

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

**PERFORMANCE OF PROJECT ARROW**

**[Action taken by Government on the recommendations contained in Twenty  
Seventh Report (Fifteenth Lok Sabha) of the Committee on Estimates]**

**COMMITTEE ON ESTIMATES  
(2014-2015)**

**SEVENTH REPORT**

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**(SIXTEENTH LOK SABHA)**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**SEVENTH REPORT**

**COMMITTEE ON ESTIMATES  
(2014-15)**

**SIXTEENTH LOK SABHA**

**MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY**

**(DEPARTMENT OF PROJECT ARROW)**

**[Action taken by Government on the recommendations contained in Twenty  
Seventh Report (Fifteenth Lok Sabha) of the Committee on Estimates]**

**Presented to Lok Sabha on 29 April, 2015**



**Lok Sabha Secretariat**

**New Delhi**

**29 April, 2015 / Vaisakha 9, 1937(Saka)**

E.C. No. \_\_\_\_\_

Price : ₹ \_\_\_\_\_

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Fourteenth Edition) and printed by the General Manager, Government of India Press, Minto Road, New Delhi – 110002.

## **CONTENTS**

### **PAGE**

### **COMPOSITION OF THE COMMITTEE ON ESTIMATES (2014-2015)**

#### **INTRODUCTION**

CHAPTER I	Report
CHAPTER II	Recommendations/Observations which have been accepted by Government
CHAPTER III	Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies
CHAPTER IV	Recommendations/Observations in respect of which replies of Government's replies have not been accepted by the Committee
CHAPTER V	Recommendations/Observations in respect of which final replies of Government are still awaited

#### **APPENDICES**

- I. Minutes of the Twenty Second Sitting of the Committee on Estimates held on 24.04.2015
- II. Analysis of the Action Taken by the Government on the Recommendations/Observations contained in the Twenty Seventh Report of Committee on Estimates (Fifteenth Lok Sabha)

#### **COMPOSITION OF THE COMMITTEE ON ESTIMATES (2014-15)**

Dr. Murli Manohar Joshi – Chairperson

## MEMBERS

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3.	Shri Kirti Azad
4.	Shri Kalyan Banerjee
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27.	Shri Ganesh Singh
28.	Shri Kirti Vardhan Singh
29.	Shri Rajesh Verma
30.	Shri Jai Prakash Narayan Yadav

\* Elected vide Lok  
No. 987 dated

consequent upon vacancy caused by the appointment of Shri Hari Bhai Chaudhary, Member of Lok Sabha in the Council of Ministers w.e.f. 09.11.2014.

Sabha Bulletin Part-II  
03.012.2014

^ Elected vide Lok Sabha Bulletin Part-II No. 987 dated 03.012.2014 consequent upon vacancy caused by the appointment of Shri Ram Kripal Yadav, Member of Lok Sabha in the Council of Ministers w.e.f. 09.11.2014.

## SECRETARIAT

- |    |                     |   |                      |
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| 4. | Shri Srinivasulu Gunda | - | Additional Director |
| 5. | Ms. Rachna Saxena      | - | Committee Officer   |

## **INTRODUCTION**

I, the Chairman of the Committee on Estimates, having been authorized by the Committee to submit the Report on their behalf, do present this Seventh Report on action taken by the Government on the observations/recommendations contained in the Twenty Seventh Report of Estimates Committee (Fifteenth Lok Sabha) on the subject 'Performance of Project Arrow' pertaining to the Ministry of Communications and Information Technology (Department of Posts).

2. The Twenty Seventh Report (Fifteenth Lok Sabha) was presented to Lok Sabha on 12<sup>th</sup> December, 2013. The Ministry of Communications and Information Technology (Department of Posts) furnished their replies indicating action taken on the recommendations contained in the Twenty Seventh Report (Fifteenth Lok Sabha) on 19<sup>th</sup> June, 2014. The Draft Report was considered and adopted by the Committee on Estimates (2014-2015) at their sitting held on 24<sup>th</sup> April, 2015.

3. An analysis of action taken by Government on the recommendations contained in the Twenty Seventh Report of the Committee on Estimates (Fifteenth Lok Sabha) is given in Appendix II.

