

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

STARRED QUESTION NO:374  
ANSWERED ON:19.02.2014  
REVENUE OF POSTAL DEPARTMENT  
Singh Rajkumari Ratna;Singh Shri Ratan

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

- (a) whether the revenue generation of postal services has been declining every year and the targets for each coming year are brought down by the Government;
- (b) if so, the revenue generated and the expenditure incurred by the Postal Department during the last three years and the current year, year-wise;
- (c) the reasons for the decline in market share, if any, and the losses incurred by India Posts;and
- (d) the corrective steps taken by the Government in this regard?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY & LAW AND JUSTICE  
(SHRI KAPIL SIBAL)

(a) to (d) 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 (d) OF LOK SABHA STARRED QUESTION NO. 374 FOR 19TH FEBRUARY, 2014 REGARDING "REVENUE OF POSTAL DEPARTMENT"

(a) No. Madam, The Revenue generation of Postal Services is increasing every year, and the targets for each coming year are raised by the Government.

(b) Madam, the revenue generated and expenditure incurred by the Postal Department, during the last three years and the current year year-wise, are as under:-

(Rs. in crore)

Year	Net expenditure	Revenue
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2010-11	13308.0	6962.3
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2011-12	13705.3	7899.4
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2012-13	14792.4	9366.5
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2013-14	12144.1	7733.2 #
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(upto Dec`2013)

Net expenditure included estimated recoveries of PLI & RPLI and Inter branch adjustment.

# Revenue figures of 2013-14 (upto December) inclusive of estimated revenue from Savings bank and certificates.

(c) Madam, Data regarding market share is available only in respect of two products i.e. Speed Post and Parcel Post. As per analysis by M/s IMRB International market share of the value added services of the Department of Post vis-à-vis private couriers has increased in last two year which are as under:-

Sl No	Name of Products/Services	Market Share
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	2011	2012
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1	Speed Post	15.1% to 18.3%	16.7% to 19.8%
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2	Express Parcel Post	4% to 6%	5% to 7%
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The Revenue earning of the Department of Posts has not declined during the year 2011-12 and 2012-13 as compared to the corresponding period of the previous years. Instead it has been in increasing trend, where as the deficit of the Department of Posts has been decreasing since last three years

(Rs. in crore)

Year	Postal deficit/loss
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2010-11	6345.62
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2011-12	5805.92
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2012-13	5425.88
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Main reason for deficit despite constant increase in revenue is periodical increase in expenditure on account of Pay and allowances and pension payment which constitute more than 90 % of the total expenditure of the department. Unlike other civil ministries pension payments are shown as expenditure of the department. Other reasons for increase in expenditure are hike in price/cost of office equipment and machinery/Oil/diesel/Petrol, increase in expenditure on AMC due to computerization of Post Offices, cost of carriage of mail etc. Department of Posts provides universal service through out the country.

(d) Madam, The steps taken by the Department to further increase the revenue are given below:

1. The Department has taken a series of initiatives under Mail Network Optimization Project in order to improve the quality of mail services.

2. The Department is implementing the IT Modernization project. This project is unparalleled in terms of its scale and underlines the commitment of the Department of Posts to provide better services to the customers, and ensure higher employee satisfaction. The project is intended to build a wider reach to Indian populace through more customer interaction channels like Call Centre. Help desk, Core Banking Solution (CBS), A.T.M., Net banking, RTGS, NEFT etc. hitherto not available to India Post customers. The project will upgrade the Postal Life Insurance, Counter, Supervisory, Treasury, subscriber account and all postal operations, mail, HR and accounts software to provide better customer services. The project involves networking of 1.55 lakh Post Offices covering remotest part of the country, that will enable track and trace for all accountable mails within and outside the country.

3. Launching special drives for covering more persons under the small saving network, specially in rural areas. Similar drives are also launched to popularize Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI). So that life cover / savings is encouraged among the rural population.

4. Financial Performance of each postal circle related to revenue and expenditure are reviewed on regular basis.

5. Rationalization of postal products to improve service delivery in the light of market demand.