CHAPTER III
AN OVERVIEW OF POST OFFICE

3.1 Introduction
3.2 History of Postal System
3.3 Postal System in Tamil Nadu
3.4 Growth of postal service
3.5 Services provided by post office.
3.6 Financial Services
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3.1 INTRODUCTION

Communication is the lifeline of people in all places and at all times. It is an important medium for their very survival.\(^1\) Communication helps to maintain day-to-day life transactions. Effective communication helps to understand others. Direct communication was long ago realized with the help of speech. When people began to spread out, there was a need for indirect communication. Only at that time, the concept of messenger came into existence. Then this idea evolved into a system of postal service connecting the whole world in a communication network.

The modern age has brought the entire world to the home through the advancement made in the field of communication. It took thousands of years to achieve this advancement. The postal system of India had its origin in the necessity of maintaining communication throughout the various parts of a great empire. The emperor might need to be kept continuously informed of what was taking place and might be able to keep in constant touch with the officers-in-charge of provinces at a distance from the capital.

From the beginning of Indian history around A.D. 400, there is very little evidence about the existence of an organized messenger system. It is certain that the Kings had their own messengers. It is also probable that rich traders had a messenger system during certain periods.\(^2\)

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The history of postal system is the history of mankind. At that time, all the
civilization of the world has contributed some element towards the improvement of
the communication system step by step. In this way, the modern age has brought the
entire world inside the corner of home. It took several thousand years to reach to the
destination of modern postal and communication system.\(^3\)

In this chapter, the researcher gives an insight into how the communication
mechanism and services of Indian Postal System got into shape.

### 3.2 HISTORY OF POSTAL SYSTEM

During the pre-historic stage, the period of ancient mankind also called the
Homo-Sapiens who lived in the caves, there was no organized language of
communication. They were left with their natural language, which was the gift of
God. They realized that for their survival, they should have a companion and for
their common cause, they should have a medium to communicate with each other.
They felt the need to exchange news from far and near. Later on, during the period of
empire rule, India was ruled by various Empires. It was necessary for the Emperors
to be informed of various happenings and developments on the various part of their
empire. This led to the evolution of postal system in India, but in a different form.
It helped them to be in constant touch with their subordinates.

For the need of proper communication system, they appointed specific
persons. Initially, their role was limited to carry messages from the battle field to the
Kings. It was said that those persons were believed to run in unbelievable speeds that

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exhibition, West Bengal.
their foot prints were barely to be traced. They were considered to be the pioneers of postal system of ancient age. The person Marathon, the fastest man ran 26 miles nonstop from the battle field to the capital of Athens and died soon after conveying the message of his King “we have won”.4

Alexander the Great had appointed a group of postmen who can run in great speeds. All these kind of men used to serve the country or his employer with a lot of risk and danger. The necessity of exchanging messages is necessary with the advent of time. Since the physical power of man was limited and could not cover long distance, the use of animals like horse, camel and birds were put in place. All these were considered as alternative means and were utilized according to the situation.5

In our country, references can be obtained from Atharvaveda that doots and pigeons were sent to communicate messages. During the Mughal rule, a messenger post system was introduced by Quth-Ud-din-Aybak. This was further expanded during the period of Alauddin Khiliji in 1296. He expanded it into Dak Chowkis; a horse and foot runner service. This was further advanced by Shersha Suri. He constructed the grand trunk road from Bengal to Peshawar and the stretch covered 4800 km.

It is mentioned in Tarik-i-Sher-Shkaki by Abbas Khan Sherwani that the postal system Diwan-Insa employed nearly 3400 people to manage 1700 horse-relay stations at “Serais”, which also served as post offices. Two clerks (tarikh nawis)

were employed at “Serais” and the post was carried by Mewars. They were members of a lower cast tribe. This system was retained and effectively used during the Mughal rule.

During the later stage of human evolution, the development of alphabets came into existence. In that time, the writing of letters came into effect. The writing of letters gave no room for distortion of facts that existed with verbal communication.6

With the arrival of The East India Company, they established post offices in Mumabi, Chennai and Kolkata from 1764 – 1766, each serving the Bombay, Madras and Calcutta Provinces. During the regime of Warren Hastings governorship, postal service was made available to the general public. A letter at that time costed 2 annas (one eighth of a rupee) for a distance up to 100 miles. Payments would be done through copper tokens. The letter was stamped post paid if it was paid or bearing if not paid.

In 1839, North West province circle was formed and since then new postal circles were formed as the need arose. In 1860 December, Punjab circle was formed. In 1861, Burma circle was formed. In 1866 and 1869, Central province circle and Sind circle were formed. By the end of 1880, six new circles were formed namely Oudh (1870), Rajputana (1871), Assam (1873), Bihar (1877), Eastern Bengal (1878) and Central India (1879). Afterwards, the creation of new circle was accompanied by merging of some circles and by the end, there were only 7 postal circles instead of 10. They were Bengal and Assam, Bihar and Orissa, Bombay, Burma, Central Madras, Punjab and Uttar Pradesh.

Indian Postal Service is a government operated system in India. It owns the brand name India Post. The common man refers to it as the “Post Office”. The Indian postal system is the most widely spread postal system in the world with 1,54,000 post offices. Such large numbers are the result of a long tradition of many postal systems which were attached to the Indian Union after independence.

The Department of Posts comes under the Ministry of Communications and Information Technology, Government of India. The Postal Services Board, the apex management body of the department comprises the Chairman and six Members. The permanent invitees to the board are Joint Secretary and Financial Advisor to the department who is a permanent invitee to the board. The board is assisted by the senior officer of the directorate who acts as Secretary to the board. At present, the Deputy Director General is assisting the board in this capacity. The Deputy Director General, Directors and Assistant Director General provide necessary support for the board at Headquarters. The Postal Services Directorate is the Headquarters of organization located at Dak Bhawan, New Delhi. It oversees the operations in the provision of postal services throughout the country. For the purpose of providing postal services, the entire country has been divided into 22 postal circles. These circles manage the daily activities of various Head post offices, sub-post offices and branch post offices through Regional and Divisional level arrangements. Apart from the 22 postal circles, there is a special circle formed as base circle to serve the postal needs of the Armed forces. It is headed by an Additional Director General, Army postal Service holding the rank of a Major General.
India has the largest postal network in the world with 1,56,669 post offices of which 89 percent are in rural areas. At the time of Independence, there were 23,344 post offices which were primarily in the urban areas. Due to demand and with the prime objective of connectivity the rural areas and rural development, rapid expansion was carried out. Post office serves an area of 21.09 square kilometers. The postal department ensures the delivery of letters and money orders at the door steps and collection of letters through letter boxes, sales of stamps and providing other services. Thus, the post offices located in the rural and semi-urban areas provide the basic local services and also help in their savings by offering banking and insurance services.

In this context, India Post has entered into an agreement with the Oriental Insurance Company to act as their corporate agent to market select non-life products. This scheme was launched on a trial basis on select post offices in two districts of each circle. It has been expanded to other post offices. Post Independence gave much importance for the expansion and development of communication systems in India keeping in mind the socio-economic development. The Five-Year plans also reflected the thought and the number of post office have increased manifold.

**3.2.1 India’s Postal Network**

Post office is a place where mail is handled and where postage stamps, other postal materials and services are sold. The India’s postal Network is presented in table 3.1.
### Table 3.1

**India’s Postal Network (As on 31.03.2011)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of postal circles</td>
<td>22</td>
</tr>
<tr>
<td>Total number of Postal Regions</td>
<td>37</td>
</tr>
<tr>
<td>Total number of postal division</td>
<td>442</td>
</tr>
<tr>
<td>Total number of circle stamp depots</td>
<td>19</td>
</tr>
<tr>
<td>Total number of postal store depots</td>
<td>46</td>
</tr>
<tr>
<td>Total number of RMS divisions</td>
<td>70</td>
</tr>
<tr>
<td>Total number of Postal training centers</td>
<td>6</td>
</tr>
<tr>
<td>Total number of Post offices in the country</td>
<td>155035</td>
</tr>
<tr>
<td>Total number of post offices in rural areas</td>
<td>139173</td>
</tr>
<tr>
<td>Total number of head post offices</td>
<td>15862</td>
</tr>
<tr>
<td>Number of head post offices</td>
<td>817</td>
</tr>
<tr>
<td>Number of sub post offices</td>
<td>24721</td>
</tr>
<tr>
<td>Number of ED sub post offices</td>
<td>2081</td>
</tr>
<tr>
<td>Number of Ed branch post offices</td>
<td>127416</td>
</tr>
<tr>
<td>Number of delivery post offices</td>
<td>146509</td>
</tr>
<tr>
<td>Number of post offices with telegraph facility</td>
<td>7376</td>
</tr>
<tr>
<td>Number of Night post offices</td>
<td>163</td>
</tr>
<tr>
<td>Speed post centers in the country</td>
<td>290</td>
</tr>
<tr>
<td>Population served by a post office</td>
<td>7174</td>
</tr>
<tr>
<td>Population served by a post office (in rural area)</td>
<td>5682</td>
</tr>
<tr>
<td>Population served by a post office (in urban area)</td>
<td>20262</td>
</tr>
<tr>
<td>Area served by a post office (59 km)</td>
<td>21.20</td>
</tr>
<tr>
<td>Average distance to be traveled for postal facilities (in km)</td>
<td>2.59</td>
</tr>
</tbody>
</table>

**Source:** Department of Post

It is inferred from table 3.1 that there are 22 postal circles in India. There are 70 RMS divisions, 155035 post offices, 139173 post offices in rural areas, 15862 head post offices, 290 speed post centers in India. A population of 7174 is served by one post office.
3.2.2 World Postal Network

India’s postal network gets an important place in the economy. In this context, it is necessary to know the postal network of other countries as well. World postal Network is given in table 3.2.

