substantial part of the Plan period is wasted in getting merely approvals for various activities/Schemes from the Competent Authorities. The Committee express serious concern over this sorry state of affairs that even after completion of three precious years of the Eleventh Plan period, as many as 8 Schemes which include some of the important activities like Computerization and Networking of Post Offices, Special Purpose Vehicle, Building Component for Mail Business Units, etc are still awaiting approval. The Committee recommend that the Department should relook its procedures for getting approval of the different Schemes and a specific time limit for getting approval at each of the stage should be fixed, Since the preparation for Twelfth Plan would start shortly, the Committee emphasize that the Department should take care that the Schemes are approved well before the start of the Twelfth Plan so that the disconcerting scenario of much avoidable delay in taking approvals which affects the implementation aspects of the Schemes, is not repeated during the Twelfth Plan. Besides, the Committee would also like to be apprised the reasons for dropping two of the Schemes, the details of which have been given above.**

## **VI. BUDGETARY ALLOCATIONS FOR NORTH EAST REGION**

**9. The Committee note that the Department have been able to spend, 31.48 per cent of the BE Outlay during 2008-09, 9.39 percent (till January, 2010) of BE Outlay during 2009-10 and BE projected for 2010-11 is Rs. 66 crore. Further, unspent amount to the extent of Rs. 15.52 crore for 2007-08 and Rs. 27.40 crore for 2008-09 has been deposited in the non-lapsable pool of resources. This is the sorry state of affairs. The Committee strongly recommend that all the initiatives should be taken to ensure effective implementation of the Plan Schemes in the North East Region.**

**10. The Committee during the course of examination of Demands for Grants of the previous year had observed that Actual expenditure position in respect of the Outlay provided to North East is not indicated in all the Budget documents and against the column expenditure, the position is stated as 'Nil'. When enquired about the reasons for that, the Committee had been informed that Circles are booking expenditure under the common head 3201 and 5204 for Revenue and Capital Outlay respectively which is not bifurcated at the final compilation stage. While taking note of the existing practice, whereby, it is difficult to analyse position of Outlay and Expenditure at a particular period of time during a Financial Year, the Committee in the First Report had strongly recommended that the Department should issue suitable instructions to Circles to maintain Outlay and Expenditure position separately which may be monitored and reflected as such in the Budget documents. During the year 2009-10 although the Actual position with regard to Outlay and Expenditure has not been indicated in the Budget documents yet the Department has informed that all the budgeting units have been directed to compile the monthly statement showing expenditure under different heads. Further the Department propose to**

take up the matter with CGA for approving the Major head 2552 and 4552 for accommodating the expenditure of North East Region. While noting the steps taken by the Department in pursuance of the recommendation, the Committee emphasise that this matter should be pursued further so that the Actual expenditure and Outlay with regard to North East is reflected separately atleast in the Budget documents for the next year i.e. 2011-12.

## **VII. ACCESS TO POSTAL NETWORK**

11. India has the largest Postal Network in the world with 1,55,015 Post Offices out of which 1,39,144 Post Offices are in rural areas. Only 1,37,508 out of 5,95,113 inhabited villages have Post Offices and only 1,15,881 Gram Panchayats out of a total of 2,34,755 have Post Offices. It speaks volume of the monumental tasks before the Department to achieve efficient and time bound delivery of postal services to the people of the Country in general and the rural population in particular. The Committee are surprised to note that although almost three- fourth of the villages in the Country still do not have Post Offices, the Department considered the postal services in the Country as satisfactory. Not only that the Committee's suggestion to open Mobile Post Offices and weekly Postal Bazaars though agreed to by the Secretary during the course of deliberations on Demands for Grants of the previous year, has now been straightaway rejected by the Department. The Committee disapprove the way the issue of providing postal services to the last person of the society has been addressed by the Department. In spite of the fact that there is a Plan Scheme of the Department viz. Opening of Branch Post Offices and Opening of Sub Post Offices and a lot of relocation of Post Offices are being done, the Department seems contended with the existing number of Post Offices in the Country. Even

when the Economic Survey 2008-09 and the Hon'ble President's address to Parliament on 4<sup>th</sup> June, 2009 have emphasized on revamping of Post Offices to become outreached units for financial inclusion, the Department is not interested in opening new Post Offices in the areas not covered so far. The Committee express serious concern over the way the Department is addressing one of the important issue. The Committee strongly recommend that all the desired initiatives should be taken so that new Post Offices are opened as per the proposals given by various State Governments/UTs. Besides the suggestions of the 'Committee to open Mobile Post Office and Weekly Postal Bazaars should be considered. The Committee should be informed about the concrete action taken in this regard.

