CHAPTER - IV
HISTORY, GROWTH AND DEVELOPMENT OF POSTAL SERVICES
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HISTORY, GROWTH AND DEVELOPMENT OF
INDIA POSTAL SERVICES

INTRODUCTION

After consolidating the postal services in India in 1854, the British started developing the postal service in towns, and in the areas of military importance to serve the imperial interests. However, after independence, the focus shifted to providing ‘Universal Postal Service’ to every citizen, especially in the hitherto neglected rural, hilly and tribal areas. Post offices were opened in these areas even if the income could cover only 15% of the total expenses. Out of a total of 1,55,015 post offices in India, 1,39,144 are in rural areas. This however, meets not only the social objective of providing essential postal services to all citizens, but also helps to create the necessary infrastructure for promoting economic activity in these areas. In an era of Liberalization and Globalization, the Indian postal department is continuing to meet its business needs without losing sight of the social responsibilities.

Postal service is an organization with responsibilities for collecting, sorting and distributing the mail. The postal service, through the sale of postage stamps, also collects the fees paid by the public for its use of the mailing system. Today, almost all the postal systems are administered by the government. The vast majority of items sent through the mails consist of written or printed matter. In an era, that has seen the rise of many forms of communications, the mails remain one of the most popular, inexpensive and simplest means for people everywhere to stay in touch with one another and to transact business.

In this chapter an attempt has been made to give an account of the History, Growth and Development of the postal services in a detailed manner.
4.1 POSTAL SYSTEMS WORLD WIDE

Nearly, the Industrial countries and some of the developing countries have efficient Postal systems.

- In the United Kingdom, there are about 1,500 main post offices. British postal workers deliver to more than 23.5 million addresses and handle more than 14 billion Letters and small packets, and 200 million parcels every year.
- In Australia, there are about 4,800 post offices, which handle about 3 billion postal articles each year.
- New Zealand has about 1,300 post offices, which handle about 700 million items a year.
- In India, there are about 1,55,015 post offices, which handle about 750 crores of mail articles per annum. Over 9.1 crores of money orders worth Rs. 8363 Crores are handled per annum.
- The Philippines has more than 2,000 post offices.
- In some developing countries, there are only a few post offices, and mail delivery is slow and Unreliable. In some cases, only urban areas have a postal service. An agency of the United Nations called the Universal Postal Union promotes international Co-operation in the delivery of mail.

The history of worldwide postal system can be well explained with the help of the following six headings.

- Postal Services during the Ancient times
- Postal Services in the beginning of public postal systems
- Postal Services in the development of the postal system.
- Postal Services during 1800’s and early 1900’s
- The growth of Airmail service
- Recent Developments
4.2 POSTAL SERVICES DURING THE ANCIENT TIMES

Many ancient civilizations, including the Chinese, Egyptians, Assyrians and Persians had well – organized postal systems. These early postal networks existed to help the rulers to govern their empires that stretched over large areas. Only Government officials could use the postal systems. However, there was little demand for public postal service since only a few people could read or write in those days.

Nearly, all the ancient postal systems were relay systems. They consisted of runners or mounted couriers stationed at intervals along major roads. Messages relayed by these couriers traveled swiftly, sometimes more than 150k.m. a day. Herodotus, a Greek historian of the 400B.C. described the Persian messengers. He writes, “Neither snow/nor rain/nor hear/ nor gloom of night stays these couriers from the swift completion of their appointed rounds”.

The most highly organized postal system of the ancient times was established by Augustus Caesar, who became the Roman emperor in 27 B.C. It was a relay system in which mounted couriers rode throughout the empire on a network of well-constructed roads. Along the road, the Romans built relay stations called Post houses. There, messengers could take rest, get fresh horses, or pass their messages to another courier. In the 200 A.D. Roman couriers began to deliver limited amount of private mail well as the official messages.

The fall of the Western Roman Empire in the 400 A.D. led to the collapse of the postal system. Rulers in some areas continued to use Roman roads and post-houses for their own postal services. Generally, however, organized Communication ended throughout the Western Europe.

Civilizations in the other areas of the world also developed efficient postal systems. In Asia, the Mongol leader Kublai khan developed a highly organized postal relay system, with more than 10,000 postal stations, during the 1200’s. In the North and
the South America, the Aztec and the Inca established network of relay runners, who delivered messages and packages between major cities.

**4.3 THE BEGINNING OF THE PUBLIC POSTAL SYSTEMS**

During the 1300’s the growth of international commerce led merchants and reading companies to establish their own courier services. Universities, religious groups and guilds (organizations of skilled workers) also maintained a postal service for their members. However the service was slow, expensive and unreliable.