**NEW DELHI;**  
**24 April, 2015**  
**Vaisakha , 4 1937 (saka)**

**DR. MURLI MANOHAR JOSHI**  
**Chairperson,**  
**Committee on Estimates.**

## **CHAPTER I**

## **REPORT**

This Report of the Committee deals with the action taken by the Government on the Observations/Recommendations contained in the 27<sup>th</sup> Report (Fifteenth Lok Sabha) on the subject 'Performance of Project Arrow' pertaining to the Ministry of Communications and Information Technology (Department of Posts).

1.2 The Twenty-seventh Report was presented to Lok Sabha on 12 December, 2013. It contained 10 Observations/Recommendations. Action Taken Notes on all these Observations/Recommendations were received from the Department of Posts on 19 June, 2014.

1.3 Replies to the Observations and Recommendations contained in the Report have broadly been categorized as under:-

- (i) Observations/Recommendations which have been accepted by the Government:  
Sl. Nos. 1, 2, 4, 6, 7, 8 and 9
- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of Government's reply:  
Sl. Nos. Nil
- (iii) Observations/Recommendations in respect of which Government's replies have not been accepted by the Committee:  
Sl. Nos. 3 and 5
- (iv) Observations/Recommendations in respect of which final reply of Government is still awaited:  
Sl. No. 10

**1.4 The Committee trust that the Observations/Recommendations accepted by Government would be implemented with due despatch. The Committee desire that further Action Taken notes on the Observations/Recommendations contained in Chapter-I and Final Action Taken Replies to the Recommendations contained in Chapter-V of this Report be furnished to them at an early date.**



1.5 The Committee will now deal with the action taken by the Government on some of the Recommendations.

**A. Extension of local citizens Post Forums in Project Arrow Post Offices (POs)**  
**(Recommendation Para No. 2)**

1.6 While noting that the revenue generated by the 1724 Project Arrow POs has increased from Rs. 1,346 crore in 2010-11 to Rs. 1596 crore in 2011-12 and to Rs. 1801 crore in 2012-13, the Committee had desired to know how much of the increase in revenue is attributable to revision of postal rates and how much on account of improvement brought about by Project Arrow in terms of delivery efficiency with regard to speed post, registered post, money orders, e-money orders, etc. The Committee had further welcomed local citizens Post Forums formed in Project Arrow POs and had suggested the need to extend the services to all Post Offices to get feedback and receive useful suggestions for improving performance, especially in the wake of stiff competition from private players.

1.7 The Department of Posts (DoP), in its action taken reply has stated that Increase in the revenue from Savings Bank, and from accountable articles, was partially due to increase in remunerations received from Ministry of Finance and Speed Post tariff revisions. However, the traffic of accountable articles also increased by 20.29% from 2010-11 to 2011-12 (from 11.87 crore to 14.29 crore) and by 6.65 % from 2011-12 to 2012-13 (from 14.29 crore to 15.24 crore), and the number of post office Savings Bank accounts also increased in Project Arrow offices. It clearly depicts the trust of customers, owing to improvement in delivery efficiency, online track and trace, computerization, etc. under "Project Arrow". Apart from that, operational efficiencies were also improved due to setting up of special hubs for handling bulk booking, delivery of letters and parcels. But revenue increase can also be attributed to growth in business from other schemes, particularly disbursement of wages and social security benefits payments, and international money remittances. The suggestions received from local citizens through Post Fora are also taken into account for providing facilities

and services to the public. Extension of local citizen's Post Forums in major post offices is under consideration.

