
CHAPTER NUMBER ONE

REVIEW OF INDIA POST

CHAPTER ONE AT A GLANCE

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CHAPTER NUMBER ONE

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EXECUTIVE CHAPTER SUMMARY:

An attempt has been made in Chapter Number One to provide a detail review of India Post and the postal services offered by the Department of Posts. Under the review of India Post, the researcher has attempted to offer a brief sketch of the Indian Postal services and the Department of Posts. The researcher has covered topics such as viz., introductory conceptual framework of the India Post and the historical perspective by elaborating various phases of the postal services in its journey to the present shape. The researcher has also reviewed the utility, network, structure and functioning of the Department of Post together with evaluating performance of the department of post considering variety of services offered by it and its role in discharging public utility services. A brief review of the various services offered and key projects of the department undertaken by India post and its relevance with the customers utility ,development of communication and other infrastructure facilities and network of communication and other allied services , too have been described with the critical review of researcher and remarks given at the end of this chapter.

CHAPTER NUMBER ONE

REVIEW OF INDIA POST

1.0: AN INTRODUCTION:

Services Marketing is to a very large extent built up on relationship and value system exist between marketer and client considering the fact the services are intangible, and the purchase decisions of customers are based on the reputation of a service provider. It's rationally very rare and challenging task to have fair and perfect comparison for the quality of similar services, and the customers are unable to return back the service once availed of unlike tangible products. Services marketing is quite, challenging, different and versatile compared to marketing of tangible goods considering its unique features viz., intangibility; heterogeneity; perishability, and inseparability. These features do require the marketing mix of services to be expended that also include process, people and physical evidence, in addition to the four traditional Ps of the marketing mix strategy. Marketing of services is a people govern process, owing to the fact that only intangible element as a 'product' is being offered to the customers. Due to the dependency in case of services marketing on the service provider, the significance of concepts and thoughts like relationship marketing or more precisely the customer relationship marketing cannot be neglected in marketing of services. The supplementary services combined or offered with the basic service may result in to value addition to the core service, and can be helpful in making evaluation of the service as compared to the service offered by a company's competitors, and in its branding. The contribution of service sector in the Indian economy has shown tremendous growth. Service sector in India, in particular, like Information Technology (IT); Insurance; Telecommunication, and Retailing have witnessed remarkable growth in it.

The postal services mainly includes viz., carrying letter correspondence, provision for transfer of money, deposit of money accepted by the post offices, etc., availed by the customers. These services are known as postal services. (www.nios.ac.in)¹. The postal service sector of India can be broadly classified into two distinct constituents viz., the postal services, and the courier services. The postal services include varying services such as viz., picking up letters, parcels & packages, and its prompt and timely delivery at the destined destination within and outside India (<http://eaindustry.nic.in>)².

The changes in the business related environment concerning the public utilities or services including postal services require altogether a new kind of attitude and outlook as well as formulation of business and service strategy from the organisation's perspective considering the new challenges being faced by them in order to provide services to everyone without discrimination by keeping themselves within the policy framework as formulated by the Government of India especially in case of postal services. More than reasonable variance in service quality of postal services needless to state directly affects customers' satisfaction. The delivery of desired customer satisfaction and customers' retention are crucial issues for India Post which calls for developing innovative ways of assessing consumers' satisfaction aimed at to extend help in facilitating improved and innovative postal services to citizens of India. An understanding on the prevalent business practices concerning Indian Postal Services by the post offices in relation to customers' ever increasing expectations, and search for rewarding experiences is truly crucial and critical in identifying gap and suitable measures that can be taken up for improving in delivery of Indian Postal Services within and outside India to citizens of India. (www.indiapost.gov.in, Accessed on 26/10/2010)⁶

1.1: BASIC TERMS OF THE RESEARCH STUDY:

1.1.1 Service:

Service in this context can be described as an act of helpful activity; to help; or an aid to offer someone a service or the serving of a sovereign, State, or Government in some official capacity or the duty or work of a public servant (<http://dictionary.reference.com/browse/service>, Accessed on 10/12/2010)³.

1.1.2 Postal Services:

The postal operations includes the whole array of the pioneer postal services that mainly includes viz., Sale of Stamps and Postal Stationery; Transfer of Registered Articles from one place to another; Transfer of insured articles; Delivery of Value Payable Articles; Transfer of Money through Money Orders, and Postal Orders as well as, services offered through Booking of Parcels. The postal services were traditionally provided at manually managed counters. But, now with the use of IT it has further extended its scope making it more responsive and error-free (<http://www.indiapost.gov.in>, Accessed on 26/10/2009)⁴. It has also been described as the provision made by the Government system of the nation for the transfer of Letters, Packages, and Periodicals, and includes other related services (<http://encyclopedia2.thefreedictionary.com>, Accessed on 26/10/2009)⁵.

The Postal services are also defined in relation to the General Agreement on Trade in Services (GATS), and World Trade Organisation (WTO). The basic object of the definition in the context to GATS and WTO is to define a market for postal services. The suggested concept and definition is based on the objects conveyed that the postal services includes viz, Physical Handling of Mail; Managing Hybrid Mail Services; Physical Management of Parcels and Packages; Dealing with Press Products Duly Addressed; Providing for Services related with Express Delivery of Items as well as. Handling Services related with and Physical Dealing with Document Exchange; Registered Mail; Insured Services; Managing of Items not Duly Addressed, and other Allied and Related Services respectively.

1.1.3 India Post:

India Post is brand name revealing recognition with The Department of Posts which functions as a Government managed postal system in the territory of India and described as the post office within in the territory of India. (www.indiapost.gov.in, retrieved on 26/10/2010)⁶.

1.1.4: Customer:

Customer has been defined as someone who regularly purchases from a particular store or company (David L. Loudon and Albert J. Della Bitta, 2002)⁷

Customer is a party that obtain of or consumes or make use of, or availed of products (goods or services), and has the capacity and ability to make choice of between and among different products and suppliers (<http://www.businessdictionary.com/definition/customer.html#ixzz1rH2JERua>, Accessed on 28/10/2009)⁸.

1.1.5: Consumer:

A term used to describe two different kind of consuming entities viz, personal consumers and organizational consumers. The personal consumers are those who buys physical goods and or avail services for their own use/disposal or for others' use and organizational consumers are those who buy equipment and services in order to run their organisation (Leon G. Schiffman and Leslie Lazar Kanuk, 2002)⁹.

1.1.6: Satisfaction:

Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance or outcome in relation to his or her expectations (Philip Kotler and Kevin Lane Keller, 2006)¹⁰.

1.1.7: Customer Satisfaction:

Customer Satisfaction is the delivery of satisfaction provided by the goods or services of a firm as measured by the number of repeat customers (www.businessdictionary.com, Accessed on 22/10/2009)¹¹. It is a business term and seen as a key performance indicator within business which is a measure of how products and services supplied by a company meet or surpass customer expectation (<http://en.wikipedia.org>, Accessed on 22/10/2009)¹².

1.2 USEFULNESS OF SHARED UNDERSTANDING OF POSTAL SERVICES:

Clear understanding of the term and operations of postal services to nations in the world helps in following ways:

- To help negotiation at international level since negotiators understand the assumptions and practical realities of operations of postal services;
- To ensure legal assurance for operations involved in services offered by the post offices including foreign postal services;
- To promote transparency among the postal services and other allied sectors such as transport which may result in to effective control and efficient operation of the markets;
- To Assist GATS/WTO in defining or conceptualizing the market place;
- To facilitate accumulation of competitive data and information about various countries, and
- To promote growth of a desired area or territory and to ensure rational application of national policy guidelines for balanced growth and development, for example Value Added Tax. (www.indiapost.gov.in, Accessed on 22/10/2009)¹³.

2.0 INDIAN POSTAL HISTORY:

An attempt has been made to present a concise review on history of India Post as follows:

2.1 Postal Systems in Mughal Period - A Wrap Up:

2.1.1 Medieval India (1030 – 1757 AD):

Mughal period was having historic significance as corner stone in the journey of correspondence system. It was regarded as Rundown period since drastic expansion and growth begun by Mughal empor Sher Shah Suri with 3000 miles of network for communication in the State. The routes were decided and developed to serve the postal system. The Dak Chawkis were created at the fixed interval and the skeleton or framework was developed as concentrated postal operations setup with duly form and authorised agencies to control and supervise the entire operations, known as the Darogah-i-Dak Chawki. The Darogahs -i-Dak Chawki was made accountable only to the State Royal Office and postal officials were made responsible and accountable under him. The communication needs were categorized according to its requirement and urgency.

The means of postal transport and divination of postal work were also determined in accordance with the requirement of the State. The Dak Chawki System was having duly form divisions and sections that were functioning in an independent manner and ensuring services to the needs of Security, Intelligence, Supervision and Military respectively.

The common alternatives of communication were mainly the mail runner, horse courier or special speedy horse carriages since they were the only modes accessible and available to satisfy the requirement of time and under emergency circumstances. Royal Pigeons and Camels were also historically used to discharge services as a means of communication and had enjoyed due respect in the system that was prevalent during those days. The State and the Civilians were used to make use of camels and camel in caravans' desert areas.

The historical references and evidences reveals that camels were also used even in non-desert zones especially for the purpose of discharging functions related with mail transfer of the Royal or State Mail respectively. Mughal Emptor, Akbar's name is found as associated with the introduction of use of pigeon as a mode or instrument of communication.

These pigeons were used to be imparted training and housed and developed as a mode of communication in the Royal Palace in the Kabutar-Khaana of Mughal palaces. They were used to carry emergency messages or short distance messages particularly for royal purpose. The developed practice maintain and successfully used by Jahangir who develop extension of this practice by making use of it the historic profile of mail runners was confined to Mewras , and who used to be the messengers belonging to lower strata of the caste system or tribal origin ([www.india post.gov.in](http://www.india.post.gov.in)).

The departments like waqai navis, sawanih navis, khufia navis and dak runner used to take care of the postal work in terms of its assignment and performance. All postal staff was given with army-type gradations rank named like mansabdar except the mail runner their ranks, promotions and degradations were also taken care of vide dastaks.

The division of the communication of the State was carried out with a view to provide swift transmission of mail and ensuring efficiency in management related with this through Farmans, Shuqqe, Nishan, Hasb-Ul-Hukum, Sanad, Parwanah and Dastak respectively. The history also reveals that parcels were also being carried out as part of regular mail service for the first time during this era. These parcels were mainly containing written documents or records of the State and sometimes personal requirements of the Emptor. Royal rulers have initiated to develop Postal rules and reforms. Babar had introduced the system and procedure of frequent transfer of postal officials in the territory of the Mughal Empire. Jahangir started building of a pillar at every kos with a specific sign, and a well at every 3 kos that used to be reckoned as milestones that facilitated in finding of the routes.

The 17th Century made it evident with a change for the first time Aurangazeb had introduced the stringent measures to bring about efficiency by framing rules that a dak runner should cover a fixed travel distance or he should be penalized. Later on these measures could be given shape as a base for determining working norms of the system.

In order to introduce transparency, a practice was started with a system to have an open register in the form of official record in public offices for recording of all information and reports reaching through dak chawkis. This was a good beginning to bring about discipline and rational operations in the postal system (Ibid).

Safe journey and protection was ensured by the Subedars and Kotwals of the districts of the State who required to protect and provide a safe passage through their boundery. In order to have escort from Subedars and Kotwals, the dak runners were required to make use of a written permit duly signed and sealed by the Darogah-i-Dak Chawki on his journey towards destination. The dak runners used to carry a permit duly signed by the Sawanih Navis for his return passage.

The State's faujdar, zamindar, and thanedar were made accountable to provide their co-operation, and safe passage to the extent possible to the dak runners who were having these permits and that was casted as an obligation upon them. Babar begun with a mathematical calculation to have road mapping and an accurate measurements introduced by the clerks of the State, which was called tamaghachis. These measurements had set the criteria for calculation of mileage at the later stage.

The Dak Chawki system was during its introductory period restricted to royal and official use only. The civilians of the State used to make provisions on their own at their personal cost or were to wait for the availability of the duly appointed messengers for urgent letters, and to rely upon such messengers to carry the said type of mail. This unusual system of the postal employees coupled with due representation made by the common public forced Babar to begun with the system of transfer of postal employees in the State. News and such information was communicated through well-defined and structured channel of confidential reports, or through periodic reports prepared by various agencies acting with reasonable autonomy. This practice was capable to wipe out wrong and exaggerated information sent to the Emptor not only because of an automatic cross-checks but it also provided the emptor various perspectives to a situation. The established dak system was to carry weekly statement of cash of the Dewan and official dispatches sent by the district Governor over and above normal and routine mails. Akbar organized the 'The Akhbar Navis System' to make available the ascent form of the newspaper. The periodical summaries of the regular communication was flown through waqai issued by the wagai navis referred as official news reporters or news writers. These summaries slowly emerged and converted in to periodical newsletters. The era had shown the emergence and growth of the official ante-typographic newspapers which were in reality the confidential reports and special newsletters specified for instant availability and use of the monarch.

