

**41**

**STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY  
(2016-17)**

**SIXTEENTH LOK SABHA**

**MINISTRY OF COMMUNICATIONS  
(DEPARTMENT OF POSTS)**

**[Action Taken by the Government on the Observations/Recommendations of  
the Committee contained in their Thirty-Seventh Report  
(Sixteenth Lok Sabha) on 'Demands for Grants (2017-18)']**

**FORTY-FIRST REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

***August, 2017/Shravana, 1939 (Saka)***

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**[Action Taken by the Government on the Observations/Recommendations of  
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Demands for Grants (2017-18)]**

***Presented to Lok Sabha on 11.08.2017***

***Laid in Rajya Sabha on 11.08.2017***



**LOK SABHA SECRETARIAT  
NEW DELHI**

***August, 2017/Shravana, 1939 (Saka)***

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**COMPOSITION OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2016-17)**

**Shri Anurag Singh Thakur - Chairperson**

**Lok Sabha**

2. Shri L. K. Advani
3. Shri Prasun Banerjee
4. Shri Harish Dwivedi
5. Dr. Sunil Gaikwad
6. Shri Hemant Tukaram Godse
7. Dr. Anupam Hazra
8. Dr. Jayakumar Jayavardhan
9. Shri P. Karunakaran
10. Shri Virendra Kashyap
11. Shri Harinder Singh Khalsa
12. Shrimati Hema Malini
13. Shri Keshav Prasad Maurya
14. Dr. K.C. Patel
15. Shri Raosaheb Danve Patil
16. Shri Paresh Rawal
17. Dr. (Shrimati) Bharati Shiyal
18. Shri Abhishek Singh
19. Shri D.K. Suresh
20. Shri Ramdas Tadas
21. Shrimati R. Vanaroja

**Rajya Sabha**

22. Shrimati Jaya Bachchan
23. Shri P. Bhattacharya
24. Shri Suresh Gopi
25. Shri Prabhat Jha
26. Shri Santiuse Kujur
27. Shri Derek O'Brien
28. Shrimati Kahkashan Perween
29. Dr. K.V.P. Ramachandra Rao
30. Dr. Vinay P. Sahasrabuddhe
31. Shri Sachin Ramesh Tendulkar

**Secretariat**

- |                          |   |                      |
|--------------------------|---|----------------------|
| 1. Shri R.S. Kambo       | - | Additional Secretary |
| 2. Dr. Preeti Srivastava | - | Joint Secretary      |
| 3. Shri Y.M. Kandpal     | - | Director             |
| 4. Smt. Geeta Parmar     | - | Deputy Secretary     |

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\* Nominated to the Committee w.e.f. 19.10.2016 *vide* Bulletin Part-II dated 19.10.2016.

## **INTRODUCTION**

I, the Chairperson, Standing Committee on Information Technology (2016-2017), having been authorised by the Committee, present this Forty-first Report on 'Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty seventh Report (Sixteenth Lok Sabha) on Demands for Grants (2017-18)' of the Ministry of Communications (Department of Posts).

2. The Thirty seventh Report Report was presented to Lok Sabha and also laid on the Table of Rajya Sabha on 17<sup>th</sup> March, 2017. The Department of Posts furnished their Action Taken Notes on the Observations/Recommendations contained in the Thirty seventh Report on 11<sup>th</sup> July, 2017.

3. The Report was considered and adopted by the Committee at their sitting held on 10<sup>th</sup> August, 2017.

4. For facility of reference and convenience, Observations/Recommendations of the Committee have been printed in bold in Chapter-I of the Report.

5. An analysis of Action Taken by the Government on the Observations/Recommendations contained in the Thirty-seventh Report of the Committee is given at Annexure-II.

**New Delhi;**  
**10 August, 2017**  
**19 Shravana, 1939(Saka)**

**ANURAG SINGH THAKUR,**  
**Chairperson,**  
**Standing Committee on**  
**Information Technology.**

## CHAPTER I

### REPORT

This Report of the Standing Committee on Information Technology deals with action taken by Government on the Observations/Recommendations of the Committee contained in their Thirty-Seventh Report (Sixteenth Lok Sabha) on 'Demands for Grants (2017-18)' relating to the Ministry of Communications (Department of Posts).

2. The Thirty-Seventh Report was presented to Lok Sabha on the 17<sup>th</sup> March, 2017 and also laid in Rajya Sabha, the same day. It contained 17 Observations/Recommendations. Replies of the Government in respect of all the Observations/Recommendations have been received from the Department of Posts and are categorized as under:-

(i) Observations/Recommendations which have been accepted by the Government  
Rec.SI.Nos.:-1,2,3,4,6,7, 8,10,11,12,13,14,15,16,17

Total 15

Chapter - II

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

Total - Nil

Chapter-III

(iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and require reiteration  
Rec. Sl. Nos. 5 and 9

Total - 02

Chapter-IV

(iv) Observations/Recommendations in respect of which the reply of the Government are of interim in nature

Total - Nil

Chapter-V

**3. The Committee trust that utmost importance would be given to implementation of the Observations/Recommendations accepted by the Government. The Committee further desire that Action Taken Notes on the Observations/Recommendations contained in Chapter-I of this Report should be furnished to them at an early date.**

4. The Committee will now deal with action taken by the Government on some of their recommendations.

## **Budget Analysis**

### **Recommendation (Para No. 1)**

5. The Committee had noted with concern in their original report that during 2016-17, the revenue target of the Department was decreased from Rs.13,827.05 crore at BE to Rs.12558.52 crore at RE and the actual revenue receipt had been Rs.8287.52 crore only (till December, 2016). The DoP attributed this decline at RE stage to the decision of the Ministry of Finance to reduce remuneration payable to DoP for saving bank and saving certificates. However, for the year 2017-18, the estimated revenue receipt at BE was Rs.15,210.03 crore which was Rs.1382.98 crore more than the BE of the previous year. After deducting the recoveries, the total deficit of the Department at BE during 2017-18 was Rs. 9055 crore. The Committee were given to understand that several attempts were being made to capture the emerging markets in e-commerce and logistic post to achieve the targets for the year 2017-18. Other initiatives included transforming Post Offices to 'one stop shop', for selling of Railway passenger reservation tickets, issuing of Sovereign Gold Bond Scheme, distribution of Gangajal, distribution of high yielding seeds and dissemination of information on new farm technologies to farmers through the village Post Offices in 14 States, providing Digital Life Certificate to Employee Provident Fund Organization (EPFO) pensioners in Telangana Circle, online applications for Universities and international Money Transfer Service (IMTS) in agreement with Western Union Money Transfer (WUMT), etc. Looking at the gap between gross expenditure and revenue receipts of the Department which was gradually increasing year by year, the Committee felt that the aforesaid measures taken by the Department were proving to be inadequate to bridge the gap. In view of the shift in thrust of the Department of Posts from a purely service oriented Department to a Department with emphasis on commerce and business orientation, there was a need to bring in more professionalism to India Posts in order to make it a self-sustaining Department. The Committee had recommended that focussed attention should be given to areas, such as improvement in service quality, increasing the brand visibility of India Posts, augmentation of infrastructure and technology induction, etc. Considering that revenue deficit could only be reduced by increasing revenue receipts, the Committee desired that the Department should ensure optimum utilization of available resources and thereby reduce the cost of operation and overall deficit.

6. In their Action Taken Reply, the Department of Post have submitted as under:

Department of Posts is focusing on the Parcel segment as a key driver for business growth considering the growing market and business prospects. The increasing eCommerce market in India has given a boost to the parcel segment where B 2 C parcels are on the rise. With a focused approach, Department of Posts generated revenue of Rs. 156 Crores under this segment during 2016-17 an overall increase of 4% over 2015-16. Performance is being reviewed to ascertain the reasons for this small growth and take necessary action to achieve a better revenue growth in the coming year. Service features are being reviewed in accordance with market requirements and new players are being taken on board to increase the revenue earnings and also to control the deficit. In addition to increasing the throughput and reduce the time involved in handling of the articles, Department is

also augmenting its infrastructure by providing requisite equipment and induction of appropriate technology, which will reduce the cost of operation and in turn overall deficit.

Department has taken various initiatives to earn more revenue through money remittance service in particular. For International Money Transfer Scheme, Department is working to increase the number of locations offering the services with a planning to introduce Account Based Money Transfer (ABMT) through which the remittance amount would be credited to the Savings Bank account of the beneficiary. Besides this, various promotional activities will be undertaken such as conducting publicity and promotion about the services through road shows and media advertising including consumer gifting programmes, which will help increase in number of transactions thereby increasing revenue, for the year 2017-18.

**7. The Committee while expressing their concern over the increasing gap between the gross expenditure and the revenue receipts of the Department of Post, had suggested that besides usual initiatives on board, focused attention should be given to the areas such as improving service quality, increasing the brand visibility of India Posts, augmentation of infrastructure and technology induction etc. in order to bridge this gap. The Committee draw some satisfaction from the reply of the Department who are focusing on the key areas for the revenue generation particularly in the Parcel segment as a key driver for business growth where the Department has generated revenue to the tune of Rs. 156 crore during 2016-17. The Committee are also happy to note that based on their recommendation, the Department are also reviewing their service features in accordance with the market requirements and augmentation of infrastructure and induction of appropriate technology, besides paying attention to money remittance service and various other promotional activities. The Committee hope that the Department would continue to venture new opportunities in future for their revenue growth along with these initiatives.**

The Committee, however, taking note of the fact that there has been a marginal increase of 4 per cent only in the Parcel segment in the year 2016-17 from the previous year feel that the Department need to seriously look into this and ascertain the reasons for small growth in this key revenue driver with vast potential. Besides other action as may be contemplated by the Department to increase their revenue in this segment, the Committee earnestly desire that the Department should also pay due attention to revamping Parcel transmission modes and routes as well as having a robust grievance redressal mechanism to deal with the complaints owing to the increased volume of traffic. The Committee are hopeful that these steps coupled with improved service quality and shifting to technology and technology driven services would certainly give India Posts an opportunity to correct its deficit ridden balance sheet and play a larger role in development by strengthening 'business to business' and 'business to consumer segment'.



## Performance of Speed Post Service and e-commerce

### **Recommendation (Para No. 5)**

8. The Committee had noted in their original Report on Demands for Grants(2016-17) that Speed Post is the flagship product of the Department of Posts and a market leader in the domestic express industry with monthly volumes of more than 3 crore articles. Revenue of the Department under Speed Post increased from Rs. 1495.21 crore in 2014-15, to Rs 1605.25 crore during 2015-16. The revenue receipts under Speed Posts during 2016-17 was Rs.1183 crore up to December, 2016. Further, under "Speed Post", out of Rs. 8.69 crore allocated during the year 2016-17, the Department could utilise Rs.2.58 crore only till December 2016. Keeping in view that the market share of Speed Post is just 15-18 per cent of the total courier service in the country, the Committee had recommended to the Department to make efforts to increase the market share of Speed Post with special emphasis on expanding the base of Speed Post in rural, inaccessible areas not covered by private courier service.