12. The Department's casual attitude towards the issue of opening of new Post Offices is further reflected in the fact that apart from relocation of Post Offices, increasing number of Extra Departmental Post Offices are being downgraded to Branch Offices which appears contradictory to the Department's stand that it is envisaging an increasing role for the India Post. Not only that, two Schemes viz. Opening of Branch Post Offices and Opening of Sub Post Offices could be approved only during the last quarter of the Financial Year 2009-10, which means that precious three years of the Plan period were lost in getting approvals/clearances. Now when the Scheme has been approved, the Department should take desired initiatives so that the Branch Post Offices/Sub Post Offices are opened as per the proposals of various State Governments/UTs. The Committee would also like to be apprised of the number of proposals with regard to opening of Branch Post Offices/Sub Post Offices from the various State Governments/UTs during the first three years of the Eleventh Plan as well as the action taken/proposed to be taken by the Department in this regard. The

**Committee would also to be apprised of the number of cases where Extra Departmental Post Offices have been downgraded to Branch Post Offices and the reasons behind taking such steps by the Department.**

**(i) Grameen Dak Sewaks**

**13. Out of the total Postal employees of 4,83,000, the total number of Grameen Dak Sewaks who are mainly posted in rural areas stands at 2,73,000. Besides out of the total Post Offices of 1,55,015 under the Department of Posts, only 25,531 are Departmental Post Offices and the rest which accounts to 1,29,484 Branch Post Offices mainly in rural areas are manned by Grameen Dak Sewaks. The aforesaid data clearly indicates the important role of Grameen Dak Sewaks in the functioning of Post Offices. The Committee observe that Grameen Dak Sewaks are the main employees managing workload of the Post Offices. As such there is an urgent need to use the work force of the Department more efficiently. Above all, there is an urgent need to boost the morale of such a huge workforce of the Department. The Committee during the course of examination on Demands for Grants (2010-11) have been informed that the Grameen Dak Sewak's Committee had recommended that the Grameen Dak Sewaks should be given the Social Security Scheme more or less on the lines of the Departmental employees. The Department has informed the Committee that in this regard action has already been initiated and Pension Regulatory Authority has been requested for formulating proposals and evolving detailed Guidelines. The scheme is being taken up with the Ministry of Finance for formal approval. While taking note of the status of Pension Scheme, the Committee emphasize that the scheme should be finalized expeditiously and the Committee informed accordingly.**

**14. The Committee further note that 40 percent of the total arrears of Time Related Continuity Allowance (TRCA) as agreed to by One Man Committee have already been paid to GDS employees. 60 per cent of the arrears are still payable during the year 2010-11 for which an Outlay of Rs. 618.46 crore has already been allocated. The Committee strongly recommend that the arrears should be paid to GDS employees expeditiously. The Committee are of the firm opinion that all these initiatives would certainly raise the morale of GDS employees and would act as an incentive for them to perform their duties more efficiently.**

**(ii) Franchisee Outlets**

**15. The Committee note that the target of opening 10,000 Franchisee Outlets were initially set during the Eleventh Plan. The targets were then scaled down to 8,100 in the SFCs Memo. The Committee during the course of oral evidence have been apprised that so far 943 Franchisee Outlets could be set up under the Non-Plan Scheme. From the data made available by the Department, the Committee observe that these Outlets are performing well and the business transacted in respect of various items has increased considerably. In spite of the fact that these Outlets are performing well, there was significant delay in getting approval for the Plan scheme with regard to opening of Franchisee Outlets during the Eleventh Plan. During the year 2009-10, the target of opening 500 Outlets was fixed. However, the Scheme could be approved only in the last quarter of 2009-10. As per the documents furnished by the Department, the achievement against this has been shown as 'Nil'. The Committee strongly recommend that all the initiatives should be taken now when the Scheme has been formally approved so that the target of opening 500 Outlets during 2009-10 are achieved.**

**16. The Secretary during the course of oral evidence has informed that the department can look into the commission rates that are being paid to the Franchisees for various transactions they perform to attract more people. The Committee recommend that the final decision in this regard should be taken and the Committee informed accordingly.**

#### **VIII. MAIL OPERATIONS**

**17. The Committee note that initially Rs. 470.88 crore was allocated for the scheme during the Eleventh Plan. The Outlay was later enhanced to Rs. 614.28 crore. During the first three years of the Eleventh Plan Rs. 158.67 crore were allocated, but the financial achievement upto January, 2010 was Rs. 102.52 crore. Looking at the trend of allocation and utilisation, the Committee find that only about one sixth of the allocation provided during the Eleventh Plan could be utilized during the first three years of the Eleventh Plan. Keeping in view the fact that Mail Operations is an important scheme the objective of which is to further streamline Mail Operations, the Committee strongly recommend that all out efforts should be made for the effective implementation of the scheme at least during the last two years of the Eleventh Plan.**