It is also evident from historical references that from this alone, there must be emergence the akhbar or private news periodicals possibly designed and developed by the private postal operators.

The contents of these periodicals were meant for public information, use and discussion. This is also available as an evidence during the reign of Mughal ruler Aurangzeb. The historical evidences also gives proofs of the scattered private post that have co-existed with the Dak Chawki System. To illustrate the private messenger system running from the bazaars of Patna, called Bazar kasids, and the private post at Merta. These practice or system were usually managed by the businessman, merchants, traders or market operators attempting to serve the needs of commerce along with well thought out routes. These co-exist private system was used to charge exorbitant rates for conveyance of such private mail. Emptor used to made separate postal provisions at times of war and military emergencies or operations. The Postal staff was duly provided as per the requirements. A superintendent duly appointed and was assigned responsibility and made accountable of Ithminan Dak Chawkiyat Lashkar for administration of military postal stations. The terms and conditions of appointment and working guidelines were also circumstantial in nature and quite different from that of the regular Dak Chawki operations. Army officials were used to deliver Farmans, arzi waqaim sand all communication to the Emperor personally (Ibid)

The system of protectorates, like Bijapur and Golkonda begun with the signing of a memorandum of understanding or agreements called Inqiyad Nama. This had evident that the transfer of information and news had gained immense significance and almost became inevitable to the Emperor so was the reason that news and information disseminators and secret agents had started operating in such areas too. The parallel functioning of a regular postal system within the protectorates and that of the median Dak Chawki System was a unique feature of the Mughal period. Aurangzeb had adopted a system where under the simultaneous Dak Chawkis operated within the States later on became a part of the established network. This has probably provided the way to close association of these states at a later stage. Thus, with the considerable expansion of the Mughal dominion into the Deccan region of India, the Dak Chawki System could extend its operations beyond Karnataka by the end of the Mughal rule (Ibid)

Babar had shown intention and practice to continue along the predesigned postal system that was developed by Sher Shah, with some further addition of areas of delegation. It was specifically during the era of Akbar that a well-defined and well-structured postal system had taken shape with a well-planned methodology, processes and rules. The functioning of the postal department were very well in the form of the routine reports and communication of the State on one hand, and the scattered but well controlled accumulation of information department on the other. Jahangir had worked for expansion related with further development of postal services and fetching pigeon post to Bengal. Aurangzeb's regime is known for having stringent policies, processes and functioning of the postal department and its administration.

Thus, in the beginning of the 16th Century a structured, well thought and reasonably well organised, synergized two-way system of communication started its functioning on a regular basis. Thus, it is evident from the history that the Mughal period during its ruling in two centuries had begun the operation of well-designed postal system in India that was later on flourished by the British administrators with their continuous and conscious efforts (www.indiapost.gov.in, Accessed on 22/10/2009)¹³.

2.1.2 Initial Phase of Development of Indian Postal System:

India has a gradually developed but very interesting journey of the postal system and there are adequate philatelic material and evidences that one can find to have it for a philatelist to make it even more interesting, and special. The initial phase of journey of the postal system in India can be understood well by making two parts of it viz., Pre-1837, and the phase after passing of the legislation named Post Office Act, 1837. The well-known historian Ziauddin Barani had interestingly narrated in his work that the horse and the foot runner came in to existence and used as an alternative of the correspondence system from long back in the 13th Century in India.

The horses were utilised for the reason of speedy delivery in various parts of the State but it was certainly the foot runners who were instrumental to it. The foot runner were called “Harkara” in historical books but in the context to the job performed by him for communication task and functioning he is the runner for the postal system or the dak runner. “Dak” is a historically rich and the most famous Hindi word for post or mail or messenger services.

The postal runner used to carry a cleft stick; the small bag with the mail or correspondence that was held in the cleft. During journey at night, he used to light resinous twigs find his way. These postal runners had to deal with and overcome a lot of obstacles, hardship, apprehensions and danger, while journey through forests with wild animals, crossing deep rivers during unusual and struggling weather and trekking across snow-capped areas. The stick and a spear could rarely afford any security and safety while discharging routine but burdensome work. In spite of these, the abnormalities and struggle, they had continued running and used to deliver the mail and serving society. They were a hardy race of civilians having virtue of honesty with a great sense of duty and accountability. This trend had not vanished even in the present day operations also even today the postal system uses Postal runners in few odd parts of the nation like Badrinath during the pilgrim seasons and also to the Gilgit and Leh snowbound regions. In these odd areas to the extent possible wheeled traffic take mail up to certain benchmark thereafter the runners take over and ensure the mail to its ultimate address. The Mughal Emperor Babar and Akbar attempted to bring about reforms and improvements in the postal service. Babar facilitates organizing the administration of the postal system and could develop a horse courier facility from Agra to Kabul. Akbar venture to introduce camels for transfer of mail and other correspondence to the desert areas.

It was after the formation of the East India Company, and after enforcement of the Royal Charter in the due concern of trade with India they had to take initiative to design a more structured and developed communication system. They had made arrangement for postal runners on routine routes and made provision for setting stages and to handover the cargo. The East India Company had asked its Bombay and Madras offices to construct and design and develop a post office in the year 1688 at each place and had provided needed instructions and directions that all correspondence should be fetched to the post office first. Lord Clive had initiated a sorting system of correspondence and mails into different bags in accordance with its routes and ultimate addresses. These bags possessed seal of a company, and only the deputed officials at various destinations were allowed to open it. Warren Hastings had introduced further reforms and development in the system after the year 1794. The postal rates and charges were determined on the basis of weight and distance. Hand struck Bishop Marks were introduced with its application on letters at Calcutta. These were known as the Indian Bishop Marks and they were different from the Foreign Bishop Marks in that the months used to be printed in three letters, such as OCT, NOV, and so whereas the Foreign Marking System had the months in two letters. For the three States of Bombay, Madras and Calcutta they used different hand struck stamps (Ibid).

After the East India Company had started its functioning, the administrators had opted for major reforms in the Postal System. The Post Office Act, 1837 came in to an existence and had joined the States and had previously announced all private posts as illegal. In spite of this fact, they continued to function in many region of the State for some time. A Parcel Post Service called Bhangies to deliver heavy parcels was designed and had started its functioning during this period. Its charges were found cheaper than that for an ordinary mail. The company's formal correspondence and mails were carried by merchant ships to England. It was consuming too long time almost a year to take and to get a reply for a mail or communication from Calcutta. The mail from India was transported to Marseilles in France, and then on horseback to Calais where a steamboat then reached it to Dover. It was once again carried on horseback to London. Slowly, the time taken was reduced with the establishment of the overland route and technological and other developments in which mail was transported across land, and at destination carried over water instead of exclusively relying on Ships and Steamers.

In the year 1852, the first Indian Stamps known as the Scinde Dawks were brought into an existence by the Commissioner of Sind, Sir Bartle Frere, who was an administrator of Sir Rowland Hill. He permitted the use of half-anna stamps in his district for the first time. It was expected that every collector should get adequate knowledge and be aware about the Scinde Dawks. These stamps were having red colour during its initial days of issue on vermillion wafers but later on they were discontinued.

A modified version of stamp was introduced in July 1852, which was embossed in white on white which was very soon changed to a bluish wave unevenly spaced on sheets of three inches by six inches. Sir Bartle Frere was not pleased with the local printing so he had decided for a different design and sent it to his friends in England to get the newly designed stamps printed in blue. The Postmaster General of Karachi had received 10,000 stamps in the year 1852.

These orders were repeated till almost 50,000 of the new version of stamps were in circulation. Sir Bartle Frere had decided to withdraw it upon the release of the All India Postage Stamps (Ibid).

It was evident that the Scinde Dawks were not adhesive stamps but simple seals were used as trial at a post office in Karachi. Between the year 1852 and 1870, Indian stamps were came into existence alike the stamp collectors which were known for and called as 'Classics'. The Indian Classics were made up of the first three series of stamps which became famous and called as the Scinde Dawks, the East India Company, and the Crown Colony Stamps respectively. The Court of Directors of the East India Company were strongly of the opinion that stamps should be printed in India. Col. Forbes was put in charge but he failed to achieve desirable success and so he surrendered the task assigned to him. Then Capt. H.L. Thuillier, Deputy Surveyor General of the Survey Office, Calcutta, was requested to assume this work. The stamps in the denominations of one anna and four annas were made available after carrying out some trial and error kind of experiments. Capt. Thuillier's write ups were precise and also interesting. During the year 1855 to 1926, stamps were printed in England by M/s. De La Rue and Co., and the description on stamps was East India Postage.

In the year 1877, when Queen Victoria had obtained the title of Empress of India, the description was altered to India Postage. A new printing press was started in Nasik and all stamps were printed there, since the year 1926. After the Indian empire was acquired and consolidated by the British, the centrally governed and issued stamps were made valid throughout the territory of India, but the local Maharajas also permitted to issue stamps which were made valid only in their respective areas. Some of them had used to print the name of their States on the issued stamps. After Independence and consolidation of the Indian States into the Republic of India, these stamps are now no longer valid; and these have now become collector's items. The value of a stamp generally depends on their relative availability that is upon scarcity and demand of it. Between unused copies of a mint stamp and used copies of a stamp, the value depends on its availability. A stamp which has been issued a long ago is found more valuable if unused. In the case of Scinde Dawks, there is only one unused, un-cancelled stamp, which is considered as part of the British Royal Collection and it is now not allowed to use for sale (www.indiapost.gov.in)¹³.

3.0: A BRIEF ABOUT DEPARTMENT OF POST:

3.1: An Overview:

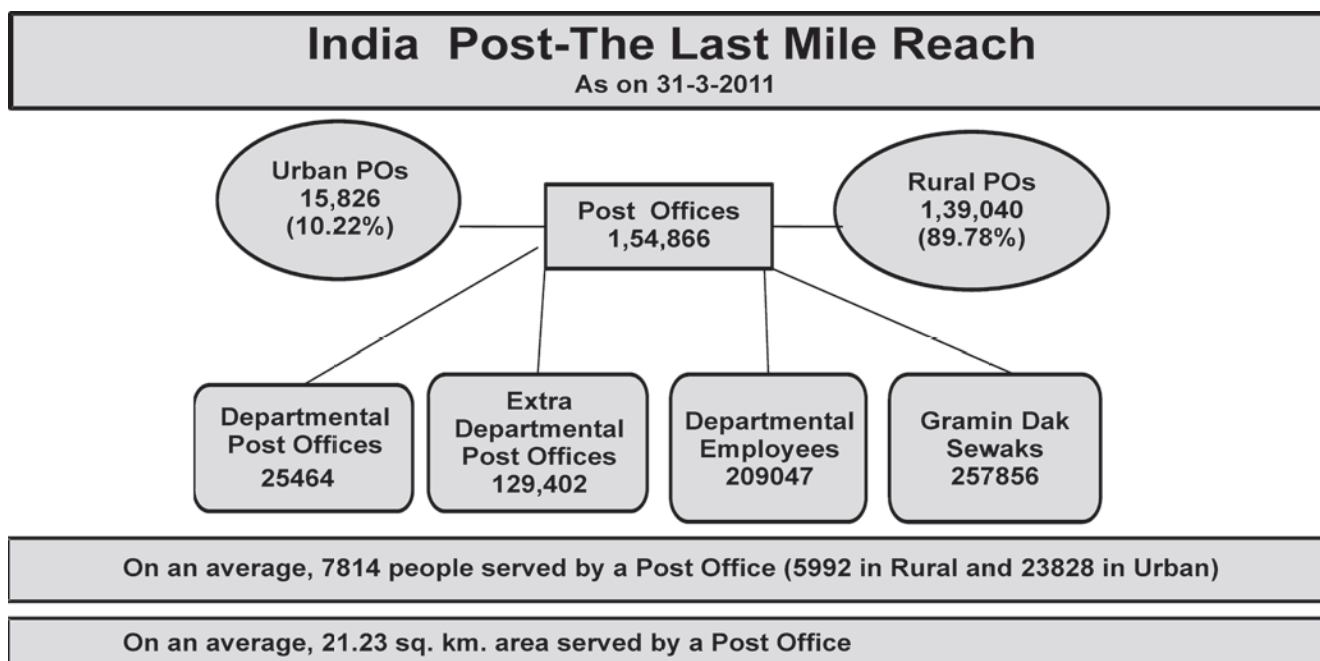
The Department of Posts has been enjoying significant position and truly regarded as the most significant and to a large extent inevitable component of communications network of India and basic to her socio-economic growth for the last 150 years. It has enriched the lives of living population by providing variety of services like Mail, Banking, Insurance, and Money Transfer or Retail services. India Post is the largest postal network in the world. It is having a network of 1, 54,866 post offices in India, out of which 1, 39,040 post offices are located in the rural areas. It is also regarded as the public utility services with its main objective to enrich social and public lives by providing valuable services.