9. In their Action Taken Reply, the Department of Posts have submitted as under:

"In order to increase the market share of Speed Post the following initiatives have been taken by Department:

- Discount structure of Speed Post and Express/Business Parcel has been rationalized with effect from 01.01.2017. In addition to this discount for bulk customers in Speed Post has been introduced.
- Delivery of notices/summons issued by High Court has been extended to Hon'ble High Court of Karnataka, Jharkhand and Bihar in addition Odisha and Punjab and Haryana High Court on the lines of Delhi High Court Project.
- MoU with Indian Air Force for delivery of its consignments through Speed Post has been signed on 8<sup>th</sup> June, 2016 for two years.
- Department has also introduced the facility of tracking of Speed Post articles through mobile and free Short Messaging Service (SMS)alerts to sender and addressee. "

**10. Keeping in view the market share of the Speed Post is just 15-18 per cent of the total courier service in the country, the Committee had recommended that the Department should make efforts to increase the market share of Speed Post with special emphasis on expanding the base of Speed Post in rural, inaccessible areas not covered by private courier service. Taking note of a few initiatives taken by the Department to increase the share of Speed Post, the Committee find that the reply of the Department is silent on the efforts being made by them to expand the base of Speed Post in rural and inaccessible areas which are not covered by private courier service, as recommended by them. Needless to mention that the Committee's recommendation was based on the need for tapping the vast potential available to the Department in this segment in rural and inaccessible areas**

which are not covered by private courier service. They, therefore, reiterate their earlier recommendation and desire the Department to respond in the desired context.

11. The Committee while taking note of various initiatives being taken by the Department of Post to increase the market share of Speed Post desire that the Department should continue exploring other innovative measures to improve their Speed Post delivery system to mobilize increased revenue for the Department. They would further like to be informed of the revenue receipts under Speed Posts during 2016-17 and also the status of utilization of funds of Rs. 8.69 crore allocated to the Department under "Speed Post".

### Postal Life Insurance

#### Recommendation (Para No. 9)

12. The Committee had noted in their Report that Postal Life Insurance (PLI) is the oldest life insurance scheme for the benefit of the Government and semi Government employees and people working in the unorganized sector and private organisations/companies are not allowed to avail this policy. Till 31-03-2016, the Department had opened 49,30,838 PLI accounts and collected Rs.109982.09 crore. Further, Rural Postal Life Insurance (RPLI) scheme was introduced for the benefit of rural populace to extend them insurance cover with special emphasis on weaker and women workers. Till 31-03-2016, the Department had opened 1,49,15,652 RPLI accounts and collected Rs. 81733.73 crore. Keeping in view the potential market growth and customer expectations, under the 12<sup>th</sup> Plan, the Department had been undertaking activities like publicity of insurance products, training of Circle office personnel and marketing personnel, development of Software, computerization of PLI/RPLI Operations, etc. The Committee expressed their concern to note that during 2016-17, against the allocation of Rs.10.60 crore, the Department could utilise Rs. 6.99 crore, upto December, 2016. Taking a serious note of the fact that the financial achievement till December 2016 in the 12<sup>th</sup> plan under 'Computerization of Investment Division Development/Procurement of Software for Investment Division' was NIL, the Committee had recommended to the Department to ensure that targets are achieved during 2017-18. They further desired to be apprised of the reasons for providing PLI only to Government and semi Governments bodies of the Central and State Governments.

13. In their Action Taken Reply, the Department of Posts have submitted as under:

"Expenditure towards funds allotted under Plan scheme 2016-17 for various activities was as under:-

Sl No	Plan Scheme	Account Head	Figure (In Rs. cr)	Actual expenditure (in Rs. cr))	% expenditure
a	Publicity of Insurance Products	3201.03.101.07.01.26	7.00	8.32	99.04
b	Publicity of Insurance	2552.03.101.07.01.26	1.40		

	Products-(NE)				
c	(i) Training of marketing/circle office personnel-(TE)	3201.03.101.08.01.11	1.20	0.97	89.00
	(ii) Training of marketing/circle office personnel-(OE)	3201.03.101.08.01.13	0.40	0.35	88.00
	(iii) Training of marketing/circle office personnel-(PPS)	3201.03.101.08.01.28	0.40	0.28	70.00
d	Computerization of Investment Division	5201.00.104.53.09.52	0.10	0.0	0
e	Development /procurement of software for Investment Division	3201.03.10107.01.28	0.10	0.0	0
	Total		10.60	9.92	93.58

Overall expenditure for plan activities during the year 2016-17 was 93.58%. However, expenditure towards computerization and Development/ procurement of software for Investment Division involved the process of obtaining technical advice/expertise from NIC/NICSI and constitution of committee of officers. One of the requirements for the in house investment function is to provide robust IT system to Investment Division with requisite hardware, terminals, software etc. and integration of same with various system /platform for investment function as per industry standards. Efforts will be made for achievement of this targets in 2017-18.

Postal Life Insurance (PLI), introduced in 1884, is the oldest life insurance scheme for the benefit of the Government and semi Government employees. Initially meant only for the Post Office employees . Gradually clientele base of PLI was expanded and today it caters to employees of the Civil and Military personnel of the Central and State Governments, Local Bodies, Government aided educational institutions, Universities, Nationalised Banks , Autonomous institutions , Public Sector Undertakings of the Central and State Government , employees of organisations such as Scheduled Commercial Banks, Credit Co-operative Societies , Deemed Universities and Educational Institutions accredited by recognised bodies such as National Assessment and Accreditation Council (NAAC), All India Council for Technical Education (AICTE), Medical Council of India (MCI) , etc., Joint Ventures having a minimum of 10% stake of Central/State Governments/PSUs and employees engaged/appointed on contract basis by Governments where the contract is extendable.

The scope of further expansion of PLI to employees of listed companies of BSE/NSE, professionals like medical practitioners, chartered accountants, lawyers etc. are under examination , keeping in view the ongoing IT support and other different types of constraints in policy servicing & claims management.

Insurance cover through the Department was extended to citizens living in rural areas under Rural Postal Life Insurance on 24.03.1995. Persons working in unorganized sector can take Rural PLI policy, if they have a permanent rural address.”

14. The Committee are not satisfied with the reply of the Department of Posts. The Committee had wanted to know the precise reasons for not extending the benefits of Postal Life Insurance(PLI) scheme to the people working in the Government and semi-Government bodies only which have not been specified by the Department of Posts. The Committee would like the Department to reply accordingly, and also to provide a time frame by which these benefits will be provided to private organizations and unorganized sector.

15. It is equally unconvincing that instead of admitting lack of efforts on the part of the Department in utilising the allocated funds of Rs. 20 lakh during 2016-17 on "Computerization and Development/procurement of software for Investment Division", the Committee have been provided with the details of various works that comes under the said scheme. The Committee do not appreciate the way the Department has responded in an evasive manner. However, in view of the importance of the works involved in the above said scheme, the Committee would like to impress upon the Department to take all corrective measures so as to optimally utilise the allocated funds during 2017-18.

### **Philately Operations and Quality of Service**

#### **Recommendation (Para No. 13)**

16. The Committee in their Report on DFG of the Department of Posts had noted that during 2016-17, for 'Philately Operations', the Department of Posts had proposed an amount of Rs.24.75 crore at BE, for implementation of various activities under the scheme. However, only an amount of Rs.8.29 crore was allocated. Further, out of the same, the Department could utilise an amount of Rs.3.83 crore only till December, 2016. For the year 2017-18, against the proposed amount of Rs.81.22 crore, the Department has been allocated Rs.6.90 crore only. Also, against the target of Rs. 141.54 crore, the Department could earn Rs. 41.49 only till 31<sup>st</sup> December, 2016. As Philately is one of the major sources for India Posts to earn revenue, the Committee had desired that the Department should explore revenue earning opportunities available under philately operation by modernizing its philately operations. Further, in order to realize the full potential of the 'Customized My Stamps', one of their major initiatives, the Department should popularize this initiative through more advertisements in social media and providing requisite infrastructure to more of the post offices which could undertake this activity more vigorously.

17. In their Action Taken Reply, the Department of Posts have submitted as under:

"An outlay of Rs. 8.29 Crs. was provided under the Scheme 'Philately Operations' in the year 2016-17. A regular review was carried out time to time and necessary instructions have been issued to all the concerned to utilize the funds fully and achieve the physical targets. As a result, an amount of Rs. 7.88 Crs. has been incurred upto 31<sup>st</sup> March, 2017 (i.e.) 95.05%.

As regards promotion of philately is concerned, the Department has taken many new initiatives such as creation of a separate postage stamps website, sale of philatelic products through e-post office, use of Social Media for promotion of philately, and online sale of philatelic products on e-commerce (Snapdeal & Shopclues) besides 'Customized my Stamps', Further , the Department promoted e-commerce business with reference to Philately and the online sale of Philatelic products on e-post office portal of India Post has crossed Rs. 3.92 Crs. (2016-17) from Rs. 0.16 Cr (2014-15). In addition, many other initiatives such as designing and production of diverse products, production and fulfillment centre, promotion of products on social media besides more user friendly technology initiatives have been taken in Philately. During the year 2016-17, Department earned a revenue of Rs. 60.11 Crs. against the target of Rs.141.54 Crs.

In the current financial year (2017-18), funds of Rs. 6.90 Crs. has been provided under the Scheme 'Philately Operations'. Necessary action is being taken to utilize the funds fully and efficiently. In the current year, action is underway for holding of Distt. & State Level Phil. Exhibitions, Phil. Seminars, Quiz and modernization of Philately Bureaus besides expansion of My Stamp Counters etc. Demand for additional allocation of funds will be taken up with the Ministry of Finance for the successful implementation of the scheme. "

**18. The Committee are happy to note that the amount by online sale of Philatelic products on e-post office portal of India Post has increased to Rs. 3.92 crore in 2016-17 from Rs. 0.16 crore in the year 2014-15 and this could happen due to promotion of e-commerce business with reference to Philately by the Department. However, they feel sorry to note that during the year 2016-17, the Department could earn a revenue of only Rs.60.11 crore against the target of Rs 141.54 crore, i.e. a shortfall of Rs. 81.43 crore(57.53%). Apparently, a lot more serious efforts were required to achieve the set targets. The Committee desire that the Department should continue making their focused efforts to promote eCommerce business and ensure more revenue generation in the coming years. They would like to be informed of the targets fixed of revenue earnings during 2017-18 and how the Department propose to meet the same.**

**19. The Committee note with satisfaction that the Department is taking various initiatives to promote Philately, viz. creation of a separate postage stamps website, sale of philatelic products through e-post office, use of Social Media for promotion of philately, and online sale of philatelic products on e-commerce (Snapdeal & Shopclues) besides 'Customized my Stamps'. During the current year, the department is taking action for holding of Distt. & State Level Phil. Exhibitions, Philately Seminars, Quiz and modernization of Philately Bureaus besides expansion of My Stamp Counters etc. However, they are apprehensive about achievement of targets in this regard, looking at pace of utilization of funds in the year 2016-17 and the meagre allocation of funds during 2017-18 of Rs.6.90 crore for "Philately Operations". Therefore, the Committee earnestly desire the Department of Posts to take up the matter for enhancement of funds for the scheme at RE stage with the Ministry of Finance at an appropriate level, and make all out efforts for full utilization of available resources.**

## Human Resource Management

### **Recommendation (Para No. 14)**

20. In their Report on DFG of the Department of Posts, the Committee had noted that during the year 2016-17, against the proposed amount of Rs.54.02 crore, the Department was allocated Rs. 41.97 crore at RE and out of the same, Rs.13.17 crore only could be utilized till December, 2016. For the year 2017-18, the Department have proposed an amount of Rs.71.9 crore, however Rs.33.94 crore only had been allocated. Besides, training programmes for different cadres of employees of the Department of Posts and induction training for all cadres at the time of entry in service, the Department were in the process of rapid modernization and with implementation of schemes like India Post IT Modernization Project, rapid expansion of Banking, Insurance and financial activities etc. they had diversified into various fields. With the desired objective of developing adequate skill sets to support the delivery of services to customers, induction of new technology, specialization in banking and insurance sectors, marketing and legal matters through "Human Resource Management", the Committee had recommended that efforts should be made by the Department to set up more training centres at regional level. Further, the funds allocated under the Scheme of Human Resource Management should be optimally utilized to achieve the desired objectives.

