

**No.40-17/2015-Plg.**  
**Government of India**  
**Ministry of Communications & IT**  
**Department of Posts**  
**(Planning Division)**

**Dak Bhavan, New Delhi-01**  
**Dated: 24th August, 2015**

To,

1. All Heads of the Circles
2. All GMs(Finance)/ Directors/ Dy. Directors of Accounts (Postal)
3. Director, Rafi Ahmed Kidwai National Postal Academy, Ghaziabad
4. Principal Director of Audit,(Postal) Delhi-110054
5. All Directors Postal Training Centres
6. All DDGs in the Directorate/ CGM (PLI)/ CGM(BD&MD)

**Subject:** Revision of method for calculation of Income and Cost of Branch Post Offices (BOs).

**Sir/ Madam,**

This is regarding prorata updation of share of income of Branch Post Offices for its Post Office Savings Bank/ Savings Certificate (POSB/SC) and Wages Payment under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) transactions for calculation of "Income and Cost of Branch Post Offices" under Rule 547 of the Postal Manual Vol. IV (Fifth Edition) as amended subsequently vide O.M. No.1-2/79-PRP dated 11.03.1982, vide Letter No.1-2/79-PRP dated 04.12.1989 and vide Order No.1-2/93-Plg.II dated 15.09.1993.

2. The existing Para (i) - All Offices (Urban and Rural) under "Income" is substituted as under:

"Rs 63.74 per POSB (per Live Account per annum), Rs.9.67 (per Silent Account per annum), Rs. 21.85 per Savings Certificate transaction and Rs.24.88 (per Active Account per annum) for Wages Payment under MGNREGA performed by the Branch Post Office subject to appropriate change in future on pro rata basis as per change in per account of reimbursement from the Ministry of Finance".

3. The word "CTD" in Para (j) - All Offices (Urban and Rural) under "Income" has been deleted as the scheme was discontinued.

4. The Order of even number dated 24<sup>th</sup> August, 2015 duly incorporating the above norms is enclosed. Henceforth, while examining the 'Income and Cost' of the Branch Post Offices, for any purpose including triennial review and proposal for opening of new Branch Post Offices/ relocation of Branch Post Offices will be calculated as per the revised norms.

5. The receipt of this letter may kindly be acknowledged.

**Encl: As above.**

Yours faithfully,

  
(S.K. Biswas)  
ADG(Planning)  
Ph. 011-23328475

**No.40-17/2015-Plg.**  
**Government of India**  
**Ministry of Communications & IT**  
**Department of Posts**  
**(Planning Division)**

**Dak Bhavan, New Delhi-01**  
**Dated: 24th August, 2015**

**Subject:** Revision of method for calculation of Income and Cost of Branch Post Offices (BOs).

Substitute the following for the existing Rules 547 & 548 of Postal Manual Vol. IV (Fifth Edition) – As amended vide O.M. No.1-2/79-PRP dated 11.03.1982, Vide Letter No.1-2/79-PRP dated 04.12.1989 and Vide Order No.1-2/93-Plg.II dated 15.09.1993. The increase of revenue share of Branch Post Offices (BOs) for performing financial services like Post Office Savings Bank/ Savings Certificate (POSB/SC) and Wages Payment under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), has been decided based on the recommendations of the Expert Group constituted by the Department of Expenditure and accepted by the Department of Economic Affairs (DEA) for remunerating to Department of Posts as per change in per account of reimbursement from the Ministry of Finance.

**INCOME**

**Rural areas:**

- (a)  $2/5^{\text{th}}$  of the value of all postage stamps and stationery (including service postage stamps) sold at the office plus 20% (This represents income on account of articles received for delivery).
- (b)  $7/20^{\text{th}}$  of the value of all postage stamps and stationery (including service postage stamps) sold at the office (This represents income on account of articles posted for dispatch).
- (c)  $3/4^{\text{th}}$  of the postage collected on unpaid and insufficiently paid articles delivered by the office.
- (d)  $1/8^{\text{th}}$  of the postage due on unpaid and insufficiently paid articles posted at the office.