The invention of the printing press and the growth of education and learning during the 1400’s increased the demand for postal systems. Delivering mail becomes a profitable business and private postal services sprang up in many areas. By the 1500’s, such systems criss- crossed the entire Europe. The Taxis family of Vienna organized one of the most famous private systems by the early 1600’s; their services employed about 20,000 couriers and covered most of the central Europe. Generally, however, the service remained costly and slow. In addition, deliveries were made only along the major transportation routes.

The rise of strong national government in Europe in the late 1400’s and the 1500’s led to the establishment of official postal services. In 1477, King Louis XI of France created postal systems of mounted couriers with regular schedules.

In the Late 1400’s king Edward IV of England set up a system of posts (stations) where fresh horses were kept for the messengers who carried their dispatches. Later, the word post gradually came to be used with reference to the whole business of handling the mail.

In 1516, King Henry VIII of the England appointed Sir Brian Tuke as master of the posts, mainly to ensure that the royal mail was delivered speedily and safely. Sir Brian planned four roads from London. The 110 kilometers road from Landon to Dover was the best of these roads.
During the early 1600’s the growing popularity of official postal systems and the
profits earned by private couriers led many European governments to establish public
postal systems. In addition, many governments wanted to use the postal system to spy on
their citizens for evidence of disloyalty to the state.

In 1627, the French government established post offices in major cities and fixed
postal rates.

In 1635, the English government established public postal systems between
England and Scotland.

Many countries passed laws providing the government the sole power of postal
delivery. However, private postal services continued to operate in these countries, mostly
along the rules not covered by the government postal systems.

4.4. DEVELOPMENT OF THE POSTAL SYSTEM

In 1680, a merchant named William Dockwra organized the London penny post,
which delivered mail anywhere in London for penny post. Dockwra introduced the
practice of post marking letters to indicate when and where they had been posted. The
London penny post became so successful that the government took control of the
operation in 1682.

During the 1700’s a programme to improve the condition of public roads in the
Great Britain greatly increased the speed at which the mail traveled.

In 1784, John Palmer introduced mail coaches. The first mail coach, which
tavelled from Bristol to London, completed the 190k.m. journey in 16 hours. The mail
was first carried by rail from Liverpool to Manchester in 1830.

In 1837, a retired British school teacher named Rowland Hill wrote a pamphlet
calling for cheap, uniform postage rates, regardless of distance. At that time, the postal
rates depended upon how far the mail had to travel.
Rowland Hill also proposed that, postage should be paid in advance by the sender, with adhesive stamps to indicate payment.

Previously, the letter carrier collected postage from the addressee unless the postal officials had written “paid” on the letter.

In addition, Hill suggested the use of envelope. Until that time, letters were merely folded and sealed with sealing wax. Most of Hill’s suggestions were adopted in Britain in 1840. When the first adhesive postage stamps were issued, they were called penny blacks, because they were printed in black ink.

4.5 POSTAL SERVICES DURING THE 1800’S AND EARLY 1900’S

During the 1800’s and early 1900’s postal services grew rapidly. The development of modern means of transportation, such as trains, improved the speed and reliability of mail delivery.

Postal clerks sorted mail on special railway carriages while the trains moved across the country. Devices called “catching arms” attached to the carriages enabled the clerks to pickup mail sacks from small towns as the trains sped by, the clerks tossed the sacks of letters for the town on to the railway platform from the moving train.

In 1789, the United States had about 75 post offices. By 1901, the number of post offices had increased to almost 77,000.

The British post office continued to improve and extend its services. In 1853, it introduced the first post box. In 1855, the first post box was installed in London. The post office savings Bank was begun in 1861, and private Telegraph services were taken over by the post office in 1870.

4.6. THE GROWTH OF AIRMAIL SERVICE

The growth of airmail service is explained in the following paragraphs.

- The use of aero planes to carry mail has greatly increased the speed of delivery.
• Mail was carried unofficially by Claude Graham—white, a British pilot, in 1910, on a flight from Black Pool to Southport, in England.

• In 1911, a French pilot, Henri Piquet, carried mail from Allahabad to Naini Junction in India, and a regular airmail service was setup.

• Mail flights in Britain and the United States also began in 1911.

• Airmail services in Australia began in the 1920’s

• The first airmail flight between Australia and Britain took place in 1934.

4.7. RECENT DEVELOPMENTS

The recent developments in postal services are as follows:

• Post offices in industrial countries have followed a policy of providing more automation in the handling of mail to provide customers a better service.