21. In their Action Taken Reply, the Department of Posts have submitted as under:

"All efforts will be made to utilize the funds allotted. Department is considering to set up new Postal Training Centres during 2017-18 to 2019-20. 50 existing Work Place Training Centres (WTCs) are also proposed to be upgraded by creation of additional training facilities for mid-career and refresher training to the staff of Department of Posts."

**22. The Committee note that the Department is considering to set up new Postal Training Centres during 2017-18 to 2019-20. Also 50 existing Work Place Training Centres (WTCs) are proposed to be upgraded by creation of additional training facilities for mid-career and refresher training to the staff of Department of Posts. The Committee are hopeful that in order to achieve the above targets, the Department have prepared a firmed proposal to get funds of the required level at the RE stage from the Ministry of Finance. Besides, utmost care has to be taken to optimally utilize the allocated funds. The Committee note that the utilization of funds under HR Management has been very dismal upto December 2016 and would like to be apprised of the funds utilised under Human Resource Management scheme during 2016-17 against the allocation of Rs. 41.97 crore, along with specific reasons for the underutilization.**

## CHAPTER II

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

#### BUDGET ANALYSIS

##### (Recommendation Sl.No.1)

#### DoP Budget

The Department of Posts (DoP) have laid the detailed Demands for Grants (2017-18) in Lok Sabha on 8<sup>th</sup> February, 2017 for a total amount of Rs.25,552.61 crore which includes Rs.25,057.61 crore under Revenue and Rs.495 crore under capital. The amount is exclusive of Rs.60 lakh charged under the Revenue head. A look at the utilization of funds shows that the gross expenditure of the Department is gradually increasing over the years. During the year 2014-15, the Department had incurred an expenditure of Rs.18556.56 crore which increased to Rs.19654.67 crore during 2015-16. In the year 2016-17, the BE gross expenditure of the Department set at Rs.23122.60 crore was increased to Rs.23276.08 crore at RE, out of which an amount of Rs.17962 crore has been utilised till December, 2016. For the year 2017-18, an amount of Rs.25058.21 crore has been set at BE which is Rs.1935.61 crore more than the BE of the previous year. The increase in the gross expenditure is mainly due to Salaries and Pensions which constitute more than 90 percent of the gross expenditure. The Department have stated that it is not possible to cut down the operational expenses due to the increasing costs and due to obligation to provide Universal Postal services to the citizens at affordable costs throughout the country. The expenditure is likely to increase further as pension is expected to be Rs.7215.42 crore *i.e.* 28.79 percent of the gross expenditure fixed at BE. The progressive increase in expenditure is an area of concern, though the DoP are earning revenue through various activities such as Postal Operations and operation of various Saving Bank Accounts and Revenue receipts which contribute in offsetting the huge gross expenditure of the Department. The Committee also note with satisfaction that the revenue receipts of the Department on account of its Postal Operations as well as remunerations in Saving Banks services are gradually witnessing an increasing trend. During the year 2014-15, the revenue receipts of the Department was Rs.11635.98 crore which increased to Rs.12939.79 crore in 2015-16 resulting in decline in the total deficit of the Department from Rs.6258.60 crore in 2014-15 to Rs.6007.18 crore in 2015-16. The Department need to sustain this momentum of increase in revenue. The Committee are, however, concerned to note that during 2016-17, the revenue target of the Department was decreased from Rs.13,827.05 crore at BE to Rs.12558.52 crore at RE and the actual revenue receipt has been Rs.8287.52 crore only (till December, 2016). The DoP have attributed this decline at RE stage to the decision of the Ministry of Finance to reduce remuneration payable to DoP for saving bank and saving certificates. However, for the year 2017-18, the estimated revenue receipt at BE is Rs.15,210.03 crore which is Rs.1382.98 crore more than the BE of the

previous year. After deducting the recoveries, the total deficit of the Department at BE during 2017-18 is Rs. 9055 crore. The Committee are given to understand that several attempts are being made to capture the emerging markets in e-commerce and logistic post to achieve the targets for the year 2017-18. Other initiatives include transforming Post Offices to 'one stop shop', for selling of Railway passenger reservation tickets, issuing of Sovereign Gold Bond Scheme, distribution of Gangajal, distribution of high yielding seeds and dissemination of information on new farm technologies to farmers through the village Post Offices in 14 states, providing Digital Life Certificate to Employee Provident Fund Organization (EPFO) pensioners in Telangana Circle, online applications for Universities and international Money Transfer Service (IMTS) in agreement with Western Union Money Transfer (WUMT), etc. Looking at the gap between gross expenditure and revenue receipts of the Department which is gradually increasing year by year, the Committee feel that the aforesaid measures taken by the Department are proving to be inadequate to bridge the gap. In view of the shift in thrust of the Department of Posts from a purely service oriented Department to a Department with emphasis on commerce and business orientation, there is a need to bring in more professionalism to India Posts in order to make it a self-sustaining Department. The Committee recommend that focussed attention should be given to areas, such as improvement in service quality, increasing the brand visibility of India Posts, augmentation of infrastructure and technology induction, etc. Considering that revenue deficit can only be reduced by increasing revenue receipts, the Committee desire that the Department should ensure optimum utilization of available resources and thereby reducing the cost of operation and overall deficit.

While appreciating the efforts made by the Department for revenue generation such as experiment of making post office extension counter of employment exchanges, issuing of Digital Life Certificate for EPF pensioners, working with Ministry of Earth Sciences on providing weather information, etc. the Committee recommend that the Department should explore the possibility of leasing out their buildings/space for setting up of telecom towers.

### **Reply of the Government**

Department of Posts is focusing on the Parcel segment as a key driver for business growth considering the growing market and business prospects. The increasing eCommerce market in India has given a boost to the parcel segment where B 2 C parcels are on the rise. With a focused approach, Department of Posts generated revenue of Rs. 156 Crores under this segment during 2016-17 an overall increase of 4% over 2015-16. Performance is being reviewed to ascertain the reasons for this small growth and take necessary action to achieve a better revenue growth in the coming year. Service features are being reviewed in accordance with market requirements and new players are being taken on board to increase the revenue earnings and also to control the deficit. In addition to increasing the throughput and reduce the time involved in handling of the articles, Department is



also augmenting its infrastructure by providing requisite equipment and induction of appropriate technology, which will reduce the cost of operation and in turn overall deficit.

Department has taken various initiatives to earn more revenue through money remittance service in particular. For International Money Transfer Scheme, Department is working to increase the number of locations offering the services with a planning to introduce Account Based Money Transfer (ABMT) through which the remittance amount would be credited to the Savings Bank account of the beneficiary. Besides this, various promotional activities will be undertaken such as conducting publicity and promotion about the services through road shows and media advertising including consumer gifting programmes, which will help increase in number of transactions thereby increasing revenue, for the year 2017-18.

The Department has considered the proposal of Department of Telecommunication and issued guidelines to the Postal Circles for setting up of telecom towers of BSNL/MTNL and private parties separately according to which roof space will be leased out for a certain period of time for setting up of telecom towers.

(Ministry of Communications/Department of Posts No.F.28-1/2017/BGT (PA)/37<sup>th</sup> Report dated 16.06.2017)

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

#### **Allocation under Plan Schemes**

The Committee note that the Department have progressively rationalized their schemes and the number of schemes have been brought down to four *i.e.*, Postal Operations, Financial Services, Human Resource Management and Estate Management. During the year 2016-17, a new sub scheme 'Setting up of India Post Payments Bank (IPPB)' was included in the scheme 'Financial Services' in addition to the sub-schemes 'Post Office Savings Bank Operation' and 'Postal Life Insurance Operations and Promotion'. The architecture of the schemes has further been revised in 2017-18 by the Ministry of Finance. The Department had proposed an amount of Rs. 2242 crore for implementation of Plan Schemes, however, an amount of Rs. 600 crore was allocated at BE which increased to Rs. 750 crore at RE and the actual utilization upto December 2016 has been Rs. 499.26 crore only. Thus, the Committee note with concern that there is significant under utilization of funds in almost all the Plan Schemes including the Scheme of Postal Operations which received the lion's share of allocation. An amount of Rs. 350.67 crore was allocated for Postal Operations which increased to Rs. 354.15 crore at RE, however, the actual achievement has been Rs. 193.86 crore *i.e.* 54.73 per cent of the RE. There is considerable under utilization of funds under sub schemes like Rural Business and Access to postal network, Mail Operations, IT induction and Modernization, Business Promotion, Marketing Research and Product Development, Philately Operations etc.

Under Human Resource Management, an amount of Rs. 39.62 crore had been allocated at BE which increased to Rs. 41.97 crore at RE and the actual utilization has been Rs. 13.17 crore only. Similarly, under Estate management, an amount of Rs. 59.71 crore had been allocated at BE, which decreased to Rs. 53.88 crore at RE and the utilization has been Rs. 12.71 crore only. The only scheme where there has been decent utilization of fund is India Post Payment Bank. The allocation under this head was increased from Rs. 150 crore at BE to Rs. 300 crore at RE, out of which the Department have incurred an expenditure of Rs. 279.52 crore till December 2016. During the year 2017-18, an amount of Rs. 3707.71 crore has been proposed by the Department for the implementation of various schemes which is Rs. 1465.71 crore more than the amount proposed during 2016-17. Out of this, an amount of Rs. 1050 crore has been allocated at BE stage during the year 2017-18. This is an increase of Rs. 450 crore over the allocation for plan schemes during 2016-17, which is because of increase in allocation made under two schemes, *i.e.*, Postal Operations and India Post Payment Bank. The Committee are of the view that there is an urgent need for the Department to rapidly shift its focus from mail delivery services to technology oriented and technology driven services such as e-Commerce. In view of increase in allocation under schemes like Mail Operations, IT induction and Modernization, Estates Management, India Post Payments Bank etc. for the year 2017-18, the Committee recommend the Department to take due care and ensure efficient utilization of funds under all their Plan Schemes. In view of the visible gap between the amount proposed and the amount actually allocated at BE state, the Committee recommend that the Department should pursue the matter of enhanced allocation for their Plan Schemes with the Ministry of Finance so that implementation of the schemes do not suffer due to inadequate funds.