**Urban areas:** For urban areas the income on the above items is worked out at

- (a) –  $43/120^{\text{th}}$
- (b) –  $37/120^{\text{th}}$
- (c) –  $5/7^{\text{th}}$
- (d) –  $5/42^{\text{nd}}$

**All Offices (Rural and Urban):**

- (e) 24% of the money order commission on money orders issued by the office.
- (f) 38% of the money order commission on money orders paid by the office.

*R*  
*24-08-15*

*Shree Kumar*

- (g) 2/5<sup>th</sup> of the amount of commission realized on Indian Postal Orders sold by the office.
- (h) 2/5<sup>th</sup> of the amount of commission that would have been realized on IPOs paid at the office.
- (i) **Rs 63.74 per POSB (per Live Account per annum), Rs.9.67 (per Silent Account per annum), Rs. 21.85 per Savings Certificate transaction and Rs.24.88 (per Active Account per annum) for Wages Payment under MGNREGA** performed by the Branch Post Office subject to appropriate change in future on pro rata basis as per change in per account of reimbursement from the Ministry of Finance.
- (j) 1% of the total income on other items (viz., postage, money orders, postal orders, Savings certificates, etc.) towards other agency functions where these are performed.

**Note-1:**

In respect of Branch Post Offices which are not actually opened, but are at the proposal stage, there would be no figures to represent the value of postage stamps and stationery sold. In such cases,

against item (a) above, the value of postage stamps (including service postage) borne by all classes of Inland and Foreign articles received for delivery and

against item (b) above, value of postage borne by similar articles posted for dispatch shall be taken into account.

In respect of foreign mail articles value of postage should be assumed to be the same as for corresponding classes of inland articles, notwithstanding the actual postage affixed.

**Note-2:**

If the post office is a sub office, money order transactions of the branch offices in account with it may be excluded.

**COST**

- (a) Establishment charges of the office or if it is a combined office, charges which are treated as its postal establishment charges for administrative purposes (please see Note 1 below).
- (b) A fixed addition to the establishment charges (Rs. 49.50 for a sub-office).
- (c) Fixed house rent in the case of rented building or assessed rent of the office if it is in a Departmental building.

24-08-15

Ashish Kumar

- (d) Fixed stationery charges for the office.
- (e) 2/3<sup>rd</sup> of the line establishment charges that are maintained solely for the benefit of the office (see note 2 below)
- (f) 5% of the total value of postage stamps sold at the office to cover cost of printing of stamps, postcards, etc., cost of direction and audit.

**Note-1:**

For calculation of the cost of establishment charges, the average cost of the time scale appointment or appointments or the actual amount of consolidated allowance, including ad hoc increase, should be taken into account.

The pension and leave salary element equal to 12% and 11% respectively of the average cost of the time scale of pensionable posts should be added.

All allowances such as DA, HRA, CCA admissible on the average cost should be taken into account while calculating the establishment charges at item (a) of the cost above.

**Note-2:**

In cases where the line establishment is not maintained solely for the benefit of a particular office, the cost of line establishment charges may be proportionately divided among various offices served by the particular line in the proportion of their distance from the place where the mail line emanates.

This revised formula/ method for calculating income and cost of Branch Post Offices have been approved by JS&FA(Posts) vide Dy. No. 128/FA/2015/CS dated 24/8/2015.

*Ashok Kumar*  
(Ashok Kumar)  
Director (RB)

Copy to

1. All Chief Postmasters General
2. All Regional Postmasters General
3. Director, RA Ahmed Kidwai National Postal Academy, Ghaziabad
4. All Directors/Dy. Directors of Accounts (Postal)
5. Principal Director of Audit, (Postal) Delhi-110054
6. All Directors Postal Training Centres
7. OSD to Secretary (P)
8. PPS to Secretary (P)
9. PS to Member (P)/Member (Operations)/Member (Planning)/Member (HRD & Post Bank)/Member (Technology)/Member (PLI).
10. Secretary (PSB)/JS&FA/All DDsG
11. Chief General Manager, PLI, Chanakyapuri, New Delhi
12. Chief General Manager, BD Directorate, Dak Bhawan, New Delhi
13. Postal Accounts/PE-II/PAP/GDS/Inspection/O&M Sections/SR/Planning Branches
14. Director (Establishment), Director (CP)/ADG (Establishment)/ADG (GDS)
15. Guard File.