<table>
<thead>
<tr>
<th>Country</th>
<th>Population (million)</th>
<th>Area (Lakh sq.km)</th>
<th>No. of Post offices</th>
<th>People per post office</th>
<th>Service area per post office</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>285</td>
<td>94</td>
<td>38123</td>
<td>7471</td>
<td>246</td>
</tr>
<tr>
<td>UK</td>
<td>60</td>
<td>2</td>
<td>17633</td>
<td>3377</td>
<td>14</td>
</tr>
<tr>
<td>Germany</td>
<td>82</td>
<td>4</td>
<td>13000</td>
<td>6335</td>
<td>27</td>
</tr>
<tr>
<td>Brazil</td>
<td>172</td>
<td>85</td>
<td>12520</td>
<td>13769</td>
<td>680</td>
</tr>
<tr>
<td>South Africa</td>
<td>44</td>
<td>12</td>
<td>2650</td>
<td>16728</td>
<td>461</td>
</tr>
<tr>
<td>Nigeria</td>
<td>117</td>
<td>9</td>
<td>4624</td>
<td>25288</td>
<td>200</td>
</tr>
<tr>
<td>China</td>
<td>1285</td>
<td>96</td>
<td>57135</td>
<td>22490</td>
<td>168</td>
</tr>
<tr>
<td>Australia</td>
<td>19</td>
<td>77</td>
<td>3872</td>
<td>5008</td>
<td>1992</td>
</tr>
<tr>
<td>Japan</td>
<td>127</td>
<td>4</td>
<td>24760</td>
<td>5143</td>
<td>15</td>
</tr>
<tr>
<td>Egypt</td>
<td>68</td>
<td>10</td>
<td>5399</td>
<td>12575</td>
<td>185</td>
</tr>
<tr>
<td>India</td>
<td>1027</td>
<td>33</td>
<td>155618</td>
<td>6602</td>
<td>21</td>
</tr>
</tbody>
</table>

**Source:** Department of Post.

Table 3.2 indicates that the population of China is 1285 million which is high when compared with other countries and India occupies the second place. India has 155618 post offices and South Africa has 2650 post offices. A population of 25288 people can utilize a post office in Nigeria and 3377 people can utilize a post office in UK. The service area per post office for Australia is 1992 and for UK is 14.
3.3 POSTAL SYSTEM IN TAMILNADU

Postal system in Tamilnadu originated during the days of the East India Company. It was started as a scheme to deliver the mails of the East India Company and its servants in the erstwhile Madras. It has now grown into a mammoth system handling over 80 lakhs 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 charged 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 Chennai GPO.

The Post was divided into three divisions at that time. The divisions were Madras North to Ganjam, Madras South to Anjengo and Madras West to Vellore. The head of the Organization was a Postmaster General, 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 motorways, mail transportation was much faster.
which resulted in an increase 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 Plans 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 office increased three-fold. Rural delivery system was strengthened and Tamilnadu 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 Tamilnadu Postal Circle came into being in the year 1961.

3.3.1 Organization and Structure of Tamilnadu Postal Circle

Tamilnadu Postal Circle comprises the State of Tamilnadu and Pondicherry and Karaikal Districts of the Union Territory of Pondicherry. The Circle is divided into four Regions, namely:

- Chennai City Region
- Western Region
- Central Region
- Southern Region

Each Region is further divided into Postal Divisions and also comprises of Railway Mail Service (RMS) Divisions. There are 42 Postal Divisions and 6 RMS Divisions in the Circle.

The Circle has 12185 post offices and 141 RMS offices / sections. These are placed under the control of Postal Divisions and RMS Divisions, respectively.

The Southern Region of Tamilnadu Postal Circle has its headquarters at Madurai. It was formed on 25th April 1983. The Southern Region was carved out from the erstwhile Tiruchirapalli, and Coimbatore Postal Regions. The Region covers an area of 32, 542 square kilometers and serves a population of approximately 2.15 crores. The Region has a network of 3214 post offices.

![Organization chart of Postal Department](www.indiapost.gov.in)

**Source:** www.indiapost.gov.in
3.4. GROWTH OF POSTAL SERVICE

The basic function of the post office is delivering letters at the door steps of the addresses by the shortest and quickest means in a secure manner. The process of growth and various improvements made in the postal operations are a subject of historical interest. There are some gradual developments that emerged in the postal service like increase in the number of post offices, provision of letter–boxes and creation of agency for delivery of mail. The introduction of railways, motor transport and airplane, steam boats and ships helps for rapid development of postal services. The researcher presents here the details of how the postal service is growing gradually.

3.4.1 Expansion of Postal Network

As migration of people was in a growing trend, there was a need for the opening of more post offices in India. In 1854 – 55, the East India Company had its own 700 post offices. They were located in important places like military routes. The post offices of that period aimed at catering to the military, industrial and commercial needs of the East India company.  

3.4.2 Setting up of Branch Post Offices (BPOs)

Branch post offices were introduced in 1866 – 67 in rural areas. This led to the mushrooming of post offices in many parts of India. They were managed monthly by government pensioners, school teachers and shop keepers. They were not employed full time. They got nominal amount as allowance for the discharge of their duties. Hence, places which did not get sufficient income to have independent

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The number of post offices opened during the period 1864 – 65 to 1874 – 75 was more in Bengal, Madras and Punjab. The increase in the number of post offices naturally increased variety of new services of business in the subsequent years.

In 1877 and 1884, introduction of new services were made namely, Value Payable Parcel in 1877, Insurance of Letters and Parcels in 1878, Post Card in 1879, Money Orders in 1880, Savings Bank in 1882, Telegraph M.O. and Postal Life Insurance in 1884 and the expansion of mail delivery facilities. These services were mainly responsible for popularizing post offices in rural and mofussil areas and for increase in the postal traffic.8

3.4.3. Extra Departmental Sub Offices

The global economic crisis of 1930-34 forced the government to appoint a Retrenchment committee to indentify various departments which lavishly spent money. The committee in its report recommended employment of Extra – Departmental Delivery Agents in good numbers not only in branch post offices, but also in sub post offices. Extra Departmental Sub Offices were opened in 1931 according to the recommendation of the committee. The government’s expenditure was curtailed to a great extent as a result of the introduction of Extra Departmental Sub Offices.

3.4.4. Mobile Post Offices

For all purpose of postal development, all cities and towns with a population of 10,000 and above and those places with lower population were considered as rural

areas. Post offices were opened at fairs, local festivals, exhibitions and in places where a large number of people gathered for a short period, to extend their services. On that time, it was felt that construction of temporary sheds, buildings, etc., was not advantageous. Hence the department introduced a mobile post office in 1938 – 39. The mobile post office was specially designed and it was equipped with adequate facilities.

3.4.5 Post-War Development Plan

People’s requirements are growing day-to-day. A Post-War Development Plan was prepared by the Department. The aim was to improve the postal services in urban and rural areas. The plan aimed to increase the size and number of post offices in big towns to cope with the volume of work and traffic. In rural areas, the mere existence of post office was found sufficient.

The plan prescribed certain norms for opening of post offices in rural areas. A village with a population of 2000 and above would be provided with a post office. Villages with less population might also be provided with a post office if the local government would select such villages for model development.

3.4.6 Number of Post Offices

In the post-independence era, there were demands for increased postal facilities not only in urban areas but also in rural sector. The government relaxed the conditions for opening of new post offices to meet the growing needs of the people. The number of post offices in India is shown in table 3.3.
### Table 3.3
Number of Post Offices in India

<table>
<thead>
<tr>
<th>Year</th>
<th>Urban Trend value</th>
<th>Rural Trend value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002 - 03</td>
<td>16477</td>
<td>138818</td>
<td>155295</td>
</tr>
<tr>
<td>2003 – 04</td>
<td>16537</td>
<td>139081</td>
<td>155618</td>
</tr>
<tr>
<td>2004 – 05</td>
<td>16520</td>
<td>139149</td>
<td>155669</td>
</tr>
<tr>
<td>2005 – 06</td>
<td>16396</td>
<td>139120</td>
<td>155516</td>
</tr>
<tr>
<td>2006 – 07</td>
<td>16259</td>
<td>139074</td>
<td>155333</td>
</tr>
<tr>
<td>2007 – 08</td>
<td>15862</td>
<td>139173</td>
<td>155035</td>
</tr>
<tr>
<td>2008 – 09</td>
<td>15871</td>
<td>139144</td>
<td>155015</td>
</tr>
<tr>
<td>2009 – 10</td>
<td>15797</td>
<td>139182</td>
<td>154979</td>
</tr>
<tr>
<td>2010 – 11</td>
<td>16537</td>
<td>139081</td>
<td>155618</td>
</tr>
</tbody>
</table>

**PROJECTED VALUE**

<table>
<thead>
<tr>
<th>Year</th>
<th>Urban Trend value</th>
<th>Rural Trend value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011 – 12</td>
<td>–</td>
<td>15933</td>
<td>139208</td>
</tr>
<tr>
<td>2012 – 13</td>
<td>–</td>
<td>15869</td>
<td>139231</td>
</tr>
<tr>
<td>2013 – 14</td>
<td>–</td>
<td>15806</td>
<td>139254</td>
</tr>
</tbody>
</table>

**Source:** Annual reports 2003 – 04 to 2011 – 12

### Figure 3.2
Number of Urban Post Offices in India

![Plot for Urban Post Offices in India](image)

\[ y = -63.49x + 16568 \]

\[ R^2 = 1 \]
Figure 3.3
Number of Rural Post Offices in India

![Graph showing the number of rural post offices from 2002 to 2013 with trend line and equation.

