

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF POSTS**

**LOK SABHA
STARRED QUESTION NO.251
TO BE ANSWERED ON 3RD AUGUST, 2016**

POSTAL DEPARTMENT

*251. SHRI NIHAL CHAND:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) the details of the profit or loss incurred by the Department of Posts in postal, parcel, cargo, postal banking, insurance services and other activities during the last three financial years and the current financial year;
- (b) the financial and growth targets for the current and next three years and the details thereof, segment-wise;
- (c) the amount of traffic handled by private courier companies in the parcel segment and the loss in revenues to the Department of Posts due to the private courier companies over the last three years and the current year along with the reasons and details thereof;
- (d) the details of the assets under the management of the Department of Posts through its banking and insurance products; and
- (e) the percentage increase or decrease in such assets over the past three years and the reasons therefor?

ANSWER

**THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)**

- (a) to (e) A Statement is laid on the Table of the House.

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STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 251 FOR 3RD AUGUST, 2016 REGARDING “POSTAL DEPARTMENT”.

(a) Postal Department being a Service department does not maintain commercial accounts. It maintains accounts as per govt. accounting procedure. Profit & loss can be ascertained only from the commercial accounting by commuting final accounts in the form of trading accounts, profit & loss accounts and balance sheet. The product-wise expenditure and revenue is not possible to be ascertained from the existing accounts of the Department of Posts. However, Department of Posts is continuously registering deficit on the postal services over the years. The deficit during 2015-16 has slightly decreased from Rs. 6259 crore to Rs. 6007 crore in comparison to 2014-15. The details of deficit during the last three years and current financial year are as under:

(Amount in crore)

Items	2013-14	2014- 2015	2015- 2016	2016-17 (upto June 2016)
Net Expenditure	16203	17895	18947	4996
Total Rev.	10730	11636	12940	3093
Revenue Deficit	5473	6259	6007	1903

Further, Department of Posts is generating postal revenue from the below noted areas of services which are as under:-

(Amount in Crores)

Sl. No.	Details of Activities	2013-14	2014-15	2015-16	2016-17 (up to to June 2016)
1	Postal Operation (Other than Parcels)	4736.91	4853.15	5005.49	916.41
2	Parcels	78.24	112.80	149.41	39.63
3	Cargo	N/A	N/A	N/A	N/A
4	Postal Banking	5915.27	6670.03	7883.87	2137.02
5	Insurance Services	533.00	604.42	619.66	136.76
6	Others (Recoveries other than Insurance)	60.19	57.56	42.38	4.91

In fact, there is marked improvement in the revenue realization 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 above table that revenue has increased from Rs. 10730 crore in 2013-14 to Rs. 12940 crore in 2015-16 (20.60%). Further, Deficit has increased from Rs. 5473 crore in 2013-14 to Rs. 6007 crore in 2015-16, which is increased just 9.7% in last three years. Department of Posts handles the different products/services for which the cost allocated to the different major services/products, the losses /gains attributed to different postal services/products are **annexed at ‘A’**.

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(b) Financial and growth targets for the current and next three years and segment-wise are as under:-

Revenue segment	Revenue targets for next three years (Rs in crores)			
	2016-17	2017-18	2018-19	2019-20
Postal Operations	5780	6358	6994	7693
Savings Bank and Cash Certificates (SBCC)	8047	8852	9737	10711
Total	13827	15210	16731	18404

(c) No data of private courier companies is available in the Department. As such comparison with courier companies can not be ascertained due to non availability of such data.

(d) Asset Under Management (excluding frozen corpus) of Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI) as on 31.03.2016 are as under:-

(i) Insurance

(Amount in crore)

Postal Life Insurance (PLI)	31217.17
Rural Postal Life Insurance (RPLI)	13566.27

(ii) Banking

Banking Services in the Department of Posts are being done as agency services on behalf of Ministry of Finance which provides remuneration for this work to the Department at the rates fixed by them from time to time. Net Savings Bank deposits during last three years are as under:-

Financial year	(Amount in crore)
2013-14	207533.70
2014-15	247816.07
2015-16	367586.57

(e) The percentage increase in Asset Under Management (AUM) of PLI and RPLI during the last three years is detailed below:-

(i) Insurance

Financial year	% of increase in AUM of PLI from previous year*	% of increase in AUM of RPLI from previous year*
2013-14	67.33	46.36
2014-15	45.53	28.01
2015-16	26.18	19.66

*(excluding frozen corpus)- As on date total frozen corpus under PLI of Rs. 15344.54 crore and Rs. 5549.14 crore under RPLI has been converted in the Govt. of India Special Security Floating Rate Bond.

AUM increased due to addition of new policies, increase in premium income and income from investment of funds of PLI and RPLI.