• Postal rates have risen, as government insisted that post office become self-supporting.

• Private firms are not normally allowed to handle ordinary mail, although there has been an increase in the number of private carriers of circulars, catalogues, magazines and merchandise samples. Private parcel carriers also compete with the post office.

• The Growth of Electronic postal services has been a major development. In developing Countries, the postal service is being extended to rural areas, and modernized to take advantage of new technology developments. Many small nations earn valuable income from the issue of commemorative stamps, highly valued by the stamp collectors.

• However, the delivery of the letters remains the main job of the post offices and the postal workers around the world³.
TABLE 4.1

COMPARISON OF WORLD’S POSTAL SYSTEM

The following table 4.1 exhibits a comparative picture of the world’s postal systems as on Dec.2013

<table>
<thead>
<tr>
<th>Country</th>
<th>Area(in sq.km)</th>
<th>Permanent population (in crores)</th>
<th>No. of post offices</th>
<th>No. of Sorting Centers</th>
<th>No. of Permanent POs staffed by Adm. Officially</th>
<th>Permanent POs staffed by outsiders</th>
<th>POs population Served per PO</th>
<th>Average Area Served per PO (in sq. km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>77,41,220</td>
<td>20.155</td>
<td>3,842</td>
<td>35</td>
<td>863</td>
<td>2,979</td>
<td>5245.99</td>
<td>2014.83</td>
</tr>
<tr>
<td>China</td>
<td>95,96,961</td>
<td>131.58</td>
<td>65,917</td>
<td>201</td>
<td>42,279</td>
<td>23,638</td>
<td>19,968</td>
<td>145.59</td>
</tr>
<tr>
<td>France</td>
<td>5,51,500</td>
<td>6.0496</td>
<td>17,008</td>
<td>-</td>
<td>13,442</td>
<td>3,566</td>
<td>35.56.9</td>
<td>32.43</td>
</tr>
<tr>
<td>India</td>
<td>32,87,263</td>
<td>110.33</td>
<td>1,55,0</td>
<td>460</td>
<td>1,55,015</td>
<td>-</td>
<td>7,175</td>
<td>21.21</td>
</tr>
<tr>
<td>Indonesia</td>
<td>19,04,569</td>
<td>22.278</td>
<td>19,922</td>
<td>5</td>
<td>3549</td>
<td>16,373</td>
<td>11,182.6</td>
<td>95.60</td>
</tr>
<tr>
<td>Malaysia</td>
<td>3,29,091</td>
<td>2.535</td>
<td>912</td>
<td>32</td>
<td>660</td>
<td>252</td>
<td>27,793.2</td>
<td>361.67</td>
</tr>
<tr>
<td>USA</td>
<td>96,29,091</td>
<td>29.821</td>
<td>37,142</td>
<td>675</td>
<td>34,026</td>
<td>3,116</td>
<td>8,029</td>
<td>259.25</td>
</tr>
<tr>
<td>Great Britain</td>
<td>2,42,900</td>
<td>5.967</td>
<td>14,376</td>
<td>807</td>
<td>495</td>
<td>13,881</td>
<td>4,150.5</td>
<td>16.90</td>
</tr>
</tbody>
</table>

It is inferred from the above table that, USA occupies the largest area (29.091sq.km.) followed by China (95,96,961 sq.km.), Australia (77,412,201sq.km.) and India (32,87,263, sq.km.).
As far as the permanent population is concerned, China occupies the first position (131.584 crores.), India ranks second (110.337 crores.) and the USA, the (29.821 crores.)

As far as the number of post offices is concerned, India occupies the first place (1,551015, post offices), followed by China (65,917, post offices) and the USA (37,142, post offices). It indicates that, India is having the largest postal network in the world.

As far as the area served by a post office is considered, it is 21.21 sq.km. In India, 145.59 sq.km. In China and 259.25 sq.km in the USA. In this aspect also, India has a comparatively better postal network.

4.8. POSTAL SYSTEM IN INDIA

The postal system in India existed in various forms even before the christian era. As the Portuguese, Dutch, French, Danish and British displaced the mughals, their postal systems existed in independent states. The British East India Company brought into existence a British administrative system all over India, with a need to establish and maintain official mail systems.

The Indian Post Office, which was established in 1837, introduced the first Asian Adhesive stamp, the Seinde Dawk, in 1852. The Indian postal system developed into an extensive, dependable and robust network providing connectivity to almost all the parts of India.

