

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

UNSTARRED QUESTION NO:2882  
ANSWERED ON:07.12.2009  
LOSSES IN POSTAL DEPARTMENT  
Dubey Shri Nishikant

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

- (a) whether the Department of Posts has been incurring losses during the last three years and the current year;
- (b) if so, the details thereof including the quantum of losses incurred during each of the last three years and the current year, year-wise; and
- (c) the steps taken/being taken by the Government to improve the situation?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI GURUDAS KAMAT)

- (a) Madam, the Department of Posts has had deficit for the last three years and it is expected to continue in the year also.
- (b) Madam, the details of the deficit for the last three years and the estimates for the current year are as under:

Year    Amount in crores of Rupees

2006-07	1249.52
2007-08	1511.44
2008-09	3593.09
2009-10	5632.46

- (i) Sir, the Deficit has substantially increased during the previous year and the current year due to hike in salary of the Employees and Pensionary Charges of the retired employees on account of implementation of 6th Pay Commission's Report.
- (ii) The main reason is that the rates of most of the Postal Services do not reflect the market price as they are subsidized to make it within the reach of common man and to the remotest area of the country. Pricing of most of the products have not been kept with the pace of the cost of operations.
- (c) (1) A new scheme 'Project Arrow' has been introduced in this Plan period for refocusing on the objectives of customer satisfaction and service delivery excellence and enabling the Post Office to develop into hub for civic and governance initiatives, which will have a direct impact on socioeconomic well being of citizens.
- (2) Streamlining the postal operations through network optimization, induction of technology and introduction of freighter for mail conveyance.
- (3) In the area of financial service the Departmental of Post is aggressively pursuing the objectives of the Government for financial inclusion of rural masses through its vast network. This shall also add to the revenue of the Department by way of interest and returns through investment in the Post office Life Insurance fund (POLIF) and Rural Post Office Life Insurance Fund (RPOLIF). The Department of Post will also introduce mobile based remittance service across the country.
- (4) The Department has been taking step to increase the revenue through introduction of new products, market development activities and adoption of customer oriented strategies. Speed Post, Business Post, Express Post, Retail Posts etc. as premium services have been consistently growing. The Department of Post is also using its vast network for retailing of financial products and services agency function thereby adding to the Department's revenue.