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(ii) **Banking**

The percentage increase in Asset Under Management (AUM) in respect of Banking during the last three years is detailed below:-

Financial year	% increase from previous year
2013-14	5.50
2014-15	19.41
2015-16	48.33

There has been continuous increasing in the Post Office Savings Bank (POSB) deposits due to organizing Saving Bank (SB) melas and seminars for opening of new accounts both in rural and urban areas and distributing information pamphlets. Rural population especially workers registered under Mahatma Gandhi National Rural Guarantee Scheme and families of Below Poverty Line are also encouraged to promote savings by Gramin Dak Sewaks (GDS)/ Postmen through personal contact.

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STATEMENT SHOWING PRODUCTWISE COST, REVENUE & DEFICIT/SURPLUS

FOR THE YEAR 2012-13					
Sl. No.	Name of Service	Total Unit Cost	Revenue per Unit	Difference per Unit	Deficit(-) & Surplus (+) (Rs. In crores)
A	Traditional Services				
1	Post Card	717.90	50.00	-667.90	-90.47
2	Printed Post Card	719.21	600.00	-119.21	-6.55
3	Comp. Post Card	718.81	1000.00	281.19	0.00
4	Letter Card	718.32	250.00	-468.32	-95.42
5	Letter	796.18	939.39	143.21	86.72
	REGD.NEWS PAPERS	0.00	0.00	0.00	0.00
6	RNP-Single	1059.25	59.00	-1000.25	-94.82
7	RNP-Bundle	2079.19	163.00	-1916.19	-34.27
	BOOK POST	0.00	0.00	0.00	0.00
8	Book P.& S. Pkts.	951.18	846.41	-104.76	-9.35
9	Printed Books	1244.92	290.14	-954.78	-57.87
10	Other Periodicals	1351.80	1535.09	183.29	9.40
11	Parcel	4658.91	4069.43	-589.49	-15.98
12	Registration	4213.79	1700.00	-2513.79	-397.34
13	Value Payable Post	2666.20	456.64	-2209.56	-17.30
14	Insurance	14182.22	5524.10	-8658.13	-12.29
15	Foreign Letter Post	13001.49	8350.24	-4651.25	-87.98
16	Foreign Parcel	620504.11	202321.24	-418182.87	-127.96
17	Acknowledgement	650.78	300.00	-350.78	-21.81
18	TRC / E Bill	3386.90	500.00	-2886.90	-179.71
B	Premium Products				
19	Meghdoot Post Card	716.27	25.00	-691.27	-11.28
20	Business Products	760.87	509.00	-251.87	-292.70
21	Greeting Post	769.40	1500.00	730.60	0.09
22	Express Parcel	8045.82	9799.95	1754.13	14.12
23	Speed Post	5052.03	2803.27	-2248.77	-1011.94
C	Financial Services				
24	Money Order	8917.55	5819.24	-3098.31	-268.27
25	I.P.O.	3611.05	338.07	-3272.99	-106.57
26	Savings Bank	5342.75	3663.56	-1679.20	-2110.91
27	S.C. & K.V,P.	9974.02	5164.00	-4810.02	-398.60
28	I.V,P.	2657.67	1367.00	-1290.67	-0.11
29	Rly / Telecom Pension	14020.87	8000.00	-6020.87	-13.63
30	Coal Mines Pension / EPF	14088.26	7846.00	-6242.26	-0.33
31	PLI per Transaction	2343.10	2007.18	-335.91	-100.12
32	WUMTS	16149.74	30206.21	14056.48	27.37
	Total A+B+C				-5425.89

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**STATEMENT SHOWING PRODUCTWISE COST, REVENUE & DEFICIT/SURPLUS
FOR THE YEAR 2013-14**

