

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

UNSTARRED QUESTION NO:5911
ANSWERED ON:04.05.2005
REVAMP OF POSTAL SERVICES
Reddy Shri Karunakara G.

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

- (a) whether the Union Government has a proposal to revamp the postal services network in Karnataka particularly in the rural areas;
- (b) if so, the proposal mooted therefor for the Tenth Plan; and
- (c) the steps taken to market financial products such as mutual fund, insurance and home loans through the post offices effectively?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) & (b): The policy initiatives under the 10th Plan require the department to rationalise the postal network and explore more cost effective means of providing postal facilities and increasing access to them in order to reduce the dependence on budgetary support for this purpose. Accordingly efforts are underway to rationalise the network throughout the country, including Karnataka. The main focus of the rationalisation exercise is on post offices that do not fulfil the distance norms.

(c) Measures taken to market these products is given in the Annexure. There is no scheme for home loans through post offices in Karnataka at present.

Annexure

Details of measures taken to market the Financial Products

INSURANCE:

(1) LIFE INSURANCE:

- (i) by conducting melas.
- (ii) through the services of Development officers and agents who are exclusively allocated this task.
- (iii) by marketing the Rural Postal Life Insurance through Gramin Dak Sewaks/agents in rural areas.
- (iv) through use of media and publicity to promote the products.
- (v) through customer meets.

(2) NON-LIFE INSURANCE:

- (i) identifying different products for different market segments.
- (ii) through publicity provided by Oriental Insurance Company for whom the Department serves as corporate agent.
- (iii) by using employees to sell the products even outside the office hours for a share of the commission.

MUTUAL FUNDS:

- (a) through undertaking sales using AMFI qualified employees.
- (b) providing suitable incentives.
- (c) Through Postal Finance Marts which will help to retail these products with specialised and focussed care.
- (d) by making a customer segmentation to sell the right kind of mutual funds to the relevant age groups.
- (e) by advertising with corporate logo in the designated post offices.