The basic functioning of the department of post is to have successful accumulation, collection processing, transfer and delivery of correspondence and it also includes other allied services. Mail is collected from more than 5.7 lakh avenues through duly fixed letter boxes. Then, it is divided and processed by the well-established and well-structured network of Mail Offices and transferred by Rail, Road and Airlines throughout India to ensure its delivery to the citizens. The functioning of the postal services is through the post office counters that covers the whole pool of core services that includes viz., the sale of stamps; booking of registered articles; insured articles; value payable articles; transfer of money through money orders; booking of parcels, and savings bank transactions. Traditionally, these services were being made available through manually operated counters with less technological support. With the passage of time and with due respect to the growing need for availing benefits of technology to customers, functioning at the counter is now being progressively computerized to ensure a wider range of services to the customers from a single window leading to Swift and Error Free Services. (Annual Report, 2011-2012 pp.2, www.indiapost.gov.in, Accessed on 12/03/2013)¹⁴.

India has the largest Postal Network in the world with 1, 54,866 Post Offices (as on 31.03.2014) of which 1, 39,040 (89.78 percent) are located in the rural areas. At the time of independence, there were 23,344 Post Offices which were primarily located in urban areas. Thus, the Indian Postal network has evidenced a seven times growth since independence with its focus on expansion especially in rural areas. On an average, a Post Office covers an area of 21.23 Sq. Km., having a population of approximately 7,814 people.

An expansion of Postal Network, has taken place especially in rural areas of India mainly through opening of extra or additional departmental post offices, and on a confined scale by establishing Departmental Post Offices. The Extra Departmental Post Offices operate for a time period of three hours to a maximum of five hours in a day. These are manned by Gramin Dak Sewaks who are appointed on an Adhoc or temporary basis, and paid time related allowance for the services they render in their respective areas.

On the other hand, the Departmental Post Offices operate on full time basis for a time period of eight hours and are operated by duly appointed departmental employees appointed on a scale to work on a regular basis. The Government opens Post Offices with due consideration to selected criteria viz., distance, population and income pre- determined as a policy matter in order to maintain balance in workload and desired level of services. In order to fulfill Universal Service Obligation, Government Aid is made available to all Branch Post Offices in rural areas which ranges from 66.66 percent in normal rural areas to 85 percent in Hilly, Tribal, Desert and inaccessible region. However, no subsidy is provided to Departmental Post Offices in urban areas as these are expected to be financially self-reliant, and are expected to earn 5 percent profit, as per the Government policy guidelines, after its functioning for a year. The Government has announced annual target for opening of post offices for extension of the Postal Network under Five Year Plans. These provisions and support is also made available earlier for recurring and non-recurring cost of new Post Office that were opened during the Plan period. The strategy for expansion of the network has undergone some major changes. In accordance with the policy that was laid down in the 10th five year plan, the Human Resource requirements for starting of a new Post Offices has been met only through redeployment of existing resources. (Annual Report, 2011-2012pp.14, www.indiapost.gov.in, Accessed on 12/03/2013)¹⁴.



3.2: Brief Outline of Corporate Plan of India Post:

Corporate Plan of India Post:

The strategic Plan of India Post includes various tactical and operational business plans. Its business plan has been summarized as follows. It mainly includes viz., (i) A strategic intention of the organization to be carried in the form of pre-determined objectives and activities over a stated period of 3 to 10 years (ii) Quantification of organizational objectives (iii) Defining the strategies and tactics as broad frame work for achieving the organizational objectives (iv) Translating organizational vision and mission in to organizational policies and guidelines and appropriate modifications in them in accordance with changes in the environment (v) filling periodic cash flows and production data for at least 2 years, and (vi) providing projected profit and loss account on quarterly basis for initial 2 years.

3.3: Vision, Mission, Goals and Objectives of India Post:

Vision of India Post:

India Post has cultivated vision that it will be an organization with social commitment engaged in connecting individuals and businesses.

Mission of India Post:

India post has adopted a mission that it will ensure high quality of mail and parcel services in India and across the world. It would aspired to be known as an efficient and excellent organization offering delight to the customers, employees and the society. It will perform the tasks by adopting following

- To have total commitment and involvement in learning and satisfying customer's needs;
- To have commitment for ensuring proficient and effective services to fulfil customers 'aspirations;
- To have total devotion in offering challenging and rewarding opportunities in carrier path for every employee;
- To discharge the functions as a National, Social and Industrial obligation to enrich spread of needed services, and
- To showcase evident zeal to be proactive and innovative in all areas.

Goals of India Post:

It has been listed out as follows:

1. To make Postal Network available easily and within reach to all by the year 2013-2014.
2. To become a pioneer medium, by the year 2015-2016, for offering all kind of social security schemes announced by the Government India.
3. To become a self- reliant and self-sustaining organization by the year 2015-2016.

4. To enhance financial inclusion by at least 10 percent of the population not having availability of Banking services by the year 2013-2014.

Objectives of India Post:

Its objectives have been outlined as follows:

1. To ensure core postal facilities like collection and delivery of mails transmission of money etc. to general public and business community with maximum possible comfort. India post is having intention to achieve this target through establishing more post offices, changing location of existing post offices, outsourcing franchisees to individuals, shops merchants, institutions, self-help groups, etc. It has pre-determined target to set up approximately 3000 Post Offices and 10,000 Franchises during the 12th five year plan period.
2. To enter into aggressively Memorandum of Understanding (MOU) with State / Central Governments for ensuring its availability and services through post office with the help of various schemes introduced for social security by the Government of India. India post shall peruse objective of computerization of its entire Postal Network and each of its operations at all the post offices so that news and information pertaining to offering of social security schemes can flow on actual time basis and general public and other interested parties can have its access from Anywhere and At Any Time .
3. To become a self- reliant and self-sustaining organization by achieving the growth in income from the current 6 percent Per Annum to 12 percent or more Per Annum and to double its income during the 12th five year plan period. It is having the major components for the increase in revenue like increase the expansion in traffic of mail volumes through more aggressively targeting improvements in bulk mail, enriching quality of service and starting venturing into new services like Credit Card, Insurance, and Money Transfer through Private Partners. It is having an estimation of significant improvements in the decided components.
4. To achieve incremental growth and improvements in performance of volume of Registered Articles from the current declining level so as to increase its traffic by 50 percent by the year 2015, and to ensure that the total traffic which expected to reach figure of Rs.30 Crores by the year 2015. Consequently, the increase in income is also estimated to Rs.50 Crores during each year of the 12th five year plan period.
5. To sustain the volume in the business of Speed Post by maintaining its growth rate to continue to be a market leader in express segment by keeping the volume and rate of growth at the existing 15 to 20 percent.
6. To have a more vigilant and focused business practice on Parcel Products containing E-Commerce and logistics by developing products as per the requirement of customer so as to include the facilities of handling the movement of products.

The Post Department expects to bring out significant improvements in the income in case of Parcel Products covering e-Commerce and logistics respectively.

7. To put efforts for improvement of Foreign Business by including International Mails, Parcels and Financial Transfer or Exchange so as to create an incremental source of revenue. With this focus, it has estimated that revenue on account of Global Business should increase significantly.
8. To target improvement in the growth in traffic of Financial Remittance to take place through Money Orders. The Post Department has target to bring out significant upward movements by the financial year 2015-2016.
9. To achieve the growth of Saving Bank Transactions by increasing the volume of Savings Bank Accounts of each of its types by 1 to 1.5 Crores. Additional accounts need to be expended each year so as to reach the volume of accounts by 30 percent in 12th five year plan. It should lead to sustainable increase in Compensation per Savings Account and thereby to bring out the increase in income of the Post Department.
10. To increase the revenue of the Post Department on through Cash Certificates like National Savings Certificates (NSC), Kisan Vikas Patra (KVP) respectively.
11. To increase the income on account of Mutual Funds in 12th five year plan period.
- 12 To increase the income of the Post Department through expanding spread of volume of Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI). Further, more efforts shall be put to achieve the planned growth in income through increasing spread of Retail Post/Business, and to meet the pre-determined target at the end of the 12th five year plan period. (www.indiapost.gov.in, Accessed on 11/03/2013)¹⁵

3.4: Profile, Network and Structure of the India Post:

The Department of Posts has to carry out its functions under the directives of Ministry of Communications and Information Technology, Government of India. It functions under the control and direction of the Minister for Communications and Information Technology, who is an independent Minister of State for Communications to assist the Minister of Communications and Information Technology in the performance of different functions to have smooth operations of the department. The Secretary of the Department of Posts functions as the Chief Executive of the Department, who is also the Director General of India Post and the Chairman of the Postal Services Board which is an independent authority to take care of policy framework of the department. The Postal Services Board is an autonomous administrative body of the Department that includes the Chairman and three other members. The board members discharge responsibility and accountability related to operations, development and personnel functions of the department. The joint secretary and financial advisor to the department is a regular visiting authorities to the board.

The Board obtains help and governance from a senior staff officer whose position is known as the Directorate as Secretary of the Board. The Deputy Director General (FS) ensures direction and necessary help to the board in the required and nominated capacity. Deputy Director General, Directors and Assistant Directors General ensures needed support and direction to the Board at Headquarters. The Postal Services Directorate is an independent authority that provides direction and governance over the operations of the department who is having headquarters located at Dak Bhawan, New Delhi.

It exercises control over the operations in ensuring availability and performance of postal services throughout the territory of India. The functioning of India post is sanctioned into 22 Postal Circles. These Circles operate the routine operations of the various Head Post Offices, Sub - Post Offices and Branch Post Offices through its Regional and Divisional level administration as made available by the department. This facilitates smooth operations at all level throughout India (www.indiapost.gov.in, retrieved on 26/11/2010)¹⁶.

3.5: Functions and Activities of India Post:

The Department of Posts is made responsible and accountable to carry out for functions and activities as per Government of India (Allocation of Business) Rules, 1961, Schedule-II, Rule 3, titled as

” Distribution of Subjects among the Departments”. It has been listed out as follows.

1. Execution of work schedules that includes purchase of land and making other necessary provisions to carry out the capital budgeting project pertaining to the Department of Posts;
2. To discharge strategic and operational functions of handling Post offices operations, which also includes viz., Post Office Savings Banks (Administration); Post Office Certificate (Administration); Post Office Life Insurance Fund (Administration); Printing of Public Postage Stamps or Commemorative Stamps including Postal Stationery; Premium Postal Products and any other function of agency related thereto;
3. To carry out international operation in the issues related with postal communications inclusive of functions related to each of the foreign bodies working in the area of Postal Communications such as viz., Universal Postal Union; Asia Pacific Postal Union (APU); and Common Wealth Postal Union;
4. To implement organisational decisions with regard to launch, growth and maintenance of all services taken care of by the Post Offices which includes those related with Cable, Radio and Satellite Communication Channels subject to the condition that these issues do not amount to Broadcasting, Narrow Casting, Cable and Radio Networking Services, and are also not operated by the Indian Telegraph Act, 1885 and the incidental rules framed thereunder and those services not specifically entrusted to any other Department.