### **Reply of the Government**

The position of scheme wise utilization of funds under Plan Schemes for the financial year 2016-17 is as under:-

				Rs. in crores
<b>Sl No.</b>	<b>Plan Scheme/Activity</b>	<b>Allocation of funds under FG 2016-17</b>	<b>Exp. Upto March (SY.I) 2017</b>	<b>Total</b>
<b>1</b>	<b>Postal Operations</b>			
<b>i</b>	Rural Business & Access to Postal Network	13.0040	13.4492	
<b>ii</b>	Mail Operations	39.4744	38.1725	

<b>iii</b>	IT Induction & Modernisation	196.7800	187.2771	
<b>iv</b>	Project Arrow - Look & Feel	60.5040	59.3727	
<b>v</b>	Business Promotion, Marketing Research and Product Development	11.6000	10.8100	
<b>vi</b>	Philately Operation	8.2900	7.9300	
<b>vii</b>	Quality of Service	0.3639	0.2871	
	<b>Scheme Total</b>	<b>330.0163</b>		317.2986
<b>2</b>	<b>Financial Services</b>			
i	Post Office Savings Bank	1.2204	1.2183	
ii	Setting up of India Post Payments Bank	300.0000	299.9438	
iii	Postal Life Insurance Operations and Promotion	10.6000	10.1804	
	<b>Scheme Total</b>	<b>311.8204</b>		311.3425
<b>3</b>	<b>Human Resource Management</b>			
	<b>Scheme Total</b>	<b>33.2286</b>		30.2190
<b>4</b>	<b>Estates Management</b>			
	<b>Scheme Total</b>	34.0547		30.9780
	<b>Total</b>	<b>709.1200</b>		<b>689.8381</b>

Regarding the gap between the amount proposed and the amount actually allocated at BE stage, the matter would be pursued with the Ministry of Finance for enhanced allocation for the Plan Schemes so that implementation of the schemes do not suffer due to inadequate funds. This point is noted and due care would be taken.

(Ministry of Communications/Department of Posts No.F.28-1/2017/BGT (PA)/37<sup>th</sup> Report dated 16.06.2017)

### **Recommendation Sl.No. 3**

#### **Rural Business & Access to Postal Network**

The Committee note the objective of this sub Scheme is to increase access to the postal network, keeping in view the Universal Service Obligation, and to bring postal facilities within the reach of every citizen of the country. However, the Committee are concerned to note that out of RE allocation of Rs.13 crore, the Department have incurred an expenditure of Rs.6.24 crore only till December, 2016. For the year 2017-18, though the Department had proposed an amount of Rs.69.68 crore keeping in view the requirements of 1.26 lakhs BOs in rural areas, they have been allocated an amount of Rs.17.70 crore only at BE stage. The Committee note that even though India has the largest postal network in the world and 89.70 percent of them are in rural areas, there continues to be a demand for new Post Offices. Till 31.1.2017, 1323 proposals for opening of new posts have been received by the Department out of which 430 proposals have been found justified and 210 proposals are still pending. The Department of Posts have informed that they have decided to open 1,789 new Double Handed Branch Post Offices (BOs) by creation of new posts at Gram Panchayat Headquarter Villages having no post offices within a distance of 3 Km in 32 worst affected LWE districts in the country. Accordingly, sanction of 1,789 new Double Handed BOs and sanction of corresponding posts have been issued to the concerned Circles for compliance. The Department of Posts have been assigned a bigger responsibility in the context of financial inclusion over and above the traditional functions of collection and delivery of mails and post offices are increasingly envisaged as 'One stop shop', and hence there is a need to expand the outreach of postal network in the rural areas, especially in the tribal belt where people have to travel long distance to collect MGNREGA or pension payments or direct benefit transfers. The Committee, therefore, recommend that the Department should take necessary steps for opening of more number of post offices while simultaneously providing necessary infrastructure so as to ensure prompt and complete delivery of services. The Committee also recommend that measures may be taken for opening of 1789 new Branch Offices in 32 worst affected LWE areas at the earliest. The Committee also recommend that some sort of grievance redressal mechanism should be put in place for the people in rural and remote areas availing services through post offices.

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

Opening of new post offices in uncovered urban and rural areas is taken up as an ongoing activity under the scheme –“Rural Business & Access to Postal Network”. The new post offices are opened by redeployment & relocation after following prescribed Departmental norms for opening of new post offices, availability of funds and manpower. During 12<sup>th</sup> Plan Period, 439 Branch Post Offices (BOs) and 453 Sub-Post Offices (SOs) have been opened by redeployment & relocation, to increase

access of postal services in uncovered areas of the country. It has also been proposed to open 300 BOs and 240 SOs by redeployment & relocation under the aforesaid scheme during the period from 2017-18 to 2019-20 subject to approval of Expenditure Finance Committee (EFC) Memo and availability of funds.

Basic infrastructure equipments like table, chair, almirah, signages board, cash chests are provided to rural BOs under this scheme for infrastructure development to improve brand image of post offices and for better security of cash & other documents, etc. to facilitate prompt, better and satisfactory services by the post offices to the customers. During 12<sup>th</sup> Plan Period, 74,228 rural BOs were provided basic infrastructure equipments like chair, table, almirah, etc, 1,18,759 signages board and 45,017 cash chests. It has also been proposed to provide basic infrastructure equipments to 31,714 rural BOs, 37,440 signages board and 26,000 cash chests under the aforesaid scheme during the period from 2017-18 to 2019-20 subject to approval of EFC Memo and availability of funds.

Sanction for opening of 1,789 new Branch Offices in 32 worst affected LWE areas/ districts in the country has been issued by the Department in January, 2017 but due to non-availability of funds under the scheme these BOs could not be opened during 2016-17 and action on the same is underway.

A grievance redressal mechanism already exists for addressing the grievances promptly for the people availing services through post offices. There is provision in all Post Offices including Branch Post Offices (BOs) to keep Complaint and Suggestion Book wherein citizens can register their complaints and suggestions, disposal of which is monitored regularly through a prescribed mechanism. In addition, recently Department of Posts has established India Post Help Centre having toll free No. 1924, through which the public can register their complaints over phone. Moreover, Department of Posts has made provisions to receive complaints online through PG Portal of Govt. of India for public grievances and their prompt online redressal.

(Ministry of Communications/Department of Posts No.F.28-1/2017/BGT (PA)/37<sup>th</sup> Report dated 16.06.2017)

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

#### **Automatic Mail Processing Centres and Parcel Network Optimisation Project**

The Committee note that in order to meet the mail market demand for end-to-end solutions, the activity with the nomenclature 'Setting up of Mail Business Centres' in 11<sup>th</sup> Plan has been continued under the nomenclature 'Mail Network Optimisation' in the 12<sup>th</sup> Plan. Under this Scheme, the Department have incurred an expenditure of

Rs.1.94 crore till December 2016 during 2016-17. Mail Network Optimisation is an important project taken up under Mail Operations by the Department to optimize and consolidate the erstwhile mail network and improve the quality of service of mail products. From the information provided by the Department, the Committee note that many major tangible and measurable improvements in quality of mail operations have been achieved through implementation of Mail Network Optimization Project (MNOP). These include reduction in the transit time and improved delivery performance for Speed Post articles, improved visibility for Speed Post, putting the Registered and Parcel articles on the tracking system of India Post website for Speed Post in particular, adoption of standardized processes at Speed Post Centres, Computerized Registration Centres (CRC) and Parcel Centre operations, etc. leading to streamlined operations, better monitoring and enhanced productivity. Introduction of new tools and equipments in operations, etc. have further led to better working conditions for the employees, online availability of track and trace facility in respect of Registered letters and Parcels, etc. The Committee also note with satisfaction that due to improvements in quality of mail operations there has been a steady rise in the operational capability which is reflected in the number of Speed Post articles booked (from 29.25 Crore in 2012-13 to 36.55 crore in 2015-16). The Committee are given to understand that in order to enhance the mail handling capacity, to reduce the cost of operations, and to improve the quality of service, four AMPCs are to be set up at Mumbai, Chennai, Bengaluru and Hyderabad. However, in view of change in the mail profile i.e. declining letter mail and a shift towards parcels, including e-commerce articles, the Department have now decided to look at the packet and parcel segment holistically and accordingly decide on the type and level of automation for setting up the AMPCs at these places. For this they have engaged a consultant for designing an optimum parcel network with a combination of facilities for manual to semi-automatic to automatic processing of parcels on a pan-India basis under Parcel Network Optimization Project (PNOP). These two activities of PNOP and AMPCs have to be synergized and the reports/data generated out of the PNOP would provide inputs for the proposed AMPCs. The Committee further note that there has been increase in the proportion of parcels in average mail volumes in recent years and it will be prudent to create enhanced capacity to handle the growing e-commerce business. Considering that the parcel market in India has seen exponential growth particularly in the e-commerce segment, the Committee desire that sincere efforts should be made by the Department to take advantage of upcoming growth in the parcel market. The Committee recommend the Department to ensure timely submission of the Report by the Consultant appointed for designing an optimum parcel network for the PNOP Project. The Committee also desire that the Department should take all necessary steps to take maximum benefit from the opportunities brought out by the growing e-commerce business.

## **Reply of the Government**

As correctly observed by the Hon'ble Standing Committee, there is a change in the mail profile i.e. declining letter mail and a consequent shift towards packets and parcels, including e-commerce articles. The Department has decided to look at the packet and parcel segment holistically and accordingly decided on the type and level of automation for setting up the automated mail Processing Centres (AMPC) at Mumbai, Chennai, Hyderabad and Bangaluru. The Department has engaged a consultant for the Parcel Network Optimization project (PNOP) for designing an optimum parcel network with a combination of facilities for manual to semi-automatic processing of parcels on a pan-India basis.

Efforts are being made to enhance processing and transmission capacities for handling parcels including e-commerce parcels. The type and level of automation needed for handling these parcels shall be finalized as soon as the report is submitted by the consultant. The timeline for submission of report by the consultant and the progress in this regard is being closely monitored by the consultancy Monitoring Committee.

(Ministry of Communications/Department of Posts No.F.28-1/2017/BGT (PA)/37<sup>th</sup> Report dated 16.06.2017)

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

#### **Development of e- commerce**

Development of e-commerce has also given a boost to the parcel segment where B 2 C (Business to Customer) parcels are on the rise. In order to fulfill needs arising out of the emerging e- Commerce business, Express Parcel and Business Parcel services have been introduced. During the year 2015-16 total revenue of Rs. 149.94 crore was generated (witnessing a growth of 33% compared to 2014-15) under Express & Business Parcel. During the year 2016-17, an amount of Rs.110.40 crore has been received by the Department from these two businesses. The Committee stress that the performance of Express and Business Parcel is still very less when compared to e-Commerce companies who are making billions of dollars every year. There is a huge scope for increasing India Post foothold in booming e-commerce market in the country. With the gradual shift to digital influence among the populace in the country, more number of people are shifting their businesses online and the Department of Posts need to seize this opportunity in their favour and compete with private players to make a significant presence in this sector. The Committee recommend that efforts must be made by the Department to tie up with major e-Commerce companies and capture the market in the metropolitan cities where there is huge scope for e-commerce business.

## **Reply of the Government**

With a view to have focused approach in targeting the growing eCommerce market, Department is continuously reviewing its services to align them with the requirements of the customers and in tune with the market offering so as to increase its revenue and market share. Such areas include offering reverse collection facility, payment options for Cash on Delivery products through credit card/ debit card, controlling returned to sender and improving visibility for the delivered and paid articles, offering collection service to the market place customers etc. In this regard it is intimated that Department has already made arrangements for accepting payments through digital modes and 15000 mobile phones are being supplied to postmen which will enable real time last mile visibility through an application developed for this purpose. Action is also underway to initiate a pilot for 'Reverse Collection' facility to be offered to eCommerce players. It is expected that these initiatives coupled with other actions in the pipeline for infrastructure development will enable Department to grow its revenue at a much faster pace in coming years and thereby reducing the deficit.