Based on the model postal system introduced in England by the reformer, Rowland Hill, postal system were provided at a low cost and enabled the smooth functioning of the administrative machinery. After the Independence of India in 1947, the Indian postal service continues to function on a country wide basis and provides many valuable, low cost services to the public of India.

The history of the postal system in India can be clearly explained under the six headings.

- Postal services in the ancient and medieval India.
- Postal services and the East India Company.
• The Scinde District Dawk
• The postal services reforms of 1854 and the first issues.
• The postal services reforms of 1866 and the provisional
• Postal system at the twentieth century.

4.9. POSTAL SERVICES IN THE ANCIENT AND MEDIEVAL INDIA

In the ancient times, the Kings, emperors, rulers, zamindars and the feudal lords protected their land through the intelligence services of specially trained police or military agencies. They also used couriers services to convey and obtained information through runners, messengers and even through pigeons. In the pigeon post, letters in little sachets were hung from rings above the feet of pigeon which were trained to fly to various destinations. The Atharvanaveda records a messenger service. Systems for collecting information and revenue date from the provinces are mentioned in Chanakya’s Arthashastra (3rd century BC).

For centuries, the messages were carried by a relay of runners on foot. A runner would run from one village to the next village. They were carrying the letters on a pole. This was a dangerous occupation; the relay of runners went on throughout the day and night. There was a chance for attacks by wild animals. These mail runners were used by the rulers, for the purpose of information and wartime news. They were subsequently used by merchants for trade purposes.

4.10. POSTAL SERVICES IN MEDIEVAL INDIA

• During 712 A.D., the king Muhammed Bin Qasim appointed horse messengers’ postal system. It was called as Diwa – I – Barid.
• The first sultan of Delhi, Qutb-ud-din Aybak (1206-1210 A.D.) created a messenger post system.
• Alauddin Khilji in 1296.A..D.introduced foot runner service and/or horse-mail.
• Sher Shah Suri (1541-1545) replaced the runners with horses. Messages were carried along the high road, today known as Grand Trunk Road. The king also built 1700 'services', where two horses were always kept for the dispatch of the Royal mails.
• Akbar introduced camels in addition to the horses and runners.
• In South India, in 1672 Raja Chuk Deo of Mysore began an efficient postal service, employing group of messengers. It was further improved by Haider Ali.

4.11. POSTAL SERVICES AND THE EAST INDIA COMPANY

The British East India Company established post offices in Mumbai during 1683, followed by similar ones in Kolkata and Chennai. Lord Robert Clive expanded the services in 1766. From 1766, Mumbai, Kolkata and Chennai were served as presidencies.

It was during Warren Hastings's governorship (1774), postal service was made available to the General public. The fee charged was two annas (one-eighth of a Rupee) for a distance up to 100 miles (160km). Payments would be done through copper tokens; a letter was hand stamped “postpaid” if paid or otherwise it was stamped “post unpaid” or “bearing”.

After 1793, the East India Company created its own infrastructure for the expansion and administration of military and commercial power. The runners were paid according to the distance they traveled and the weight of their letters. This system was introduced by Cornwallis.

In 1839, North West province circle was formed and since then new postal circles were formed as and when enquired. In December 1860 Punjab circle, In 1861 Burma circle, in 1866 Central Province circle and in 1869 Sind Circle were formed.

By 1880, circles had been formed in Oudh (18701), Rajputana (1871), Assam (1873), Bihar (1877), Eastern Bengal (1878) and Central India (1879).

Afterwards, the creation of new circles was accompanied by the merging of some circles. By 1914, there were only 7 postal circles – Bengal & Assam, Bihar & Orissa, Mumbai (including Sind,) Burma, Central India, Chennai, punjab & North west frontiers and U.P.
4.12. THE SCINDE DISTRICT DAWK

The usage of the stamps began on 1st July 1852 in Scinde / Sindh district, with the use of an embossed pattern on paper or wax. The shape was circular, with “SCINDE DISTRICT DAWK” around the rim and the British East India Company’s Merchant Marks as the central emblem. The paper was either white or grayish white. “Scinde Dawk” was a common name, all over India during 1854. They were used until October 1854, and then officially suppressed.

4.13. THE POSTAL SERVICES REFORMS OF 1854 AND THE FIRST ISSUE

In 1854 the “Indian Post office Act” was enacted during the regime of Lord Dalhousie. By this Act, Post offices in India had a legal sanctity. The current post administration is based on this Act only. India post was thus recognized as a separate organization of national importance. During the period, Sea mail service between India and Great Britain was introduced. Railway services were also utilized for transportation of mails.