**1.8 The Committee are pleased to note that the continuous increase in revenue generated by 1724 Project Arrow Post Offices during the years 2010-11, 2011-12 and 2012-13, is apart from increase of remunerations received from Ministry of Finance and tariff revisions and growth in business of some other services is in no small measure due to improvement in services rendered by these Post Offices. The Committee are confident that the Project Arrow Post Offices will continue to maintain good record in the coming years as well. The Committee further note with satisfaction that in pursuance of their recommendation, the Department of Post is considering extension of local citizens' Post Forums in major post offices. The Committee desire that the extension proposal be expedited and the setting up of local citizens Post Forums in all the Post Offices also completed within the stipulated timelines.**

**B. 'Zero Score' of some Project Arrow Post Offices**

**(Recommendation Para No. 3)**

1.9 The Committee in their original Report had expressed concern on the 'zero score' received by the Project Arrow POs in Uttar Pradesh, Chhattisgarh and Maharashtra in the external audit of June, 2013, for some elements like performance of ordinary letter delivery, staff efficiency, customer satisfaction, departmental grievance redressal system, etc. and had desired that the reasons for this dismal performance should be looked into and remedial measures be taken under intimation to the Committee. The Committee had further desired to be apprised of the outcome of the audit of 500 POs proposed in 2013-14 at a cost of Rs. 2.5 crore.

1.10 The Department, in its action taken reply has stated as follows:

Reply 3(a):-

Reasons have been analyzed and necessary remedial measures have been taken.

Reply 3(b):-

The proposed audit for 500 Post Offices in 2013-14 could not be carried out due to delayed approval of the Expenditure Finance Committee. External audit of 500 post offices is proposed to be carried out by 2015.

Reply 3(c) :-

Real time monitoring of Project Arrow Key Performance Indicators (KPIs) is being done using a web based KPI Dashboard, which is used by all the Circle Programme Offices for viewing the performance of their post offices, and taking remedial action, including systemic changes whenever deficiencies are noticed.

**1.11 The Committee are constrained to note the perfunctory reply of the Department with regard to the concerns expressed by them in their original Report on 'Zero score' received by Project Arrow Post Offices in U.P., Chattisgarh and Maharashtra in the external audit of June, 2013 for elements like performance of ordinary letter delivery, staff efficiency, customer satisfaction etc. Instead of elaborating on the reasons analyzed by them and apprising the Committee on the remedial measures taken as desired in their original Report, the Government have furnished stock replies without sharing the mitigating measures initiated by them. The Committee deprecate that the proposed audit for 500 Post Offices could not be carried out due to delayed approval of the Expenditure Finance Commission. The Committee would like the Department to be apprised of the reasons for 'Zero score' performance by the Project Arrow**

**Post Offices in certain States, the remedial measures taken to bring the desired performance and the actual outcome thereof.**

**C. Internet/Broadband connectivity in rural areas**

**(Recommendations Para No. 4)**

1.12 While inviting attention of the Department to the significance of computerization and broadband connectivity in Project Arrow Post Offices to ensure implementation of e-enabled projects, the Committee had desired that problems related to connectivity blackouts which are common in North-Eastern region and Jammu & Kashmir, Uttarakhand, Jharkhand, Chhattisgarh and A&N Island and non availability of network in 10 per cent of rural areas should be taken up by the Department of Telecommunications at the level of the Minister for expeditious resolution, considering the indispensability of uninterrupted Internet connectivity in all parts of the country for success of e-enabled projects. The Committee had also urged the Department to be apprised of the action taken in this regard within one month after presentation of this Report.

1.13 The Department in its Action Taken Reply has stated that it is proposed to network all the Departmental Post Offices, Mail Offices and Administrative Offices (28880 locations) under the India Post IT project, and 22849 locations have already been networked upto 12 June, 2014. It has further submitted that after floating an RFP in 2011, M/s Sify Technologies Limited was selected as the vendor of the project. The remaining locations would migrate to this network during 2014-15.

**1.14 The Committee in their original Report had expressed serious concern on the connectivity blackouts common in North-East Region, J&K, Uttarakhand, Jharkhand, Chhattisgarh and A&N Island and on the non availability of network in 10 per cent rural Post Offices. The Committee acknowledge Government's efforts to network 28880 locations out of which 22849 locations have already been networked upto 12 June, 2014. The Committee also note that the remaining locations were to migrate to this network during 2014-15. The Committee hope that needful would have been done by now and the connectivity blackouts would**

be a thing of the past. The Committee would like to be apprised of the latest position (as on 31 March, 2015) in the matter.