(Ministry of Communications/Department of Posts No.F.28-1/2017/BGT (PA)/37<sup>th</sup> Report dated 16.06.2017)

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

#### **Post Office Savings Bank Operations**

The Committee note that this scheme is being implemented with an objective to fully realize the potential of the vast customer base and credibility of India Post in the area of banking and promote the habit of thrift and savings among citizens of the country. During the year 2016-17, an amount of Rs.1.10 crore was allocated for procurement of 6.5 lakh ATM/Debit cards which has been utilised fully by procuring 6.25 lakh ATM/Debit Cards by the end of September 2016. Out of the 1000 ATMs that is planned so far, 970 ATMs are already installed. About 11.30 lakh ATM/Debit cards are issued to POSB customers. RBI has also accorded in principle approval for DoP ATM to be made interoperable and there has been increase in number of ATM transaction after DoP ATMs were made interoperable. Moreover, the rollout of Internet, SMS and Mobile banking services to POSB customers is under testing stage. The Department have further informed that as of now 23,200 Post Offices have been migrated to Core Banking Solutions (CBS) environment. Banking solution through mobile application and hand-held devices will be provided to the Rural Post Offices. The Post Office Savings Bank operates Savings Accounts, Recurring Deposit (RD), Time Deposit (TD), Monthly Income Scheme (MIS), Public Provident Fund (PPF), National Savings Certificate (NSC), Kisan Vikas Patra (KVP), Senior Citizens Savings Scheme (SCSS) and Sukanya Samridhi Yojana account. Outstanding Balance in Savings



Bank schemes and Savings Certificates during 2015-16 was Rs. 67,8639 crore. Remuneration received by the Department on Savings Bank Business had increased from Rs. 6670.03 crore in the year 2014-15 to Rs. 7783.87 crore in 2015-16. During the year 2016-17, the Department have received an amount of Rs. 5220.87 crore up to December, 2016. All these point to the fact that POSB operation is one of the most important activities of the Department. However, the Committee feel that to grow in this area, the Department have to compete with banking sectors which have made huge investment for technological up-gradation. The Committee recommend that more attention should be given to the implementation of Core Banking Solution which aims to bring in various IT solutions, such as ATM, internet and mobile banking to the Post Offices. The Committee are of the view that there is huge requirement for ATMs in the country and the target of 1000 ATMs is too less. Though 970 ATMs have been set up during 2016-17, there is a need to increase the overall target of setting up of ATMs. The Committee recommend that the Department should make concerted effort and prepare a roadmap where each post office has its own ATM with initial focus in the rural areas which will give much relief to the rural masses who do not have adequate banking facilities.

### **Reply of the Government**

The core banking project is part of the IT project of the India Post that aims to bring in various IT solutions with the required IT infrastructure to the post offices. The plan is to install 1000 ATM across the country in Post Office, of which 980 ATMs have been installed across the country.

Department is installing Micro ATMs in each post office in rural areas under Rural ICT Project. So far 25211 devices have been installed. This will provide the ATM like facilities in rural areas.

(Ministry of Communications/Department of Posts No.F.28-1/2017/BGT (PA)/37<sup>th</sup> Report dated 16.06.2017)

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

#### **Sukanya Samridhi Yojana & Jan Suraksha Schemes**

The Committee note that Sukanya Samridhi Account is a small Savings Scheme launched on 22<sup>nd</sup> January 2015 for the welfare of girl child. Under the scheme, a legal/natural guardian can open only one account in the name of one girl child and maximum two accounts in the name of two different girl children up to 10 years from date of birth of the girl child. This scheme has received tremendous response so far and more than 94.77 lakh of Sukanya Samridhi Accounts have been opened till January, 2017. The Committee also note that Jan Suraksha Schemes viz. Pradhan Mantri Suraksha Bima Yojna (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima

Yojna (PMJJBY) were launched w.e.f. 07.09.2015 in all CBS Post Offices. PMSBY offers a renewable one year accidental death cum disability cover of Rupees Two Lakh ( Rupees One Lakh for partial permanent disability) to all savings bank account holders in the age group of 18 to 70 years on a premium of Rs. 12 per annum per subscriber. On the other hand, PMJJBY offers a renewable one year life cover of Rupees Two Lakh to all savings bank account holders in the age group of 18 to 50 years, covering death due to any reason, on a premium of Rs. 330 per annum per subscriber. Atal Pension Yojna which was launched on 1st December, 2015 focuses on the unorganised sector and provides subscribers a fixed minimum guaranteed pension of Rs. 1000, Rs. 3000, Rs 4000 or Rs 5000 per month on completion of the age of 60 years, depending on the contribution option exercised on entering at an age between 18 and 40 years. By January, 2017, 1185277 PMSBY, 78040 PMJJBY and 162247 APY enrollments have been made in Post offices. The Committee note with satisfaction that even though the above schemes have been launched in 2015, the Department have been able to open maximum number of accounts under SSA and PMSBY. However, there is a need to increase the enrolment multi fold under these Schemes. Further, the facility of opening of these accounts especially under Jan Suraksha Schemes is available only in CBS post offices which means that these schemes are yet to be made available in rural areas. There is a tremendous scope for growth for these products in rural areas. The Committee, therefore, recommend that efforts should be made to popularize these useful schemes in rural areas so that they can avail the benefits of these social security schemes. The Committee also desire that all the post offices in the country (more than 1.55 lakh post offices) should be enabled to act as a 'point of sale' counter for selling of various products including these social security schemes.

### **Reply of the Government**

Department has taken various steps to popularize the Jan Suraksha Schemes viz. organizing large scale and street level Melas, Road Shows, workshops etc. especially in rural areas. Front line staff including Postmen and Gramin Dak Sevaks were also associated in the campaign. As per the operating module of Jan Suraksha Schemes, these schemes can be operated through CBS Post Offices only. However, Branch Post Masters are already being involved to mobilize these schemes in their area and collect the enrolment application forms.

For the purpose of popularizing the Sukanya Samridhi Yojana (SSA) Department has taken various steps viz. wide publicity of the scheme through distribution of handouts, display of banners at Post Offices, Publicity through local news papers and SMS to BSNL/MTNL and other mobile subscribers, Publicity through Social Media (Whats App etc.), Co-ordination with Department of Primary & Secondary Education and Women & Child Welfare, Aggressive marketing is being carried out through visits to schools and meeting with the heads of the institutions, Publicity through different units engaged in social service like Scouts, Self Help Groups, NGOs, Aanganbadi, Lions club, Camps at birth place i.e. Hospitals, Nursing

Homes etc., Conducting Weekly Meeting, Workshops, Melas, MahaMelas & Road shows, Sensitization of staff Inclusion of frontline staff & Postmen for popularizing the scheme. Yearly targets are given to the circles and close monitoring is exercised periodically through Video Conferencing to achieve the same.

(Ministry of Communications/Department of Posts No.F.28-1/2017/BGT (PA)/37<sup>th</sup> Report dated 16.06.2017)

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

#### **IT Induction and Modernisation**

The Committee have been informed that major objectives of this scheme are modernization and computerization of all Post Offices in the country; establishment of IT Infrastructure, development of software applications covering all operations of the Department, provision of multiple channels of user interaction apart from the conventional post office counters, preparing Postal employees and Grameen Dak Sewaks for the changes at their workplace on account of induction of technology and training them. The Committee note that entire project is under implementation phase and all the 25297 departmental post offices in the country have been computerized. Some of the other achievements highlighted under the scheme are setting up of Data Centre at Navi Mumbai since 3<sup>rd</sup> April, 2013; disaster Recovery Centre has been powered on at Mysore on 15-05-2015, networking of 28259 Departmental Post offices under single Wide Area Network (WAN) which is the largest single WAN in the country, Core Banking Solution (CBS) has been rolled out in 23200 Post Offices, ATMs have been installed at 970 locations, issuing of debit cards to POSB Customers, etc. The Committee note that out of Rs. 179.61 crore allocated at BE stage during 2016-17 the achievement upto December, 2016 has been only Rs.159.33 crore only. The Committee note that for the year 2017-18 as against the projected requirement of Rs.1387.20 crore, the allocation at BE is Rs. 279.60 crore only leaving a huge gap of Rs.1110.20 crore in meeting the actual requirements. The Committee note that one of the major silos of the IT Modernisation project is the Rural ICT Project, under which the Department envisages deployment of 1,29,345 Handheld devices in rural Branch Post Offices in a phased manner. So far the Vendor of Rural Hardware has dispatched 27038 RH Devices and 14145 GDS Post Offices in rural areas have been rolled out for the RICT solution. The roll out of the Rural Hand held devices is planned to be completed by December 2017. The Committee have strong apprehension that IT Induction and Modernisation, being the backbone of all the technological advancements, any set back to this project due to resource crunch may affect the overall performance of the DoP. The Committee advise the DoP to take up vigorously with the Ministry of Finance, the issue of increased allocation for this project. The Committee also recommend the Department to ensure that there is no further revision in timelines and the project is completed and outcomes achieved within the stipulated timeframe. The Committee further desire that apart from

23200 post offices which have been provided with Core Banking Solutions (CBS), this facility should also be extended to maximum number of post offices in rural areas.

### **Reply of the Government**

Implementation of the IT Modernization Project is being closely monitored by Project Implementation Committees and Senior Officers of the Department to ensure its completion. Wherever problems arise in implementation, these are being tackled taking advice of Project Coordination Committee & Steering Committee. As on 31.03.2017, 23256 Departmental Post Offices to Core Banking Solution platform and 25406 Post Offices to Core Insurance Solution platform have been migrated. Out of 1000 ATMs targeted for deployment, 978 ATMs are deployed. Debit cards are being issued to POSB Customers. The DOP ATMs have become inter-operable with effect from 31-12-2016. So far 28299 locations have been networked and connected to Data Centre. In connection with Rural Information and Communication Technology (RICT) silo, performance testing, third party audit has been completed. Roll out has started. The Committee will be glad to know that 28122 RH Devices have been supplied to Rural GDS Post Offices and so far 24327 Rural GDS Post Offices have been rolled out. Under Mail Operation Hardware sub project, which aims at procuring and supply of hardware to Mail Offices across the Country, supply of desk top computers stands completed. Core System Integrator (CSI) silo is in implementation phase. Pilot roll out which started at Mysore in Karnataka has been completed after resolving all the technical issues cropped up during roll out. So far, CSI have been rolled out in 2 pilot divisions and 7 Phase I divisions. In the rest of the Phase I divisions, CSI would be rolled out shortly. Under CSI, integration issues are very complicated in nature as it covers integration of Banking, Point of Sale, Mail Operation, Accounting and HR Activities on a single platform. A committee has been put in place to resolve Core System Integrator (CSI) integration issues on priority and inter-dependencies are being closely monitored with the vendors.

#### **Present Status of the IT Modernization Project:**

Sl No.	Name of the segment & its scope	Present position/Targets achieved. ( as on 31-3-17)	Expected time lines for completion
1	Change Management (CM): Preparing the workforce for the complete change in Departments' working after implementation of IT Project.	Training activities are in progress by Department on its own.	Vendor activities Completed.

