

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

STARRED QUESTION NO:417
ANSWERED ON:22.04.2015
FINANCIAL CONDITION OF POSTAL DEPARTMENT
Khuba Shri Bhagwanth

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

- (a) whether the financial condition of postal department has deteriorated over the years;
- (b) if so, the details thereof during the last three years and the current year;
- (c) whether the Government proposes to increase the tariff of various postal articles;
- (d) if so, the details thereof; and
- (e) the other measures taken by the Government to improve the financial position of the department?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD)

(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. 417 FOR 22nd APRIL, 2015 REGARDING "FINANCIAL CONDITION OF POSTAL DEPARTMENT".

(a) No Madam, the financial condition of the department has not deteriorated over the years. In fact, there is marked improvement in the financial condition of the Department of Posts in the past few years. Revenue of the Department has shown a steady growth over the years. It may be seen from the table below that revenue has increased from Rs. 7899 crore in 2011-12 to Rs. 10730 crore in 2013-14 (35.84%). Further, Deficit has reduced from Rs. 5806 crore in 2011-12 to Rs. 5473 crore in 2013-14.

(b) The financial performance during the last three years viz. 2011-12, 2012-13, 2013-14 and the current year 2014-15 (up to February, 2015) are as under:-

(in crore)

Items	2011-12	2012-13	2013-14	Upto Feb, 2015
Net Expenditure	13705	14792	16203	16202
Total Rev.	7899	9367	10730	10608
Revenue Deficit	5806	5426	5473	5594

(c) & (d) Revision of tariff of various postal products/services is a continuous process. However there is no concrete proposal at present.

(e) A number of steps have been taken by the Department of Posts to increase revenue growth from Mail Operations, Saving Bank and Life Insurance Business to further augment the financial position. These are enumerated below:

(A) Mail Operations- The Department is focusing on parcel business which is a fast growing segment owing to the boom in eCommerce market. For this purpose, the Department is augmenting and strengthening the parcel handling infrastructure. 27 Parcel booking and processing centers have been set up in the last financial year. The Department has also entered into business tie-ups with several eCommerce players such as Amazon, Flipkart, Snapdeal, Yepme, Naaptol etc. for delivery and cash on delivery services. As a result, the parcel segment has registered a growth of over 13% in 2014-15.

(B) Post Office Savings Bank – In order to improve the quality of service, the Department is rolling out Core Banking Solution (CBS) for Post Office Savings Bank. CBS will enable POSB customers to avail 'Anytime Anywhere Banking' along with benefits of online and mobile banking. CBS has been rolled out in 2148 Post Offices across the country upto March, 2015. 115 ATMs have also been commissioned. As a result of improvement in quality of service and efforts to popularize POSB schemes, the Department has opened 4.8 Crore new POSB accounts in 2014-15. After the launch of Sukanya Samridhhi Yojana by the Hon'ble Prime Minister in January, 2015, the Department has opened more than 28 lakh accounts with a total deposit of Rs. 310 Crore in just over 2 months.

Similarly, after the relaunch of KVPs in November, 2014, the Department has sold KVPs with a cumulative investment of over Rs.

1800 Crore.

(C) Life Insurance- The Department is rolling out Core Insurance Solution for Postal Life Insurance and Rural Postal Life Insurance in order to provide the benefits of premium payment at any Post office along with online, policy information on the web as well as through call centers and faster processing for loan and final payment. Core Insurance Solution has been rolled out in 7026 POs across the country upto March, 2015 The Department has recently enhanced the maximum sum assured limit in PLI from Rs. 20 lakh to Rs. 50 Lakh.

In addition to above, following are some other initiatives taken/ being taken to increase the revenue receipts:

(i) Notices/Summons issued by Delhi High Court through Speed Post service with physical as well as electronic Proof of Delivery facility was started with effect from 03.02.2014. The service has been extended to Odisha High Court, Cuttack with effect from 06.01.2015 and Punjab and Haryana High Court with effect from 01.02.2015.

(ii) Tie up has been made with Steel Authority of India (Marketing wing) for sending their articles through Speed Post issued by its various offices located across the country under a Single Point Account Management scheme.

(iii) UIDAI has been mandated to give unique identification cards ("Aadhaar") to all Indian residents and the Authority is considering to post around 70 crore Aadhaar letters in next phase (2015-16). The proposal of Department of Posts to take on the delivery of these Aadhaar letters through Speed Post is under consideration of UIDAI.

(iv) e IPO (Electronic Indian Postal Order) for Indian citizens living abroad for paying RTI fee online was launched on 22.03.2013. This facility has also been extended to Indian citizens living in India with effect from 13.02.2014. Department of Posts is also working on acceptance of eIPO for paying RTI fee by other State Governments.

(v) Besides the above, Department is also entering into tie-ups with third parties for use of its network for selling their product/services through Post Offices e.g. booking of railway tickets etc. Tie up has made with Railway Recruitment Boards, CBSE and various universities/institutions etc. for collection of their examination fee through ePayment service.

In sum, all these above initiatives would go a long way to fetch us more business and generate more revenue.