The first stamps valid for postage throughout India were placed on sale in October, 1854 with four values: ½ Anna, 1 Anna, and 4 annas. All were designed and printed in Calcutta, featuring the usual profile of Queen Victoria.

A new design for stamps had Queen Victoria in an oval vignette inside a rectangular frame, with an inscription “EAST INDIA POSTAGE” on it. These stamps were printed by De La Rue in England. The first of these became available in 1855. They continued in use well after the British government took over the administration of India in 1858. In 1865, stamps were printed on paper water marked with an elephant head.

4.14. POSTAL SERVICES REFORMS OF 1866 AND THE PROVISIONAL

The reforms of the postal services during the year 1866 are as follows:
The volume of mail moved by the postal system was doubled between 1854 and 1866, which doubled again by 1871.

The Post Office Act was introduced by May-1, 1866 to correct some deficiencies and abuses in the postal system.

Postal service reformations were also introduced in 1866. They were:

- Lower rates were charged for inland mail.
- New regulations were prescribed to remove the special postal privileges which had been enjoyed by the official of the East India Company.
- Stamps for official use were accounted in order to prevent abuse of privileges by officials.
- In 1866, India was the first country to adopt ‘Service postage’ on revenue stamps. This innovation became widely adopted by other countries in later years.
- In 1898, another Indian Post Office Act was enacted which gave shape to Indian Postal Systems.

4.15. POSTAL SERVICES IN THE TWENTIETH CENTURY.

- Stamps of high values (2, 3 and 5 rupees) were introduced in 1895.
- Existing designs of stamps were reprinted in new colours in 1900.
- In 1902, 52 rupee stamps were introduced. It was used for the payment of telegraphs and parcel fees.
- The remote or abroad postage rates were fixed by stamp collectors.
- In 1911, Stamps of King George V, were introduced. It is reported that George V, a philatelist, personally approved designs.
- In 1919, 1½ Anna stamp was introduced with an inscription “ONE AND HALF ANNA” but in 1921 this inscription was changed as “ONE AND A HALF ANNAS”.
- In 1926, the watermark was changed to a pattern of multiple stars.
- The first Pictorial stamp appeared in 1931.
➢ In 1935, another pictorial set, showing building, commemorated George V’s Silver Jubilee stamps were introduced.
➢ In 1937, the stamps issued depicted various forms of mail transports.
➢ A new issue in 1941, based on the world war II, consisted of plain designs using minimal amounts of ink and paper,
➢ A victory issue in 1946 was followed by another issue in November, 1947. Three stamps were released at this time.
➢ To commemorate the silver Jubilee of George V’s rule, a stamp was released, bearing a pictorial set of buildings.
➢ One stamp depicted the Asoka Pillar
➢ The second exhibited the new flag of India
➢ The third showed an Aeropane⁵.

4.16. POSTAL SYSTEMS IN THE POST INDEPENDENCE ERA

When India became independent on the 15th August 1947, there were 23,344 post offices throughout the country, of these 19184 post offices were in the rural areas and 4,160 in the urban areas. It was obvious that, for a country of vast area like India, this number was inadequate. The National Government lost no time in taking measures to extend the system of communications so as to increase and expedite the existing postal facilities with the dislocation of the Railway Services caused by partition; the system of communications broke down entailing great loss to the state. To tide over the emergency, a number of district towns were connected by mail motor and chartered plane service were introduced between Delhi and Ferozpur.

Further, more mail had to be flown by a special Air-mail service between Calcutta and Gauhati as the main railway link connection between Assam and Bengal passed through East Pakistan. On the invasion of Kashmir by Pakistan raiders, the New Air Service was used to carry aid to Jammu and Kashmir also⁶.

In 1952-53, a decision was taken to open post office in every village with a population of 2000. According to the 1951 census, the number of such villages which were not served by post offices was 5,795. Two years later, 4,838 new post offices were
opened in such villages. The objective was to ensure that no village lies at a distance of more than five miles from the nearest post offices.

It was estimated that, 10,135 post offices including 413 in the backward areas would have been established under the new policy by 31st March 1956. There would be, on an average, one office for every 22 square miles, whereas in 1952, there was one for every 28 square miles. It is expected that by 1956, the number of rural post offices in rural areas would have increased to 46,639.

In 1953-54, Indian post service handled about 270 million articles, each postal article passing through ten hands in the course of its transmission by post. The purpose and duty of the postal service was to move this volume of mail from the place of its origin to its destination as speedily and economically as possible operation. And this efficient and economical operation depended on a very large extent on public co-operation.