5. To promote study and survey related to feasibility research and development activities to be carried out in the areas allotted to the Department of Post;
6. To govern issues related to the management of the Indian Post Office Act, 1898 and the incidental rules framed there under as well as any other legislation having a concern on administration of postal activities, not specifically entrusted to any other Department;

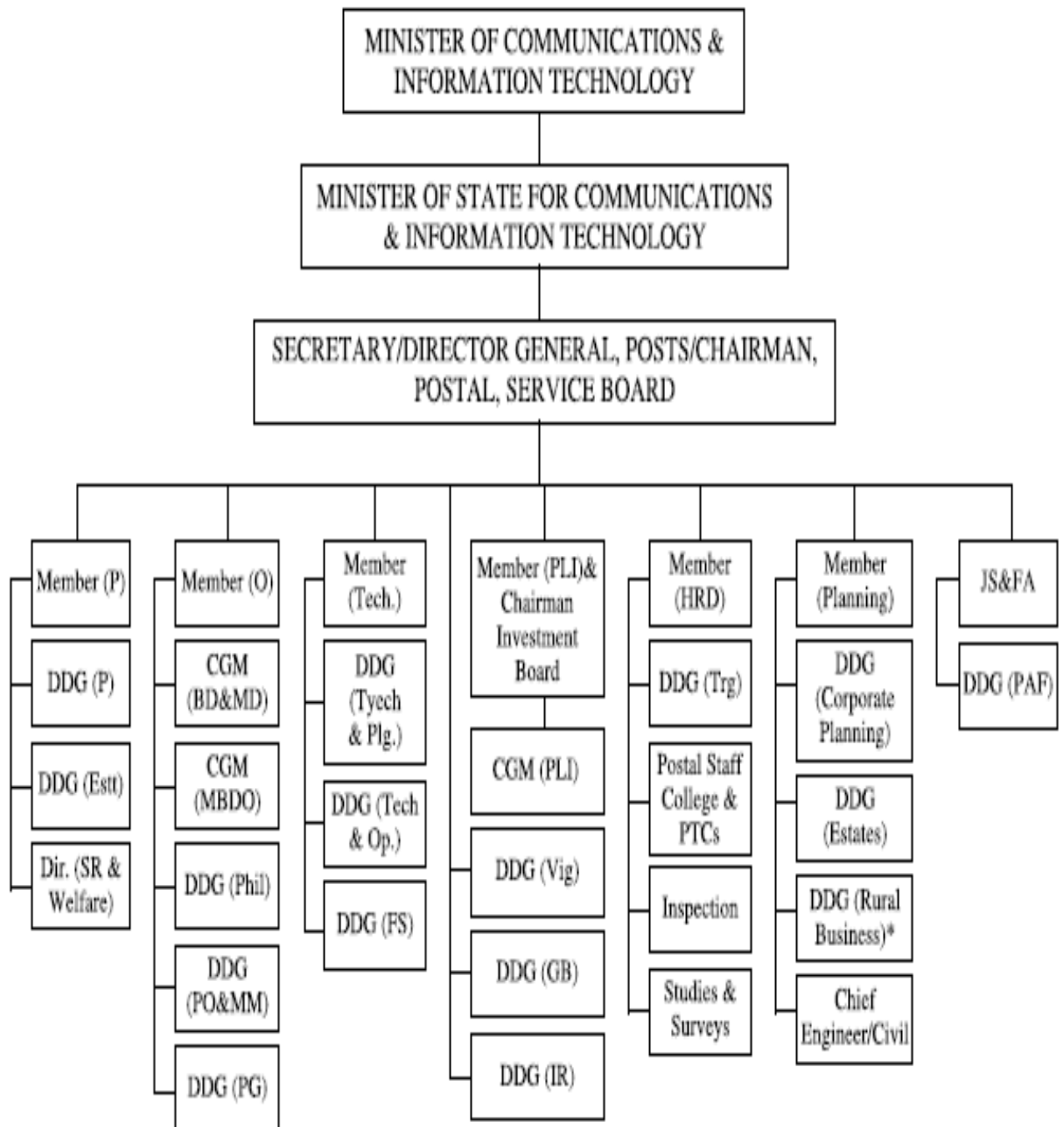
The list of activities related with the philatelic of India Post is as below:

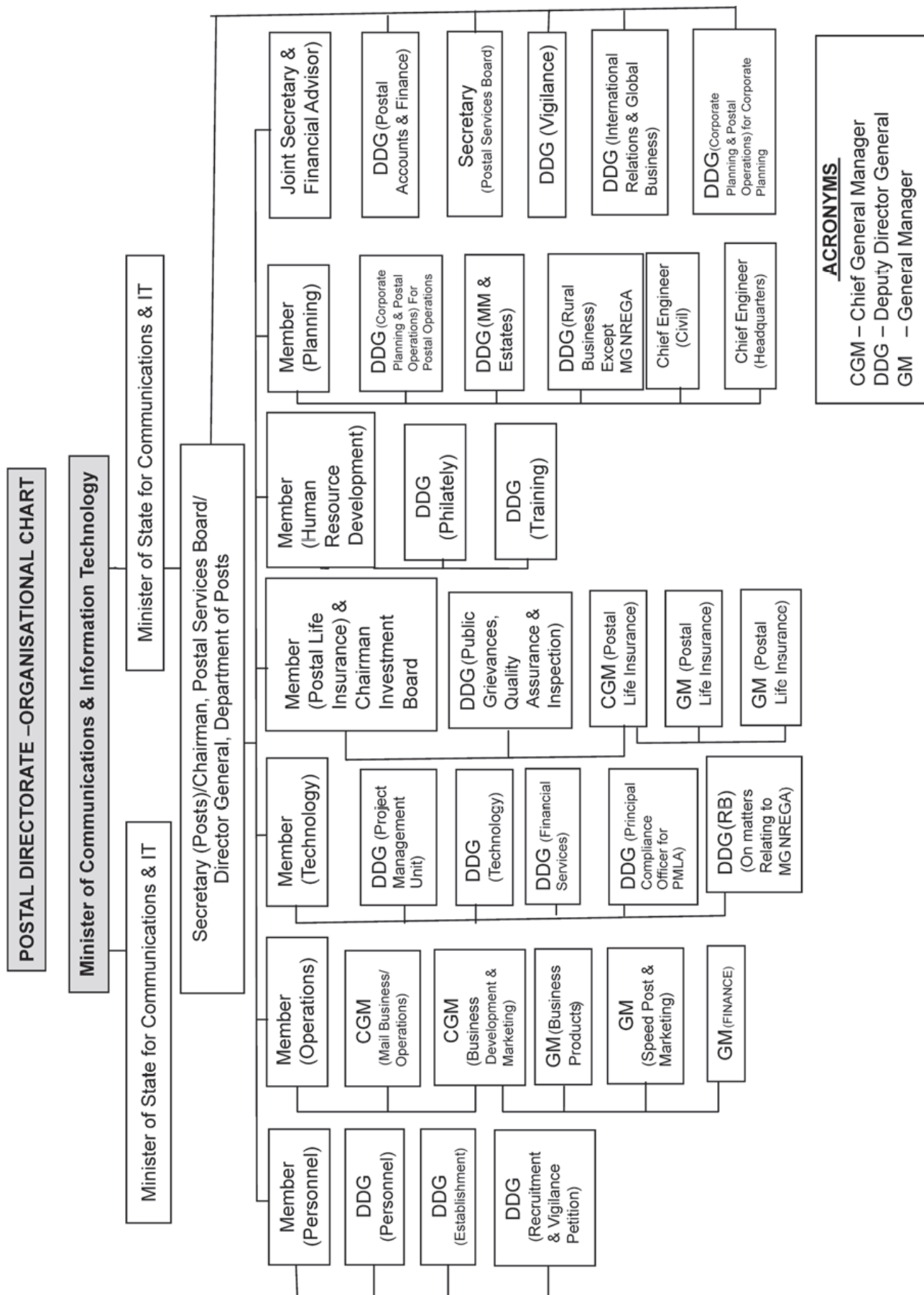
1. Activities related with designing, printing and distribution of special or commemorative postage stamps, and other postage stamps or service postage stamps;
2. Activities related with managing items of postal stationery like Envelope, Inland Letter Card, Postcard, Aerogram and Registered Cover etc.;
3. Functions to discharge concerned with promotion, governance and control of Philately or administration of philatelic exhibitions in India as well as participation and involvement in foreign and world exhibitions, and
4. Discharging administrative functions related with the National Philatelic Museum of Dak Bhavan.

The department of post has created an administrative agency named 'The Business Development Directorate' in the year 1996 to carry out functions related with designing, monitoring, developing and market value through adding premium products, and services in the service line of the department. It is made responsible for the functions and activities related with marketing of Speed Post, Speed Post Passport Service, Business Post, Greeting Post, Express Parcel Post, Media Post, Megdoot Post Card, Data Post, E-Bill Post, E-Post, Bill Mail Service and Logistic Post respectively (www.indiapost.gov.in Accessed on 12/03/2013)¹⁴.

Organizational Chart of India Post is as given as below (www.indiapost.gov.in, Accessed on 28/10/2009)¹⁸.

ORGANISATION CHART OF THE DEPARTMENT OF POSTS





Source: (Annual Report, 2011-2012; PP.10, www.indiapost.gov.in).

3.6: International Relations:

India Post is a member of the Universal Postal Union (UPU) since 1876 which is a nodal and specialized agency of the United Nations having Headquarter at Berne located in Switzerland. It is having 190 member countries. As a member, India holds an important position in the various organs of the UPU. India performs role in the Council of Administration, Postal Operations Council, and International Bureau. In the international market, India Post offers letter mail, parcel, money order and international speed post services to its customers.

3.7: Customer Care:

India Post put all possible efforts on customer care while rendering its services and also to find solution to the disputes that emerges in the course of rendering these services across the counter of the post offices. Customers can file their complaints about deficiency in services at their nearby administrative post office which is empowered to collect and resolve it subject to the jurisdiction delegated to it. The complaints are reviewed and consolidated at a customer care centre, which maintains online record of such cases on the website, and obtains online reply to enable it to ensure a final reply at the earliest. Department has opened 1116 computerised customer care centres to resolve public grievances on online basis. In order to remove time and distance constraints, the department provides the option to avail of online registration and respond to complaints at its website www.indiapost.gov.in (www.indiapost.gov.in, retrieved on 13/02/2013)¹⁹. It has taken enriched step by providing Citizen's Charter containing issues related with departmental components service standards, grievance redressal mechanism and service delivery to have better exposure to the general public about service norms and operational standards of the post offices. This developed document together with latest updates is designed and placed in the public domain at www.indiapost.gov.in. The Charter has been revised from time to time and it consist of the Vision, Mission, General introduction about the department, objectives of the Citizen's Charter; available postal services and facilities for the customers, recent developments in Postal Products, and services; service delivery norms and customer's expectations; dispute redressal system; liability of the department, and administrative set up to run the department respectively. (www.indiapost.gov.in, Accessed on 26/10/2012)²⁰

4.0: INDIAN POSTAL SERVICES OFFERED TO CUSTOMERS:

An attempt has been made to describe in brief diverse that are Indian Postal Services are currently being delivered by the department of post to its customers as follows.

4.0.1: Speed Post:

The speed post having links with more than 1,200 towns in India, with 290 speed post centres in the national network, and around 1000 speed post centres in the State network. For existing customers, speed post provides delivery to Anywhere in India under contractual service agreement.

It provides a unique benefit called Money-Back Guarantee under which the speed post fee is to be refunded if the consignment is not delivered within the prescribed standards for delivery.

4.0.2: E-Payment:

India Post renders its unique service known as E-payment. Under this service, it accepts payment across the counter and their consolidation and distribution is being made by the department s out of its wide reach and expertise. It is a 'Many to One service' through which payment of utility bills viz., telephone, electricity, etc. can be paid by users in electronically connected Post offices.

4.0.3: Logistics Post:

India post has also launched a unique services by venturing in to the logistic area. It is known as 'India Post Great'. Under this service parcels and big consignments are in any art of the domestic territory and also in the foreign countries. Under this brand of new service, India post manages the whole distribution side of the logistics infrastructure that ranges from accumulation to distribution; from storage to carriage, and from order booking to order fulfilment. It is an appropriate service suitable to the general public and business community. It is one of the most popular and wildy used service for sending large consignments including multi-parcels, just-in-time parcels, bulk-break consignments, and goods of any weight. Under Parcel Post services maximum weight allowed is up to 35 kg, however there is no weight limit prescribed for logistics post. It also offers along with physical logistics services, other kind of exhaustive and wide supply chain management services.

4.0.4: E-Post:

Under this brand, department undertakes responsibility to send documents and greetings online and to deliver it to the concerned person or at concerned place by mail.

4.0.5: Business Post:

It is a type of service aimed at offering total mailing solutions that includes activities such as viz., collection, printing, inserting, and addressing of business mails to facilitate business community.

4.0.6: Media Post:

It is launched with an aim of reaching Millions of civilians of India through advertisements and announcement or canvassing on Post cards; Letters, Walls of Post Offices; Letter Boxes; Post Cards, and Stationary. It is aimed at providing wider exposure to the general public by making use of available large network.

4.0.7: Direct Post:

It is related with distribution of advertising materials and dissemination of specific information directly to prospective customers.