Table 3.3 indicates that from 2003–04 to 2011–12 the number of post offices opened in rural areas was larger than those in urban. The number of urban post offices increased slightly in 2010–11. The main objective of the expansion was to increase the number of rural post offices.

3.4.7 Sub-Post Offices

The number of branch offices were increased. This situation demanded the opening of a large number of sub-offices for administrative convenience, financing of post offices and maintenance of accounts of branch offices and making efficient mail arrangement.
3.4.8 Postal Counters in Rural Areas

New services and facilities across the counter were provided in 1975 to those villages which were not qualified to have post offices. Under the scheme, selected branch post masters were asked to visit specified villages at fixed times. During 1985 – 86, 85 villages were provided with counter facilities in Tamil Nadu Circle. This scheme was really beneficial to the villagers, particularly to those who were residing away from the branch post offices.  

3.4.9 Licensed Postal Agents (LPA)

In 1985, a new scheme of Licensed Postal Agents (LPA) was introduced by the Department. In this scheme, up to 10 LAPs may be appointed in each revenue district in a circle. The heads of circle were given the discretion to increase or reduce the number subject to overall ceiling given to the circle. It is a matter of satisfaction that newly developing residential and industrial townships were preferred for setting up of LPAs. In other areas there should be a minimum distance of 2km from a head post office or selection grade post office or ½ km of other Departmental Sub Post Offices for appointing LPAs. A minimum distance of 1km is kept between any two postal agencies.

3.4.10 Panchayat Sanchar Seva Kendra (PSSK)

The Panchayat Sanchar Seva Kendra scheme was introduced in 1998 – 99. The main objective was to provide basic postal and telecommunication facilities to the Gram Panchayat Villages without post offices. In Tamil Nadu postal circle, out of

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12,578 Gram panchayat villages, 3775 are without post offices. Sale of postage stamps and stationery, booking of registered letters, grant of certificates of posting are the important functions of the Kendra.

An unemployed youth with a minimum of SSLC or matriculation qualification is selected by the panchayat president with the consent of the superintendent of post offices or the senior superintendent of post offices concerned. The selected candidate will perform the function of the post office. All such Kendras are attached to the nearest post office for maintenance of accounts and placed under the administrative control of the sub-divisional Inspector.

3.4.11. Urban Mobile Post Offices

The urban mobile post office was first introduced in 1949 at Nagpur. The main objective was to provide postal facilities after normal working hours of the post office. It functioned on all working days except post office holidays. This service was extended to Madras city during 1951 – 52. The mobile service became very popular producing a united response from the people. This facility was extended to Madurai and Coimbatore. The mobile post offices in Madras city were christened as Hamsa and Meghdoot, in Coimbatore as Bhavani and in Madurai as Meenakshi.

This service was withdrawn on 1 January 1987. The reasons for the withdrawal were heavy loss in running the mobile vans, withdrawal of night air mail service and appointment of licensed postal agents in major towns. The sudden withdrawal of services caused much inconvenience to the public particularly who availed the facility only in the evening.
3.4.12 Night Post Offices

Night post office service was introduced during 1950 – 51 in 12 major cities at all India level. The working hours were from 8 AM to 8.30 PM to give extended facilities to the public. These post offices work on all days including Sundays but not on postal holidays. In Tamil Nadu the night post offices were functioned in 14 places, namely, Madras GPO, Anna Road HO, Madurai HO, Salem HO, Coimbatore HO, Vellore HO, Pondicherry HO, Tuticorin HO, Tallakulam SO, Trichy Fort SO, Thanjavur HO, Teppakulam SO, Thyagarayanagar HO and Erode HO.\(^{10}\)

3.4.13. Letter Boxes

In 1653, the first letter box in the world, was introduced in Paris. Letter boxes originated from the ‘stone post’ in the Cape of Good Hope at which the Dutch and the British Ships would leave letters to be collected by the next ship going in the opposite direction. The UK postal administration started painting the letter boxes in red colour, in 1874. Later, all other countries followed it.

When letter boxes were introduced, the public opposed the letter box planted near their residences. Hence, letter boxes were planted outside the post offices, in front of police station, public places like parks. Gradually people began to use the letter boxes from which letters were collected by the post office peons. When the letter boxes were introduced, they were made of wood and steel. Attempts were made to provide metallic post boxes of reasonable dimensions in the walls of post office buildings. From 1959 – 60 onwards, metallic post boxes were used.

The number of letter boxes in India is shown in table 3.4

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## Table 3.4
Number of letter boxes in India

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of letter boxes</th>
<th>Trend value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002 – 03</td>
<td>595286</td>
<td>593704</td>
</tr>
<tr>
<td>2003 – 04</td>
<td>588996</td>
<td>593153</td>
</tr>
<tr>
<td>2004 – 05</td>
<td>590952</td>
<td>592603</td>
</tr>
<tr>
<td>2005 – 06</td>
<td>597149</td>
<td>592052</td>
</tr>
<tr>
<td>2006 – 07</td>
<td>584006</td>
<td>591502</td>
</tr>
<tr>
<td>2007 – 08</td>
<td>601319</td>
<td>590952</td>
</tr>
<tr>
<td>2008 – 09</td>
<td>589666</td>
<td>590401</td>
</tr>
<tr>
<td>2009 – 10</td>
<td>591054</td>
<td>589851</td>
</tr>
<tr>
<td>2010 – 11</td>
<td>585087</td>
<td>589300</td>
</tr>
<tr>
<td><strong>PROJECTED VALUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011 – 12</td>
<td>–</td>
<td>588750</td>
</tr>
<tr>
<td>2012 – 13</td>
<td>–</td>
<td>588200</td>
</tr>
<tr>
<td>2013 – 14</td>
<td>–</td>
<td>587649</td>
</tr>
</tbody>
</table>


## Figure 3.4
Number of letter boxes in India

![Figure 3.4](image)

\[ y = -550.4x + 59425 \]

\[ R^2 = 1 \]
Table 3.4 shows that in the year 2007 – 08, there were 6,01,319 letter boxes. In the year 2006 – 07, there were 584006 letter boxes. The number of letter boxes was fluctuating from 2002 – 03 to 2010 – 11. The trend value for the year 2002-03 is 593704. In the year 2010-11, the trend value is 589300. It is in decreasing trend. The projected value of number of letter boxes for the year 2011-12 is 588750 and for the year 2013-14 is 587649.

3.4.14. Mail Delivery

Before 1854, the mail received from the steamer was sent for delivery within 1 hour 20 minutes of its receipt. Moreover, postmen were supplied with hand bells to announce the arrival of letters in their beat. There were only two deliveries a day. The thandoras were entrusted in the District Post System with the delivery of mail. The police and village chowkidars were engaged for delivery in towns and villages.

After 1854, importance was given to the provincial capitals, towns and remote areas. Each postman has to deliver 75 letters per day. The coolies and village watchmen engaged both for collection and delivery of mail were replaced by rural messengers. Women too were recruited for appointment as post woman in Madras circle. K.Padmakshi Amma of Thiruvananthapuram Postal division was the first post woman in India who joined in 1959.

The number of post offices and the total number of postal lines and the articles carried by postmen for specific years are given in table 3.5.
Table 3.5
No. of Postal articles delivered in Madras Presidency

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Post Offices</th>
<th>Increase or Decrease</th>
<th>Percentage of Increase or Decrease</th>
<th>Number of articles</th>
<th>Increase or Decrease</th>
<th>Percentage of Increase or Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>1853 – 54</td>
<td>130</td>
<td>(–)</td>
<td>(–)</td>
<td>54,66,672</td>
<td>(–)</td>
<td>(–)</td>
</tr>
<tr>
<td>1864 – 65</td>
<td>176</td>
<td>(+) 46</td>
<td>35.38</td>
<td>95,44,308</td>
<td>(+) 40,77,636</td>
<td>74.59</td>
</tr>
<tr>
<td>1874 – 75</td>
<td>514</td>
<td>(+) 338</td>
<td>192.05</td>
<td>1,88,91,669</td>
<td>(+) 9,34,7361</td>
<td>97.94</td>
</tr>
<tr>
<td>1882 – 83</td>
<td>789</td>
<td>(+) 275</td>
<td>53.50</td>
<td>3,17,78,552</td>
<td>(+)1,28,86,883</td>
<td>68.21</td>
</tr>
</tbody>
</table>

**Source:** Department of Post

It is known from table 3.5 that the number of post offices has increased from 35.38 percent in 1864-65 to 53.80 percent. In 1864-65, the number of articles of all kinds carried by postmen was 74.59 percent and it increased to 97.94 percent in 1874-75.