##### **(i) Wet Leasing of Aircraft**

**18. The Committee during the course of examination of Demands for Grants have been informed that 5 aircraft were wet leased by the Department for carrying mails. The Committee have further been informed that the objective to improve the quality of mail transmission and delivery services through the use of dedicated freighter aircraft was adversely affected on account of the inability of Air India to ensure on time performance of the freighters. Accordingly, the**

Department has decided to discontinue the freighter operations on the Metro routes w.e.f. 1<sup>st</sup> April, 2010. However, the North East freighter operations would continue which has shown better results and the capacity utilisation from Kolkata to destinations in the North East has been very good. With regard to using the aircraft of private airlines for the purpose of carrying mails, the Committee have been informed that Private Operators were not in a position to offer dedicated chartered freighters to the Department. The Committee's further examination has revealed that Rs. 62.04 crore was spent during the year 2009-10 on account of wet leasing of aircraft. The Department has clarified that the aforesaid amount included outstanding dues pertaining to the North-East Freighter operations during 2008-09 and combined operations upto July, 2009. The Committee are unable to understand the reason for the inability of Air India to ensure on-time performance of the freighters even after signing an agreement with the Department. The Committee are further surprised to note the refusal by Air India to accept any penalty clause even after signing the agreement. The Committee are also unable to understand how the North- East freighter for which the services have been provided by Air India is working successfully, whereas, the other three freighters for the metros where the load capacity are substantially more when compared to North East could not show results. The Committee would like the Department to clarify further in this matter. The Committee would also like to be apprised how the Department would manage the work load after the freighter operations on the Metro routes are discontinued w.e.f. 1<sup>st</sup> April, 2010 as stated by the Department. The Committee would also like to be apprised of the specific reasons due to which private carriers have not shown interest in this regard.



**19. The Committee further observe that now when Department has decided to discontinue the freighter operations on the Metro routes w.e.f. 1<sup>st</sup> April, 2010, the Department is planning to buy their own aircrafts. In this connection, the Committee have also been informed that National Aerospace Laboratory made a presentation to the Department about the 'SARAS Aircraft Development Programme'. In this regard, the Committee would like to emphasize that before taking the decision to have their own aircraft, the Department should ensure that the option is cost effective. The Committee would like to be apprised about the detailed reasons due to which Air India could not ensure on-time performance and the reluctance by Private carriers in wet leasing of aircraft, so as to understand the viability of purchasing their own aircraft by the Department.**

#### **IX. BANKING AND MONEY TRANSFER OPERATIONS**

##### **(i) Centralised Banking for POSB and Post Bank of India**

**20. The Committee during the course of examination of Demands for Grants of the previous year had been informed that Pilot Project with regard to Centralised Banking for POSB would start in the next financial Year. On further examination by the Committee, it has been found that the Pilot Project is yet to see the light of the day. On the issue of setting up of Post Bank of India, no headway has been made. The Post Bank of India is still at conceptualization stage. The Committee express unhappiness over the way various plans with regard to Banking and Money Transfer operations are being implemented. The Committee emphasize that today's customer has vast choices. Therefore, for the continuous growth of the Savings Schemes of the Department, there is an urgent need to think and act professionally. All the constraints being faced with regard to**

**setting up of Post bank should be addressed. The Pilot Project on Centralised Banking for POSB which would make 'Anytime Any Branch Anywhere Banking' of DoP a reality should be started expeditiously followed by full scale implementation of the Programme. The desired initiatives to make the Savings Schemes of the Department attractive and competitive should be taken and the Committee informed accordingly.**

**21. The Committee in the First Report had recommended for adding the word 'Bank' with India Post so that public will be aware that Post Offices also provide banking facilities. The Committee have now been informed that the Department has not consented to the suggestion of the Committee as their mandate is limited to the collection and disbursement of the money deposited in savings accounts and maintenance of records. To the surprise of the Committee, the Department has stated that the matter was not consulted with the Ministry of Finance. The Committee find that even on the small issue related to banking operations the Department has been frequently expressing their limitations due to issues regarding autonomy. On such a vital suggestion of the Committee, the Department did not feel the necessity of consulting the Ministry of Finance and outrightly rejected the suggestion of the Committee. This explains the callous attitude of the Department to the important suggestions given by the Committee. The Committee emphasize that the Department should reconsider their suggestion and concrete action should be taken in consultation with the Ministry of Finance and the Committee apprised accordingly.**