4.0.8: Postal Life Insurance:

The Postal Life Insurance (PLI) is one of the most popular service offered in the area of insurance by the department of post. It was launched in the year 1884 as a welfare measure for its own employees serving as an employees of Government of India. In the insurance sector, the scheme has become popular because of its unique benefits and various Departments of Central and State Governments too have been extended its benefits for all their employees. At present, it is available to all the employees serving in the Central and State Government Departments; Nationalized Banks; Public Store Undertakings(PSUs); Financial Institutions; Local Municipalities; and Zilla Parisads, and Educational Institutions availing Grants-in-aid from the State and central Government of India.

4.0.9: Instant Money Order Service (iMO):

The department of post has launched the instant domestic money order service which is available at the specified limited number of post offices. At present, it is made available through 2100 Post Offices located at specified locations. It was launched in January, 2006. Accordingly, a customer can send amount from Rs. 1000/- up to Rs. 50,000/- in one transaction. Money sent delivered to the payee at any of the iMO Post Offices in India other than the office of booking on presentation of 16 digit iMO number and photo identity proof.

4.0.10: International Money Transfer:

At present, International Money Transfer Services is being made available through Post Offices in India. India post could venture in to it out of its collaboration with the Western Union Financial Services. Accordingly, it offers quick transfer of money from 185 different countries to India. It has been serving the general public and business community since the recipients can in fact collect the money in just minutes after the sender has made the remittance. While launching this service, the department has decided to satisfy the needs of dependent families of Non- Resident Indians (NRI), but with its extended spared now it also facilitating the oversees tourists visiting India as well as international students studying in India.

4.0.11: Non-Postal Services (Financial services):

The department of post has a track record to cater need of providing solutions in the form of small savings to the civilians particularly of the rural population. The post office has been traditionally serving as a financial institution for a large population residing in urban as well as rural India through its small savings schemes, and by offering basic facilities for financial transactions like Banks. In fact department of post is instrumental promoting small savings in the society.

At present, few of its services and schemes taken care of by the department includes viz., Public Provident Fund; National Savings Certificate; Kisan Vikas Patra; Savings Bank Account; Monthly Income Scheme; Recurring Deposit Account; National Savings Scheme 1992(discontinued from 01.11.2002); Post Office Time Deposit; and Post boxes for mail receipt respectively (www.indiapost.gov.in, Accessed on 26/10/2010)⁶.Conventionally, these services were being offered through manually operated service counters at the post offices. Due to the changing need for ensuring the advantage of technology to its customers, the counter transactions will be computerised to ensure a greater range of services to the customers from a single window leading to services being more adoptive, burden less and error free.

4.1: Information on Financial Services Division:

4.1.1: The Post Office Savings Bank Scheme:

The Post Office Savings Bank is one of the oldest and largest banking institution in India. It operates with approximately more than 140 Million Savings Accounts. It is an agency function discharged by the Department of Posts on behalf of the Ministry of Finance, Government of India. It has a customer base of more than 140 Million accountholders with an annual deposits exceeding Rs.9, 70,000 Million. It offers banking services are performed through a network of 1, 54,000 Post Offices taking care of transactions that are having equal spread in both urban and rural areas of India. It enjoys immense popularity and its service mix includes viz., Savings Account Schemes; Recurring Deposit Schemes; Time Deposit Schemes; Monthly Income Schemes; Public Provident Fund Schemes; Kisan Vikas Patras (It has been discontinued from the year 2012 it is under consideration of Government of India to re-launch w.e.f. the year 2015); National Savings Certificates, and the Senior Citizen Scheme, 2004 respectively. The outstanding balance under all National Savings Schemes in post offices is over Rs. 3,750,000 Million, and it constitutes the mainstay of the financial services provided by the Department of Posts. It not only caters need of the small investors, but simultaneously provides enriched savings base and thereby also serves national interest also.

4.1.2: Electronic Money Order (eMO)

It was introduced with effect from 10.10.2008. It is a system that facilitates remittance of Money orders (MOs) on electronic basis for which post offices are having Internet connectivity through WAN/Broadband. The Connected Head offices (HOs) and sub- offices carry out transaction related with eMO. The SOs transmits e-MOs to other connected Hos and concern head office transfers it to the ultimate destination sub- offices respectively. Its tariff structure is similar like ordinary Money Order with an additional features viz.; Messages in pre finalized Codes; Tracking Facility through 18 Digit PNR Number; Bulk Booking of eMOs on the basis of lists submitted by the Bulk Remitter; Uploading of data and information provided in soft copy; Payment of Bulk eMOs through pre-final consolidated list; MIS for sender, and payee in the case of Bulk Booking or even after payment.

The post office upload payment particulars to the central server, the payment details for non-connected post offices are to be updated by its HOs, and payment information can be availed through SMS.

4.1.3: International Money Transfer Service

It enables customers to receive remittances from more than 196 countries on a real time basis. It is at present made available from more than 4500 post offices. The emphasis of the department initiatives in the area of financial services is to offer a bunch of services that caters to the needs of its customers relaying on the retailing reach of the postal network. That is how the Post Office slowly has become a one-stop shop for a wide range of services, and not restricted only up to the traditional mail transmission but it has also extended financial services and transactions. It functions in co-ordination with Western Union Financial Services International which has engaged in rendering service, to the customers, the remittance of money transfer from 205 countries, and areas on a real time basis in more than 8500 post offices.

4.1.4: Electronic Clearing Services (ECS):

The Department of Posts has also started Electronic Clearance Services (ECS) on a confined basis in Mumbai City with effect from 9th August 2003 through its 70 Post Offices. It is being offered and restricted only with regards to payment of interest under the Monthly Income Scheme (MIS). Under this facility, the investor can obtain the service of automatic transfer of interest from the MIS Account to get its credit into the saving bank account at any specified bank through electronic transfer on due date through the RBI Clearing House. An ordinary charge of Rs. 20/- per transaction is levied on the depositor who wishes to opt this facility. The Department is also considering to extend the ECS facility even beyond Mumbai to 46 more cities where the RBI-EFT (Electronic Fund Transfer) facility shall be made available to its depositors. This will not only enrich service output of the department but it shall reduce risk also on the part of the investor by eliminating physical movement of hard cash money. The ECS facility offers an optional better way of transaction and solution to carry out bulk payment transactions like periodic that is Monthly or a Quarterly payments of Interest or Salary or Pension by Banks or Companies or Government Departments respectively. The operations under this scheme move from a single user source that is Banks or Companies or Government departments to a bulk number of destination account holders and depositors. It eliminates the need for issuing and handling paper transaction instruments, and thereby facilitates improved customer services by the banks and companies or corporations or Government departments effecting bulk payments. At present, the ECS facility is available at 36 designated locations. These locations are viz., Ahmedabad (Gujarat); Bangalore (Karnataka); Bhubaneswar (Orissa); Kolkata (West Bengal); Chandigarh (Punjab); Chennai (Tamilnadu); Guwahati (Assam); Hyderabad (Andrapdesh); Jaipur (Rajasthan); Kanpur (Utterpdesh); Mumbai (Maharashtra); New Delhi; Patna (Bihar); Thiruvananthapuram (Kerala); Vadodara (Gujarat).

It also includes locations like Dehradun (Uttarakhand); Gwalior (Jabalpur (MP); Hubli (Karnataka); Jabalpur (MP); Jodhpur (Rajasthan); Kozhikode (Calicut) (Kerala); Nashik (Maharashtra); Panaji (Maharashtra); Pondicherry (Tamilnadu); Sholapur (Maharashtra); Surat (Gujarat); Thrissur (Kerala); Tiruchirapally (Tamilnadu); Tirupur (Kerala); Shimla (Himachalpradesh); Siliguri (West Bengal); Burdwan (West Bengal); Raipur (Chattisgarh) and Ranchi (Jharkhand) respectively.

4.2: New Products and Services Introduced by Department of Posts:

The Department of Posts has also attempted to leverage its reach transfer of money service as well as the credibility it enjoys by the diversification in to the wide range of financial products and facilities that the department offers to its customers. With the availability of updated technological innovations and progressive computerization of the network, the capability of the department to ensure value addition and enriched services has improved. It mainly includes following:

4.2.1: Mutual Funds & Bonds:

With improvement in the primary and secondary security market in India, mutual Fund industry is growing and it enjoys increased acceptance as a financial services in various section of the society. It had achieved Net worth Rs. 1,550,000 Million. It is managed through different sectorial schemes and administered through the management of various Assets Management Companies. India Post has ventured into business of retailing of mutual funds throughout its selected post offices. It has started distributing selected Mutual Funds and Bonds viz., Principal or Prudential-ICICI or SBI or ICICI Capital or IDBI or RBI Bonds respectively. It is expected to achieve a higher growth in income share through commissions and trail commissions. Its range of portfolio includes a large number of other relevant financial products such as viz., RBI India Relief Bonds; IDBI Flexi Bonds; and ICICI Pension Fund respectively. It has also entered into an agreement with the UTI Asset Management Company Limited to retail its five Mutual Fund Schemes on a limited basis from selected post offices. UTI is one of the largest player in the mutual fund market in India. It is operating as a retail mutual fund distributor and was expected to accumulate business worth over Rs. 50 Million through its network. It is an agency to facilitate to a large extent to reach the capital market of India, and to provide the common man an easier available access to market based investment options.

4.2.2: Electronic Fund Transfer:

Banks are widely using this service to remit funds to locations where they have not established operation or outlet for normal banking transactions. A facility for Electronic Fund Transfer was started in the year of October, 2001 leveraging the VSAT Network of the department to facilitate end-to-end fund transfer by Banks or UTI or IDBI and HDFC on behalf of the corporate sector as well as the Capital Market.

4.2.3: Warrant Payment:

The Department has established its ability to undertake critical service like redemption of dividend warrants for India's capital market through this kind of facility. This Scheme was introduced in the year January, 2002. It has provided service with regard to redemption of over 73,000 dividend warrants of UTI and Citibank worth more than Rs. 1,000 Million through the postal network.

4.2.4: Postal Life Insurance:

The Postal Life Insurance (PLI) was started in the year 1884 which is the most popular and the oldest life insurance scheme for the benefit of Government employees. Initially, it was to cover only the employees serving with the department of post and telecommunications.

But, with the passage of time it now also covers the employees of the Civil and Military; Personnel of the Central and State Governments; Local Bodies; Government Aided Educational Institutions; Universities; Nationalized Banks; and many other Autonomous and Financial institutions as well as Public Sector Undertakings (PSUs) of the Central and State Government of India. A major innovative extension of postal life insurance was introduced in the form of Rural Postal Life Insurance (RPLI) Scheme in the year 1995 for the benefit of the rural population. PLI offers wide range of different type of policies such as viz., Whole Life Assurance (Suraksha); Convertible Whole Life Assurance (Suvidha); Endowment Assurance (Santosh); Anticipated Endowment Assurance for 15 & 20 years (Sumangal), and Joint Life Endowment Assurance (Yugal Suraksha) respectively. Under RPLI, there are first four common plans, and one additional plan known as "10 year RPLI" which is made available under this category. Their trade names or Plan Names are viz., Whole Life Assurance (Gram Suraksha); Convertible Whole Life Assurance (Gram Suvidha); Endowment Assurance (Gram Santosh); Anticipated Endowment Assurance for 15 & 20 years (Gram Sumangal); 10 year RPLI (Gram Priya), and Children Policy (Bal Jiwan Bima) respectively. An Extra- Departmental Agents Group Insurance Scheme was started with effect from 01.04.1992 and a monthly subscription of Rupees 10/- is deducted from the salary of its beneficiaries. The status of PLI and or RPLI Funds as on 31.03.2014 and the business procured during the year 2013-2014 was with regard to total number of PIL 45453 policies procured was having sum assured of Rs.146955.9 Million that has made in aggregate total number to 5219326 active policies with a sum assured Rs.888964.6 Million in aggregate respectively. With regard to RPIL 1634767 policies procured having sum assured Rs.74131.7 Million that has made in aggregate total number of 1,4664650 active policies was having figure of a sum assured of Rs.751540.6 Million in aggregate. (Annual Report, 2013-2014; PP.71, www.indiapost.gov.in, Accessed on 19/09/2014)²¹.

4.3: Financial Performance of Department of Post:

The Department of Posts provides postal services to the public through its nationwide network of Post Offices. Besides it renders wide range of various other allied services such as financial services; business community services; and services related to mutual fund through special tie ups with other organizations. It undertakes agency functions and also carries out other various transactions related with Savings Bank, Payment of Pension, Sale of Cash Certificates etc. which it carry out on behalf of other Ministries and or Departments of the Government of India, and various other organizations. The total revenue generated was Rs. `69623.32 Million, and the amount received from other Ministries and or Departments as Agency charges (Recoveries) was `Rs. 4857.21 Million including remuneration for Savings Bank and other social security schemes work during the year 2010-2011.