**3.4.15. Window Delivery**

Window Delivery of mail was introduced in Madras GPO in 1850. The ticket holder or his representative was permitted to collect his letters at the post office window itself. It was another landmark move in the delivery system. Rural messengers were appointed for delivery of mail. They were asked to carry postage stamps and stationery for sale. The messengers were to go for delivery on the prescribed route weekly and biweekly. Some changes took place in the delivery establishment of postmen in 1888 – 89. The rural messengers who served in town post office were made regular postmen of that office. The rural messengers were re-designated as village postmen. The delivery system was improved more in the year 1905.
3.4.16 Extra Departmental Delivery Agents (EDDA)

Outside agents were employed as Extra Departmental Delivery Agents in 1926. Attempts were made to effect delivery of mail at least once a week in villages with a population of 500 and above. The total number of delivery staff in India was 15,286 in 1947 – 48. Additional 446 EDDAs were engaged to improve the frequency of delivery in the rural areas in 1958 – 59. The opening of new branch post offices in villages resulted in increase in the number of EDDAs. This helped in speeding up the delivery of mail in as many as 1894 villages. Daily delivery service was provided to 1388 villages in 1958 – 59.11

3.4.17 Zonal Numbering System

The zonal numbering system was introduced for segregation of letters received for delivery. It was introduced in Coimbatore and Karaikudi in 1958 and 1959 respectively. The zonal numbers allotted to different places in Coimbatore and Karaikudi are furnished below,

Coimbatore HO - 1 ; R.S. Puram HO - 2
Lawley Road - 3 ; Peelamedu - 4;
Singanallur - 5 ; Ganapathi - 6.
Karaikudi - ;
Karaikudi SO - 1 ; Sekkalai - 2,
Alagappa College SO - 3.

Then zonal numbers were introduced in Pondicherry town, Madras, Madurai, Salem, Vellore, Cuddalore, Nilgiris, Nagercoil and Tirunelveli in 1962 – 63. After the introduction of postal index number code the zonal system got merged with the PIN code.

3.4.18. Post Bags

The system of delivery of postal articles in a bag with a lock and duplicate key supplied by the renter is available at any delivery post office. The locked post bags along with postal articles are handed over to the renter on the production of the ticket during working hours. This system was beneficial to government officials and plantation workers.

3.4.19 Postal Index Number Code

PIN code was introduced on 15th August 1972. It is a landmark in the postal system of the country. The use of PIN code facilitates the postal staff to easily identify the delivery post office. The code consists of six digits. The first digit indicates the region, the second digit the sub-region and the first three digits together indicate the sorting district. The last three digits indicate the particular delivery office in the area served by the district. The department has taken several steps to popularize the PIN code.

3.4.20 Delivery of Mail on Holidays

The post office had to deliver all the mails even on post office holidays in the post – independence era. The delivery staff was paid overtime allowance. The number of holidays was restricted to three national holidays, namely, August 15, October 2 and January 26, but the practice was stopped in 1982. Relaxation was made when the holidays fell continuously for two or more days. Single delivery of fully paid unregistered articles on postal holidays except national holidays and Sundays was introduced in 1992.
### 3.4.21 Postal Facilities in Tribal Areas

The Government of India took concrete steps to develop tribal areas by improving communication network. In Tamil Nadu, 162 post offices were opened in tribal areas. The Government of Tamil Nadu has identified nine tribal areas in five districts under the Integrated Tribal Development Program. They are,

<table>
<thead>
<tr>
<th>District</th>
<th>Tribal Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salem</td>
<td>Kolli hills, Yercaud hills, Kalrayan hills, Aranathumalai, Pachamalai</td>
</tr>
<tr>
<td>North Arcot</td>
<td>Jawadhu hills including yelagiri hills.</td>
</tr>
<tr>
<td>South Arcot</td>
<td>Kalrayan hills</td>
</tr>
<tr>
<td>Dharmapuri</td>
<td>Sitheri hills</td>
</tr>
<tr>
<td>Tiruchirappalli</td>
<td>Pachamalai hills</td>
</tr>
</tbody>
</table>

### 3.4.22 Non-Postal Functions

A few government organizations were confronted some service problems in the last quarter of the 19th century. The government instructed the post offices to carry out non-postal functions such as sale of quinine to control malaria, collection of Broadcast Receiver License Fee, Collection of tobacco excise, revenue stamps, sale of TB seals, sale of passport applications and registration of license for cable TV operators.\(^{(12)}\)

### 3.4.23 Postal Services Board at the Headquarters

The management of the Department of Posts is vested in the postal services Board located in New Delhi. The chairman of the Postal Services Board is also the secretary to the Government of India for the Department of Posts and Director General of Post. The board consists of three members incharge of personnel,

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operations and development. In addition to these three members, there is a Financial Adviser.

The Board is assisted by a Secretary who is in the rank of Senior Deputy Director General. The Board as a body formulates the policy, directs and supervises the management of the postal services in the country. It is assisted by Deputy Directors General, Directors and other supporting personnel in the Postal Directorate.

3.4.24 Foreign Post Offices

The office which exchanges mails directly to foreign countries is called office of exchange. The office of exchange where customs examinations is also carried out is called foreign post. There are four major foreign post offices in India. They are located at four metro cities namely Bombay, Calcutta, Delhi and Madras. In addition to these four offices, sub foreign posts are also functioning at Ahmedabad, Bangalore, Cochin and Jaipur. The difference between the major and sub foreign post is that the latter cannot exchange mails directly to foreign countries, but customs examination of mails is alone done here. Madras Foreign Post was originally part and parcel of the Madras General Post Office, but with the passage of time, the traffic in foreign post as well as in GPO increased manifold. It became difficult for the postmaster to supervise both effectively, so the foreign post office started functioning independently with effect from 16.01.1962 under the charge of a superintendent.

The superintendent’s post was elevated to the grade of Junior Administrative Grade in the year 1981. One director was posted exclusively for this unit. This office deals with the mails meant for Tamil Nadu, Pondicherry and Andhra Pradesh except the twin cities of Hyderabad and Secundrabad. It handles direct inward
(incoming) mails from 22 countries. It makes direct dispatches of outward mail (outgoing) to 14 countries.

Exchange of international mail is governed by the regulations of Universal Postal Union (UPU). It was started in 1874. Almost all the countries in the world are its members. Letter post agreement of UPU is binding the member countries in the exchange of letter post items and parcel post agreement is binding in the exchange of parcel mails. This is not mandatory but optional. There is another kind of service called Bulk Bag. This service is availed for sending printed matters by a single sender to a single addressee. International Letter Mail and Parcel Mail are sent by the public and business community through Surface Air Lifted (SAL) and Express Mail Service (EMS).

3.4.25 Philately

Philately means record of the activities of the post office. It covers all king’s letters, the different ways they were transmitted, the postal stamps, the modes and method of collecting postage, ancillary and additional facilities offered to the public by the post offices, the stock and equipment required for postal operations, the various kinds of post office buildings and also archives of men, the machines that were used and the organizations which runs the day-to-day activities.

The Philately also includes collection of covers, cancellation, superscriptions, labels, postage stamps and stationary which showcases story of global operations. The postal history literature on the other hand consists of publications, which has in it information about postal operations with necessary illustration available. It is a great
use for philatelist in identifying and building up their collections and organizing relevant items into suitable exhibits for external pleasure or public exhibition.\textsuperscript{13}

\textbf{3.4.26 Postage Stamp}

A postage stamp is a small authentic and historical document which reflects the history of a nation, its activities in the past, and the present. The postage stamps of today are deeply connected with different aspects of our life. The inventor of these adhesive stamps would have never thought of the magnitude of the impact that his invention would create. The adhesive stamp was first introduced in Great Britain. The stamp was known as penny stamp. It was a small piece of paper in square shape. It was black in colour showing Queen’s head and postage of one penny. The penny black was issued from May 6\textsuperscript{th} 1840 and continued for a considerable amount of time.

It was made clear that the postage stamp is meant for paying postage.

In order to celebrate the 50\textsuperscript{th} year of independence, a special postage stamp was released by the Prime Minister of our country on August 1, 1947. It reflected India’s Freedom struggle depicting popular freedom fighters of INA. They were Shah Nawaz Khan, P.K. Sahgal and G.S. Dhillon. The denomination of the stamp was two and was available in all the district head quarters in the country.

Large numbers of postage stamps have been issued since 1947 on the theme of Indian Independence. Frequent displays of the stamps representing our diverse culture and freedom struggle are arranged by the philatelic bureau at all circle head quarters.\textsuperscript{14}

\begin{flushright}

\textsuperscript{14} Souvenir Cum Catalogue (1997), \textit{50 years of postal service in India}, Indepex 97.
\end{flushright}
3.4.27 Pincode and QMS

Quick Mail Service was launched in order to speed up communications. It is now available in 45 national and 47 regional centers to deliver articles. It is estimated that 4 lakhs Quick Mail Service are transferred per day. In order to facilitate quick processing and delivery, the letters should be parted in separate part boxes and the Postal Index Number should be written on the posts. The Postal Index Numbers were introduced to simplify sorting of mails. It helps in speed up the delivery of mails. The postal Index Numbers also called PIN numbers avoid duplication of names. With writing of pin code, the quick delivery of mail is possible regardless of language in which the address is written. In order to assist in the handling of the Quick Mail Service, the night post offices are functioning. These post offices work from 10 AM to 6 PM on Sundays and holidays and up to 8:30 on normal working days.