2	Data Centre Facility ( DCF): Hosting Primary Data centre and building Disaster Recovery centre for the DoP	Data Centre is operational from 3 <sup>rd</sup> April 2013 at Navi Mumbai. DRC has been powered on at Mysore on 15 <sup>th</sup> May, 2015.	Completed.
3	Financial Services Integrator (FSI): Implementation of solutions for Core Banking and Core Insurance in all Post Offices. Providing multiple delivery channels- internet banking, mobile banking, ATM and Interactive Voice Response (IVR) and SMS etc.	So far 23256 POs for CBS and 25406 Post offices for CIS (PLI) have been migrated. ATM Services- installed at 978 locations.	Roll-out completed in all technically feasible POs.
4	Net work Integrator (NI): Providing connectivity for each departmental post office location in order to ensure uninterrupted network connectivity through one single WAN	As on 18.05.17, 28299 locations have been net worked on a single Wide Area Net work (WAN).	Roll out completed in all technically feasible locations
5	Core System Integrator (CSI): Implementation of the solutions for Mail Operation, Retail, logistic Post, Philately, Finance and Accounts & Human Resources and integration with other SIs.	Implementation started. E-mail roll out of staff and officers completed. Deployment of Antivirus and Active Directory as part of Wave 1 roll out is in progress. Pilot roll out completed in Mysore Division of Karnataka Circle. As on 18.05.17, 2 pilot divisions and 7 Phase I divisions have been rolled out. Further, CSI would be rolled out in rest of the Phase I divisions shortly.	December 2017
6	Rural Hardware (RH): Providing connectivity, hardware & solar power panels to Branch Post Offices in rural areas. Rural System Integrator (RSI): Implementation of the solution for integrating all the FSI/CSI applications to the Branch Post Offices.	Dispatch of RICT Devices has started. So far 28122 main computing devices have been dispatched to BOs. As on 18.05.17, 24327 Rural Branch Post Offices have been rolled out	Roll out is taken up in phased manner. Likely to be completed by December-17

7	Mail Operation Hardware (MOH): Providing hardware to Mail Offices and handheld devices to Postmen.	Procurement of Mail Operations Hardware through DGS&D RC is in progress. Supply of Desk top computers completed. Supply of UPS, weighing scale and Gen sets is in progress and in its final stage. Procurement of Tag Printers, Barcode Scanners and Postmen handheld devices is in progress.	Likely to be completed by June-17
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Regarding the issue of increased allotment of fund to the IT Induction and Modernization Project, so that there is no set back to the project due to resource crunch, matter would be taken up with the Ministry of Finance for increased allotment of funds. The advice is noted.

(Ministry of Communications/Department of Posts No.F.28-1/2017/BGT (PA)/37<sup>th</sup> Report dated 16.06.2017)

**(Recommendation Sl.No.11)**

**Business Promotion, Marketing Research and Product Development**

The Committee note that the scheme is being implemented by the Department with a focus on marketing, logistics and retail services to address the challenges with improved service delivery, transparency and customer sensitivity and a wide range of generic and customized premium products and services. Establishment of e-Commerce/ Parcel Booking/International Business Centres and Marketing Function of the Department of Posts are the two activities undertaken by the Department under this scheme. The Committee note with concern that against the projected requirement of Rs.24.78 crore for the year 2016-17, an amount of Rs.11 crore only has been allocated in BE and RE and actual utilization till December 2016 has been Rs.3.83 crore only. The Committee note that the Department have taken several activities/campaigns for the marketing of its products and services which include release of advertisement in Print and electronic media, outdoor campaigns at Metro stations, Airports, Railway Stations, seat back panels inside Air India Aircrafts etc. on regular basis apart from participating in events like India International trade Fair, Vibrant Gujarat, Last mile Delivery conclave etc. Apart from its various premium and financial products, the Department have also introduced an online portal where a bouquet of online services such as sale of philatelic products, electronic generation of India Postal Order for payment of RTI fee, distribution of

Ganga Jal, Online Payment of PLI premia etc. is offered. In addition to this, Department of Posts have taken various initiatives for offering more people oriented services through Post Offices like launching of India Post Payments Bank, Passport Seva Kendras in Post Offices, making available National Career Services (NCS) and Jeevan Pramaan Facility to EPFO pensioners through Post Offices, distribution of high yield seeds and dissemination of latest agriculture technology through rural post offices in rural areas. The Committee feel that all the products of the Department have the potential to perform well and the market share of these products can be increased only through enhanced publicity and brand visibility. For the year 2017-18, the Department have proposed an amount of Rs.58 crore. However an amount of Rs.11.10 crore has been allocated at BE stage. Considering that brand building is an integral aspect of personal and business development which not only increases the consumer awareness of a brand, but also gives it an identity and worth, the Committee recommend that the Department should continue to pay adequate attention to publicity efforts so that India Post continues to evolve as a reliable and trustworthy brand for the citizens of India. The Committee desire that more realistic projections of fund requirement be made and allocated fund be utilized optimally under this head.

### **Reply of the Government**

The expenditure of Rs 10.93 Crore has been booked against the final allotment of Rs 11.60 Crore implying an effective utilization of over 94% under the Plan scheme of "Marketing Function of the Department". For the year 2016-17, Circles have been asked to submit their detailed Business Blueprint along with fund requirements under the said plan scheme. Funds will be allotted to Circles based on how coherent their Business Blueprints are and whether the funds requirements have been made keeping in mind the business potential, utilization capabilities etc. of the Circles in order to avoid last minute surrender/ partial utilization of funds. PAN India campaigns will be released centrally in order to give 360<sup>0</sup> visibility to the Brand "India Post" by way of releasing print, electronic as well as outdoor campaigns on effective media outlets such as TV, Radio, Metro Trains and Stations, Airports, Aircrafts, Railway Stations, Bus Stations, Digital Cinemas etc. Besides, The Department stands committed to participate in prominent events such as IITF, Vibrant Gujarat etc. During April 2017, the Department participated in the event "Global Exhibition on Services (GES)" held at the India Expo Centre & Mart, Greater Noida where India Post pavilion was well appreciated by the visiting dignitaries. Two separate seminars were organized on "Addressing for the Digital Age" and "Philately" during the event which was attended by the industry stalwarts in their respective fields.

Department is already providing e-IPO facility to pay RTI fee for a fixed amount of Rs. 10/- . Proposal is under consideration to extend the services for IPOs of higher denominations i.e. Rs. 20/-, Rs. 50/- & Rs. 100/- to the customers. This would result in to saving of printing cost of IPOs for the Department. Also, other operational costs

like handling and storage would be avoided and hence deficit of the Department will be reduced.

(Ministry of Communications/Department of Posts No.F.28-1/2017/BGT (PA)/37<sup>th</sup> Report dated 16.06.2017)

**(Recommendation Sl.No.12)**

**Post Office Passport Seva Kendra (POPSK)**

The Committee note that under Passport Seva Kendra, the Department are providing simple, efficient and transparent process for delivery of Passport. So far only two Passport Seva Kendra are operational with the Department and 56 POSK will be made operational by March this year. The Committee note that the Department are also earning revenue through rendering this service. Passport Offices are charging Rs. 1500 per customer to issue one passport. The Committee have been informed that there are 811 Head Post Offices of the Department and this service can be provided in all the Head Post Offices. The extension of this service at all the 811 Head Post Offices at the rate of Rs. 300 would also enable the Department to earn around Rs.700 crore in a year. The Committee are glad to note that this can be done without any additional investment. The Committee are of the view that demand for Passport have increased manifold during the last few years, due to growing economy and requirement of people to travel abroad for various reasons like education, tourism, business purposes etc. In this regard, the Committee feel that extension of this service to all the Head Post Offices will greatly help the people especially those living in rural areas to apply and acquire passport. While appreciating the above initiative of the Department which will help the Department to earn revenue, the Committee recommend that the matter of opening of POPSK in all the 811 HPOs may be taken up with the Ministry of External Affairs at the earliest and Committee may be apprised of the progress.

**Reply of the Government**

Department of Posts (DoP) and Ministry of External Affairs (MEA) have mutually agreed for leveraging the network of Post Office as Passport Seva Kendras for benefit of citizens. This will bring convenience to the general public by making passport services available in their vicinity through Head Post Offices and save citizens from travelling long distances for obtaining a Passport. Department of Posts will provide required space and manpower at identified locations for setting up of Post Office Passport Seva Kendra (POPSK). It was agreed with MEA that POPSK at 129 locations across the country will be set up in a phased manner.

Union Finance Minister also announced during his Budget speech that *“Our citizens in far flung regions of the country find it difficult to obtain passport and*



*redress passport related grievances. We have decided to utilize Head Post Offices as the front office for rendering passport services”.*

In pursuance of the Hon’ble Finance Minister’s Budget announcement mandating to utilize Head Post Offices as the front office for rendering passport services, the expansion of POPSK services in 811 Head Post Offices has already been taken at Minister level. Till 18.05.2017, POPSKs at 50 locations have been opened in camp mode.

(Ministry of Communications/Department of Posts No.F.28-1/2017/BGT (PA)/37<sup>th</sup> Report dated 16.06.2017)

### **(Recommendation Sl.No.13)**

#### **Philately Operations and Quality of Service**

The Committee note ‘Philately Operations’ and ‘Quality of Services’ are two activities being implemented by the Department under Postal Operations. The purpose of the activity Philately Operations is to carry on intensive promotional activities, like Philatelic Exhibitions, launching a business website for philately and to capitalize revenue earning potential of philately by reorganizing philatelic activities on business lines. The sub scheme “Quality of Service” primarily involves certification of quality of service of post offices. Whereas during 2016-17, the Department had proposed an amount of Rs.24.75 crore for the sub scheme ‘Philately Operations’ against which, an amount of Rs.8.29 crore had been made at BE and RE stage. Out of this, the Department have utilised an amount of Rs.3.83 crore till December, 2016. Main activities under Philately Operations are Promotion of philately through exhibition, training of staff for promotion of philately operations, etc. To promote philately, the Department have taken steps, such as creation of a separate postage stamps website, sale of philatelic products through e-post office, use of Social Media for promotion of philately, and online sale of philatelic products on e-commerce (Snapdeal & Shopclues). Another major initiative of the Department which has gained huge popularity is ‘Customized My Stamps.’ During the year 2016-17 as against the target of earning Rs. 141.54 crore, till 31<sup>st</sup> December, 2016 the Department have earned Rs. 41.49 crore which has crossed Rs.35.85 crore earned during 2015-16. For the year 2017-18, the Department had proposed an amount of Rs.81.22 crore for implementation of various activities under the scheme, however, an amount of Rs.6.90 crore only has been allocated at BE stage. Considering the fact that Philately is one of the major revenue sources of India Posts and there is a huge uncapped portion to be explored in the philatelic business market both in India and the world, the Committee desire the Department to explore revenue earning opportunities available under philately operation by modernizing its philately operations so that it will attract more customers and address their concerns. The Committee also recommend that in order to realize the full potential of the

'Customized My Stamps' initiative the Department need to popularize this initiative through increase advertisement in social media and by providing requisite infrastructure to more post offices which can undertake this activity more vigorously.

### **Reply of the Government**

An outlay of Rs. 8.29 Crs. was provided under the Scheme 'Philately Operations' in the year 2016-17. A regular review was carried out time to time and necessary instructions have been issued to all the concerned to utilize the funds fully and achieve the physical targets. As a result, an amount of Rs. 7.88 Crs. has been incurred upto 31<sup>st</sup> March, 2017 (i.e.) 95.05%.

