

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

UNSTARRED QUESTION NO:2671
ANSWERED ON:17.08.2011
FINANCIAL CONDITION OF POST OFFICES
Singh Shri Rakesh

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

- (a) whether the financial condition of post offices in the country is a matter of concern;
- (b) if so, the details thereof;
- (c) whether the functioning of Post Offices is also unsatisfactory;
- (d) if so, the reasons therefor;
- (e) whether it is a fact that general public take less interest in the banking facilities, saving and deposit schemes of post offices in comparison to other banks;
- (f) if so, the details thereof; and
- (g) the steps taken/proposed to be taken by the Government to improve the situation?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT)

(a) & (b) The Department is presently not assessing the financial performances of Post Offices. However, the details of the financial performance of the Department of Posts for the last three years is as under:-

(Rs.in Crores)

Year	Gross Expenditure	Recoveries	Net expenditure	Revenue	Deficit
2008-09	9756.24	300.82	9455.42	5862.33	3593.09
2009-10	13346.94	438.94	12908.00	6266.30	6641.30
2010-11	13793.67	485.72	13307.95	6962.33	6345.62

(c) No, Madam. However, complaints regarding delay in delivery of postal articles/non-delivery of postal articles are received from all parts of the country

(d) The incidents of delay could be due to cancellation/late running of trains and State transport buses carrying Mails, mis-sending of Mails, incomplete and illegible addressee, non-use of PIN code , non-availability of addressee and change in the residence of the addressee without intimation to the concerned Postmaster etc.

(e) No, Madam.

(f) The trend of selecting mode of investment refer to inter-alia, investor's choice of alternative instruments for effecting savings. The small saving schemes is favourable with the benefits of liquidity, accessibility, tax incentives and implicit sovereign guarantee.

(g) The Government has taken the following steps to make the small savings schemes more attractive and investor friendly.

(i) The restriction on opening of more than one account during a calendar month under the Senior Citizen Saving Scheme has been removed with effect from 24th May 2007.

(ii) All categories of pensioners have been allowed to open and maintain 'Pension Account' under Post Offices Saving Account Rules, with effect from 11th July 2007.

(iii) The penalty of pre-mature withdrawal of deposits under the Post Office Monthly Income Account (POMIA) scheme has been rationalized from 3.5% to 2% on withdrawal on or before expiry of three years and 1% on withdrawal after expiry of three years.

(iv) The maximum deposit ceiling of Rs.3.00 lakhs and Rs.6.00 lakhs under the Post Office Monthly Income Account (POMIA) scheme has been raised to Rs. 4.5 lakhs and Rs. 9.00 lakhs in respect of single and joint accounts respectively.

(v) Bonus at the rate of 5 % on the deposits made under Post Office Monthly Income Account (POMIA) Scheme on or after 8th December 2007 upon the maturity of the deposit had been re-introduced.

(vi) The benefit of Section 80 C of the Income Tax act 1961 has been extended to the investments made under 5-year Post Office Time Deposit Account and Senior Citizens Saving Scheme with effect from 1/04/2007.

(vii) A website of the National Saving Institute under Government of India, Ministry of Finance has also been launched to facilitate interface with the public through wider dissemination of information on small savings and on-line registration and settlement of investors grievances. The website address is nsiindia.gov.in