



# FEDERATION OF NATIONAL POSTAL ORGANISATIONS

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Ref: IPPB/72/2017

Date : 20/11/2017

To,  
The Secretary,  
Department of Posts,  
DakBhwan,  
New Delhi 110 001.

Sir,

**Subject: My Federation comments on IPPB.**

**Ref: Your office F.No-5-6/2017PBI dt 15/11/2017.**

The Department proposal is for Payment Bank (Public Limited Company) in 650 of the Post Offices. Which will be these Post Offices has not been clearly stated. With more than 45000 full-fledged Sub Post Offices and 850 Head Post Offices specific identification is called for of which Post Offices of chosen.

The logic of choosing these Post Offices must be clearly stated for the union to give its comments. If the idea is effect various payments through this chosen offices (of has been stated in the proposal), the union says that already may of this payments like pension payments are being made out of the existing Saving Bank network already.

If these activities of the existing Post Offices in those chosen offices, are brought under Payment Bank several questions a raised.

- 1) How will you distinguish between these activities by the existing Post Offices and by the proposed Payment Bank, both functioning in the same Post Office and what for extra benefit. The proposal is silent on this.
- 2) Why only 650 offices why not all these Sub Office and Head Office have this wing of Payment Bank? If so how will you play to arrange them under the same head?
- 3) Payment Bank and existing Savings Bank activities need to be clearly clarify?
- 4) From workers point of you, it is necessary to say who will work in the Payment Bank?

What will be their remuneration and financial benefits?

Will they be different from the existing employees? If so will this distinction be justifiable?

Without detailed information on this to expect the trade union to agree for this is a mute point.

There is a major issue which the department appears to have overlooked. Years before department have already opened 300 Finance marts in strategic Post Offices all over the country. They carried out the existing Post Offices, Savings Bank activities, PLI activities, International Money transfer in collaboration with Western Union and Money Gram, Mutual Fund activities in collaboration with UTI and SBI and General Insurance business as a franchise of Orient Insurance, Our own iMO IPO's etc. These 300 strategic Finance marts were originally proposed to be merged into a Postal Bank in line with similar banks of German Post Office (Deutsche Post Bank), Japan Postal Bank etc. In that proposal the existing Postal Staff with proper training will be involved and all the Postal Employees will have equity shares of 6-7%. It was proposed that Tier-I capital to the extent of 51% will be made by the Department (With one time support from the Central Govt.), 17% from a strategic partner from the Banking Industries, like, say, SBI (and the remaining 25% reserved for an IPO when the bank gets registered). Tier-II capital will be raised from the market. The high dynamic and strategic placement of 300 Finance marts will easily facilitate this. The earnings from the bank is definite to ensure that the Post Office, the holding organization of the bank, would come out of the syndrome of perennial dependents for subsidy from the Central Budget within 5 years. This would have saved money for the Central Govt. At the same time it could have built morale of the roughly 6 lakh employees with a state in this Organization through equity. No differentiated salary structure would also be necessitated.

Therefore, FNPO asks for the following clarifications as well as actions:

1. The points raised about the Payment Bank in the 650 proposed Post Offices at the beginning of these comments required clarification.
2. Why we are giving up the greater and lesser for proposals for Payment Bank, in full measure as discussed about this need to be pursued and logically India Post should be able to stand on its own legs without depending on its own subsidy and on the same line as German and Japanese Post Offices.
3. The employees' concern in the envisaged Payment Bank structure and technical issues raised about need classification.
4. Before rushing in for institutionalising Payment Bank is necessary that Department engages itself in discussion in all recognized unions.

Copy to:  
The Member Postal Services Board (IPPB),  
Department of Posts,  
Dak Bhawan, New Delhi 110 001.

Yours sincerely,



**D. THEAGARAJAN**  
Secretary General