The Department of Posts has launched various services at the local head post offices. The franking machines provide an easily accountable system of repayment of postage on article generally used by mailers. This service was launched to reduce the customer’s waiting time. In order to attract more customers, the restriction of parcel not to weigh about 10 Kg for delivery at the address except at post office has been withdrawn and hence heavy parcels are now delivered at the place of the addresses. For booking of recorded delivery items and for granting receipts, special counters have been introduced in the post office.15

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3.5 SERVICES PROVIDED BY POST OFFICE

The Postal operations at the Post Office include a whole range of basic postal services. For a long time these services were provided at the manually operated postal counters. In an effort to provide the benefit of the technology to the customers, the counter-based services are rapidly getting computerized to provide a greater range of service to the customers from a single window enabling the services to be more responsive and error free. In this regard, there are many services provided by the Post Office. The researcher has listed those services which give a deep knowledge about the services offered by the Department of Post.

3.5.1 Mail Services

The process and delivery of the mails are the core activities of the Post Offices. For this purpose, the mails are collected from mail boxes throughout the country. They are processed and coordinated by the Rail Mail Service offices in the respective places and are transmitted through road, rail and airlines throughout the country. The following are the mail services provided by India Post.

3.5.1.1 Inland Letter Card

The communication is contained in sheet of paper which has a standard size and folding. These letter cards can be transmitted within India only. The letter cards from private enterprises are also accepted for processing on the condition that they meet the standard size and dimension prescribed by the Department of Post.

3.5.1.2 Post Card

In post card, the communication is contained in a card which has no folding and is in an open format. Like the Inland Letter Card, Post Card can be used for
transmission in India only. These cards are also accepted from private enterprises on the condition that they satisfy the standard size prescribed by the Postal Department.

### 3.5.1.3 Blind Literature Packet

As a token of gesture, the Department of Post allows free transmissions of Blind Literature Packet up to 7 kgs. These packets can contain papers of any kind, periodicals, books in Braille format or other special forms for the use of the blind. It can be sent by or sent to a blind person.

### 3.5.1.4 Parcel

Anything can be sent through parcel, barring items which are prohibited. It can have a single communication to the addressee. If it is suspected that the parcel contains anything other than the allowed communication, it will be opened in the presence of the addressee or the authorized agent. If any prohibited communication is found, each written communication will be charged double the amount of the letter postage. On refusal to pay by the addressee, the parcel will be returned to the sender from whom the charge will not be recovered.

### 3.6 FINANCIAL SERVICES

More than the mail service, the Department of Post provides finance related services. As it is in a compulsion to face competitors, the following are the financial services provided by the Department of Post.

#### 3.6.1. Rural Postal Life Insurance

Rural Postal Life Insurance was launched in 1995 with the aim to serve the rural population. The government gave the clearance and allowed Postal Life Insurance to expand its coverage to the rural areas to market the insurance business
keeping in mind the vast network coverage through Post Offices along with low cost operation. The prime objective of the scheme is to cover the rural mass and to benefit the weaker section of the society, especially women workers. It will also help to spread awareness about insurance amongst the rural population. The number of policies in force and sum assured for rural postal life insurance is given in table 3.6.

**Table 3.6**

**Rural Postal Life Insurance Growth in India**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Policies in force</th>
<th>Rural PLI sum assured (in crores)</th>
<th>Trend value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>11,33,013</td>
<td>4,403.92</td>
<td>363</td>
</tr>
<tr>
<td>2002-03</td>
<td>17,95,070</td>
<td>7,464.53</td>
<td>6860</td>
</tr>
<tr>
<td>2003-04</td>
<td>26,66,485</td>
<td>12,385.11</td>
<td>14083</td>
</tr>
<tr>
<td>2004-05</td>
<td>37,38,798</td>
<td>18,520.93</td>
<td>21306</td>
</tr>
<tr>
<td>2005-06</td>
<td>47,02,776</td>
<td>25,229.66</td>
<td>28529</td>
</tr>
<tr>
<td>2006-07</td>
<td>52,46,673</td>
<td>33,865.65</td>
<td>35752</td>
</tr>
<tr>
<td>2007-08</td>
<td>61,67,928</td>
<td>41,846.09</td>
<td>42975</td>
</tr>
<tr>
<td>2008-09</td>
<td>73,56,446</td>
<td>53,072.10</td>
<td>50198</td>
</tr>
<tr>
<td>2009-2010</td>
<td>99,25,103</td>
<td>59,972.59</td>
<td>57421</td>
</tr>
</tbody>
</table>

**PROJECTED VALUE**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Policies in force</th>
<th>Rural PLI sum assured (in crores)</th>
<th>Trend value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 – 11</td>
<td>–</td>
<td>–</td>
<td>64644</td>
</tr>
<tr>
<td>2011 – 12</td>
<td>–</td>
<td>–</td>
<td>71867</td>
</tr>
<tr>
<td>2012 – 13</td>
<td>–</td>
<td>–</td>
<td>79090</td>
</tr>
<tr>
<td>2013 – 14</td>
<td>–</td>
<td>–</td>
<td>86313</td>
</tr>
</tbody>
</table>

**Source:** Annual reports 2002-03 to 2010-11
It is clear from table 3.6 that the number of policies in force in rural life insurance is increasing from 2001-02 to 2009-2010 and the sum assured for rural life insurance policy is also increased for the year 2001-02 to 2009-2010. The trend value for the year 2001-02 is 363 and 2002-03 is 6860. In the year 2009-10, the trend value is 57421. The rural PLI sum assured for the year 2001-02 to 2013-14 is in increasing trend.

3.6.2 Money Order

It is an order issued for the payment of a sum of money to the person whom the money order is sent through a postal agency. The person who receives the money is identified a “Payee”. Sending the money through money order has an advantage that the money is delivered to the “Payee” at his doorstep. The total number of money order issued and amount of money orders are given below in table 3.7.
Table 3.7  
Total number and amount of money orders

<table>
<thead>
<tr>
<th>Year</th>
<th>IMO No. Issued (1000)</th>
<th>IMO. Amt Issued (1000)</th>
<th>Trend Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001 – 02</td>
<td>112180</td>
<td>61882573</td>
<td>73028570</td>
</tr>
<tr>
<td>2002 – 03</td>
<td>105030</td>
<td>86500040</td>
<td>73070109</td>
</tr>
<tr>
<td>2003 – 04</td>
<td>110147</td>
<td>68750244</td>
<td>73111648</td>
</tr>
<tr>
<td>2004 – 05</td>
<td>101598</td>
<td>70521651</td>
<td>73153187</td>
</tr>
<tr>
<td>2005 – 06</td>
<td>95790</td>
<td>71834293</td>
<td>73194726</td>
</tr>
<tr>
<td>2006 – 07</td>
<td>99100</td>
<td>77567057</td>
<td>73236265</td>
</tr>
<tr>
<td>2007 – 08</td>
<td>91046</td>
<td>83630582</td>
<td>73277804</td>
</tr>
<tr>
<td>2008 – 09</td>
<td>86693</td>
<td>79547693</td>
<td>73319343</td>
</tr>
<tr>
<td>2010 – 11</td>
<td>109552</td>
<td>58518401</td>
<td>73360882</td>
</tr>
</tbody>
</table>

PROJECTED VALUE

<table>
<thead>
<tr>
<th>Year</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 – 11</td>
<td></td>
<td>73402421</td>
</tr>
<tr>
<td>2011 – 12</td>
<td></td>
<td>73443960</td>
</tr>
<tr>
<td>2012 – 13</td>
<td></td>
<td>73485499</td>
</tr>
<tr>
<td>2013 – 14</td>
<td></td>
<td>73527038</td>
</tr>
</tbody>
</table>

Source: Annual reports 2002 – 03 to 2011 – 12

Figure 3.6  
Total number and amount of money orders
Table 3.7 reveals that from the year 2002 – 03 to 2010 – 11, the total number of money orders issued decreased from 109552 to 86693. The trend value of IMO money issued for the year 2001-02 is 73028570 and for year 2009-10 is 73360882. The projected value of IMO money issued for the year 2010-11 is 73402421 and for the year 2013-14 is 73527038. The IMO money issued is increasing from the year 2001-02 to 2013-14.

### 3.6.3 Instant Money Order

Instant money order is an instant transfer of the money between two individuals. The India Post offers this service through a web-based money transfer service. An amount of Rs. 1000 to 50,000 can be transferred from designated Post Offices. The individuals benefiting through this service should be residing in India.

### 3.6.4 International Money Transfer

The India Post has tied up with Western Union Financial Service of USA to offer International Money Service through Post Offices in India. It enables the instant transfer of money from 185 countries to India. The receiver can collect the money in minutes after the transfer of money. This service is beneficial to the dependants of the non-resident Indians, foreign tourists and students studying in India.