**D. Bicycle scheme for Gramin Dak Sewaks/ Post Masters**

**(Recommendations Para No. 5)**

1.15 Taking note of the information furnished to the Committee that under bicycle scheme, 30,000 bicycles were proposed to be provided to Gramin Dak Sewaks/Post Masters during 12<sup>th</sup> Plan period to increase their mobility and provide speedier postal service in remote rural areas, the Committee in their Twenty-seventh Report (Fifteenth Lok Sabha) had desired to be apprised of the progress in implementation of the scheme and the plan to extend the scheme to provide bicycles to the remaining Gramin Dak Sewaks.

1.16 The Department in its Action Taken reply has submitted that the scheme for provision of bicycles to the delivery staff is being reviewed.

**1.17 The Committee take exception to this inexplicable turn by the Department on a decision of providing bicycles to the Gramin Dak Sewaks to ensure speedier postal services in remote areas. The Committee disapprove of the way the issue related to welfare of the Gramin Dak Sewaks that is likely to have a positive impact on speedier postal services in rural areas and also ameliorate the lot of the Grameen Dak Sevak is being handled by the Department. The Committee desire a cogent explanation from the Department in the matter within one month of presentation of this Report to Lok Sabha. They also reiterate their earlier recommendation and urge the Department of Posts to provide bicycles to the Grameen Dak Sevak/Post Masters during the remainder years of the 12<sup>th</sup> Plan under intimation to the Committee.**

**E. Shortage of Manpower**

**(Recommendation Para No. 7)**

1.18 Taking note of the serious dearth of manpower in sub-post offices and that some State Governments have repeatedly taken up this matter with the Central Government for augmentation of staff to ensure smooth disbursement of MGNREG Scheme wages, the Committee had expressed their concern on this issue as it caused extreme inconvenience to the workers who had to travel long distances to receive payments under the MGNREG Scheme. The Committee had also urged Department of Posts to look into the issue and take such measures as may be necessary to ensure that wage disbursements under MGNREG Scheme is not adversely affected in any State or Union Territory due to any deficiency in the post offices.

1.19 The Department in its Action Taken Reply has stated that constant review and monitoring are being done at Divisional, Regional, Circle and Directorate level to ensure that wage disbursements under MGNREG Scheme is not adversely affected due to any deficiency in post offices.

The ongoing IT modernization project and consequent IT enablement of the entire Postal Network including rural post offices will further facilitate wage disbursement under MGNREGS Scheme through the post offices in a clear and transparent manner.

**1.20 The Committee note that the Department with a view to ensure that wage disbursement under MGNREG Scheme is not adversely affected in any State or UT due to any deficiency in Post Offices is taking recourse to several measures at various levels. The ongoing IT modernization project and consequent IT enablement of the entire Post Network including the rural ones will also facilitate the task further. While appreciating these initiatives, the Committee expect the Department to also look into the manpower constraints in the rural post offices so that they do not come in any way in the disbursement of wages under the MGNREG Act.**

### **Recommendation Para No. 10**

1.21 Noting the need to replace the Indian Post Offices Act, 1898 keeping in view the pace and development of postal services during the last few decades, particularly with the onset and expansion of courier sector and having been informed that a comprehensive Bill to replace the existing legislation is at drafting stage, the Committee desired that the draft Bill be finalized in a time bound manner in consultation with all stakeholders and introduced in Parliament during the current Lok Sabha.

1.22 In its Action Taken Reply the Government has stated that the draft Bill is under examination.

**1.23 Reiterating the need for replacing the Indian Post Offices Act, 1898 to a comprehensive new legislation to meet the emerging challenges faced by the Department of Post, the Committee urge that the draft Bill be finalized without further delay and be brought before the Parliament and enacted by the Monsoon Session 2015.**

