

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

UNSTARRED QUESTION NO:3419  
ANSWERED ON:14.12.2011  
POST BANKS  
Jakhar Shri Badri Ram ;Punia Shri P.L.

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

- (a) whether the Post Offices are also functioning as banks to provide financial services in the rural areas;
- (b) if so, the details thereof and the rationale behind the same;
- (c) whether instances of illegal withdrawal of money from the accounts of depositors from the Post Offices in the country have come to the notice of the Government during the last three years and the current year;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to recover the illegally withdrawn money and to ensure that the recurrence of such instances do not happen in future?

**Answer**

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

- (a) & (b) No Madam. The Post Offices are not functioning as full-fledged banks. However, Post Offices are operating Small Savings Schemes of the Government as an operating agency of Ministry of Finance, Department of Economic Affairs to promote habit of thrift among the small savers in the country including rural masses.
- (c) & (d) Yes Madam. During last three years and in the current year till 30th September, 1997 cases of alleged illegal withdrawals from all types of accounts in post offices have come to light.
- (e) Department of Posts takes various steps to recover the illegally withdrawn money and to ensure that the recurrence of such instances do not happen in future. Some of these steps are given below:
  - (i) Departmental inquiry is conducted in all such cases and where departmental officials are found responsible, the amount is recovered from their dues with the department.
  - (ii) Where the persons other than departmental officials are found responsible, efforts are made to recover the loss with the help of local police and provisions of Public Accountants Default (PAD) Act 1850 and Revenue Recovery Act (RRA) are also invoked with the help of State Revenue authorities for recovery of loss, if and when required.
  - (iii) Operations in the Post Offices are carried out as per laid down statutory as well as procedural rules. Different levels of checks, supervisions and mechanisms of annual inspections, internal check inspections and audit inspections have been prescribed.
  - (iv) As and when such cases are noticed, thorough investigations are carried out which includes study of modus operandi and remedial measures are taken from time to time which includes review of statutory as well as operational rules and strengthening of supervision and audit mechanism so that such instances do not happen again.