

**GOVERNMENT OF INDIA
MINISTRY OF EXTERNAL AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO.3069
TO BE ANSWERED ON 14.03.2018**

PASSPORT SEVA PROJECT

3069. SHRI PONGULETI SRINIVASA REDDY:

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

- (a) whether it is a fact that the certain clauses relating to terms of payment schedule of Master of Service Agreement (MSA) for running the passport seva kendras were inconsistent and if so, the details thereof;
- (b) whether during 2015, an amount of Rs. 61.49 lakh was paid to service provider based on achievement of Service Level Agreement-1 as per old norms of MSA, which was not justified in view of change of system from walk in to walk in with ARN by the Ministry; and
- (c) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS
[GEN. (DR) V. K. SINGH (RETD)]

(a) The Comptroller and Auditor General of India (CAG) had conducted the audit of Passport Seva Project in which CAG observed inconsistency in certain clauses of Schedule VI of MSA which is as under:

Clause 2(e) of the agreement stipulates that “the service charges for the applicant, who apply online, for both the categories of service, would be 75% of the basic service charges”. This was to be done to encourage citizens to do transaction online.

Clause 2 (j) of Schedule VI of MSA stipulated that citizens should be suitably notified about the schedule of service charges and Service Provider would provide appropriate publicity to it.

Clause 2(k) of Schedule VI of MSA stipulated that “the Service Provider shall be paid by MEA at the end of each quarter depending on the number of transactions logged in that quarter for each of the categories of service and subject to Service Level Agreement (SLA) terms specified in the agreement between the Service Provider and the MEA”.

The audit pointed out that clause 2(e) and 2(j) are not consistent with clause 2(k).

The Ministry is of the opinion that there is no inconsistency in the above clauses as the Ministry is charging only passport fee from the citizens. No service charge is being levied on the applicants. The Ministry pays the Service Provider on behalf of the applicants from its own budget.

(b) & (c) The Comptroller and Auditor General of India (CAG) had conducted the audit of Passport Seva Project in which CAG observed that the concept of peak hour and non-peak hour was envisaged to handle the rush and volume and reward the Service Provider to meet the target. However, as per Change Control Note (CCN) 147, the definition of walk-in was changed to walk-in with Application Registration Number (ARN) which needed online filling of the form before the visit to the PSK. Thus, the reward related to peak hour performance was required to be modified accordingly.

As per the agreement with TCS, the peak hour would only be 2 hours as indicated in RFP, which is 10:00AM to 12:00AM daily as chosen by the Service Provider. The reward is applicable on the application processed during peak hours only.

During 2015, an amount of 61.49 lakhs was paid as reward to the Service Provider based on achievement of Service Level Agreement-1, as per charges applicable during peak hours. Based on the Audit observation, the Ministry reviewed the peak hour timings and observed that inspite of applicants reporting to PSKs after filling of the data online, the peak hours continue to build due to the following reasons:

- i) Walk-in applications with ARN cases whose data has been filed online
- ii) Accumulation due to human behavior
- iii) Complex Cases
- iv) On Hold cases due to document shortcomings; and
- v) Different slot sizing.

This has also been vetted by the National Institute of Smart Governance (NISG) and found to be in order. The Ministry is of the view that the reward paid to Service Provider was in accordance with the MSA.