## **CHAPTER II**

### **RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT**

#### **Observation/Recommendation (Sl. No. 1)**

An efficient and reliable postal network, plays a crucial role in a country's socio-economic development. India Post, with its 154822 Post Offices (POs) (25,444 Departmental POs and 129378 Extra Departmental POs) as on 31.03.2013, is stated to be the largest postal network in the world providing an affordable means of communication to the common man. In April, 2008, a pilot project named Project Arrow was launched to make a visible, tangible and note-worthy difference, in identified POs, through modernization and up-gradation, so as to set the foundation for a comprehensive transformation of India Post. The Committee note that as of now, 18611 Departmental POs (73% of total no. of Departmental POs) are being monitored under Project Arrow and the remaining Departmental POs are proposed to be covered under the Twelfth Plan. India Post has also proposed a separate Plan to cover all Extra Departmental POs under "India Post IT Modernization Project" wherein handheld devices e.g. biometric scanners and thermal printers shall be provided to nearly 130000 rural POs so as to equip them to do their core operation in a networked environment. The Committee would like to know how soon this plan will be implemented. The Committee are not happy at the reduction of the fund proposed for Project Arrow for the Financial Year 2013-14 from Rs. 50 crore to Rs. 19.99 crore. The Committee urge the Department of Posts to ensure that funds for Project Arrow are adequately enhanced during the current year to effect desired improvement as per plan.

#### **Reply of the Government**

An efficient and reliable postal network, plays a crucial role in a country's socio-economic development. With its 154822 post offices (25,444 Departmental Post Offices and 129378 Extra Departmental Post Offices now renamed as 'Gramin Dak Sevak Post Offices') as on 31.03.2013, Department of Posts, India, is the largest postal network in the world providing affordable means of communication to the common man. Presently, 21600 Departmental Post Offices are being monitored under "Project Arrow" and the remaining Departmental Post Offices are proposed to be covered under the Twelfth



Plan. Department of Posts has also proposed a separate Plan to cover all Gramin Dak Sevak Post Offices under the “India Post IT Modernization Project” wherein mobile and networked handheld devices and peripherals with biometric scanners, thermal printers etc. shall be provided to nearly 130000 rural Post Offices so as to equip them to do all their core operations in a networked environment. The Rural ICT (Information & Communication Technology) project is being implemented through 2 RFPs (Request For Proposal) viz., Rural Hardware (RH) RFP, and Rural Systems Integrator (RSI) RFP. For the RH (Rural Hardware) two tenders were floated but got discharged, first time due to failure on the part of bidder to furnish the requisite performance bank guarantee, and the second time due to lack of competition. A fresh tender was floated on 04.02.2014 and bids were opened on 04.04.2014. The technical evaluation is in progress. The RSI (Rural System Integrator), RFP has been finalized and the contract has been signed with the selected bidder on 28.02.2013. The work is kept on hold pending finalization of the RH, RFP. After finalization of the RH tender, the project is expected to start during the current financial year i.e. 2014-15.

Budget Proposals for 2013-14, proposing an outlay of Rs. 1859.99 crores, including a demand of Rs. 62.25 crores for ‘Project Arrow’, was projected to the Planning Commission during the month of December, 2012, which was 3.34% of the total proposed outlay. Planning Commission allotted Rs. 800.00 crores for the Department of which Rs. 20.00 crores were earmarked for the ‘Project Arrow’, which was 2.5 % of total funds allotted. Activity of ‘Auditing’ under ‘Project Arrow’ for which Rs. 2.50 crores were allotted at BE stage was postponed for subsequent financial years, thereby net allocation for Project Arrow was Rs. 17.50 crores.

In the subsequent budgetary exercise at RE stage, keeping in view the importance of ‘Project Arrow’, funds to the tune of Rs. 17.42 crores were retained for activities of improving environment, ergonomics and maintenance under ‘Project Arrow’, even though the Ministry of Finance had reduced the allocation from Rs. 800.00 crores to Rs. 430.00 crores. Allocation at RE stage was 4.05 % of the total allotment.

The allotment for Project Arrow at different Budgetary stages for the year 2013-14 in a tabular format is as under :-

S	Budgetary	Total	Allotment for Project	%	age	of
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No.	Allotment Stage	Allotment	Arrow	Allotment for Project Arrow wrt Total Allotment
1	BE Proposed	1859.99	62.25	3.34
2	BE	800.00	20.00	2.50
3	RE	430.00	17.42	4.05
4	FG	430.00	17.42	4.05

For 2014-15 a higher allocation of Rs. 46.51 crores has been made for 'Project Arrow' even though the total allocation for the Department has been retained at Rs. 800.00 crores by the Planning Commission. This works out to 5.81 % of the total Plan allocation for the year 2014-15.