Sl. No.	Name of Service	Total Unit Cost	Revenue per Unit	Difference per Unit	Deficit(-) & Surplus (+) (Rs. In crores)
A	Traditional Services				
1	Post Card	753.37	50.00	-703.37	-100.68
2	Printed Post Card	740.30	600.00	-140.30	-8.26
3	Comp. Post Card	741.62	1000.00	258.38	0.00
4	Letter Card	748.39	250.00	-498.39	-112.20
5	Letter	826.19	924.94	98.75	67.72
	REGD.NEWS PAPERS	0.00	0.00	0.00	0.00
6	RNP-Single	913.45	41.00	-872.45	-92.79
7	RNP-Bundle	1483.13	97.00	-1386.13	-27.48
	BOOK POST	0.00	0.00	0.00	0.00
8	Book P.& S. Pkts.	806.15	685.65	-120.51	-11.77
9	Printed Books	1312.18	272.37	-1039.81	-70.30
10	Other Periodicals	1263.57	1265.25	1.68	0.10
11	Parcel	5197.52	3645.90	-1551.62	-45.03
12	Registration	4253.73	1700.00	-2553.73	-459.86
13	Value Payable Post	2465.90	352.40	-2113.50	-20.33
14	Insurance	13805.84	4823.31	-8982.53	-12.19
15	Foreign Letter Post	16186.39	8928.09	-7258.30	-118.06
16	Foreign Parcel	616560.26	200698.20	-415862.06	-138.90
17	Acknowledgement	691.87	300.00	-391.87	-29.58
18	TRC / E Bill	3758.64	500.00	-3258.64	-228.77
B	Premium Products	0.00	0.00	0.00	0.00
19	Meghdoot Post Card	740.23	25.00	-715.23	-10.20
20	Business Products	787.69	509.00	-278.69	-452.19
21	Greeting Post	793.07	1500.00	706.93	0.09
22	Express Parcel	8742.05	8070.28	-671.77	-6.46
23	Speed Post	5249.67	3710.04	-1539.63	-569.45
C	Financial Services	0.00	0.00	0.00	0.00
24	Money Order	8638.19	5464.86	-3173.34	-343.88
25	I.P.O.	3159.99	393.20	-2766.79	-103.38
26	Savings Bank	5907.00	4354.85	-1552.16	-1951.21
27	S.C. & K.V,P.	11024.47	5164.00	-5860.47	-500.93
28	I.V,P.	2938.35	1367.00	-1571.35	-0.10
29	Rly / Telecom Pension	15557.66	8000.00	-7557.66	-14.42
30	Coal Mines Pension / EPF	15632.51	7846.00	-7786.51	-0.83
31	PLI per Transaction	2725.56	2207.39	-518.17	-125.12
32	WUMTS	17392.46	25084.14	7691.68	13.38
	Total A+B+C				-5473.08

Contd.....7/-

STATEMENT SHOWING PRODUCTWISE COST, REVENUE & DEFICIT/SURPLUS					
FOR THE YEAR 2014-15					
Sl. No.	Name of Service	Total Unit Cost	Revenue per Unit	Difference per Unit	Deficit(-) & Surplus (+) (Rs. In crores)
A	Traditional Services				
1	Post Card	905.04	50.00	-855.04	-66.56
2	Printed Post Card	845.07	600.00	-245.07	-8.37
3	Comp. Post Card	846.67	1000.00	153.33	0.00
4	Letter Card	885.39	250.00	-635.39	-85.33
5	Letter	1005.31	1396.98	391.68	180.91
	REGD.NEWS PAPERS	0.00	0.00	0.00	0.00
6	RNP-Single	1045.92	44.00	-1001.92	-61.35
7	RNP-Bundle	1705.59	90.00	-1615.59	-19.59
	BOOK POST	0.00	0.00	0.00	0.00
8	Book P.& S. Pkts.	1096.95	739.46	-357.50	-19.86
9	Printed Books	1352.12	206.04	-1146.07	-45.98
10	Other Periodicals	1471.22	1235.86	-235.35	-8.13
11	Parcel	7137.00	4845.53	-2291.47	-58.17
12	Registration	4838.93	1700.00	-3138.93	-573.99
13	Value Payable Post	3033.45	364.44	-2669.01	-30.27
14	Insurance	6201.24	5215.43	-985.81	-1.39
15	Foreign Letter Post	22473.67	9677.01	-12796.67	-184.21
16	Foreign Parcel	761298.61	184322.73	-576975.88	-228.48
17	Acknowledgement	778.04	300.00	-478.04	-17.25
18	TRC / E Bill	4006.68	500.00	-3506.68	-180.58
B	Premium Products	0.00	0.00	0.00	0.00
19	Meghdoot Post Card	866.78	25.00	-841.78	-6.42
20	Business Products	897.13	509.00	-388.13	-589.11
21	Greeting Post	902.53	1500.00	597.47	0.04
22	Express Parcel	9928.00	7758.09	-2169.91	-29.51
23	Speed Post	5884.67	3688.31	-2196.35	-875.69
C	Financial Services	0.00	0.00	0.00	0.00
24	Money Order	10457.08	4677.65	-5779.43	-781.39
25	I.P.O.	3998.67	364.92	-3633.75	-95.08
26	Savings Bank	6301.65	4937.04	-1364.61	-1715.45
27	S.C. & K.V,P.	11761.04	5164.00	-6597.04	-592.70
28	I.V,P.	3133.19	1367.00	-1766.19	-0.09
29	Rly / Telecom Pension	16583.45	8000.00	-8583.45	-12.58
30	Coal Mines Pension / EPF	16663.25	7846.00	-8817.25	-0.82
31	PLI per Transaction	3121.10	2489.25	-631.85	-153.42
32	WUMTS	18293.72	19542.55	1248.83	2.17
	Total A+B+C				-6258.61