### 3.6.5 Videsh Money Order

India post introduced a new plan called Videsh Money Order. It facilitates remittances to and from foreign countries through the post office. The service was launched on 23 October 2009. The service was offered through head post offices in initial stage. Outward remittances are subject to RBI regulations. Its limit would be different for different destinations depending on the bilateral agreements with the countries.
3.6.6 Electronic International Money Order Service

India post and Emirates post signed an agreement on 2 January 2008 to launch ‘Electronic International Money Orders’ through the postal network. This helps for easy money remittance between peoples of India and the UAE. This service is provided through all head post offices in Delhi, Mumbai, Chennai, Kolkatta and Kerala state covering around 97 head post offices and over 2400 sub post-offices. The cash is paid at payee’s address through the postman up to Rs. 20,000/-. Amounts more than Rs.20,000/- and up to Rs. 50,000/- will be paid in cash across the post office counter. The amount exceeding Rs. 50,000/- will be payable by cheque. This scheme helps to transfer money speedily on very economical rates to any location. This service is a gift for residents in UAE, especially migrant workers. The location limit will be extended throughout the country soon, thereby covering the largest postal network in the world.

3.6.7 Mutual Funds

The Post Office has been a distributor of financial services like money order to other banking services. The Post Offices offer this service through its 1,50,000 branches operating all over the country. In order to strengthen its skills and network, the Department of Post has started retailing mutual funds and bonds. It was first started with the partnership of IDBI for distribution of mutual funds through Post Offices. It was first started in four circles of Delhi, Mumbai, Kolkatta and Patna. Thereafter, from 15th June 2001 onwards, the scheme was extended to cover Post Offices in all major capitals and other cities across India.
3.6.8 Electronic Clearing Service (ECS)

It is a method of clearing bulk payment transactions like periodic credit of interest or salary or pension by banks or companies. The transaction under this scheme is between single sources to a wide number of account holders. The Department of Post uses this service to credit monthly interest for depositors who have deposited under the monthly insurance scheme. The depositors get their interest credited into their savings bank account on their due date.

3.6.9. Distribution of Pension

The Department of Post has tied up with the ICICI Prudential Life Insurance Company Limited in September 2008 to market their products through select Post Offices. During the initial periods, only pension products were listed. Now, more products ranging from education, health protection and wealth creations are included. Now, these products are available in all the Head Post Offices in the country.

3.7 PREMIUM SERVICES

The mail services and financial services are not enough to meet the changing requirements of the people. To attract customers the Department of Post provides the following premium services.

3.7.1 Speed Post

Speed Post was launched by Department of Post in August 1986. This scheme was launched with the motive of delivering letters, documents and parcels across the country and the world. The uniqueness of this scheme is the “One India Rate” scheme that at the cost of Rs.25, letters and documents can be transmitted throughout the country. It also provides home collections, credit facilities and online tracking and personalized services for corporate customers and regular users.
3.7.2 Business Post

Business post provides total mailing solutions to businesses from mail preparation to mail delivery. It offers all services under one roof like mail for small business and large companies. The consumers can select from a wide range of cost effective professional mailing services including printing, inserting, sealing and addressing to meet their specific business needs.

3.7.3 Electronic Intimation of Delivery (E-IOD)

E-intimation of Delivery is a value added service offered by the Department of Post. It provides electronic information about delivery of articles through E-mail. In this process, e-IOD articles will be uploaded by the sending post office to the central server and then the e-mail would be generated to the mail box of the sender. The senders are provided a limited access to e-IOD server to download the delivery information in respect of articles sent by them. Conditions for offering this service may differ for different services and would be laid down from time to time.

3.7.4 E-payment

E-payment is a service offered by India Post to meet the needs of the business customers. This service allows collection of bills like telephone, electricity bills, school fee, insurance premium on behalf of any organization. The collection is consolidated electronically using a web-based software and payment is made through cheque from the specified Post Office. The information regarding the payment can be assessed by the e-payment user online.
3.7.5 Greeting Post

It is a private product of India Post. It is a card with envelope with preprinted postage stamp on the envelope. The stamp is a multicolored one of 5 cm x 4 cm x 3 cm of the denomination Rs. 5 written on the stamp. There is no need to affix postage stamps on the envelope. The greeting card has in it a round stamp in gray blue on the back of the card precisely on the flap. All the rules and regulations for the postage charges will be applicable to the greeting post.

3.7.6 Direct Post

With the growing commercial activity in India, the need for direct advertising of products and services by business organization is growing. Direct mail is a printed matter usually carrying a sales message or announcement designed to get a response from a carefully selected consumer or a business market. It now constitutes a predominant portion of mail traffic handled by postal administrators. The direct mail operators in two forms; the addressed and the unaddressed. The direct post belongs to undressed category of the direct mail and would comprise unaddressed postal articles like letters, cards, brochures, questionnaires, pamphlets, promotional items like CDs, floppies, cassettes, coupons, posters, mailers or any other forms.

3.7.7 Retail Post

Retail Post offers services to the common man at his door steps. It offers a range of services including collection of bills for electricity, telephone, premium for Insurance, collection of taxes for the government etc. Further, it also sells application forms of UPSC, SSC, and the like and that of the universities. Thus, it provides convenience to the common man in getting application for various examinations. In
addition, with third parties, there are other services offered including Indian Railway Passenger Reservation System for the public at selected offices, Forex Services in association with the HDFC Bank, sale of gold coins in association with RML and WGC.

3.7.8 Print to Post

Print to post is an unique product of India Post. It offers total solutions to the business covering printing services, mail services, distribution services, bill collection services. In the past, businesses were given to printers for their print requirements, mailing agents for pre-mailing requirements and to Post Office for mailing requirements. When a customer chooses Print-to-Post Service, it is all services combined under one roof including inserting, sealing, franking, mailing, distribution and collection of the bills. Once printed, the communication will be sent by Letter Post or Speed Post, as per the requirements of the customer. Hence, it is an integration of services from Print-to-Post services.

3.7.9 India Post Gold Coins

The Department of posts started sale of gold coins in association with world Gold Council and Reliance Money Limited. The denominations of Gold Coins are 0.5 gram, 1 gram, 5 grams and 8 grams. It sells through 108 post offices in Gujarat, Maharashtra, Delhi and Tamil Nadu circles. These gold coins are packed in a sealed cover with the certification from Valcambi, Switzerland. It has the benefits like internationally recognized certification, low risk of duplication, quality packaging, product standardization, numbering and assayer certificate. So this new service evoked tremendous response from the public.
3.7.10 E – Post

The Department of posts has introduced e-post service in 2004. Customers can send their messages to any address in India with a combination of electronic transmission and physical delivery through a network of more than 1,55,000 post offices. E-Post sends messages as soft copy through internet. It will be delivered to the addressee in the form of hard copy. The cost is Rs. 10 per page of A4 size. E-post provides a cost-effective distributive solution for sending messages across the country, covering urban and rural populace. New E-post services are available at 3340 post offices. The E-post corporate service is enabling the customers to send E-post from their premises for any destination across the nation. The cost is Rs. 6 per E-post message of A4 size. Corporate offices can design their own templates. It can send them to multiple addresses through e-post corporate service.

3.8 CHALLENGES FACED BY INDIA POST

India today has 1,54,000 post offices spread throughout the country out of which 1,37,300 are located in rural areas. The India Post has 6,00,000 employees, the third largest after the defense and railway sector. The India Post serves the population through its well spread organizational network. It does not limit its service at delivery and receipt of letters, but also serves with money order a service which is much sought among poor and illiterate people in India. It serves them at their doorsteps. The illiterate people prefer this service over banks because of its easy accessibility and simple procedures and the service they get at their doorsteps. The basis success for the India post is due to the better coordination and synchronization and the ability of its employees, fairly labour-intensive operation to integrate well with a sophisticated delivery system.
Recently, due to globalization and advancements made in technological and telecommunications fields and the emerging competitive market have thrown many challenges for the India Post. Like other network industries telecom and power, the India Post is also undergoing structural changes and reforms to cope with the situation to regain and remain in its position as the leader in the industry. Though the India Post is in a growing trend, it has to face challenges from competitors, technological development. The researcher presents the challenges faced by India Post.

### 3.8.1 Impact of Globalization

Globalization has brought many new challenges to India Post. There has been a considerable increasing activity in the economic sector and there has been a large number of transactions in terms of materials from India and into India. It opens up a role of multinational firms as competitors to India Post and offers serious challenge as the market leader. The multinational companies with their brand image, huge capital resources and their technology driven services have already made in roads into India Post. It has already lost its high-end market, international couriers like DHL and FedEx and Dart on the ground that India Post cannot be sufficiently trusted to deliver on time compared to the guaranteed assurance given by the multinational couriers. The India Post is in liaison with strangers like the US Postal Services provider, who would not answer the queries regarding the status of the mail. In contrast, the MNCs have the advantage due to their presence in many countries which is not the case of the India post. India Post has also not identified the market segment while the MNCs are clear with different customer segments. They have increased transaction areas such as students applying abroad for education in foreign universities and have treated them as unique and are offering privileges, while India Post has treated everything as general segment.
3.8.2 Impact of Technological Development

During the time of independence, India has 23344 post offices which were present mostly in the urban areas and in some selected villages. In post independence period, the situation has changed a lot and the postal department has witnessed a tremendous growth. It is estimated that at present, the post office serves an area of 21.13 square kilometers. The post offices set up initially did not have all the required facilities. The current facilities in the form of Fax, Internet, E-mail were reflect the revolution in the field of telecommunication.

