

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

STARRED QUESTION NO:284
ANSWERED ON:10.03.2006
CLOSURE OF POST OFFICES
Ahir Shri Hansraj Gangaram;Gudhe Shri Anantrao

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether due to the rapid improvement in the banking sector, telephone facilities and other means of communication, the workload on post offices has considerably decreased in urban as well as in rural areas;
- (b) if so, whether the Government has conducted any survey in this regard;
- (c) if so, the number of post offices so far closed down by the Government or recommended for closure during the last three years;
- (d) the rehabilitation plan drawn to utilise the services of surplus postal staff; and
- (e) the steps taken or being taken by the Government to streamline the postal services to ensure that the loss suffered by the Government on this account is minimised?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 284 FOR 10TH MARCH, 2006 REGARDING CLOSURE OF POST OFFICES.

(a) The post office network provides a wide range of services such as collection, transmission and delivery of mail (including premium products), money transfer, financial services such as banking and insurance and a variety of retail services. Fluctuations in demand for the various services are normal and, given the wide spectrum of services which the Department offers, it is felt that the overall business is not adversely affected. In terms of revenue, the business of the Department has shown an increasing trend over the past few years.

(b) & (c) Do not arise in view of (a) above.

(d) Since the Department of Posts has no policy of retrenchment of staff, the question of rehabilitation does not arise.

(e) There is no loss suffered by the Government. The services of the Department of Posts are subsidized from the Central budget. Largely, the subsidy arises out of the fact that the Department has a social obligation in extending its services, at subsidized cost to it, across the country to urban, rural, tribal, remote, hilly, desert and other areas. The services and products for the common man are priced so as to be affordable. Details of revenue, expenditure and deficit in the period 2001-02 to 2003-04 are as below:

Item (Rs. in 2001-2002 2002-2003 2003-2004
Crore)

Revenue	3697.11	4009.65	4256.93
Expenditure	5108.62	5374.05	5632.15
Deficit	1411.51	1364.40	1375.22

It will be seen that the deficit has been more or less constant, despite the fact that salaries went up with increase in Dearness Allowance from 38% to 61% in this period. The Department also absorbs pension payments to its past employees, which amounted to Rs. 1107 cores in 2003-2004. It is heartening to note that the Department of Posts has increased its revenue from Rs. 3697.11 crores in 2001-2002 to Rs.4256.93 crores in 2003-2004.