## **X. IT INDUCTION – POSTAL OPERATIONS**

### **(i) Computerization and Networking**

**22. Upto 31.03.2009 a total of 12604 Departmental Post Offices have been computerized. EFC phase II for computerization and networking includes remaining Departmental Post Offices (10841) and all branch Post Offices (129553). Out of the Eleventh Plan Outlay of Rs. 4000 crore, an amount of Rs. 2700 crore has been allocated for this Scheme. The amount thus allocated speaks volumes about the importance this Scheme entails for the modernization of the Department of Posts. The Committee are dismayed to observe that out of the total number of Post Offices of 1,55,015, only 12604 Post Offices as on 31.03.2009 have been computerized. Out of this only 11,835 Post Offices have been networked as per the information provided by the Department to the Committee. The Committee are of the view that the success of all other Schemes, especially relating to Financial services, Banking operations and Mail operations which are the core activities of the Department are greatly contingent upon the success of the Scheme Information Technology Induction – Postal Operations. The information provided by the Department that EFC for the project (Phase-II) is under the process of obtaining administrative approval clearly indicates that proper planning with a sense of urgency for the completion of the Scheme is missing. The Committee, therefore, would like the Department to obtain the required administrative approval expeditiously so that the Scheme is implemented and the modernized postal operations becomes a reality. The Committee are also of the view that the proposal contained in the EFC and the DPR to empower the Project Management Unit for better monitoring and utilisation of the allocated funds proposed under the EFC Phase-II is a step in the right direction. The Committee would like the Department to pursue the**

**matter of getting administrative approval for EFC Phase-II on a regular basis with the concerned authorities and the Committee informed accordingly.**

**(ii) Project Arrow**

**23. The Committee note that 50 Post Offices were selected for Project Arrow in Phase-I, 450 in Phase-II and 500 Post Offices in Phase-III. The Committee have further been informed that with the launch of phase IV in April, 2010, all Head Post Offices in the Country would be covered. The Committee note that the findings of the survey done by TUV India Private Limited have been quiet encouraging with respect to certain parameters relating to customer satisfaction, modernization, infrastructure, delivery performance, etc., in respect of 50 Post Offices covered under Phase I of Project Arrow. Now the Department proposes to conduct External Audit for Post Offices covered under Phase II and III. While appreciating the success of the Project Arrow, the Committee would like to emphasize that financial performance should also be a parameter while conducting the audit review under Phase II and III. The audit should be done expeditiously and the Committee apprised about its findings.**

**(iii) Setting Up of Automatic Mail Processing Centres (AMPCS)**

**24. The proposal to set up AMPCs has long been pending with the Department of Posts. While it is possible to sort only 1000 articles per hour manually, the AMPCs can sort 36,000 articles per hour. As has been stated by the Secretary, Department of Posts during the course of oral evidence that Delhi, Chennai and Kolkata generate about 20 crore pieces in a day, manually sorting such huge mails must have become a serious odd for the Department. The setting up of AMPCs will have a great impact on the way people send and receive their mails**

**in the Country. The Committee are of the firm view that setting up of AMPCs will effectively enable the Department in quicker delivery of mail articles in the Country. As such, the Committee recommend that sincere efforts should be made by the Department for achieving the Plan target of replacing existing AMPCs at Mumbai and Chennai, installations of new system at Delhi and Kolkata and medium size machines at Bengaluru and Hyderabad and the Committee informed accordingly.**

#### **XI. SUPPORT FOR NATIONAL RURAL EMPLOYMENT GURANTEE SCHEME (NREGS)**

**25. The Committee note that the Department is involved in the disbursement of wages to labourers under one of the flagship programmes of the Government i.e. NREGS. The Committee during the course of examination of Demands for Grants have been informed that the total number of NREGS accounts opened till February, 2010 are 4.07 crore. The Committee during the course of examination of Demands for Grants of the previous year in the month of October-November, 2009 have been informed that the share of Department in the disbursement of wages all over the Country was 46.14 per cent. The committee are unhappy to note that the aforesaid share has now declined to 40.32 per cent within a span of less than six months. The Committee find that great opportunities are being provided through various centrally sponsored schemes particularly through NREGS. The Department can capture the rural market particularly when it has the advantage of its reach to the last person of the society because of its vast network and the support given by the Government in the form of budgetary support. The aforesaid declining share of the Department in disbursement of wages under NREGS clearly indicates that the Department is losing its share to banks. The Committee would like the Department to explain the reasons for such**

**decline. The Committee also emphasise that the concrete action should be taken to arrest the declining share of Posts in disbursement of wages under NREGS.**