The Gross working expenditure for the year 2010-2011 was ` Rs.137936.69 Million against the previous year's expenditure of `Rs.133469.41 Million implying an increase of about 3.35 per cent which was mainly due to payment of Dearness Allowance; Dearness Relief, and payment of Pensioner charges respectively.

In spite of the increase in salaries and pensioner charges, deficit of the department of post was Rs. ` 63456.16 Million as against the year 2009-2010 deficit of Rs. 66413.04 Million. Till date, it has not been able to clear out of its deficit respectively. The following table offers details on as shown in a review of financial Performance of Indian Posts from the year 2002-2003 to 2012-2013.

Table Number: 01: Financial Performance of India Post

Years	Selected Criteria			
	Total Revenue Receipts (Rs. In Crores)	Total Revenue Expenditure (Rs. In Crores)	Deficit (-)/ Surplus (+) (Rs. In Crores)	Deficit as a Percentage of Expenditure
2002-2003	4009.70	5374.05	(-)1364.35	25.39
2003-2004	4256.93	5632.15	(-)1375.22	24.42
2004-2005	4431.85	5813.69	(-)1381.84	23.77
2005-2006	5023.49	6233.37	(-)1209.88	19.41
2006-2007	5322.44	6571.96	(-)1249.52	19.01
2007- 2008	5494.90	6957.47	(-)1462.57	21.02
2008- 209	5862.33	9455.41	(-)3593.08	38.00
2009-2010	6266.70	12908.00	(-)6641.30	51.45
2010-2011	69623.32	137936.69	(-)63456.16	47.68
2011-2012	78993.47	137052.69	(-)58059.22	42.36
2012-2013	93664.98	147923.83	(-)54258.85	36.68

Source: (Annual Report: 2002-2003 to 2013-2014, Department of Posts, www.indiapost.gov.in Accessed on 19/09/2014)²²

Though, the expenditure on services provided by India Posts showed an increasing trend, it has become evident that postal services are important for the public in general and businesses in particular considering it as an economical means of communication. One finds the steady average growth rate of revenues and expenditure of India Post during the year 2002-2003 to 2010-2011. The high levels of expenditure has outweighed the revenue earned from various sources. There exists a serious need to achieve financial self-sufficiency through alternative as well as new means of raising revenue and pruning of cost through induction of technology and skill upgradation of the workforce. Considering it, during the period from April, 2010 to December, 2010, Computer Hardware and Peripherals were supplied to 1811 Post Offices and thus, till December, 2010 total number of 14415 Post Offices have been computerized under Plan Scheme of Computerization of Post Offices by the Government of India. Computers Hardware was also supplied to 292 Administrative Offices (Divisional Offices) during the period from April, 2010 to December, 2010. Supply orders for upgradation of Computer Hardware in the total number of 2,228 Post Offices were placed in December 2010.

Government of India has approved the IT modernization project of the Department of Posts also for its each of Non-computerized Post Offices; Mail offices; apart from establishment of required IT infrastructure, and development of required software applications that was to be completed by the year 2012-2013 (Annual Report, 2011-2012, PP.64 www.indiapost.gov.in, Accessed on 12/03/2013)²³.

The Department of Posts has demonstrated through action that this dichotomization is outdated. In fact, self-sufficiency and social service should go hand in hand. As such, India Post has accepted responsibility to fulfil the universal service obligation by ensuring basic postal service throughout the set up irrespective of territory, at an affordable price. It faces the twin challenges posed by the Private courier industry, and continuing advances in communication technology, especially Mobile Telephony, and the World Wide Web (www). It has devised a sound strategy to meet emerging challenges. By planning a comprehensive Model of Transformation predicated upon the fact that transformation is a multi-dimensional process and, hence, therefore, any attempt at changing the Department must be move at multiple levels.

4.3.1: Capital Outlay:

The expenditure made by the department on Fixed Assets in the year 2010-11 was Rs. 2737.28 Million, of which 7 per cent was on Land and Buildings, and in order to meet continually increasing expectations of its customers to facilitate more techno savvy transaction, 90 per cent of its total expenditure have been on mechanization and modernization of postal services. As matter of routine updating and maintenance purpose, 3 per cent of its total expenditure was made on Mail Motor Vehicles. The Value of Gross Capital on fixed Assets rose by Rs.2737 Million at the end of the year 2010-2011.

4.3.2: Cost of Services:

The average cost and the average revenue of various postal services (provisional) are shown in the Table given as below.

Table Number: 02: Average Cost And Average Revenue of Various Postal Services

AVERAGE COST AND AVERAGE REVENUE OF VARIOUS POSTAL SERVICES (Figure in paisa)					
Sr. No.	Name of Services	2011-2012		2012-2013	
		COST	REVENUE	COST	REVENUE
01	Postcard	734.68	50.00	717.90	50.00
02	Printed Postcard	736.88	600.00	719.49	600.00
03	Competition Postcard	706.72	1000.00	718.81	1000.00
04	Lettercard (Inland Letter)	729.03	250.00	718.32	250.00
05	Letter	790.24	968.37	796.18	939.39
06	Registered Newspaper-Single	884.47	56.00	1059.25	59.00
07	Registered Newspaper-Bundle	1792.84	153.00	2079.19	163.00
08	Book Post, Book Pattern & Sample Packets	886.23	666.14	951.18	846.41
09	Book Post-Printed Books	1258.80	311.19	1244.92	290.14
10	Book Post-Other Periodicals	1083.97	861.61	1351.80	1535.09
11	Acknowledgement	639.05	300.00	650.78	300.00
12	Parcel	4352.15	3581.87	4658.92	4069.43
13	Registration	4111.62	1700.00	4213.69	1700.00
14	Speed Post	5056.39	2295.51	5052.04	2803.27
15	Value Payable Post	2834.73	454.58	2666.20	456.64
16	Insurance	13032.93	26856.47	14182.23	5524.10
17	Money Order	8667.14	6299.78	8917.55	5819.24
18	Indian Postal Order	3540.14	272.64	3611.05	338.07

In order to bringing out efficiency in cost of rendering services which is the top priority issue of the department of post, it is in process of re-structuring its costing methodology in terms of both cost estimation and cost control for availing benefit of lower costing of its operations. A consultant was engaged to set up a comprehensive and advanced costing system and to utilize the benefits of ongoing technological up gradation by designing the modernized costing system aimed at facilitating better decision making in other areas live service expansion, service enrichment and improvement in facilities as well as also in the pricing decision related with the Services.

(Annual Report, 2011-2012; PP.56-62, www.indiapost.gov.in, Accessed on 19/09/2014)²⁴

5.0: NATIONAL POSTAL POLICY:

5.1: Introduction:

The Indian economy has moved on higher benchmark of growth and development. It has put efforts to uplift its economic growth which calls for India Post too to bring out stringent policy reforms with befitting changes in its policy framework. The demographic moves towards urbanisation has led to increased internal and external migration that is required to be served with versatile services and has given rise to newer challenges and complications in Indian economy.

To illustrate, the agricultural sector has given rise to a corresponding increase in demand for financial services by all sections of the population, scarce resources and possibility to put them into an alternative uses and that is how need has been felt for critical prioritisation, and Government policy should increase funding for weaker section programs on one hand and gradual withdrawal of Aids and support from some of the sectors and sections is highly essential. India Post is expected to better meet both challenges to avail the opportunities presented by emerging market conditions through satisfying need for financial and communication network. With the rapid technological development and ever increasing need of the society to stay connected, versatility in communication has almost become inevitable. An efficient and reliable techno savvy communication system can serve as the back bone of India. The Postal System has been working as a main component of the communication infrastructure of Indian economy through its wide network spreaded throughout India.

5.2: A Policy for India Post:

The department and the Government of India is having serious concern for sustainability and development of India post as brand for fulfilling the need of financial and communication infrastructure. The postal policy is having a two-major objective and an approach to achieve the above stated concerns as follows.

- (i) To develop services that can assist, facilitate, enhance and quicken and can cater the need of the process of development ensuring inclusive growth, and
- (ii) To restructure and reposition operational component of India Post as to make it a self-reliant, self-sufficient, reliable, effective, fast and also as a cost vigilant service provider to better meet the need of society as a whole.

Traditionally, India Post is known for its conventional services that covers the services like Delivery of letter and other mail; Savings Bank Operations; Money Transfer; and Provision of Life Insurance respectively. The transmission and delivery of mail has been regarded as its core business.

Post Office Savings Bank has been regarded as the oldest and the most popular largest banking institution India satisfying financial need of the society. Transmission of funds by Postal Order or Money Order has been the traditional way of money transfer. Since 1884 onwards, Postal Life Insurance (PLI) has been providing life insurance coverage, initially to employees of P&T Department, and subsequently to all Government employees. Since 1995, PLI has been extended to the rural population of India under a new scheme Rural Postal Life Insurance (RPLI). Since department has assumed universal service obligation, it has decided not to discard services from some of the rural and tribal areas disregarding enormous losses beared by the sector.

India Post is expected to ensure provision of ensuring acceptable quality and basic postal services on regular basis to all its users at all points in India at affordable prices as part of its Universal Service Obligation (USO). The cost of providing these services has to be assessed and estimated systematically and fully funded by the Government of India. The source of funding needs to be vigilantly thought of and determined, and use in ways that ensure the financial and operational self-sufficiency and self-reliance of the department. Adequate and appropriate provisions with regards to availability of financial, technical, and other needed resources to take decisions relating to its growth and development. A sustainable tariff and pricing policy for ensuring the availability of basic and enriched variety of postal services also need to be decided.

Due to increased participation by private players and business challenges imposed by them in mail services, a need has been felt to carry out separate exercise to address some of the relevant issues in a holistic manner in accordance with the changing circumstances. To effectively deal with the challenges of competitive environment, India Post needs to be made competent to quickly respond to market forces in pricing and product decisions. Developing existing market and expanding it with venturing into the new market segment with diversified products and services is present day urgent need closely related and alarming with the India Post. In order to do so, India Post needs certain degree of financial autonomy and commercial flexibility, structural reforms from the administrative point of view, while remaining accountable to its customers and to the Government of India.

5.3: Governance Structure:

There exist a need to revisit India Post's Governance Structure to render it an effective line of command so that it can acquire internal strength to meet the challenges of current market conditions vis-à-vis other players in the postal sector. It functions directly under the eye of the Central ministry and is an integral part of the Ministry of Communications and Information Technology, Government of India. The Secretary of the Department of Posts acts as the Chief Executive of the Department, occupy position as the Chairperson of the Postal Services Board and simultaneously discharge functions of the Director General of India Post. It requires to cultivate more alert approach and need to restructure its operations considering the presence of private competitors in the market. In order to ensure effective operations and efficient of functioning of the department, there exists a need to regulate the sector with appropriate delegation of authority, adequacy of resources and reforms in work culture too. India Post expects to become self-reliant given reasonable prices for its core functions, business and other allied facilities. However, for the purpose of operational efficiency and expansion of its activities, it may require external resources. It also expects to receive revenues from its financial services and other fee based services.

It should investigate closely its entire range of product mix with special weight on an e-Commerce, Logistics and Parcel Services, etc., taking into account the need to operationalize highest possible level of performance in letter mail services, financial services, and control functions respectively.

5.4: Private Sector Participation:

With the changing market circumstances in a liberalised economy, it has almost become inevitable for India Post to better exploit an opportunity to operate with the private sector in various capacities for providing value added services. It is expected to expand its product range beyond the current basic activities, functions and operations with their required versatility. The private sector's involvement and participation in extending supportive services to the department shall enable India Post to better serve its customers with improved service quality and to achieve desired customer satisfaction. Through associations and tie ups with private players, India post should acquire sustainability and growth by making itself competitive.

5.5: Physical Infrastructure:

It has remain a priority and policy of the India Post to make its services available within reach of every citizen of India. Since Independence, India Post has expanded its network in terms of the number of post offices from 23,344 to 1, 55,204.

It has the largest postal network in the world with one post office offering its services approximate density consisting of 7160 people and covering an area of approximately 21.2 sq. kms. Despite of this rigorous policy total number of 1, 37,508 villages out of total number of 5, 95,113 inhabited villages are having facility of post offices. Even if one considers only Gram Panchayat villages, only 1, 15,881 villages out of a total number of 2, 34,755 villages are in a position to avail facility of post offices.

