

8.3 COMMUNICATION

8.3.1 POSTS

Upgradation of technology and modernisation of postal operations is the major thrust area during the Ninth Plan. Modernisation of mail processing, counter facilities, money transfer system, development of manpower and introduction of new and value-added services are the major priority areas for the Ninth Plan. Expansion of the postal network in the uncovered and far flung areas is another priority area. Ninth Plan aims at making the postal services self-financing at the sectoral level. In this context, it places emphasis on rationalisation and revision of postal tariffs.

Review Of Annual Plan 1999-2000

2. The entire Plan outlay of the Department of Posts is funded through budgetary support. Keeping in view the requirement of funds based on various programmes and availability of resources, an outlay of Rs.100 crore was approved for the Annual Plan 1999-2000. The achievement of targets in the major areas except modernisation of mail processing has been satisfactory. The Annual Plan had envisaged the setting up of Culler, Facer and Cancellor equipment to the two existing AMPCs. The project could not be taken up. Due to this, major chunk of outlay earmarked for mail processing could not be utilised. As against this, the expenditure on buildings is estimated to be almost double the approved provision. As per the revised estimates, the approved outlay is likely to be utilised fully during the year.

Annual Plan 2000-01

3. Keeping in line with the policies envisaged for the Ninth Plan, technology upgradation along with modernisation of mail processing would continue to receive top priority during the Annual Plan 2000-01. About 67 per cent of the approved outlay has been earmarked for these programmes. The major targets envisaged include opening of 500 Extra Departmental Branch Offices (EDBOs), 50 Departmental Sub Offices (DSOs), providing equipment to 8000 EDBOs, installation of 466 Electronic Satellite Money Order Systems (ESMOs) and 88 VSATs and modernisation of 15 mail offices. The Plan also envisages construction of 33 offices and 236 staff quarters. To implement the above and other Plan targets, an outlay of Rs.120 crore has been approved for the postal sector for the Annual Plan 2000-01.

Areas Of Concern

4. The position of the postal finance in India has deteriorated quite sharply over the last decade. The postal deficit has increased almost 20 times over the last nine years – increasing from Rs.91.81 crore in 1992-93 to Rs.1982.47 crore in 2000-01 (BE). The increase has been especially steep since 1997-98. This is due to a marked imbalance in the growth of establishment expenditure which grew @ 22-25 per cent per annum and revenues which recorded much lower average annual growth of less than 10 per cent. Interestingly the manpower employed in the Department has remained almost constant over this period. The following Table 8.3.1.1 gives the trend of revenue and deficit in the Postal Sector.

TABLE 8.3.1.1
Revenue-Expenditure - Department Of Post

(Rs. crore)

Year	Total Manpower	Expenditure on Establishment	Total	Total	Deficit
1992-93	596062	1246.83	1649.18	1557.37	91.81
1993-94	597663	1439.41	1866.79	1659.7	207.09
1994-95	597175	1657.55	2130.7	1778.89	351.81
1995-96	598323	1904.85	2472.14	1812.73	659.41
1996-97	594685	2220.69	2982.32	2279.06	703.26
1997-98	604257	2777.83	3597.92	2604.49	993.43
1998-99	602987	3396.53	4351.29	2760.32	1590.97
1999-00	603435	3779.24	4835.53	3095.00	1740.53
2000-01	603430	4044.98	5242.47	3260.00	1982.47

5. The Postal Deficit is an open-ended subsidy and forms part of the General budget. This is an explosive situation which cannot be sustained for long except at a very high cost to the Nation in the shape of retarded development due to reduced flow of funds to the more needy sectors like infrastructure and social development.