**26. The Committee during the course of examination of Demands of Grants of the previous year had made an important suggestion to introduce mobile services for the disbursement of wages to the workers at worksites. When asked about the action taken in this regard, the Committee have been informed that as part of its modernization effort, the Department of Posts is planning to put in place a ICT solution to cover 1,30,000 Rural Branch Offices. One key feature of this solution will be the possibility to disburse NREGs wages to workers at appropriate places. The detailed analysis of the aforesaid issue has further indicated that the system of payment of wages to NREGS workers at worksites would be possible only after equipments are supplied to Branch Post Offices and Branch Post Offices networked. The Department has further stated that there was a proposal for this activity in the EFC of the Project Management Unit of DoP which is under circulation to different Ministries. With the pace of implementation of IT-Induction, the detailed analysis of which has been done in the previous part of the Report, the Committee feel that it would take years together for the Department to introduce the system of payment of wages at the worksite. The aforesaid situation clearly indicates the insensitive and unprofessional attitude of the Department. The Committee are apprehensive that if such attitude persists the Department would further lose its share in disbursement of wages under NREGS to workers. The Committee again emphasize that the practical solution to the suggestion made by the Committee to introduce mobile services for disbursement of wages to NREGS workers should be worked out and the Committee informed accordingly.**

**27. The Committee would further like to recommend that an official working in a Post Office Branch involved for the purpose of disbursement of wages under NREGS should be nominated as a nodal officer to whom the NREGS workers can contact for the redressal of their grievances. The nominated official should be provided a mobile phone, and his phone number displayed on the display board erected at the worksite. Such a system would definitely help in getting the feedback from the NREGS workers. The concrete action on the suggested lines should be taken and the Committee informed accordingly.**

**28. Besides, the remuneration received from the Ministry of Finance for NREGS, the Department also gets funds from the Planning Commission under the Plan Scheme for additional work which includes arrangement for cash conveyance, incentive to staff and training etc. The Plan Scheme was introduced during the year 2008-09. The Department during the course of examination of Demands for Grants have informed the Committee that Memo for consideration of EFC was approved by the Ministry of Finance wherein approval of Finance Minister was conveyed with the observation that the entire fund of Rs. 100 crore will come from the administrative expenses part of the Budget of Ministry of Rural Development under NREGS. Therefore, nil allocation was made in the RE of Annual Plan 2009-10. With regard to the status of release of Outlay during the year 2009-10, under the scheme, the Department has informed that the position may be indicated by PAF Division. With regard to the proposed allocation during 2010-11, the Department has informed that against the proposed allocation of 250 crore no amount has been approved by the Planning Commission. The Department has also informed that the matter of providing budgetary support is being taken up with the Ministry of Finance. The Committee express serious concern over the way the allocations for such an**

important scheme are being dealt with by the Ministry of Finance. The issue of the allocation of requisite fund for the scheme should be sorted out expeditiously with the Ministries of Finance and Rural Development. The concerns of the Committee should be conveyed to the Ministries of Finance and Rural Development and the Committee be kept informed about the progress in this regard.

## **XII. MISCELLANEOUS**

### **(i) Grievance Redressal/Monitoring Mechanism**

29. The Committee from the observations of C&AG observe serious irregularities and lapses committed by the Department of Posts. In this regard, the Committee would like to recommend that there should be effective grievance redressal mechanism with the Department to get the feedback from the customers with regard to the various schemes and to take the corrective actions. In this regard, the Committee would also like the Department to organize Lok Adalats whereby the complaints of the customers can be addressed on the spot. The proposed mechanism would certainly help the Department in increasing their customer base for the various services.

30. The Committee would further like to recommend that there is an urgent need to make monitoring mechanism more effective. In this connection, the Committee may like to highlight the mechanism of Telephone Advisory Committee prevalent at District and Zonal Levels in the sister Department i.e. Department of Telecommunications and the mechanism of District and Block Level Vigilance Committees with the Ministry of Rural Development. In the case of Telephone Advisory Committee, the sitting local Member of Parliament is a



**Co-Chairman. However, in case of District and Block Level Vigilance Committee of the Ministry of Rural Development, the local MP is the Chairman of the Committee. The Committee strongly recommend that the Department should think of having the mechanism of Vigilance Committee of DoP at District and Zonal Level on the lines of the mechanism presently available with the Department of Telecommunications and the Ministry of Rural Development. While devising the suggested mechanism, the Department should ensure that the local sitting MP is the Chairman of the proposed Committee. The Committee are of the firm view that the proposed mechanism would certainly help the Department in expanding its customer base as it would address the grievances of the public at large and would also act as an important link between the customers and the implementing agencies.**

**(ii) Issues Pending with the Ministry of Finance**

**31. The Committee observe that some of the issues recommended by the Committee in the various Reports are long pending with the Ministry of Finance for implementation. Such issues include providing autonomy to the Department of Posts on the issues of rates of interest provided under various Small Savings Schemes, increasing the ceiling of Deposits in Single and Joint Accounts of the Postal Savings Bank, starting of new Schemes under Small Savings Schemes, policy matters with regard to insurance activities of the Department, and positive consideration in fixing the rate of remuneration provided to the Department for various agency services, etc. While examining the Action Taken Notes on the Sixty-second Report on 'Management of funds by the Department of Posts through banking and insurance activities', the Committee took evidence of the representatives of Department of Posts and Departments of Economic**