In accordance with the 73rd Constitutional Amendment passed in the parliament, it was decided to transfer of funds, diverting function and functionaries from many development sectors to Panchayati Raj Institutions (PRIs). So there is a real need felt to enrich connectivity and ensure communication and financial services and infrastructure to these bodies to ensure them to perform the assigned Constitutional roles. Therefore there is a need, to expand, strengthen and rationalise the rural branch network to ensure complete coverage and spread of postal network. It can be achieved with ensuring financial help from the Government for establishing support for infrastructure. India Post should not simply give weight to invest in physical infrastructure and maintenance, but also should invest in technological up gradation, training and development of human resources and facilities related with good housekeeping, computerisation, and transport services respectively. This will ensue possibility for increased efficiency, costs curtailment, improved customer satisfaction and enrich quality of service performance.

5.6: Financial Services:

India post provides valuable financial services through various schemes in a variety of ways. It is having benchmark performance in promoting concept and spread of small savings. In fact India post is instrumental to serve national interest by promoting savings. The Post Office Savings Bank Scheme is an agency work carried out by India Post on behalf of the Ministry of Finance, Government of India. The Ministry of Finance remunerates India Post for this agency work as per the rates determined from time-to-time. There exist an urgency for India Post to computerize and establish connectivity to all its savings bank transactions so as to ensure higher level of financial operations and provide banking services and solutions to the urban as well as rural population. It has already initiated some projects whereby gradually Core Banking Solutions (CBS) will be introduced also in the post offices. India Post foresees and has continuously put efforts to chase possibility for achieving growth in the number of accounts and volume of savings bank transactions through various post office savings schemes like Post office Saving Bank Account (POSB); Monthly Income Scheme (MIS); 5year Recurring Deposit(RD); Time Deposit (TD), and National Savings Certificates. The Post Office Savings Bank (POSB) is the oldest and largest banking institution in India.

It operates more than 238 Million Savings Accounts in more than 1, 54, 000 Post Offices. Due to its unique large network, the retail outlets are double than all the retail outlets of all the banking institutions. The Post Office Savings Bank through its network offers an avenue to people all over India to deposit their savings in various schemes. Its reach and service is unparalleled to any other banking agency in India. The total number of seven savings schemes are being operated from Post Offices across India. viz., Savings Accounts, Recurring Deposit (RD), Time Deposit (TD), Monthly Income Scheme (MIS), Public Provident Fund (PPF), Kisan Vikas Patras (KVP-discontinue with effect from the year 2012 and re-launched w.e.f. the year 2015), National Savings Certificate (NSC) and Senior Citizens Savings Scheme (SCSS). The outstanding balance under all National Savings schemes was Rs. 6189430.26 Million as on 31.3.2011. (Annual Report, 2011-2012, www.indiapost.gov.in, Accessed on 12/03/2013)²⁵.

The Profile of Savings Bank Scheme is given as under:

Table Number: 03: Profile of Savings Bank Scheme

PROFILE OF SAVINGS BANK SCHEME (As on 31.03.2013) (Rs. In Millions)			
Sr.No.	Name of the Scheme	Number of Accounts	Outstanding Balance (Rs. in Millions)
1	Saving Accounts	125323400	377927.81
2	RD Accounts	93898145	679640.81
3	TD Accounts	11199051	330071.95
4	MIS Accounts	22886528	2017855.26
5	NSS Accounts (87 & 92)	348636	42922.41
6	PPF Accounts	2374661	411202.24
7	Sr. Citizens Saving Scheme (SCSS)	1085831	240928.18
8	Cumulative Time Deposit	305411	2.38
9	Fixed Deposit	7899	241.98
10	MGNREGA	51695593	0.00
11	MSY Accounts	2945668	32.61
12	Total (1 to 11)	312070823	4100825.63
13	NSC VIII		647089.62
14	KVP		1283784.33
15	Total (13+14)		1930873.95
16	Grand Total (12+15)		6031699.58

Source: (Annual Report, 2011-2012pp.26, www.indiapost.gov.in, Accessed on 12/03/2013)²⁵.

India Post has put rigorous efforts for ensuring availability of banking and financial operations to satisfy the requirement of the rural and urban population in order to help them to realise Government concern for making the policy of financial transactions for the rural masses where banking institutions could not reach so far. India post is having intention to enter into required agreements with the private sector banks for enriching and widening its financial services so that it can take its connectivity to the customers at their disposal. It is going to provide it an additional avenue to charge fees for the services rendered to the banks and other financial institutions.

However, in order to achieve realisation of this proposed intention, it will have to make available proper infrastructure and connectivity coupled with application of appropriate software in its system. India Post is the dominating network and instrumental in carrying out payments to be made under all social security schemes introduced by the Government such as viz., Old Age Pension scheme, Rural Health Insurance, and National Rural Employment Guarantee Scheme respectively. Due to heavy urbanization of Indian economy, dramatic and drastic changes in the demand and supply structure and increase in the spread of special economic zones have given momentum to an additional provision to be made for postal and financial infrastructure.

These urban postal and financial facilities are not only needed but have become inevitable in order to ensure continuous flow of funds between urban and rural population, and by making provisions for financial infrastructure it is required to ensure safe and quick transmission of fund. There exist an apprehension with the India post for its survival and growth, since the competitors are giants, aggressive, equipped and professional private players. It needs to enhance and improve its delivery of services to prove comparative benchmarks of performance. Postal Life Insurance(PLI) and Rural Postal Life Insurance(RPLI) are the instruments, which have allow India Post to enhance its market and business potential and have also enabled it to discharge social obligation by providing insurance services to the society. It could transform the century old, conventional and traditional Postal Life Insurance into a commercially fit business entity. Through this, it could make use of its own core competence by making investment decisions and competing on level playing field with other insurance business institutions while conforming to requirements of IRDA norms framed to govern insurance norms.

5.7: Facilitating Governance Functions:

India Post is an essential and inseparable part of the Governance of India. It performs many important sovereign functions since its inception, and is instrumental in carrying out certain objectives of the Government of India and ensuring connectivity between scattered regions and between dispersed citizens both within and even outside India. Citizens have no hesitation in approaching its staff or visiting its offices since it enjoys high credibility and trust due to its large network and trustworthy functioning of operations which could prove it as an incredible Government organisation.

This degree of confidence of the customers and society as a whole is precious and it can be used to bring more accuracy, transparency, efficiency and credibility to other governance functions that are casted on it by the government and assumed as an obligation to be carried out towards the society. So it has become possible for India Post to carry out functions and operations related with maintenance of electoral rolls, census operations, and also for ensuring passport verification etc. by availing government approval and legislative support. This is based on a National Address Database Management System with street and GPS addresses which has been established. It has also been performing functions to solve the “identification problem” to be successful implementation of most of the Governmental programs and policies. This facility has enabled the Union and State Governments to allow the citizens to avail their rights as well as to facilitate the Government to identify and locate citizens more accurately.

5.8: Connectivity:

The policy of India Post is not only to provide physical access to the people, while expanding the Postal network, but also to bridge the gap through developing necessary infrastructural facilities through digital technology.

In order to achieve objective as laid down in this direction, India Post has a Technology Induction Plan, and some other independent projects like 'Project Arrow' being introduced to connect the whole population through its electronic network. India Post has introduced technology with an objective to ensure new and better services, and more efficient administration by computerizing and networking of all post offices through central server based system. Introduction of this kind of changes will not only enrich its core competence and performance in carrying out its basic activities like mail transfer but will have long run impact on improvements in remittance and transfer of fund also from domestic as well as in the foreign territory.

5.9: Human Resource Development:

Human resources are considered as the most valuable assets of the organisation, since the successful implementation of any policy for survival, sustainability and growth, depends upon intensive, involvement and commitment of human resources specifically related with the productivity, capacity and morale of people engaged in the organisation. A greater focus on Human Resource Development (HRD) has been given by the managers to take their tasks to the higher standards and fine tuned with the competitive environment in order to enhance and transform the human resources of India Post into a customer-friendly, techno-savvy, and efficient and reliable workforce. Sincere efforts have been employed for increasing productivity and developing long-term engagement of human resources, through direct recruitment of technically qualified candidates, imparting training to incumbents, and through offering of various incentive schemes to maintain their moral and motivation in an organisation. India Post has already started equipping its workforce to achieve the standards of excellence in line with competitive environment as desired by its target customers.

India Post has been reflecting its commitment to meet the challenges of Indian economy and there a growing realisation of a need to ensure connectivity, communication and financial services and improved infrastructure throughout the territory of India. India Post has been concentrating on expanding and strengthening its coverage of rural areas where approximately more than 60 per cent of the people reside and maintain their livelihood. The department realised that the changing dynamics of Indian economy and modern markets require it to become more self-reliant, self-sufficient and self-governing body with reasonable financial autonomy and commercial flexibility to deliver desired performance in terms of its core functions, and other services efficiently and effectively.

It is believed that a new legislative framework and appropriate reforms through policy measures for regulating and developing the sector shall play crucial role and be an essential part of modernisation and expansion of this sector and also for ensuring its orderly and disciplined functioning and growth in near future.

5.10: Training and Infrastructure:

In order to impart new skill, and maintaining existing skills for desired job performance by the employees, India post has undertaken sincere efforts for human resource training and development. The following training institutes are expected to take care of the training needs of the Department of Post. For higher managerial cadres, it is being taken care of by viz., Rafi Ahmed Kidwai National Postal Staff College of India (RAKNPA) located at Ghaziabad; Postal Training Centers at Darbhanga, Guwahati, Madurai, Mysore, Saharanpur respectively. For training of operative staff and Inspectorial cadre, it is undertaken at PTS Vadodara, and of the 240 Workplace Computer Training Centers (WCTCs) at Circles including five Zonal Training Centers of Postal Account Wing. A number of training programmes on operational matters and development of IT skills are being conducted from time to time to cater the need of the department. It has so far trained 78,596 officials including Gramin Dak Sewaks, as per the record, as on 31.12.2011.

New initiatives is also being taken to impart training that includes induction and training of employees recruited under newly created Cadre of Postmasters (Grade-1) by the department. Standard Training Package (STP) has also been prepared, and most of the new recruits on the part of Postmasters (Grade-I) are being imparted training in various Postal Training Centers as per the new administration norms. The department has sent, 35 Officials from Group C, Group B and JTS/STS of Group A cadres, for training at Asian Pacific College, Bangkok on deputation in 11 different programs. The department has formulated formal training policy for the employees of the Department of Posts having objective to specify mandatory training for all the employees irrespective of cadre and place of service. A one year Programme has also been introduced leading to award of 12th Standard Pass Certificate for Gramin Dak Sevaks, upon its successful completion in association with National Institute of Open Schooling (NIOS). The department had aimed to impart training to its 2000 Branch Postmasters across seven States of India viz. Assam, Gujarat, Karnataka, Maharashtra, Rajasthan, Tamil Nadu and Uttar Pradesh Circles respectively. (Annual Report, 2010-2011 pp.52, www.indiapost.gov.in, Accessed on 12/03/2013)²⁶.

5.11: Technology:

In order to introduce modern technological changes and to facilitate smooth operations and transactions at the post offices, the Government of India has designed and approved the IT modernization project of the Department of Posts by identifying its major task viz., computerization of each Post Offices, Mail Offices, Administrative and other Offices, establishment of IT infrastructure, and development of software applications. IT Modernization project is a PAN India Project that shall cover each of the Post Offices throughout India.

With an objective to bring about desirable changes to develop IT infrastructure, the afford said project include a major functions such as viz., supply of rural ICT hardware devices and peripherals to the Branch Post Offices in the rural areas; development of scalable; integrated and modular software covering all the operations of Department of Posts and establishment of IT services and infrastructure including Data Center, Wide Area Network (WAN) Based Networking of the Departmental Post Offices and Rural Information Communication Technology (Rural ICT) Infrastructure also for the Post offices located in rural areas. Its scope has been structured in eight broad sections. Computerization , Networking and Establishment of IT infrastructure at all Post Offices would bring in the advantages viz., improving service output level to the customers; enhancement of productivity of the employees and increase in revenues of the Department. The Post Office has become the crucial point of delivery of social security schemes of the State and through technological advancement, it would enable Electronic Networking of about 1, 30,000 Rural Post Offices which will smoothen delivery of the social services by enabling paperless transactions for Mail, Postal Banking and Insurance services; and prompt delivery of articles respectively.(Annual Report, 2010-2011;PP.50, www.indiapost.gov.in, Accessed on 12/03/2013)²⁷.