4.17. ALL-UP SCHEME

One of the most important events of the post-freedom era was the introduction of the "All-up" scheme in 1949. All ordinary first-class mail was now carried without any surcharge. A letter from Delhi bound for Chennai formerly took 3 days to be delivered but was now received in Chennai the next morning.

The growth of the postal department can be judged by the fact that between 1854 and 1954, the numbers of post offices increased from 700 to 45,900. A hundred years ago, 28,000 postal articles were handled by the post offices addressed in 36 Languages.

4.18. FRANKING MACHINES

In the handling of mail, there are two time-consuming processes, namely, the facing of Letters and the defacing of stamps affixed on them. Business men and others who post large quantities of mail can help the post office by facing their mail "Faced" mail which will obviate the need for facing operations in the post office and thus travel faster.
The affixing of stamps on Letters and their cancellation in the post office can be obviated if mailers take out licenses for franking machines, which are granted readily by the post office. They will in effect pay the postage fee in advance. The use of franking machines will expedite the dispatch of letters by eliminating the slow process of the sticking of stamps. The franking machines are highly used by government departments and commercial houses. The numbers of franking machines in use at present are about 2,400 which is a very low figure for the size of India.

4.19. POSTAL SERVICES AFTER 1985

Post services were rendered as a combined Department of Posts and Telegraph till January 1985. The department as a whole was conceived and operated as a public utility like the Railways and Electricity. The post and Telegraph was a part of the general budget of the Central Government.

Due to slow induction of technology and old staff norms, manpower costs increased exponentially. Corresponding adjustment of product and service pricing logged behind expenditure in a soft state, which perceived postal services as the common man’s means of communication and, therefore, needed to be under-priced with the state picking up the subsidy tag.

The subsidy was a cross subsidy from the Telegraph in a combined Post and Telegraph Department but gradually the border of cross subsidisation depleted the resources of the Telegraph wing, which required massive capital for its expansion pressure from the Telegraph wing and Multinational Financial Institutions, which became centers to the expansion of the Telegraph wing. This led to the complete separation of postal services from the Telecommunications services in 1985. Since then, the Liability for postal subsidy is being borne by the General Exchequer. The postal deficit met from the general budget increased to 1632.8% from 1992-1993 to 1998-1999 to reach Rs.15909.7 million, competing for top place with food and fertilizer subsidies. As on
December 2008, the postal deficit was 186.84% i.e., in the year 2007-2008 it was Rs.15114.44 million and it increased to Rs.43,354.48 million in the year 2008-2009.

Postal service encompass three broad areas of activity i.e.,

a) Retailing postal product and services.
b) Transmission of postal articles
c) Delivery of postal articles.
India has the largest number of post office in the world⁸.

4.20. INDIA POST: FACT FILE

➢ 1,55,015 Post offices: The Largest Postal Network in the world.
➢ Over 89% Post offices in rural areas: Unbeatable reach and connectivity.
➢ 4.94 lakh employees-0.86% officers: Second Largest employer after Railways.
➢ Over 1 Lakh employees trained to use computer.
➢ Over 750 9.1 crores of money order worth Rs.8363 crores handled per annum.
➢ Number of Saving Account handled over 170 millions, having amount worth over Rs.34,54,000 millions.
➢ 313 Finance Mart: One stop shop for all financial products and services
➢ Over 40 million Postal Life Insurance (PLI) Policies with sum assured worth Rs.68296.90 millions
➢ Over 120 millions Rural Postal life Insurance Policies (RPL) with sum assured worth Rs.113094 millions.
➢ Tie-up with Western Union Money Transfer in more than 205 countries and having facilities at more than 8500 Post offices in India
➢ Tie up with Oriental Insurance Company for retailing select Non-Life Insurance Products⁹.

4.21. INDIA POST – TODAY

India post is a socially committed, technology driven, professionally managed and forward looking organization. It embraces change and incorporates services to fulfill the requirements of its customers. India post makes social, commercial and Industrial Life
possible in modern India. It is the recognition of this stellar service in a changed world that has prompted the refurbishment of the India post Logo.

The 'wings' are the anchoring element that have been retained. The construction of the Logo is inspired by the fact that India post carries emotion across physical distance. At first glance it is an envelope and at the next glance it is a bird in flight, unhindered and unrestricted. The following bold strokes convey free flight. The choices of colours for post office are Red and Yellow. Red has been chosen for its traditional association with the postal service. It embodies passion. Power and commitment. Yellow communicates hope, joy and happiness. Evidence of the combination of the two colours is found across the country.

