

Posts

9.40 The Indian postal network is amongst the largest networks in the world in terms of area covered and population served (Table 9.15). The services on offer can be broadly classified into four categories: communication services (letters, post cards, etc.), transportation services (parcel, logistic post), financial services (savings bank, money order, international money transfer service, Public-Private Partnerships for extending financial service outreach through post office network,

and Postal Life Insurance) and premium value-added services (speed post, business post, retail post, etc.). It may be emphasized that the Post Office Savings Bank is the largest savings bank in India in terms of network, accounts and annual deposits.

9.41 There is a significant subsidy element in the provision of postal services (Table 9.16) with user charges roughly covering only 78 per cent of the cash costs. This deficit is likely to increase from Rs. 1,375 crore in 2003-04 to Rs.1,379 crore in 2006-07(BE). Redefining

Table 9.15 : Postal network – international comparisons

Country	Permanent post office	Population served	Average area served (sq.km)	Employee
China	63,555	20,521	151	0.49
India	1,55,333*	6,623*	21.16*	0.53*
Indonesia	20,073	10,954	94.88	0.11
Malaysia	1,211	20,169	272.30	0.59
Sri Lanka	4,680	4,074	14.02	1.18
U.K.	15,868	3,734	15.31	3.24
USA	37,579	7,825	256.24	2.81

Source: Department of Posts.
* As on 31.3.2006.

Table 9.16 : Subsidy on postal services			
Service	Subsidy per unit (Rs.)	Traffic (in million)	Total subsidy (Rs. Crore)
Post Card	6.39	270.68	172.83
Printed Post Card	0.92	78.00	7.15
Letter Card	4.52	280.99	127.04
Registration	15.90	192.36	305.81
Money Order	25.80	111.08	286.61
Reg. Newspaper			
(a) Single)	8.95	81.18	72.66
(b) Bundle)	15.10	8.28	12.51
Printed books	14.69	17.58	25.82
Parcel	23.78	40.99	97.46
Others	NA	NA	267.33
Total	NA	NA	1375.22
Source : Department of Posts.			

the rationale, the mechanism and the size of the subsidy constitutes an important policy question at this juncture.

9.42 The spread of computers and communication technology has had profound implications for the postal system. Propelled by these new technologies, postal systems the world over, including India Post, are responding to these challenges by redefining their roles, developing and expanding their core competencies and even harnessing the

very technologies that have challenged them. Presently, 8,163 post offices, which include all head post offices and major sub-post offices, are computerized for both counter and back office works. A National Data Centre (NDC) will also be set up in Delhi to connect all the computerized post offices by March 2007.

9.43 As a part of the 20th anniversary celebrations of Speed Post, the Department introduced One India One Rate Scheme under which the customer pays just Rs.25 for any consignment weighing up to 50 grams for any destination in India, excepting local. In a unique partnership with Ministry of External Affairs, Department of Posts assists Indian citizens in obtaining passports in a convenient manner through the service of Speed Post Passport Service. Applications for passports are sold and accepted at 1,093 Speed Post circles and post offices in the country. The post office checks the completed application forms and forwards them to the passport office at no extra cost to the customer. Further, the issued passport is also delivered to the applicant through Speed Post. Filing of income tax returns has been made easy with the tie-up between Department of Posts and Ministry of Finance to file income tax returns through 187 Post Offices with effect from October 26, 2006. The total number of income tax returns filed through Post Offices till October 31, 2006 is 412,278. Service tax application returns are also being collected through post offices in Delhi.