The growth of telephone services is another drawback for the development of postal services. The number of telephone subscribers increased from 76.54 million in 2004 to 764.77 million in November 2010. The growth of broadband is one of the important developments that could further swallow the letter post. With the Internet revolution posing the threat of making the letter mail obsolete, postal monopolies throughout the world are undergoing restructuring. Another interesting development is that even the telephone services are now facing a stiff competition due to the emergence of mobile operators.

Recently, India Post has taken initiatives of slotting itself in cyberspace through the E-Post office to strengthen the financial and communication infrastructure. The basic function of post offices like delivering mails have been affected by the internet and other affordable alternatives. A question raised in the Lok Sabha gives an answer that the volume of mail fell down from 6688.18 million pieces in 2006-2007 to 6391.15 million in 2007-2008. It rose marginally to 6540.90 – million in 2008-2009, but the figure for 1997 is 15749.30 million, points out the
severity of the fall. Particularly, the developed economies saw postal business sliding down further with the onset of the recession. The Universal Postal Union provided in its statistics that between 2008-2009, domestic mail volumes were down to 12 percent globally. Now, there are signs of recovery, particularly in parcel and express segments. But the fundamental challenges posed by the emergence of alternative remain unchanged.

3.8.2.1 Estimated number of Various Items

Post Offices provide various services to public like financial services and premium services. It is engaged in the issue of post cards, letters and parcels. The estimated number of postcards, letters, newspapers, parcels and packets handled are given in table 3.8.
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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<tbody>
<tr>
<td>Post cards</td>
<td>3441240</td>
<td>2508570</td>
<td>2028460</td>
<td>2198053</td>
<td>1556900</td>
<td>1325300</td>
<td>1284600</td>
<td>1197100</td>
<td>1232400</td>
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<tr>
<td>Letters</td>
<td>8650076</td>
<td>6948903</td>
<td>5799327</td>
<td>5307536</td>
<td>4271366</td>
<td>3725477</td>
<td>2565000</td>
<td>2362100</td>
<td>2384300</td>
</tr>
<tr>
<td>Paid Service</td>
<td>8198300</td>
<td>6573390</td>
<td>5436990</td>
<td>4944740</td>
<td>4093094</td>
<td>3552171</td>
<td>3566300</td>
<td>3322700</td>
<td>336100</td>
</tr>
<tr>
<td>Unpaid</td>
<td>240530</td>
<td>189340</td>
<td>182770</td>
<td>185709</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Registered</td>
<td>198346</td>
<td>173520</td>
<td>167787</td>
<td>165076</td>
<td>166844</td>
<td>162935</td>
<td>171478</td>
<td>153367</td>
<td>152088</td>
</tr>
<tr>
<td>Insured</td>
<td>6948</td>
<td>6923</td>
<td>7126</td>
<td>8113</td>
<td>7952</td>
<td>7689</td>
<td>7660</td>
<td>7355</td>
<td>7282</td>
</tr>
<tr>
<td>VPP</td>
<td>5952</td>
<td>5730</td>
<td>4654</td>
<td>3898</td>
<td>3476</td>
<td>2682</td>
<td>2777</td>
<td>2903</td>
<td>2893</td>
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<tr>
<td>Newspapers</td>
<td>907000</td>
<td>622300</td>
<td>524920</td>
<td>463305</td>
<td>466128</td>
<td>496933</td>
<td>486600</td>
<td>498900</td>
<td>510000</td>
</tr>
<tr>
<td>Parcels</td>
<td>371129</td>
<td>277766</td>
<td>153901</td>
<td>111679</td>
<td>103310</td>
<td>125201</td>
<td>93319</td>
<td>99244</td>
<td>95012</td>
</tr>
<tr>
<td>Ordinary</td>
<td>27433</td>
<td>24490</td>
<td>23371</td>
<td>22009</td>
<td>23636</td>
<td>23603</td>
<td>22768</td>
<td>22669</td>
<td>22927</td>
</tr>
<tr>
<td>Insured</td>
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<td>3000</td>
<td>2834</td>
<td>3074</td>
<td>2738</td>
<td>2495</td>
<td>2651</td>
<td>2575</td>
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</tr>
<tr>
<td>Value Payable</td>
<td>3290</td>
<td>3556</td>
<td>3446</td>
<td>3069</td>
<td>2709</td>
<td>2503</td>
<td>2666</td>
<td>2263</td>
<td>0.0983</td>
</tr>
<tr>
<td>Unpaid</td>
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<td>246720</td>
<td>124250</td>
<td>83527</td>
<td>74500</td>
<td>66600</td>
<td>67900</td>
<td>74000</td>
<td>0.0314</td>
</tr>
<tr>
<td>Packets</td>
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<td>673130</td>
<td>587462</td>
<td>554664</td>
<td>69940</td>
<td>66500</td>
<td>73700</td>
<td>67120</td>
<td>0.131</td>
</tr>
<tr>
<td>Grand Total</td>
<td>14203284</td>
<td>11030675</td>
<td>9094070</td>
<td>8635237</td>
<td>7360358</td>
<td>6700713</td>
<td>4503219</td>
<td>4224464</td>
<td>0.0424</td>
</tr>
</tbody>
</table>

**Source:** Annual reports 2004 – 05 to 2011 – 12
It is clear from the table 3.8 that it handled 3441240 postcards in 2003-04 and there was a gradual decline in handling post cards in the year 2009-10 because of the modern communication growth. Like post cards, the issue of letters also decreased from 8650076 to 2362100 in the year 2003-04 to 2009-10. The paid service of post office was 8198300 in 2003-04 and it decreased to 3322700 in 2009-10. The unpaid service for the year 2003-04 was 240530 and in 2009-10, it was zero. The VPP service for the year 2003-04 was 5952 and it was reduced to 2903 in the year 2009-10. The parcel service was reduced to 99244 from 371129 in the year 2009-10.

3.8.3 Impact of Decision Making and Structural Problems

Currently, the Department of Post is an integral part of the Government of India as its commercial department. It yields significant amount of revenue. This is in contrast to other departments which run with social obligation which incur only cost. This commercial aspect, some ways becomes a hindrance to India Post. The Department of Post incurs deficit due to lack of powers to make swift decisions. It has to rely solely on Department of Finance for the sanction of funds. Though the Department of Post is classified as commercial, the pension liabilities of the employees are also clubbed to its cost. Adding to it, the Universal Service Obligation [USO] and commercial obligation is not separated as a result; the whole deficit is seen as one by the Ministry of Finance, thereby enhancing the control over Department of Post. The lack of decision making power affects its ability to enter into the areas where it has more advantages and success. For example, the Department of Post has an extensive presence in rural areas and it plays a leading role in mobilization of savings through its various saving schemes. These schemes are backed by the government guarantee and a competitive interest. The department of post wants to
capitalize on this by issuing micro credit to rural people which has proven successful with very high repayment rates with refinancing from national bank for agriculture and rural development. There has been a delay for more than 2 years to tune a pilot project in Tamil Nadu to provide feasibility. Also, proposal from Master Card for a prepaid card has been shuttling between the Department of Post and the Ministry of Finance over 4 years and is still not approved.

Failing to make timely decisions have also affected India Post significantly. Traditionally, India Post has been seen as an organization which incorporates changes and adapt to new technologies with changing times ever since the British rule. It has been in the forefront to utilize the new inventions to its favour. Few examples in this regard are: The India post used trains extensively when it was first introduced and similarly when air plane was introduced, it was the first user. In contrast, when computers where introduced, it was the last to adopt the technology. Today, it owns satellite technology and owns its own satellite, but the failure to catch up during the transition period has become a hindrance for its ambition. It has to spend in educating old workforce to get adapted to new technology.

In India, a significant fraction of people migrate from one place to another in search of jobs and send money order to home using India Post. Clearly, they also qualify for the Universal Service Obligation. There may be also other services which do not qualify for Universal Service Obligation. There has been a wrong understanding that the Universal Service Obligation necessarily has to involve a subsidy.
In terms of structural change, a World Bank study identified the strength and weaknesses of the India Post. The strengths were the following.

- A strong distribution network with good outreach
- 1,54,000 post offices of which 1,37,000 were in rural areas
- No Indian lived more than a several kilometers from a post office
- The Indian Post office through its one million employees is known by every Indian in India
- Through the post office savings bank accounts, the India Post has customer base of 110 million savers, with deposit in excess of US $ 44 billion.
- The India Post is a trusted institution.
- India Post is IT savvy.

Its drawbacks were identified as:

- Compared to the US Postal Services which deliver 550 million items of mail everyday, India Post handle only 43 million.
- It is low in customer awareness, service quality and business culture.
- It has a work force which does not have requisite skills to realize its views.
- It was a monopoly with weak incentives to perform.
- Its growing financial deficit limits its won scope for investments.
- It has a bureaucratic mindset.
- The management is constantly changing and is operating on seniority.

Post is a network industry having the nature of natural monopoly. Therefore, it is subjected to regulation and the prospect of unbundling to explore the possibility of competition in erstwhile monopolies. Officers of the India Post, state that the postal system in India is a monopoly in theory. Among the mail and non-mail segments that
India Post covers, monopoly is accorded only for the mail letter segment, but in other countries, the monopoly is offered to all articles below certain weight, which is enforceable. There is also free entry for private operators as capital requirements to start a courier service in selected areas as a point-to-point basis are minimal. In all other countries, the license fee charged is a form of revenue to the government to finance USO. In India, this fee is also not a hurdle as it is very small.