### **Observation/Recommendation (Sl. No. 2)**

The Committee note that the revenue generated by the 1724 Project Arrow POs has increased from Rs. 1,346 crore in 2010-11 to Rs. 1596 crore in 2011-12 and to Rs. 1801 crore in 2012-13. The Committee would like to know how much of the increase in revenue is attributable to revision of postal rates and how much on account of improvement brought about by Project Arrow in terms of delivery efficiency w.r.t. speed post, registered post, money orders, e-money orders, etc. Local citizens Post forums formed in Project Arrow POs is a welcome measure which needs to be extended to all Post Offices to get feedback and received useful suggestions for improving performance. This is all the more necessary in the wake of stiff competition from private players.

### **Reply of the Government**

Increase in the revenue from Savings Bank, and from accountable articles, was partially due to increase of remunerations received from Ministry of Finance and Speed Post tariff revisions.

However, the traffic of accountable articles also increased by 20.29% from 2010-11 to 2011-12 (from 11.87 crore to 14.29 crore) and by 6.65 % from 2011-12 to 2012-13 (from 14.29 crore to 15.24 crore), and the number of post office Savings Bank accounts also

increased in Project Arrow offices. It clearly depicts the trust of customers, owing to improvement in delivery efficiency, online track and trace, computerization etc under “Project Arrow”. Apart from that, operational efficiencies were also improved due to setting up of special hubs for handling bulk booking, delivery of letters and parcels. But revenue increase can also be attributed to growth in business from other schemes, particularly disbursement of wages and social security benefits payments, and international money remittances.

The suggestions received from local citizens through Post Fora are also taken into account for providing facilities and services to the public. Extension of local citizen’s Post Forums in major post offices is under consideration.

### **Comments of the Committee**

(Please see Para No. 1.8 of Chapter I)

### **Observation/Recommendation (Sl. No. 4)**

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

### **Reply of the Government**

The Department proposes to network all the Departmental Post Offices, Mail Offices and Administrative Offices (28880 locations) under the India Post IT project, and 22849 locations have already been networked upto 12<sup>th</sup> June, 2014. After floating an RFP in 2011, M/s Sify Technologies Limited was selected as the vendor of the project. The remaining locations would migrate to this network during 2014-15.

### **Comments of the Committee**

(Please see Para No. 1.14 of Chapter I)

### **Observation/Recommendation (Sl. No. 6)**

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

### **Reply of the Government**

Regarding the vacant posts of Directors in the N.E. Circle, it is informed that the officers have since been posted against three vacant posts of Directors, Agartala(Tripura), Kohima(Nagaland) and Itanagar(Arunachal Pradesh) in the Circle. Presently, five officers are working in the Circle and one officer who has been posted as DPS, Agartala is yet to join.

The details of Directors working in North East Circle is as follows:-

DPS(HQ), Shillong -> Shri Joseph Lalrinsailova

DPS, Imphal (Manipur) -> Shri T. Mangminthang

DPS, Agartala (Tripura) -> Shri Aakash Deep Chakravarty (designate)

DPS, Kohima(Nagaland) -> Shri Som Kamei

DPS, Aizawal (Mizoram) -> Shri C.L. Lalfakzuala

DPS, Itanagar (Arunachal Pradesh) -> Shri Dwipendra Nath Sharma (Adhoc)

### **Reply of the Government**

The North Eastern State of Arunachal Pradesh, Manipur, Mizoram, Nagaland and Tripura do not fulfill the norms prescribed for creation of separate Circles. However, the relaxation of norms for creation of these Circles will be examined.

### **Observation/Recommendation (Sl. No. 7)**

The Committee understand that there is serious dearth of manpower in sub-post offices and that some State Governments have repeatedly taken up this matter with the Central government for augmentation of staff to ensure smooth disbursement of MGNREG Scheme wages. The Department of Posts has claimed that disbursement of wages under MGNREG Schemes is not hampered due to non-availability of staff in post offices and that in States like Andhra Pradesh, Madhya Pradesh, Maharashtra, Rajasthan, Gujarat, Odisha, Kerala and Haryana, the wages are being automatically credited into the SB accounts of workers. Admittedly, manual intervention is required in sub-post offices in other States for disbursement of MGNREG wages. Manpower shortage in sub-post offices causes extreme inconvenience to the workers who have to travel long distances to receive payments under the MGNREG Scheme. The Committee urge DoP to look into this issue and take such measures as may be necessary to ensure that wage disbursement under MGNREG Scheme is not adversely affected in any State or Union Territory due to any deficiency in the post offices.

