

Posts

9.38 India possesses one of the most extensive networks in the world with 1.55 lakh (as on March 31, 2002) post offices/outlets spread all over the country. Almost 90 percent of the postal outlets are in the rural areas. On an average, a post office serves an area of 21.17 sq. km and a population of approximately 6,600 inhabitants. At the international level, the coverage in terms of population by Indian Posts compares well with many developing countries thereby underlining the social bias of the postal service (Table 9.9).

9.39 The Indian postal system currently provides 38 services which can be broadly divided into three categories of activities, viz, communication (letters, postcards, newspapers), transportation (parcels, money orders etc), other services (resource mobilization, postal life insurance)

9.40 The financial position of the postal department has continuously deteriorated in the last decade. The postal deficit was Rs 1,411.51 crore in 2001-02. Social considerations have been important in fixing the tariffs of postal services. Most postal services are heavily subsidized. While a subsidy on a few items covered under the Universal Postal Service Obligation (UPSO) may be justified, the pricing of non-UPSO services need to be fixed on commercial principles. The Steering Committee on Communications and Information for the Tenth Five Year Plan has recommended inclusion

Country	Populations served	Average area served (sq/km)
China	22,490	168
India	6,568	21
Indonesia	10,806	96
Malaysia	18,489	269
Sri Lanka	4,192	14
U.K.	3,377	14
USA	7,471	246

Source: Official website of UPU.

of postcard, inland letter, and money orders up to a certain limit, to be included under UPSO. Price of other services should be determined on commercial basis with a view to achieve the objective of self-sufficiency. The details of per unit subsidy and total amount paid on various services is in the Table 9.10.

9.41 The Government is now moving towards consolidation and integration of the steps taken in the past for computerization and modernization of the postal system in harnessing the emerging technologies to improve the services offered through the network. About 2 crore postal transactions are done through computers every month. A VSAT network for prompt transmission of money orders with 150 micro earth stations capable of linking about 5,000 post offices has been established.

9.42 In order to expedite the transmission of closed mailbags and also to have better tracking and tracing of such bags, 28 important transit mail offices are being computerized. With a view to speeding up of registered articles, registration-sorting work in the country is being computerized, 69 such centers have been computerized till now. In order to ensure the efficient functioning of

Service	Subsidy per unit (Rs.)	Traffic (in million)	Total deficit (Rs.crore)
Post Card	6.70	193.30	129.59
Printed Post Cards	1.73	93.49	16.16
Letter Cards	4.79	329.48	157.66
Registration	18.93	196.08	371.28
Money Order	29.61	106.73	316.05
Reg.Newspaper (Single)	8.54	73.09	62.44
Reg.Newspaper (Bundle)	14.39	18.06	26.00
Printed Books	10.44	25.90	27.03
Parcel	3.37	64.29	21.65
Others	N.A.	1996.13	185.27
Total	N.A.	3,096.55	1,313.13

Source : Department of Posts.

the head record office, the department is computerizing the working of head record offices. So far 22 head record offices have been computerized.

9.43 A proper work environment is necessary for efficiency. In order to improve the ergonomics and ambience of the mail offices and to provide them with better operational equipment, the department is modernizing mail offices. So far 192 mail offices have been modernized. The field formations are also restructuring the delivery arrangements in the post offices keeping in view the requirements of customers in specially new colonies in urban areas. To meet the challenges of changing market demand, a number of new services have been introduced, such as speed post, business post, express parcel post, media post, greeting post, data post, passport services, and satellite post. In order to bridge the digital divide, "e-Post", for delivering e-mail at the doorstep of the citizens, is running in the five states namely, Andhra Pradesh, Goa, Gujarat, Kerala and Maharashtra. To provide the facility of paying all types of bills at one window, "e Bill post" an internet based utility bill collection service was launched in the post offices.

9.44 The post office Savings Bank, which is the largest bank in India in terms of network, accounts and annual deposits, has introduced a number of financial services in collaboration with the private sector. Enhancement of revenues, faster economic development and an increase in the penetration of sophisticated IT enabled financial services are the prime drivers for these new initiatives. Public access to the capital market is facilitated by a tie-up with asset management companies such as IDBI Principal, Prudential ICICI, UTI Bank and SBI Mutual funds for distribution of mutual funds and securities. A partnership with Western Union Financial Services Ltd., has enabled post offices to provide instantaneous international money transfer from 190 countries. Cashless movement of funds is promoted through an electronic money transfer mechanism, which helps lower costs for the economy as a whole. The main point of concern is the skill development of the huge manpower spread across the country. A special partnership has therefore been launched with Invest India Economic Foundation, to train and educate both the employees of the post offices as well as its customers on various issues relating to the financial markets.