The Indian Postal System is difficult to characterize in terms of market structure. There is a dominant player, the India Post and several other small players like the couriers. While India Post has its obligations under the USO, the private couriers are free to select their markets favorable to them. The India Post has been a department of the government with no market orientation and no worry about the revenue or financial sustainability.

There has been a decline in India Post in terms of its own lofty standards. It is falling behind its private sector and international competitors who have chipped away the courier market. Every other service in India post is incurring a loss except foreign mail and speed post. It is sad that India post is facing the apparent paradox of falling demand, coexisting with low prices; even it has subsidized universal service obligation USO segment, like post cards and the letter mail. India post is cannibalizing its letter mail market by delivering normal mail with inordinate delay in order to promote its speed post.

The post offices have a wider coverage and even in remote areas of our country. But the question largely remains that is it beneficial to the common man. It has been founded that there is minimal utilization of the offering resources. In many
policy studies undertaken in five year plans, there are various policy decisions taken by the postal department which reveal that the decisions do not go along with the expectations in the user end. There is a difference between the market demand and policy assumptions. The difference are:

- It is a policy assumption that whenever a post office is established, it contributes to the development of the area. The reality is that economic development leads to demand for postal service and not the other way round. The Postal Services network to a certain extent were mandatory in the early years of the 20th century but as time passed and rural sector got linked up to electronic means of communication including telephone land-lines, importance of development of postal network continued to decline except in some remote, hilly and tribal areas. Otherwise, development of roads, telephones and local market to encourage movement of agricultural products has become more important.

- It is a policy assumption that if any post office is set up, over a period of time its traffic increases till the post office becomes a profit-earning center. In reality, Savoor Committee and Talwar Committee reports reveal that a large number of post offices have been opened particularly in the rural sector without adequate justification and they have not contributed to the increase in traffic with the result that the traffic has been static in a large number of rural areas.

- It is a policy assumption that if the State Government is asked to contribute to the cost of the post office, then the part of the cost could be recovered. In reality, NRC has been paid by some State Governments only as first installment and thereafter most State Governments have not paid for NRC thereby it led to loss of contribution.

- It is a policy assumption that as rural post offices are opened, the cost per post office is minimal and remains static over a period of time. The reality is that since dearness allowance and other allowances are being revised continuously, the cost per post office continues to grow even if there is no increase in traffic.
It is said that Post office has a Universal Service Obligation (USO) and therefore, the government is duty bound to open post offices wherever they are required. It has to be determined that up to what extent this Universal Service Obligation of the nation can be met. It depends on the health of the economy and the priorities and one should remember that there is no such thing as free and somebody has to bear the cost of the USO.

It is a policy assumption that as number of post offices increase, economies of scale starts working to the advantage of the post office. In reality, economies of scales work only when the traffic increases faster than the cost involved, but as the traffic is static or declining, the economies of scales will not work.

It is said that there are over 6 lakh villages and it is important to provide cheap and efficient service to all the villages. The fact is, when many existing Branch Post Offices (BOs) do not have any traffic, it can be presumed with certain exceptions that the traffic will not be adequate to justify opening of more B.Os.

The post office has enormous capacity and capability to provide services but the problems have arisen due to overblown infrastructure over the years. It has not taken into account the cost involved and the extent to which these costs can be met. In a survey conducted in 1973, 9 out of 11 branch post offices were opened on the basis of questionable data. It was only to enable opening of unviable post offices. This problem has compounded but the fact that targets were laid down and there was pressure on the postal circles to open post offices even when many of them were not viable. In the 70s, a number of post offices were opened in great haste ignoring the economic viability. This is not to suggest that the infrastructure created with a view to ensure that optimal results are obtained. There is no social purpose served by opening post offices, which do not generate any worthwhile work. There is no increase in the cost, but the cost of operations goes up by 8 percent per annum as DA on salary and pension has to be paid to the working employees and pensioners as the
case may be. There are two ways of approaching this problem. One way is to cut
down the cost of operations, the other way is to increase the volume of transaction,
provided the business generated is economically profitable.

It is found that the operational cost of the post offices have increased manifold
with 90 percent of spending was in the form of salary, diesel, electricity and other
establishment costs. On the contrary, the business and the returns generated are not
economically profitable. After the implementation of the fifth pay commission, the
operational cost has risen. This was advantageous to private operators who give 1/3
of ¼ of the salary to their delivery men or other sorting assistants, as a result they are
running in profits.

3.8.4 Impact of Emergence of Private Courier Operators

The Indian courier industry consists of national, local and regional players.
Integrators primarily concentrate on international operations. Some of them are
seriously looking into the domestic market as well. The national players mainly
operate domestically with a gradual increase in their international operations. Some
of them are seriously looking into the domestic market as well. The national players
mainly operate domestically with a gradual increase in their international operations.
Regional players operate regionally. Local players are quite unorganized. They are
key players in narrowly defined local markets. India post is also a major player in the
express delivery industry. The share of organized players is estimated at 65 percent.
The structure of the industry can be gauged from the fact that although there are more
than 2000 players operating in the country, only 20-25 players operate at the national
level.
Meeting increasing customer expectations, upgrading technology to deliver the best services, combating increasing cost and competition as well as expanding core activity to other services are some of the major challenges India’s express services industry is expected to face in the coming years.

The Department of Post justifies the proposed amendments. The law makes a critical difference between a letter and a document and gives the exclusive right to carry letters. Hence, private couriers are permitted only to carry documents, but since no one knows the distinction between documents and letters, private courier companies have exploited this ambiguity and have been carrying everything. This has caused the Department of Posts to lose ground to the private sector with a consequent loss of revenue for the government.

The India Post also lost to the private couriers in the speed post segment. In terms of service, private posts are at the doorsteps of the client and book the material both for the individual and consumer and the corporate. For the EMS speed post, one has to go to the post office and hand them in person. Though it was obliged to offer the service, it does not do it on a routine basis. In the case of private operations, the private operators visit the offices of the corporates to collect the materials around 4 and 6 PM and it gives sufficient time for the employees to get the material ready, but in the case of the India Post, the material has to be ready for dispatch around 12:30 PM. The private couriers have also the option of decision making in a quick time in terms of offering discounts to high value customers, but in case of India Post, it is impossible because the pricing decision could be made in by the government in Delhi and some of the decisions even require legislative approval, which is time consuming.
Similarly, the private couriers has the lobbying power by bribing the employees of the state owned airline carriers to carry their post bags and in some cases influencing through political connection to prefer their couriers than that of India Post’s Speed Post and EMS.

The India Post could not withstand competition, because of its own poor standards and wrong choices. During earlier times, there was QMS [Quick Mail Service] launched by the India Post. The scheme is that any article can be dropped in the QMS box. It is a separate box delivered to the customer the very next day in most urban areas. Had the India Post continued this service, there would have been no way for the private couriers to have come up. In addition, the India Post had the mobile post office services in cities mainly to pick up letters in the evening.

Further, the Indian Railways played a vital roles in which each train had a mail van and the sorting was done in the train during travel itself. But the QMS and speed posts were dropped in the 1980s and one of the reasons was the decision of railways to cut the number of stops in order to increase the speed of the train. This offered a limited time for the sorting of letters and the removal of stations where the train stops were added hindrance. The India post also relied on another state owned carrier, the Indian airlines to deliver letters throughout India. However, during the course, the airline became traveller centric and many air routes which were not economically viable to operate were dropped bringing down the India Post. Meanwhile, the India Post also found that its services like mobile post had a diminished customer base and it was no longer financially feasible for it to operate such services.
The India Post also experienced an expansion in its network. This led to an increase in staff strength. It should be noted that the increase in network did not correspond to the increase in the number of mails. Due to increase in manpower, there was lack of quality of supervision. The communication system in the network also deteriorated and there was an overall decline in accountability.

3.8.5. Impact of Customer Dissatisfaction

Though booking of letters and parcels to abroad have been already lost to private MNC couriers, there has been a decline in India Post’s domestic segment as well. Part of it can be attributed to revolution in information technology that it seems it has lost its reputation of safe delivery from the customer’s mind. There has been many instances where the employees of the India Post have faulted in prompt delivery of mails and on many occasions no delivery of mails. A noticeable event was the parcel of crucial public exam answer sheets meant for evaluation was found on the railway track near the Villupuram railway station and in another incident exam answer scripts were found damaged during transit. These types of incidents have sown a doubt among the members of exam boards regarding the trustworthiness of the India Post and they are considering going far alternative options. In yet another incident, a post master of the rural branch was arrested and was later found that he has not delivered the posts for months. The seized posts also included call letters for interview. Apart from this, there are incidents where the employees of the rural post offices committed financial irregularities on the deposits. There are also incidents reported where the postal agents disappear with the collected premium amounts of the depositors. Though these events are of minimal nature considering the vast structure of India Post, they could not be ignored given the fact that India Post is fighting hard to retain its market share both in the mail segment as well as the capital segment.
3.9 Summary

In the modern developed scientific age, man has invented satellite communication and one can speak from any corner of the world to other corner in a second, but even then the importance of letters in the modern communication has not reduced to single fraction. This feeling will remain immortal forever. In this vast and complex country where the modern and the tradition have always co existed, the post will continue to be useful and programmes of modernization will ensure its relevance for the society in the coming years. Thus this chapter highlights the history, growth, services and challenges of post office.