### **Reply of the Government**

Constant review and monitoring are being done at Divisional, Regional, Circle and Directorate level to ensure that wage disbursement under MGNREG is not adversely affected due to any deficiency in post offices.

The ongoing IT modernization project and consequent IT enablement of the entire Postal Network including rural post offices will further facilitate wage disbursement under MGNREGS Scheme through the post offices in a clear and transparent manner.

### **Comments of the Committee**

(Please see Para No. 1.20 of Chapter I)

### **Observation/Recommendation (Sl. No. 8)**

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

### **Reply of the Government**

Department of Posts has been taking the following measures to popularize the Small Saving Schemes:-

- 1) Started a programme of ensuring 100% coverage of households in the villages. This involves approaching each household, through community gatherings and melas, to inform the public about the benefits of small savings schemes.
- 2) Talks on radio and television.
- 3) Visits to schools to educate and encourage children to open post office saving accounts under the 'Sanchayika' schemes.

4) Brochures highlighting the salient features of the different small saving schemes including latest interest rates, made available in the post offices for circulation and information for the members of the public.

Consequently the number of live SB Accounts went up from 27.97 crores as on 31.03.2013, to 30.86 crores as on 31.03.2014, a growth of 10.33 %.

#### **Observation/Recommendation (Sl. No. 9)**

The Department of Posts have pointed out that most of the mail services are offered under controlled pricing by them under Universal Service Obligation and has pleaded that there should be adequate compensation towards providing these services. The committee feel that the demand of the Department of Posts is justified and the Ministry of Finance should expeditiously examine this request for timely resolution under intimation to the Committee. Incidentally, the Committee note that the Ministry of Rural Development has only paid a fraction of the amount to DoP for doing MGNREG Scheme work by the latter and still about Rs. 566 crore reportedly remain outstanding for the period 2009 to 2012. The Committee hope that the Ministry of Rural Development will settle the outstanding dues without further delay to enable DoP to render efficient service.

#### **Reply of the Government**

- (a) Tariff revision proposal for the various products and services of the Department is presently under examination.
- (b) The claim of the Department of Posts with Ministry of Revenue Department for maintenance of MGNREGS accounts @ Rs. 80/- per account for the period 2009 to 2012 was Rs. 566.47 crores, of which, Rs. 200.00 crores was settled by MoRD in November, 2013 and balance amount of Rs. 366.47 crores is still pending with MoRD for payment. In addition, Department of Posts has further claimed Rs. 316.35 crores for the financial year 2012-13. Thus, the total outstanding amount due from MoRD is Rs. 683.82 crores.

### **CHAPTER III**

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

**Observation/Recommendation (Sl. No. Nil)**

**Nil**



## **CHAPTER IV**

### **RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT'S REPLIES HAVE NOT BEEN ACCEPTED BY THE COMMITTEE**

#### **Observation/Recommendation (Sl. No. 3)**

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

#### **Reply of Government**

Reasons have been analyzed and necessary remedial measures have been taken.

The proposed audit for 500 Post Offices in 2013-14 could not be carried out due to delayed approval of the Expenditure Finance Committee. External audit of 500 post offices is proposed to be carried out by 2015.

Real time monitoring of Project Arrow Key Performance Indicators (KPIs) is being done using a web based KPI Dashboard, which is used by all the Circle Programme Offices for viewing the performance of their post offices, and taking remedial action, including systemic changes whenever deficiencies are noticed.

