

## **Regarding Economic Times feature on India Post dated 8/3/11.**

Many of staff and officers contacted Postal Directorate about a special feature on India Post in the Economic Times dated 7 March 2011. The Following few points may put the records straight :

First about deficit. It is true that during last two years, the expenditure has increased. That is mainly due to establishment cost going up on account of implementation of recommendations of Pay Commission. This is true of all Government departments whether in public service or not. In regard to revenue of the Department, the two main sources of revenue, tariff for mail and remuneration for savings bank are administered.

Secondly about technology. It is true that post office computerization started nearly fifteen years back. But the computerisation was incremental and on stand alone basis. A project to computerize and network all post offices by 2012-13 is under implementation. That will provide a platform for new services including extensive financial services, e-commerce and joint products from various corporate

Thirdly about Post Bank. This Department has got a report from consultant in this regard which is under processing. It may be mentioned, till last year RBI did not show any inclination for issuing banking licenses. Further to make post office an effective banking outlet, one needs to have networking and specialized banking package which is under implementation now.

Fourthly about structure of the organization, leadership and continuity. There are as many corporatized post offices who have failed as of those which succeeded. In this regard continuity of vision and ability to transform is important. But that is not necessarily one top person centric. Leadership at all levels with a committed group for transformation is required. That is what we have been aiming at for managing this change.