**Affairs and Financial Services of the Ministry of Finance at their sitting held on 4<sup>th</sup> March, 2010. The Secretaries of the said Departments at the aforesaid sittings were requested to settle the issues within one month. The Secretary, Department of Posts have now informed the Committee that the points for discussion have been identified and the Secretaries of the Departments of Posts, Financial Services and Economic Affairs would be meeting shortly. Since, the period of one month provided by the Committee for the purpose is already over, the Committee emphasize that the issues should be sorted out without any further delay. Further, the Committee are of the view that most of the long pending issues are of inter-Ministerial in nature. In the absence of a permanent mechanism to sort out the differences between the Departments/Ministries, a considerable time is generally lost for arriving at any conclusion. In this regard, the Committee would like to recommend for having a structured Inter-Ministerial Mechanism which would definitely help in sorting out the issues pending with the Ministry of Finance. The concrete actions on the suggested lines should be taken and the Committee apprised accordingly.**

**New Delhi  
19 April, 2010  
29 Chaitra, 1932 (Saka)**

**RAO INDERJIT SINGH  
Chairman  
Standing Committee on  
Information Technology**

**Brief Summary of the Demands for Grants 2010-11 of the Department of Posts**

Particulars	Actuals 2007-08	Actuals 2008-09	BE 2009-10	BE 2009-10	Actuals 2009-10 Upto January, 2010	BE 2010-11	per cent increase or decrease of Col. 5 over Col. 3	per cent increase or decrease of Col. 6 over Col. 5
1	2	3	4	5	6	7	8	9
<b>Revenue Section</b>								
<b>Gross Expenditure</b>	7272.66	9756.24	12090.20	12526.80	11063.87	11328.78	28.40	-9.56
<b>Deduct-Recoveries</b>	266.32	300.82	322.00	375.49	96.03	436.65	24.82	16.29
<b>Net Expenditure</b>	7006.34	9455.42	11768.20	12151.31	10967.84	10892.13	28.51	-10.36
<b>Postal Receipts</b>	5494.90	5862.33	6135.74	6552.62	5730.32	6955.54	11.78	6.15
<b>Deficit</b>	1511.44	3593.09	5632.46	5598.69	5237.52	3936.59	55.82	-26.69
<b>Provision for North-East</b>								
<b>Major Head 2552</b>	N/A	N/A	43.70	26.56	NA	26.70	--	0.53
<b>Capital Section</b>								
<b>Gross Expenditure</b>	90.62	244.85	388.80	224.77	172.36	329.55	-8.20	46.62
<b>Deduct-Recoveries</b>	0	0	0	0	--	0	--	--
<b>Net Expenditure</b>	90.62	244.85	388.80	224.77	NA	329.55	-8.20	46.62
<b>Provision for North-East</b>	--	--	--	--	--	--	--	--
<b>Major Head 4552</b>	N/A	N/A	18.30	8.87	NA	39.30	--	343.07

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**Appendix-II**

**Data of Outlay w.r.t. Proposed/Budget Estimates/Revised Estimates/Actuals of the Plan Schemes of the Department during each year of the Eleventh Plan**

**(Rs in crore)**

SI No.	Scheme/Activity	Proposed Outlay	Outlay as per XI Five Year Plan	2007-2008			2008-2009			2009-2010			2010-11
				BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals	BE
1	Access to Postal Network	118.60	55.11	7.45	6.36	3.17	8.00	10.05	8.50	5.00	3.00	0.79	0.50
2	Mail Operations	502.00	470.88	17.67	38.67	26.66	70.00	22.42	13.92	71.00	83.45	51.26	125
3	Banking & Money Transfer Operations	2858.50	142.50	20.50	8.82	1.06	15.00	7.38	5.49	14.50	3.0	1.22	6.00
4	Insurance Operations	195.02	35.00	7.00	7.00	2.4	7.00	6.50	4.71	7.00	2.25	1.02	5.00
5	Philately Operations	55.00	15.00	4.00	4.00	1.21	3.00	3.00	1.00	3.00	0.71	00	8.00
6	Estates Management	703.00	126.81	34.75	38.48	20.00	14.00	14.52	12.52	20.00	12.2	6.12	20.00
7	IT Induction - Postal Operations	6140.10	2700	174.10	139.57	65.36	360	321.05	216.51	358.5	220	140.04	475
8	Material Management	71.00	50.00	1.50	1.50	.004	3.00	0.02	0.00	0.51	0.01	0.00	0.25
9	Human Resource Development	189.50	100.45	29.77	26.27	10.33	15.00	15.57	12.63	18.00	13.42	8.62	10.00
10	Marketing Research & Product Development	1316.40	297.88	11.01	14.00	5.02	24.00	18.49	19.28	21.99	11.05	6.79	10.00
11	Quality Management	75.39	6.37	7.25	0.33	.20	1.00	1.00	0.31	0.50	0.01	00	0.25
12	Support of Payment of Wages under NREGS	12.7	00	00	00	00	80.00	80.00	22.88	100	00	00	00
13	North East Sub Plan	116.63											
14	Miscellaneous	--	00	00	00	1.42	00	00	1.08	00	00	12.63	00
	<b>TOTAL</b>	<b>12353.84</b>	<b>4000</b>	<b>315</b>	<b>285</b>	<b>136.81</b>	<b>600</b>	<b>400</b>	<b>318.83</b>	<b>620</b>	<b>350</b>	<b>228.49</b>	<b>660</b>

