

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

UNSTARRED QUESTION NO:1994
ANSWERED ON:21.07.2004
DETERIORATION OF POSTAL FINANCES
Ramadass Prof. M

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

(a) whether in view of the deteriorating postal finances, the Government proposes to corporatise the operational network of Department of Posts, set up an independent regulatory authority for Tariff fixation and amend the Indian Post Office Act; and

(b) if so, the details thereof?

Answer

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

(a) Postal finances have not shown a deteriorating trend over the last 5 years, as may be seen from the figures at Annexure. The 10th Five Year Plan requires the Department to inter-alia achieve financial self-sufficiency by the end of the Plan period, consider setting up an independent regulatory mechanism for tariff fixation instead of the existing process, which is provided under Indian Post Office Act 1898, and replace the IPO Act with a forward looking legislation to take care of new developments, including the emerging scenario of convergence, the new technologies and other developments. It also requires the Department to prepare a roadmap for corporatising the Department.

(b) The IPO (Amendment) Bill, 2002, had been placed in Parliament in May, 2002. Since this Bill has lapsed, a revised Bill has to be placed before Parliament, which will address the concerns mentioned in the 10th Plan. The question of setting up an independent authority for fixing tariff for postal articles will depend on the outcome of the amendments to the Act.

The Department is currently focussing its attention on reducing its budgetary deficit by reducing its operating expenditure and increasing its revenues. The impact of its efforts can be seen from the figures given in Annexure.

ANNEXURE

STATEMENT SHOWING THE FINANCIAL RESULT FOR THE LAST FIVE YEARS

(Rupees in crore)

	Actuals	Actuals	Actuals	Actuals	Actuals
	1998-99	99-2000	2000-01	2001-02	2002-03
Capital Expenditure	55.38	67.89	53.29	57.94	42.25
(A)					
Working Expenses	4351.29	4778.40	4907.29	5194.60	5476.15
(Gross) (B)					
Total Expenditure	4406.67	4846.29	4960.56	5252.54	5518.40
(A+B)					

Recoveries (C)	1037.75	1162.46	59.72	85.98	102.10
Working Expenses	3313.54	3615.94	4847.57	5108.62	5374.05
(Net) (D)=(B-C)					
Revenue Receipt (E)	1722.57	2020.12	3297.81	3697.11	4009.65
Deficit = (D-E)	1590.97	1595.82	1549.76	1411.51	1364.40