#### **Comments of the Committee**

(Please see Para No. 1.11 of Chapter I)

#### **Observation/Recommendation (Sl. No. 5)**

There are 1.40 lakh rural POs as against more than 6 lakh villages in the country with an average of one rural PO catering to cover 4 villages. The numbers of Gramin Dak Sewaks are stated to be 2,63,467. The Committee note from the information

furnished to the Committee that under bicycle scheme, 30,000 bicycles are proposed to be provided to Gramin Dak Sewaks/Post Masters during the 12<sup>th</sup> Plan period to increase their mobility and provide speedier postal service in remote rural areas. The Committee would like to be apprised of the progress in implementation of the scheme and the plan to extend the scheme to provide bicycles to the remaining Gramin Dak Sewaks.

#### **Reply of Government**

The scheme for provision of bicycles to the delivery staff is being reviewed.

#### **Comments of the Committee**

(Please see Para No. 1.17 of Chapter I)

## **CHAPTER V**

### **RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED**

#### **Observation/Recommendation (Sl. No. 10)**

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

#### **Reply of Government**

The draft Bill is under examination.

#### **Comments of the Committee**

(Please see Para No. 1.23 of Chapter I)

**NEW DELHI;**  
**April, 2015**  
***Vaisakha , \_\_ 1937 (saka)***

**DR. MURLI MANOHAR JOSHI**  
***Chairperson,***  
***Committee on Estimates.***

**MINUTES OF TWENTY-FIRST SITTING OF THE COMMITTEE ON ESTIMATES**  
**(2014-15)**

The Committee sat on Wednesday, the 15th April, 2015 from 1515 hrs to 1600 hrs. in Room No. '62', Parliament House, New Delhi.

**PRESENT**

**Dr. Murli Manohar Joshi – Chairperson**

**MEMBERS**

2. Shri Om Birla
3. Shri Dileep Singh Bhuria
4. Shri Ramen Deka
5. Shri Kalikesh N. Singh Deo
6. Shri Sanjay Dhotre
7. Shri P. C. Gaddigoudar
8. Shri Sudheer Gupta
9. Dr. Sanjay Jaiswal
10. Smt. Darshana Vikram Jardosh
11. Shri Ravindra Kumar Pandey
12. Shri Shri Arvind Sawant
13. Shri Rajesh Verma

## **SECRETARIAT**

1. Shri Devender Singh – Additional Secretary
2. Shri Vipin Kumar – Director
3. Shri Srinivasulu Gunda – Additional Director
4. Shri U. C. Bharadwaj – Deputy Secretary

2. At the outset, the Chairperson welcomed the Members to the Sitting of the Committee.

3. The Committee then took up for consideration the following draft Reports:-

- (i) Draft Report on 'Rural Drinking Water Programmes' pertaining to the Ministry of Drinking Water and Sanitation;
- (ii) Draft Report on the Action Taken by the Government on the Observations/ Recommendations contained in the Thirty-sixth Report of the Committee on Estimates (2013-14) (Fifteenth Lok Sabha) on the subject 'National Afforestation Programme' pertaining to the Ministry of Environment, Forests and Climate Change; and
- (iii) Draft Report on the Action Taken by the Government on the Observations/Recommendations contained in the Thirty-fourth Report of the Committee on Estimates (2013-14) (Fifteenth Lok Sabha) on the subject 'National Social Assistance Programme' pertaining to the Ministry of Rural Development (Department of Rural Development).

4. The Committee adopted the above Reports with slight modifications and authorized the Chairperson to finalize them in the light of the modifications suggested and factual verification (in r/o original reports only) and present the same to Lok Sabha.

**The Committee then adjourned.**

## APPENDIX II

### ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE TWENTY SEVENTH REPORT OF THE COMMITTEE ON ESTIMATES (FIFTEENTH LOK SABHA)

(i)	Total number of recommendations/observations	10
(ii)	Recommendations/Observations which have been accepted by the Government (Sl. Nos. 1, 2, 4, 6, 7, 8 and 9)	7
	Percentage of total recommendations	70%
(iii)	Recommendation/Observation which the Committee do not desire to pursue in view of the Government's reply Percentage of total recommendations	Nil
	Percentage of total recommendations	Nil
(iv)	Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee (Sl. Nos. 3 and 5)	02
	Percentage of total recommendations	20%
(v)	Recommendation/Observation in respect of which final replies of Government is still awaited. (Sl. No. 10)	01
	Percentage of total recommendations	10%