**Details of the status of the Schemes which were pending for approval during previous year**

1. **Computerisation & Networking of Post Offices** - Draft EFC for Phase III has been circulated. Observations of nodal ministries have been accordingly revised and is being processed for administrative approval.
2. **Access to Postal Network** – Scheme has two components i) opening of post offices has been approved by relocation and rationalization of post offices and ii) provision of infrastructural equipments to EDBOs.
3. **Setting up of Post Bank of India**- case is under examination.
4. **Setting up of Automatic Mail Processing centres**- Scheme has been approved.
5. **Setting up of market structure and mechanism for promotion of India Post Global Business** – Scheme has been approved.
6. **Upgradation of Stamps & Seals at Postal Stores Depots** - Scheme is yet to be approved.
7. **Special Purpose Vehicle**- Draft Cabinet Note for a Public Private Partnership for Development and Management of Postal Estates has been circulated to subject matter ministries for their observations.
8. **Support for payment of wages under NREGS** – Scheme has been approved for 2009-10.
9. **Building component for Mail Business Units** – scheme is under examination.
10. **Linkages of SB, EFT, ECS of domestic sector with International system**- Scheme has been dropped.
11. **Retailing of Foreign Exchange**- Scheme is under examination.
12. **Studies – of Postal Network** – Scheme yet to be approved.
13. **Infrastructural Equipment for Materials Management** – Scheme has been dropped.
14. **Fabrication of Pillar letter Boxes**- Scheme is yet to be approved.

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<b>Provision for North-East</b>	--	--	--	--	--	--	--	--
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**(Rs in crore)**

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5	Philately Operations	55.00	15.00	4.00	4.00	1.21	3.00	3.00	1.00	3.00	0.71	00	8.00
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8	Material Management	71.00	50.00	1.50	1.50	.004	3.00	0.02	0.00	0.51	0.01	0.00	0.25
9	Human Resource Development	189.50	100.45	29.77	26.27	10.33	15.00	15.57	12.63	18.00	13.42	8.62	10.00
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11	Quality Management	75.39	6.37	7.25	0.33	.20	1.00	1.00	0.31	0.50	0.01	00	0.25
12	Support of Payment of Wages under NREGS	12.7	00	00	00	00	80.00	80.00	22.88	100	00	00	00
13	North East Sub Plan	116.63											
14	Miscellaneous	--	00	00	00	1.42	00	00	1.08	00	00	12.63	00
	<b>TOTAL</b>	<b>12353.84</b>	<b>4000</b>	<b>315</b>	<b>285</b>	<b>136.81</b>	<b>600</b>	<b>400</b>	<b>318.83</b>	<b>620</b>	<b>350</b>	<b>228.49</b>	<b>660</b>





**MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE  
STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2009-2010)**

The Committee sat on Thursday, the 25th March, 2010 from 1100 hours to 1345 hours in Committee Room 'C', Parliament House Annexe, New Delhi.

**PRESENT**

**Shri Rao Inderjit Singh -- Chairman**

**MEMBERS**

**Lok Sabha**

2. Shri Nikhil Kumar Choudhary
3. Shri Charles Dias
4. Shri Rajen Gohain
5. Smt. Darshana Jardosh
6. Shri Inder Singh Namdhari
7. Shri Abdul Rahman
8. Shri Prem Das Rai
9. Shri Tufani Saroj
10. Dr. Bhola Singh

**Rajya Sabha**

11. Prof Alka Balram Kshatriya
12. Shri Dharam Pal Sabharwal
12. Shri Prabhat Jha
13. Shri P. Rajeeve
14. Shri M.P. Achuthan