4.22. RECENT INITIATIVES OF DEPARTMENT OF POST

4.22.1 Personnel/ Agential/ Human Resource

The Department cherishes its own staff as the most significant resource. Hence, any step towards repositioning the Department has to be first and foremost at the level of Human Resource. As such, an outlay of Rs. 1249.2 million (approx) has been earmarked in the 11th five year plan for providing quality training to all categories of staff.

4.22.2. Structure Level

1. Business process re-engineering is underway for
   i) Saving Bank and Insurance
   ii) Mail operations
   iii) E-Enabled services and Business Development activities including logistics post.
   iv) Human Resource and Establishment and
   v) Accounting, Finance and Audit.

2. Rural Business Division has been set up to explore the market potential in the rural areas for postal products and services and serve their needs in this regard.

3. Restructuring through Technology
4. Operationalization of Postal Life Insurance (PLI) fund and Rural Post Life Insurance fund.

4.22.3. Induction of dedicated Cargo Aircrafts

India post has launched two additional Air freighters Boeing of 15 tonne capacity from Air India for carriage of mails between Metro cities and Nagpur which is used as a Hub. Earlier One Boeing 737 freighter was introduced in North East Sector during the last year. These three Aircrafts are operated with effect from 27.7.2009 on the following routes.

Route – 1 – Kolkata – Delhi - Nagpur – Delhi – kolkata

Route – 2 – Kolkata – Guwahati – Imphal – Agartala - - Kolkata

Route – 3 – Mumbai – Nagpur – Delhi – Mumbai

Route – 4 – Bengaluru – Chennai - Nagpur – Chennai - Bengalure.

Due to introduction of Air freighters of India post, dependency on other Airlines has been reduced. In addition to this, mails emanating metro, mails emanating from offices in catchment areas are also included in these aircrafts.

4.22.4. Reservation of Train Tickets

Facility of Railway Reservation at IIT Powai, Dahisar Post office in Mumbai and Oras post office in Sindhudurg District has been introduced. During this year, India post is going to provide such facility at 5000 more post offices in India including 500 office in Maharashtra & goa.

4.22.5. Sale of Gold Coins

Recently, India post has started the sale of Gold Coins through selected post offices. The Sub Post offices and Rural post office have bought the Gold Coins from the Head post offices. In the Head post office, market rates for gold coins are exhibited. This scheme has become very popular among middle class people and now, the India post is planned to extend this scheme to Sub and Rural Post offices.
In addition to the above, India post is also offering some of the Agency service. They are

- Telephone Revenue Collection
- Booking of Tickets for Road Transport Corporation’s and Airlines.
- Sale of UPSC Forms, University applications
- Sale of Passport Application Forms
- FOREX services
- sale of SIM and Recharge Coupons.
- sale of BSNL cards
- sale of Railway Tickets in association with India Railways.

4.22.6. Miscellaneous Recent Initiatives

a) Oriental Insurance corporation

The Department of Post has tied up with Oriental Insurance Company Ltd. for providing a Group Personal Accidental Death Insurance Covert to Post office Saving Bank (POSB) account holders on request basis. The premium charge by the proposed accident cover from the account holders will be Rs. 15 per account holder (inclusive of service tax). For a sum Rs.15 the account holder will get the benefit of Rs. one lakh Accidental Death Insurance for one year. 2,16,726 policies have been sold by the post office during the year 2008-2009 and earned a commission of Rs.4,88,569.

b) 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, Gold loan and opening of current Account.

The scheme of SBI-India Post linked with 417 post offices in maharashtra circle. Under this scheme, the following activities have been undertaken by the Department.

i) Opening of SBI-SB/RD Accounts in Post office.
ii) Acceptance of loan applications.
iii) Acceptance of amount for enrolment for smart cards & Non-Smart Cards.
iv) Delivery of Smart Cards and Non-smart Cards.
c) Sale of Foreign Exchange

India post has tied up with HDFC Bank for Sale / Purchase of foreign currencies, through Post offices. At present in Mumbai, there are 2 post offices furnishing with the business i.e, Mumbai GPO and Chembur HO.

d) Core-Banking Solution

The Department of Posts is planning to introduce anywhere – Anytime - Any branch banking through “Core Banking solution” for small saving schemes in post office during the 11th Five year Plan period.