As regards promotion of philately is concerned, the Department has taken many new initiatives such as creation of a separate postage stamps website, sale of philatelic products through e-post office, use of Social Media for promotion philately, and online sale of philatelic products on e-commerce (Sneapdeal & Shopclues) besides 'Customized my Stamps', Further , the Department promoted e-commerce business with reference to Philately and the online sale of Philatelic products on e-post office portal of India Post has crossed Rs. 3.92 Crs. (2016-17) from Rs. 0.16 Cr (2014-15). In addition, many other initiatives such as designing and production of diverse products, production and fulfillment centre, promotion of products on social media besides more user friendly technology initiatives have been taken in Philately. During the year 2016-17, Department earned a revenue of Rs. 60.11 Crs. against the target of Rs 141.54 Crs.

In the current financial year (2017-18), funds of Rs.6.90 Crs. has been provided under the Scheme 'Philately Operations'. Necessary action is being taken to utilize the funds fully and efficiently. In the current year, action is underway for holding of Distt. & State Level Phil. Exhibitions, Phil. Seminars, Quiz and modernization of Philately Bureaus besides expansion of My Stamp Counters etc. Demand for additional allocation of funds will be taken up with the Ministry of Finance for the successful implementation of the scheme.

(Ministry of Communications/Department of Posts No.F.28-1/2017/BGT (PA)/37<sup>th</sup> Report dated 16.06.2017)

### **Comments of the Committee (Please see Para No. 15, 16 of Chapter I)**

### **(Recommendation Sl.No.14)**

### **Human Resource Management**

The Committee note that the scheme is being implemented with an objective to create valuable human resource capital for the Department of Posts in the form of

highly trained man-power, skilled in technology systems and usage, that exhibits total focus on customer satisfaction. The scheme is aimed at developing adequate skill sets to support the delivery of services to customers, induction of new technology, specialization in banking and insurance sectors, marketing and legal matters. During the year 2016-17, the Department had proposed an amount of Rs.54.02 crore for this Scheme, however, an amount of Rs.39.62 crore only was allocated at BE. This was increased to Rs.41.97 crore at RE out of which an amount of Rs.13.17 crore has been utilized till December, 2016. The Committee note that this is one of the schemes where there has been sub optimal utilization of fund during 2016-17. For the year 2017-18, the Department have proposed an amount of Rs.71.9 crore, however Rs.33.94 crore only has been allocated at BE stage. It is a matter of concern that while on the one hand the Department have not been able to utilize the fund, on the other they have proposed an increased amount under the Scheme, which seems unjustifiable. The Committee note that several types of training programmes for varying durations are under implementation for different cadres of employees of the Department of Posts. The infrastructure for training includes the apex level institute, the Rafi Ahmed Kidwai National Postal Academy, six Postal Training Centres covering various zones in the country and 464 Workplace Training Centres. There is also provision for induction training for all cadres at the time of entry in service. The Department are in the process of rapid modernization and with implementation of schemes like India Post IT Modernization Project, rapid expansion of Banking, Insurance and financial activities etc. they have diversified into various fields. Efforts are also being made for giving better service and customers satisfaction. Under such circumstance, provision of requisite training to the employees is inevitable to ensure more efficient and better utilization of technology and improving the behavioural attitude of the staff so as to serve customers better. The Committee recommend that effort should be made by the Department to set up more training centres at regional level that will cater to the need of the staff relating to Information Technology, banking and financial activities and better customers relation. The Committee feel that better trained employees will also have better motivation to work and prove to be more productive. The Committee desire that the funds allocated under the Scheme of Human Resource Management are optimally utilized to achieve the desired objectives.

### **Reply of the Government**

All efforts will be made to utilize the funds allotted. Department is considering to set up new Postal Training Centres during 2017-18 to 2019-20. 50 existing Work Place Training Centres (WTCs) are also proposed to be upgraded by creation of additional training facilities for mid-career and refresher training to the staff of Department of Posts.

(Ministry of Communications/Department of Posts No.F.28-1/2017/BGT (PA)/37<sup>th</sup> Report dated 16.06.2017)

**Comments of the Committee**  
**(Please see Para No. 19 of Chapter I)**

**(Recommendation Sl.No.15)**

**Estates Management**

The Committee note that Estates Management is an ongoing scheme of Department of Posts with an objective to fulfill the Universal Service Obligation by providing a congenial environment for customer transaction and also provide a good working atmosphere to the employees. As a part of fulfilling the objective of service conditions, staff quarters are also being constructed in far flung areas for residential purpose of employees posted in those areas. The Committee find that during the year 2015-16, as against an allocation of Rs. 34.98 crore, the actual utilization had been Rs. 25.79 crore whereas in the year 2016-17, as against an allocation of Rs. 31.71 crore, the Department have been able to incur an expenditure of Rs. 11.21 crore only (upto December, 2016) which is just 35.35 % of the allocation. The Department have informed that since construction activity is a time taking process and the payment is done after satisfactory completion of a part of the building as specified in the contract, mostly the payments are made in the later part of the year when a considerable part of the building is constructed. Hence, they are hopeful in utilizing the funds completely by 31.03.2017. This is, however, not very convincing as it is not possible to fully utilize the remaining 65% of funds in the last quarter of the year. An allocation of Rs. 73.50 crore has been made at BE stage for the year 2017-18 under this Scheme. Taking serious note of the consistent under-utilization of fund under this scheme for which the Department have been citing reasons which are repetitive, the Committee urge the Department to make more realistic projections under this scheme and also ensure that the relevant issues be addressed and allocations made under this Scheme are utilized efficiently.

**Reply of the Government**

The Department is actively monitoring the building projects to ensure maximum utilization of the funds thereby utilizing Rs. 30.98 crore by 31.03.2017 which is 97% of the BE allotted in 2016-17. For the year 2017-18 rigorous monitoring of the projects will be taken up so that maximum fund utilization is ensured.

(Ministry of Communications/Department of Posts No.F.28-1/2017/BGT (PA)/37<sup>th</sup> Report dated 16.06.2017)

### (Recommendation Sl.No.16)

#### **Preservation of Heritage Buildings**

The Committee find that the Department have classified 38 buildings in different postal circles as Heritage buildings. For preservation of Heritage Buildings, the Department had received an allocation of Rs. 1.00 crore in 2013-14 and 2014-15. During the years 2015-16 and 2016-17, there was a token increase in this allocation i.e. Rs. 1.11 crore and Rs. 1.84 crore respectively. The actual expenditure stood at Rs. 1.20 crore in 2013-14, Rs. 0.82 crore in 2014-15, Rs. 0.95 crore in 2015-16 and Rs. 0.70 crore (upto Jan, 2017) in 2016-17. The Committee have been regularly laying emphasis on preservation of Heritage Buildings in the Department of Posts. The Committee however note with much concern that budgetary allocation for preservation of Heritage Buildings under the Estates Management Scheme has not been commensurate to the large number of Heritage Buildings and whatever meagre allocation has been made under the head has not been utilised optimally except for the 2013-14. The Committee need not emphasize that the large number of heritage buildings under DoP need adequate fund for their regular upkeep and maintenance. The Committee, therefore, strongly recommend the Department to impress upon Ministry of Finance for increase in allocation under this scheme and simultaneously make concerted efforts for optimum utilization of funds to preserve the rich heritage of the Department.

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

The Committee in its observation has noted about the meager allocation for Preservation of Heritage Buildings and inability of the Department for optimal utilization of the funds. The status of funds allocated and funds utilized is as follows:

(in Rs. In crores)

Year	Fund allotted	Utilized	% utilization
2013-14	1	1.2	120
2014-15	1	0.82	82
2015-16	1.11	0.95	85.59
2016-17	1.84	2.00	108.7

Above table indicates that though there has been under utilization funds in 2014-15 and 2015-16, the funds for other years have been optimally utilized. Apart from this the Committee has noted that Department of Posts should take up the matter for increase of budgetary allocation for Heritage Buildings with Ministry of Finance. In

this context, it is submitted that sufficient funds has been proposed in the EFC prepared for the year 2017-18 to 2019-20. Though an amount of Rs. 3 crore has been allocated for 2017-18, Rs 20 crore and Rs. 25 crore has been proposed for the subsequent years. Department is making concerted efforts to preserve its rich heritage though specialized agencies.

(Ministry of Communications/Department of Posts No.F.28-1/2017/BGT (PA)/37<sup>th</sup> Report dated 16.06.2017)

### **(Recommendation Sl.No.17)**

#### **India Post Payments Bank (IPPB)**

The Committee note that the vision of IPPB is to build the most accessible, affordable and trusted bank for the common man and the mission is to spearhead the financial inclusion agenda by removing the barriers for the unbanked and reducing the opportunity cost for the under-banked populace. India Post Payments Bank (IPPB) was launched on 30th January, 2017 as a Public Sector Bank under the Department of Posts with 100% equity from Government of India. With the objective of being present in all corners of India by the end of the year, as of now, branches have been opened in Ranchi and Raipur with corresponding access points. The Department have informed that the service delivery platform will be a mix of counter operations through Post Offices, internet banking, mobile banking, prepaid instruments such as mobile wallets, debit cards, ATMs, PoS and MPoS terminals along with other emerging technologies. The Committee hope that the launch of IPPB would enable the Department to leverage its unparalleled reach and prior experience in POSB operations to meet the goal of universal financial inclusion by offering basic banking services to the large under-banked population across the country. Steps such as tie-ups with other banks and financial institutions for marketing of third party products would provide the much needed fillip to the revenue of the Department. IPPB with their proposed reach across the country, the Department may explore the role which IPPB can play in collection of Goods and Services Tax (GST). The Committee would like to be updated on the above initiatives proposed and progress in rollout of IPPB and any specific challenge being encountered/foreseen by the Department in successful rollout of IPPB within the specified timeframe.

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

To achieve the goal of universal financial inclusion IPPB will provide most accessible and affordable basic banking services using unparalleled reach and prior experience in POSB operations by Department of Posts. Apart from providing basic deposit and withdrawal services IPPB will offer the services of current and savings deposits, payments including DBT payments, utility bill payments, person to person remittances both domestic and cross-border, collection of Government/ municipal

dues/ fees/taxes etc. thus transaction income from bill payments, remittances, C2G payments, merchant/retail payments.

In this direction IPPB has recently launched 2 pilot branches on 30 January 2017 in Ranchi and Raipur with 6 corresponding access points (1 Sub Post Office and 2 Branch Post Offices under each branch). The subsequent stages in setting up of IPPB involve the readying 648 branches with 1.55 lacs access point, setting up operations, on boarding of the Systems Integrator (SI) for the steady state launch, along with hiring of skilled manpower, training of staff etc.

Through tie-ups with banks, insurance companies, mutual funds houses, international money transfer operators, pension products providers and other permitted third party financial service providers, the IPPB will address the lack of access to basic financial services for citizens in rural and under-served areas thus adding a viable revenue stream of fee income while providing a cost effective channel to other financial institutions to reach out to customers in hitherto un-remunerative areas. Accordingly, proposals from various prospective 3<sup>rd</sup> Party financial services organizations are being examined by IPPB.

IPPB will explore the opportunities in the space of collection of GST from our customers (Small traders/MSMEs). However, for collection of Goods and Services Tax (GST), first it need to integrate its system with GST Network. This will be considered once our System Integrator (SI) is on board.