**SECRETARIAT**

1. Shri T.K. Mukherjee -- Joint Secretary
2. Smt. Sudesh Luthra -- Director

**WITNESSES**  
**REPRESENTATIVES OF THE DEPARTMENT OF POSTS**

<b>Sl. No.</b>	<b>Name</b>	<b>Designation</b>
1.	Radhika Doraiswamy	Secretary (Posts)
2.	Ms. Indira Krishna Kumar	Member(P)
3.	Dr. Uday Balakrishnan	Member(PLI)
4.	Shri Manjula Prasher	Member (O)
5.	Major Gen. V. Sadsivam	Member (HRD)
6.	Shri S. Samant	Member (Tech)
7.	Shri P. K. Gopinath	Member (PLG)
8.	Shri Annie Moraes	JS & FA (Posts)
9.	Shri S. K. Sinha	CGM (PLI)
10.	Kalpana Tiwari	CGM (MB)
11.	Sunita Trivedi	CGM (BD & Mktg.)
12.	Anuradha Joshi Durgapal	DDG (PAF)
13.	Aindri Anurag	DDG(CP)
14.	Shri A. K. Sharma	DDG (Establishment)
15.	Shri A.S. Prasad	DDG(FS)
16.	Shri Salim Haque	DDG (P)
17.	Shri Rajinder Kashyap	DDG (PG& QA)
18.	Shri Ashok Pal Singh	DDG(Tech)
19.	Shri A. K. Das	DDG (PMU)
20.	Shri PTS Kumar	DDG (IR&GB)
21.	Shri Y.P. Rai	DDG DDG (RB&PLG)
22.	Shri K.P. Sethy	DDG ( Work Study)
23.	Aruna Jain	DDG (TRG)
24.	Meera Handa	DDG(PO&I, MM, Estates)
25.	Devika Kumar	DDG (Phil)
26.	Shri Ashutosh Tripathi	DDG (Vig)
27.	Shri V. K. Tiwari	DDG (R&P)
28.	Shri Kushal Kishore	G.M. (Finance)/BD&Mkg Dte
29.	Shri Rajneesh	DDG (F)

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 Department of Posts of the Ministry of Communications and Information Technology in connection with the examination of the Demands for Grants (2010-11) of the Department of Posts.

[The representatives of the Department were then called in]

3. The Chairman welcomed the representatives of the Department of Posts. The representatives of the Department then explained salient features of the Demands for Grants (2010-11) through a power point presentation highlighting briefly the important activities/achievements of the Department. Targets set for the annual Plan 2010-11 and the initiatives being taken by the Department to meet them within deadline was also brought out in the presentation.

4. The Members sought certain clarifications on various issues relating to the examination of Demands for Grants (2010-11) 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.

5. 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 (2010-11) of the Department.

[The witnesses then withdrew]

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

The Committee then adjourned.

**MINUTES OF THE SIXTEENTH SITTING OF THE  
STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2009-10)**

The Committee sat on Tuesday, the 13<sup>th</sup> April, 2010 from 1100 hours to 1300 hours in Committee Room '62', First Floor, Parliament House, New Delhi.

**P R E S E N T**

Shri Rao Inderjit Singh - Chairman

**Members**

**Lok Sabha**

2. Shri Rajendra Agrawal
3. Shri Nikhil Kumar Choudhary
4. Shri Charles Dias
5. Smt. Darshana Jardosh
6. Shri Mithilesh Kumar
7. Shri Inder Singh Namdhari
8. Shri Abdul Rahman
9. Shri Tufani Saroj
10. Shri C. Sivasami
11. Shri Dharmendra Yadav

**Rajya Sabha**

12. Shri Jesudas Seelam
13. Shri Ravi Shankar Prasad
14. Shri Prabhat Jha
15. Shri P. Rajeeve
16. Shri N.R. Govindarajar
17. Shri M.P. Achuthan

**S E C R E T A R I A T**

1. Shri T. K. Mukherjee, Joint Secretary
2. Smt. Sudesh Luthra, Director
3. Shri H. R. Kamboj, Deputy Secretary

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee.
3. Thereafter, the Committee took up for consideration the Draft Report on Demands for Grants (2010-11) of the Department of Posts (Ministry of Communications and Information Technology) and adopted the same with modifications to Para Nos. 18 & 31 of Part-II of the Report. Besides the Committee also decided that a para indicating the concerns of the Committee on downgrading of Extra Departmental Post Offices to Branch offices should be suitably added in Part – I and Part – II of the Report.
4. The Committee, then, took up for consideration the Draft Report on Demands for Grants (2010-11) of the Ministry of Information and Broadcasting and adopted the same with modification to Para No. 16 of Part-II of the Report. The Committee also decided that a recommendation regarding the apparent conflict between Prasar Bharti and the Ministry of Information and Broadcasting on a number of issues as observed during the course of deliberation should be suitably incorporated in the Report.
5. The Committee, then, authorized the Chairman to finalise the aforesaid draft reports in the light of the factual verifications made by the concerned Ministry/Department and present the same to the House on a date convenient to him.

***The Committee, then, adjourned.***