In Maharashtra Circle, Pre-Implementation activities have been started. It has been decided to cover all the Head post offices in Maharashtra Circle in the following phases:

Phases – I  -  7 Head Post Offices
Phases – II  -  7 Head Post Offices
Phases – III  -  25 Head Post Offices

And the remaining Head Post Offices will be in the next Phase. The system will set up to enable providing new services such as Electronics fund transfer, Electronic clearing service. The project after implementation will create facilities like ATM, Internet, Phone and Mobile banking services to the customers of Post offices.

4.23. HISTORY OF TAMIL NADU POSTAL CIRCLE

Postal System in Tamil Nadu originated during the days of the East India Company. What started as a scheme to convey the mails of the East – India Company and its servants in the erstwhile madras, has now grown into a mammoth system handling over 80 laksh of mail per day.

John Philip Burlton of the East India Company Suggested to the Governor of Madras, in 1785, to establish a post office in Fort Saint George so that the letters of the staff of the company which were carried free at the expense of the Government, could be charge for. His suggestion was accepted and a post office was established at Fort Saint George on 1st June, 1786. This Post office later grew into Madras GPO, which is now called as Chennai GPO.
At that time, the post was divided into three divisions, Madras North to Ganjam, Madras south to Anjengo and Madras west to Vellore. The head of the organization was Post Master General (PMG), with his office established at Madras. He was assisted by one Deputy, One writer or native assistant, five sorters, one head peon and ten peons.

In 1789, arrangements were made for dispatch of Letters to Bombay through Masulipatnam and through Nizam’s dominion. The Letters were dispatched once in a week to Masulipatnam and from there to Bombay. It took about 17 days for a letter to reach Bombay and 19 days to reach Calcutta.

Transportation of mails was done by mail carts and horses, initially. Later, with the advent of Railways and Motor ways, Mail transportation was much faster which resulted in an increase in the number in the number of post offices and in the volume of mails handled.

The Post – war plan formulated in 1945 facilitated the expansion of postal services under two broad categories – Urban areas and rural areas. Places with a population of 10,000 or more and municipalities were classified as urban areas. The expansion into rural areas envisaged the establishment of one post office for every village with a population of 2000 or more. In case of villages with a population of 500 or less, delivery of mails was arranged at intervals of not more than a week.

After Independence, the Five Year plan laid emphasis on expansion of communication facilities as an integral part of the Socio-economic development. During the First Five Year Plan period, the number of post offices increased three fold. Rural delivery system was strengthened and Tamil Nadu circle was the first to extend daily delivery service to all the villages from March 1976.

Reorganization of the states resulted in Carving Andhra, Karnataka and Kerala Postal Circles out of the composite Madras Circle. The present day Tamil Nadu Postal Circle came into being into being in the year 1961.
4.24. RURAL POSTAL SERVICE

The extra-departmental system, an institution unique and peculiar to the Department of Posts, was introduced in a cost-conscious utility like the Post in order to provide basic postal facilities at the relatively lower cost in the rural areas. The extra departmental agents manning the rural post offices did not depend for a living wage on the Department of Posts. They had other primary vocations like farming, teaching or petty trading and were men of some means engaged in public service. They were paid an allowance more akin to an honorarium than regular wages. This postal agency system was originally designed to be a privatized form of postal service on the anology of a similar system obtaining in U.K. Where grocery or medicine stores provided basic postal services in the rural and sparse-traffic areas. However, there have been increasing demands for wages in line with those of regular employees and for other conditions of service like leave, pension, gratuity etc. Such demands, if conceded, would negate the very principle of providing low cost services in rural areas. Under this arrangement, there is substantial uncovered cost, there is infect a need for exploring even cheaper methods for delivery of postal services in rural areas.

A complete freeze must be applied on further expansion of present Extra Departmental System to more rural areas. Rural post offices normally provide basic facilities of sale of postal stamps and stationery and collection and delivery of mail. Village Co-operatives, wherever existing, may be harnessed to this task on the basis of revenue sharing. PCO operators in rural areas should also be allowed to sell postal stamps and stationery on the pattern of licensed postal agents in urban areas. Collection and delivery of mail in rural areas should also be entrusted to the licensed postal agent on the basis of revenue sharing as has been done for collection of speed post articles in urban centers. Delivery of postal articles at the doorstep should be replaced by the addressee collecting it from the existing nearest retail outlets of the department. These arrangements should be introduced even in those areas where extra departmental staff system exists, in a phased manner as and when these staff attains the age of superannuation.\(^{13}\)
4.25. CONCLUSION

In the above few pages a brief history and growth of the postal systems at the international level followed by the development in the postal services in India is given in a shell. A brief sketch about the recent initiatives undertaken by the India post is explained.