On boarding of System Integrator (SI) for a complex project like Payment Bank in a time bound manner is proving to be a challenge for timely roll out of IPPB.

(Ministry of Communications/Department of Posts No.F.28-1/2017/BGT (PA)/37<sup>th</sup> Report dated 16.06.2017)

### **CHAPTER III**

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

-Nil-



## CHAPTER IV

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

#### (Recommendation no. 5)

##### Performance of Speed Post Service and e-commerce

The Committee note that Speed Post was introduced to provide time-bound and express delivery of letters and parcels between specified stations within the country. It is the flagship product of the Department of Posts and is the market leader in the domestic express industry with monthly volumes of more than 3 crore articles. As such, only 18 National Speed Post Hubs/ Intra Circle Hubs/ Book Now Pay Later centres could be set up till December, 2016. The Committee note that the revenue of the Department under Speed Post is gradually increasing over the years. From Rs. 1495.21 crore in 2014-15, the total revenue receipts increased to Rs 1605.25 crore during 2015-16. The revenue receipts under Speed Posts during 2016-17 was Rs.1183 crore up to December, 2016. Various value added services are provided under Speed Post, such as Credit facility under Book Now Pay Later (BNPL) scheme, Free pick-up facility, Volume based discount facility, Cash on Delivery facility. COD facility has been introduced in Speed Post as well as Express and Business Parcel so that rural customers can also get benefits of the e Commerce market. The Committee, however, note with concern that during the year 2016-17, out of Rs. 8.69 crore allocated at BE and RE, the actual utilization under the Scheme has been Rs.2.58 crore only till December 2016. The Committee feel that the Department have failed to pay adequate attention for developing the requisite infrastructure for expansion of Speed post service in the country. The Committee feel that having a robust and efficient delivery mechanism along with proper customer complaint mechanisms are key to continuous growth of Speed Post and Speed Post being the single largest revenue generating area, the Department can ill afford to neglect this sector. The Committee, therefore, recommend the Department to take all necessary measures to upgrade the infrastructure so that speed post continues to grow in future also. The Committee also desire that a robust delivery and performance monitoring system be put in place at various levels for examining the gaps and also to address them. Keeping in view that the market share of Speed Post is just 15-18 per cent of the total courier service in the country, the Committee strongly recommend that the Department should make efforts to increase the market share of Speed Post with special emphasis on expanding the base of Speed Post in rural, inaccessible areas not covered by private courier service.

## **Reply of the Government**

In order to increase the market share of Speed Post the following initiatives have been taken by Department:

- Discount structure of Speed Post and Express/Business Parcel has been rationalized with effect from 01.01.2017. In addition to this discount for bulk customers in Speed Post has been introduced.
- Delivery of notices/summons issued by High Court has been extended to Hon'ble High Court of Karnataka, Jharkhand and Bihar in addition Odisha and Punjab and Haryana High Court on the lines of Delhi High Court Project.
- MoU with Indian Air Force for delivery of its consignments through Speed Post has been signed on 8<sup>th</sup> June, 2016 for two years.
- Department has also introduced the facility of tracking of Speed Post articles through mobile and free Short Messaging Service (SMS) alerts to sender and addressee.

(Ministry of Communications/Department of Posts No.F.28-1/2017/BGT (PA)/37<sup>th</sup> Report dated 16.06.2017)

### **Comments of the Committee (Please see Para No. 7, 8 of Chapter I)**

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

#### **Postal Life Insurance**

Postal Life Insurance (PLI), introduced in 1884, is the oldest life insurance scheme for benefit of the Government and semi Government employees. The Committee note that even now, people working in the unorganized sector and private organisations/companies are not allowed to avail this policy. In spite of this severe restriction in opening PLI accounts, till 31-03-2016, the Department have opened 49,30,838 PLI accounts and collected an aggregate sum of Rs.109982.09 crore. Another product, Rural Postal Life Insurance (RPLI) scheme was introduced in 1995 for the benefit of rural populace to extend insurance cover to the people living in rural areas with special emphasis on weaker sections and women workers. Till 31-03-2016, The Department have opened 1,49,15,652 RPLI accounts and collected an aggregate sum of Rs. 81733.73 crore. To fully exploit the potential of the insurance sector through focus on technology and skill up-gradation and keeping in view the potential market growth and customer expectations, under the 12<sup>th</sup> Plan, the Department are undertaking activities like publicity of insurance products, training of Circle office personnel and marketing personnel, development of Software, computerization of PLI/RPLI Operations, etc. During the year 2016-17, against the allocation of Rs.10.60 crore for these activities, upto December, 2016 the Department have utilized an amount of Rs. 6.99 crore. The Committee are, however, concerned to note that financial achievement till December 2016 in the 12<sup>th</sup> plan under the activities 'Computerization of Investment Division

Development/Procurement of Software for Investment Division' is shown as NIL. In the opinion of the Committee, computerization and procurement of suitable software are a must for maintaining of such a huge PLI and RPLI accounts. While taking a serious note of the above lapse, the Committee recommend the Department to initiate necessary action and ensure that targets are achieved during 2017-18. The Committee may also be apprised the reasons due to which PLI is being provided only to Government and semi Governments bodies of the Central and State Governments.

### Reply of the Government

Expenditure towards funds allotted under Plan scheme 2016-17 for various activities was as under:-

Sl No	Plan Scheme	Account Head	FG (In Rs. cr)	Actual expenditure (in Rs. cr)	% expenditure
a	Publicity of Insurance Products	3201.03.101.07.01.26	7.00	8.32	99.04
b	Publicity of Insurance Products-(NE)	2552.03.101.07.01.26	1.40		
c	(i) Training of marketing/circle office personnel-(TE)	3201.03.101.08.01.11	1.20	0.97	89.00
	(ii) Training of marketing/circle office personnel-(OE)	3201.03.101.08.01.13	0.40	0.35	88.00
	(iii) Training of marketing/circle office personnel-(PPS)	3201.03.101.08.01.28	0.40	0.28	70.00
d	Computerization of Investment Division	5201.00.104.53.09.52	0.10	0.0	0
e	Development /procurement of software for Investment	3201.03.10107.01.28	0.10	0.0	0

	Division				
	Total		10.60	9.92	93.58

Overall expenditure for plan activities during the year 2016-17 was 93.58%.

However, expenditure towards computerization and Development/procurement of software for Investment Division involved the process of obtaining technical advice/expertise from NIC/NICSI and constitution of committee of officers. One of the requirements for the in house investment function is to provide robust IT system to Investment Division with requisite hardware, terminals, software etc. and integration of same with various system /platform for investment function as per industry standards . Efforts will be made for achievement of this targets in 2017-18.

Postal Life Insurance (PLI), introduced in 1884, is the oldest life insurance scheme for the benefit of the Government and semi Government employees. Initially meant only for the Post Office employees . Gradually clientele base of PLI was expanded and today it caters to employees of the Civil and Military personnel of the Central and State Governments, Local Bodies, Government aided educational institutions, Universities, Nationalised Banks , Autonomous institutions , Public Sector Undertakings of the Central and State Government , employees of organisations such as Scheduled Commercial Banks, Credit Co-operative Societies , Deemed Universities and Educational Institutions accredited by recognised bodies such as National Assessment and Accreditation Council (NAAC), All India Council for Technical Education (AICTE), Medical Council of India (MCI) , etc., Joint Ventures having a minimum of 10% stake of Central/State Governments/PSUs and employees engaged/appointed on contract basis by Governments where the contract is extendable.

The scope of further expansion of PLI to employees of listed companies of BSE/NSE, professionals like medical practitioners, chartered accountants, lawyers etc. are under examination , keeping in view the ongoing IT support and other different types of constraints in policy servicing & claims management.

Insurance cover through the Department was extended to citizens living in rural areas under Rural Postal Life Insurance on 24.03.1995. Persons working in unorganized sector can take Rural PLI policy, if they have a permanent rural address. (Ministry of Communications/Department of Posts No.F.28-1/2017/BGT (PA)/37<sup>th</sup> Report dated 16.06.2017)

**Comments of the Committee  
(Please see Para No. 11,12 of Chapter I)**

**CHAPTER V**

**OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE  
GOVERNMENT ARE INTERIM IN NATURE**

-NIL-

**New Delhi;  
10 August, 2017  
19 Shravana,1939 (Saka)**

**ANURAG SINGH THAKUR,  
Chairperson,  
Standing Committee on  
Information Technology.**

**MINUTES OF THE TWENTY- THIRD SITTING OF THE STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY (2016-17) HELD ON 10<sup>th</sup> AUGUST, 2017**

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The Committee sat on Thursday, the 10<sup>th</sup> August, 2017 from 1030 hours to 1100 hours in Committee Room 'B', Ground Floor, Parliament House Annexe, New Delhi.

**PRESENT**

**Shri Anurag Singh Thakur – Chairperson**

**MEMBERS**

***Lok Sabha***

2. Shri L. K. Advani
3. Shri Harish Dwivedi
4. Dr. Sunil Baliram Gaikwad
5. Shri J. Jayavardhan
6. Shri Virender Kashyap
7. Shri Raosaheb Danve Patil
8. Shri D.K. Suresh
9. Smt. R. Vanaroja

***Rajya Sabha***

10. Shri P. Bhattacharya
11. Shri Santiuse Kujur
12. Smt. Kahkashan Perween
13. Dr. K. V. P. Ramachandra Rao
14. Dr. Vinay P. Sahasrabuddhe

**SECRETARIAT**

1. Shri R.S. Kambo - Additional Secretary
2. Shri Y.M. Kandpal - Director
3. Smt. Geeta Parmar - Deputy Secretary
4. Shri Shangreiso Zimik - Under Secretary

2. At the outset, the Chairperson welcomed the Members to the Sitting of the Committee convened to consider and adopt the following three Draft Action Taken Reports:-

- I. XXXXX.....XXXXX.....XXXXX.....XXXXX.....XXXXX.....XXXXX.....XXXXX.....XXXXX.....XXXXX.....XX
- II. XXXX.....XXXX.....XXXXX.....XXXXX.....XXXX.....XXXXX.....XXXXX.....XXXXX.....XXXXX.....; and
- III. Action Taken Report on the Thirty-Seventh Report on 'Demands for Grants (2017-18)' of the Department of Posts;

3. The Committee, thereafter, took up for consideration the above said Reports and after due deliberation adopted the same without any modifications.

4. The Committee, then, authorised the Chairperson to finalise and present the Action Taken Reports to the House during the current session of Parliament.

**The Committee, then, adjourned**

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**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/  
RECOMMENDATIONS CONTAINED IN THEIR THIRTY-SEVENTH REPORT  
(SIXTEENTH LOK SABHA)**

**[Vide Paragraph No. 5 of Introduction]**

(i)	Observations/Recommendations which have been accepted by the Government Rec. Sl. Nos.:- 1, 2, 3,4,6, 7, 8, 10, 11, 12, 13, 14 , 15,16 and 17	Total Percentage	15 88.24
(ii)	Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government Rec. Sl. No.: Nil	Total Percentage	Nil 0.00
(iii)	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and require reiteration Rec. Sl. Nos.:- 5 and 9	Total Percentage	Total - 02 11.76
(iv)	Observations/Recommendations in respect of which the replies of the Government are of interim in nature Rec. Sl. Nos.:- Nil	Total Percentage	Nil 0.00