5.11.1: India Post Moving on to the Internet Generation:

With dramatic and drastic changes in the competitive variables, the Postal services across the world are struggling for its survival, especially under the combined impact of technology and market savvy private courier service players. It has attempted to carry out re-branding exercises to transform its services to emerge in a new avatar by enriching it with functioning through IT support and Internet based operations (www.indiapost.gov.in).

5.12: Public Grievances:

In order to govern post purchase behavior of the customers in an appropriate manner, the department has initiated a well thought out and well managed system for dispute redressal. The system for lodging of complaints in the Department of Posts is readily accessible and available to the public. Each Post Office works as complaint receiving center. The Department has also introduced a facility for its customers to lodge online complaints through its portal on website www.indiapost.gov.in. It has a well laid out procedure for handling customer dispute and grievances for its services. A controlling system to ensure proper quality of services and prompt redressal of consumer dispute and grievances too has been also established. Advanced technological support has also been initiated to strengthen the customer care infrastructure in the department. All complaints are handled at various levels in accordance with the specific jurisdiction delegated to the different authorities' viz., Post Offices, Divisions, Regions, Circles and Directorate respectively.

The department is having stringent policy to carry out an inquiry to investigate into the matter through proper processes for redressal of the grievances and if the loss has resulted due to negligence and improper handling by an employee, stringent disciplinary action is being taken against the employee at fault. During such an inquiry shortcomings and limitations in the service are also being looked into and if needed rectified by appropriate reformative action. An improved version of the existing Computerized Customer Care Centre (CCCC) Software was made operational w.e.f. 20.12.2010. The new system has been introduced entitled as” Sevottam compliant” keeping in view the changing requirements for the Grievance Redressal Mechanism in the Department of Posts. It contains some advanced features viz., automatic generation of acknowledgement; escalation of unresolved complaints to next higher administrative level for better monitoring and quicker redressal; differentiation of complaints into minor, major or critical; automatic generation of reply to the complainant on completion of inquiry; provision for feedback of complainant; etc. for better and quicker consumer grievance redressal. The department has so far established total number of 10,058 Computerized Customer Care Centers (CCCCs) in the Post Offices, Speed Post Centers and Divisional / Regional / Circle Headquarters across India for online exchange of information amongst all the units for speedy redressal of public grievances. Approximately, 117 Computerized Customer Care Centers are functional in the North East Circle, and 203 Computerized Customer Care Centers are operative in Assam Circle. The Network covers all Head Post Offices in India with an objective of ensuring easy and speedy access as well as availability of information for extending help required by the customers apart from the redressal of dispute and grievances. It has also set up Central Public Grievance Redressal and Monitoring System (CPGRAMS) to handle complaints received in DAR&PG, Department(Annual Report,2010-2011;PP.66, www.indiapost.gov.in, Accessed on12/03/2013)²⁸.

6: KEY INITIATIVES OF DEPARTMENT OF POST:

6.1: PROJECT ARROW:

The Project Arrow was designed and introduced in April, 2008 to upgrade Post Offices in both urban as well as rural areas enhancing the quality of its service in core areas, and also for improving their look and feel related with over all ambiance and functioning at the counter of the post offices.

It is having objective of creating a harmonious, conducive and customer-friendly work environment both for the staff, and the customers who are visiting the Post Offices by providing IT supported services through secure connectivity. It aims to improve the service quality level in the core business areas viz., Mail Delivery, Remittances (Electronic and Manual) and Postal Savings Schemes.

The 'Look and Feel' activity focuses on improvement in Branding, Information Technology, Human Resources and Infrastructure, and Ambiance of the counter. It has so far implemented it in more than 15,500 Post Offices, and 'Look and Feel' has improved in 1,530 Post Offices. The Department of Posts have received the Prime Minister's Award for Excellence in Public Administration for the year 2008-2009 for "Project Arrow – Transforming India Post" on 21st April 2010. In 2011-2012, 'Look and Feel' component of Project Arrow was to be implemented in additional 229 Post Offices across India.

Phase -I:

5 (Five) Post Offices have been identified under Project Arrow Phase- I.

Phase- II:

48 (Forty Eight) Post Offices have been identified under Project Arrow Phase II. The name of Identified Region and Offices is Mumbai Jawhar SO; Pune Baramati SO; Nagpur Bhandara HO; Aurangabad Nanded HO, and Goa Calangute SO respectively.

Phase- III:

78 (Seventy Eight) Post Offices under Maharashtra & Goa Circle have been identified under Project Arrow Phase- III. However, till date 34 (Thirty Four) Post Offices have been inaugurated.

6.2: DISTRIBUTION OF WAGES UNDER NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME (NREGA):

The scheme of disbursement of wages under National Rural Employment Guarantee Scheme (NREGS) workers through Post Office Saving Accounts was launched in the Circle by signing Memorandum of Understanding (MOUs) between State Government of Maharashtra and Department of Post. It is operational in 33 Revenue Districts of Maharashtra State. As on 31-8-2009, total number of 6, 31,766 NREGS accounts have been opened in 5537 Post Offices. The Maharashtra State has issued total number of 47, 48,235 Job Cards. Single complaint of delay in payment of wage is noticed in Post Offices.

6.3: MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME (MGNREGA):

A Model Memorandum of Understanding (MOUs) has been developed by Ministry of Rural Development, New Delhi and Department of Post is to facilitate proper implementation of disbursement of wages through Post Offices under MGNREG Act, 2005.

The scheme of disbursement of MGNREGA wages through post office accounts is operational in 19 Postal Circles of India. The Prime Minister and Minister of Rural Development gave away national level awards of excellence for MGNREGA wage disbursal through Post Offices. Out of 12 awards, two awards, each were given to Andhra Pradesh, Rajasthan and West Bengal Circles, and one award each was given to Assam, Gujarat, Jharkhand, Karnataka, Madhya Pradesh and Maharashtra Circles on MGNREGA day is celebrated on 2.2.2012.

It provides for the enhancement of livelihood security of the households in rural areas of India by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. As per Para 31 of Schedule- II of MGNREG Act, 2005, payment of wages are required to be made through individual or joint saving accounts of the MGNREGA workers opened in banks or in post offices (Annual Report, 2010-2011;PP.02, www.indiapost.gov.in, Accessed on 12/03/2013)²⁹.

6.4: INDUCTION OF DEDICATED CARGO AIRCRAFTS:

India Post has leased two additional Air Freighters Boeing of 15 Tone capacities from Air India for carriage of mails between Metro cities and Nagpur which is used as Hub. Earlier One Boing 737 freighter was introduced in North East Sector during the year 2010. These three Aircraft are operated w.e.f. 27/7/2009. Due to introduction of Air Freighters of India Post, dependency on other Airlines have reduced. In addition to this, mails emanating from metro and from offices in catchments areas are also covered in these aircrafts.

6.5: RESERVATION OF TRAIN TICKETS:

The facility of Railway Reservation at IIT Powai, Dahisar Post Office in Mumbai and Oras Post Office in Sindhudurg District has been introduced. During the year 2009-2010, India Post had provided this facility at 5000 Post Offices across India including 500 Post Offices in the state of Maharashtra & Goa respectively.

6.6: OTHER INITIATIVES OF INDIA POST:

In order to match with the competitive changing scenario, India post has entered in to some of the ancillary businesses to make its operations versatile viz.

6.6.1: Oriental Insurance Corporation:

The Department of Post has tied up with Oriental Insurance Co. Ltd. for providing a Group Personal Accidental Death Insurance cover to Post Office Saving Bank (POSB) accountholders on request basis. The premium charged by the proposed Accident cover from the account holders will be @ Rs.15/- per account holder (inclusive of Service Tax). For a sum of Rs.15/-, the account holder will get the benefit of Rs. One lakh accidental Death Insurance for one year. Total number of 2, 16,726 Policies were sold by the Post Offices during the year 2008-2009 and it earned a commission of Rs.4, 88,569/-

6.6.2: SBI SMART CARD:

India Posts has tied up with SBI in Nagpur Region for Rural Credit and Processing of loan application relating to Home loan, Auto loan, and Gold loan and also from opening of current Account. The scheme of SBI – India Posts has been linked with 417 Post Offices in Maharashtra Circle.

Under this scheme, various activities have been undertaken by the Department of posts such as viz. Opening of SBI – SB/RD Accounts in Post Office; acceptance of loan applications; acceptance of amount for enrolment for Smart Cards & Non-smartcards; and delivery of smart cards and non-smart cards respectively.

6.6.3: SALE OF FOREIGN EXCHANGE:

India Posts has also tied up with the HDFC Bank for sale and purchase of foreign currencies through Post Offices in Mumbai. There are 2 Post Offices furnishing with the business that is Mumbai GPO and Chembur HO respectively.

6.6.4: CORE BANKING SOLUTION:

The Core Banking Solution (CBS) is part of the India Post IT Modernization Project: 2012. It aims to bring in various IT solutions with the required IT infrastructure in the post offices.

The Department of Posts had introduced Anywhere – Anytime – Any Branch Banking through its “Core Banking Solution” for Small Saving Schemes in Post Offices during 11th Five Year Plan period. In Maharashtra Circle, pre-implementation activities have been started. It was decided to cover phase wise all the Head Post Offices in Maharashtra Circle in various phases viz. Phase – I, 7 Head Post Offices;

Phase – II, 7 Head Post Offices; Phase – III, 25 head Post Offices respectively. The system being set up for providing new services for Electronics fund Transfer, and Electronic Clearing Services respectively.

The Project is also being set up for delivery channels like ATM, Internet, Phone and Mobile Banking Services to the customers of Post Offices. At present, Maharashtra Circle is ready with 7 HO under its first phase for offering Core banking Solutions and second phase 7 HOs has been reviewed. The project for rolling out CBS and for installing ATMs commenced on 28.9.2012 to be implemented at all the department levels. As on 31.03.2014, total number of 128 post offices have migrated to the CBS (<http://www.indiapost.gov.in>, Accessed on 19/9/2014)³⁰.

7.0 INDIAN POSTAL SERVICES & CUSTOMERS: A CRITIQUE

The India Post is a very old institution and an attempt to understand such an institution with the miniscule amount of experience, and time available is necessarily going to be limited. The reforms suggested in form of making use of certain parameters are indicative and more so for the purpose of highlighting issues rather than being definitive solutions. The significance of services provided by post offices cannot be ignored and therefore there exist a need to satisfy customers of postal services by monitoring level of satisfaction of users who have been receiving delivery postal services. The Postal mail services are available at relatively much lower rates than any other means of communication. Newspapers and journals have large circulation, and can reach the people even in remote villages because of postal services. It has also encouraged Savings as through postal financial services.

People of ordinary means are also encouraged to make small through the various small savings schemes being offered by the post offices. Besides, savings through the post offices are allowed tax concession. Trade enquiries are made and business deals are finalized through correspondence. It also facilitates distant learning education (<http://www.nios.ac.in>, Accessed on 30/12/2011)³¹.

The key services being offered by the India Post includes viz., investment services; collection of bills; postage delivery, and money transfer respectively. Investment services are managed, and supported by the Government of India, Ministry of Finance. It also faces the direct competition from other investment products being offered by Banks, Financial Institutions, Stock Market; Government securities and others. The collection of Bill is a commission-based service being offered by the Post Offices on behalf of the concerned Government departments. Money order is the oldest & an exclusive & conventional service offered by the Post Offices. It faces competition also from the Private Couriers at both the level that is Domestic and International level with respect to the Postage, Delivery and Money Transfer services. As far as the commission based collection of bills is concerned, it faces competition from various kind of collection houses.

Although, Indian Post is one of the most respected business service offered by Government of India and till large number of rural Post Offices does not even have weighting machines. Regular training to executives facing customers is also truly crucial for it. A list of parameters for the understanding depth of proposed issues related with customer services shall mainly include viz., increased awareness, wider usage and frequency of availing postal services; the trust for the promptness of postal services; the overall ambience of the post offices; focus on delivery of customers' satisfaction; probing of causes for the resultant unsatisfactory postal services ; incidences of suffering from mistakes, miscalculation and negligence in account maintenance by the post offices; detection and rectification of mistakes and negligence, lack of motivation on the part of employees; changes expected from the postal department as a part of policy framework; employees' feeling that the postal department is not adapting to the changes; inquiry of reasons for not adapting to the changes; complaint handling system; customers' satisfaction from staff behaviour; belief that an investment in employee up gradation would improve their behaviour with customers; substitution of postal services to another services. It also covers suggestions for discarding and pursuing services beliefs about the recent approach of the post offices of tying up with customer product companies and prediction about the future of postal services in India.

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