

## POSTS

9.99 India Post is under universal service obligation to provide basic postal facilities throughout the country at an affordable price. A network of 1,55,516 post offices in the country, the largest in the world, of which more than 1.39 lakh are in rural areas is indicative of this commitment.

### IT Induction

9.100 Rapid introduction of information technology has not only changed the way post offices do business the world over, but also the businesses that they do. While technology has enabled India Post to add value to its traditional postal activities like mail processing, tracing and tracking of consignments, etc., it has also offered new opportunities for introduction of various IT-enabled services like electronic money transfer — both domestic and international — electronic payment of the bills of various service providers and collection of fees.

9.101 The 8,263 computerized post offices in the country serve as an IT backbone of the department. The Eleventh Five Year Plan target is to computerize the rest of the 17,878 departmental post offices, besides computerizing 64,000 selected branch post offices in the rural areas. 1,318 post offices/administrative offices would be networked with the National Data Centre in Delhi by the end of March 2008. This strong IT base would enable India Post to provide several additional value-added services besides providing “anywhere-anytime” banking. The Post Office Savings Bank is the largest savings bank in the country in terms of network, and having more than 16.43 crore accounts with deposits amounting to Rs. 3,23,842.58 crore as on March 31, 2006. Other major initiatives of the Department of Posts in the year 2007-08 are outlined in the following sections.

### Introduction of Logistics Post Air

9.102 In August 2007, India Post launched its first freighter aircraft connecting Kolkata-Guwahati-Imphal-Agartala to expedite the delivery of mail and parcels in the North-Eastern States. The difficult geographical terrain of North-East India has been a limiting factor for free movement in the region. A new service named Logistics Post Air has been launched which provides for collection, transportation by air and delivery of large consignments in the North-East. This service has

provided huge business opportunities to the entrepreneurs in the North-Eastern States of India. On an average 165 tonnes of logistics freight is being carried per month on this sector. There has been an increasing demand to extend this service to other North-Eastern States of India.

### India Post – SBI tie-up for rural banking

9.103 The alliance with the State Bank of India has provided India Post an opportunity to play a more meaningful role in the national effort to expand coverage of rural banking. The reach and retail network of India Post in the rural areas combined with the banking expertise of the State Bank of India has the potential to extend modern ICT-based banking facilities, including loan facilities, to cover one lakh non-banked and under-banked villages in the country. The pilot project being undertaken in the five States of Andhra Pradesh, Tamil Nadu, Maharashtra, Karnataka and Jharkhand operating through the post offices will soon be extended to other States. This tie-up has also the potential of benefiting small and medium entrepreneurs in the rural areas thereby giving a boost to rural and small-scale industries.

### New mail paradigm

9.104 India Post has designed a new mail paradigm whereby technology would be leveraged to create the focal points for expedited processing and delivery of mails. The idea is to consolidate the resources and the infrastructure to create Mail Business Centres as an integrated point to handle both the production and marketing of mail. Personnel skills are being enhanced through extensive training in marketing. So far 126 Mail Business Centres have been opened in the country.

### Investment of Postal Life Insurance and Rural Postal Life Insurance Fund

9.105 The Government has decided to invest Postal Life Insurance and Rural Postal Life Insurance Funds, hitherto deposited with the Ministry of Finance under special deposit scheme in Central Government securities, Infrastructural Bonds and other approved securities as per the IRDA guidelines. An investment board would decide policy guidelines for the management of the fund whereas an investment division manned by financial experts would take day to day decisions. Execution of the decisions of the investment

division would be made by two public sector asset management companies.

### **Special Purpose Vehicle for Estates Management**

9.106 A proposal to create a Special Purpose Vehicle for planning and execution of commercial utilization of vacant plots of land and buildings is under active consideration of the Government. The SPV is proposed to be a 100 per cent subsidiary of the Department of Posts.

### **Leveraging the network of India Post**

9.107 Rural postal network of India Post has emerged as an effective delivery mechanism for the Central and State Government schemes and services. The IT-enabled network of the India Post has been successfully utilized for disbursement of wages to the beneficiaries under NREGA in 19 districts of Andhra Pradesh and in all 22 districts of Jharkhand. The scheme is also operative in Karnataka, Madhya Pradesh and West Bengal. More than 40 lakh post office savings bank accounts have been opened so far for disbursement of wages to the beneficiaries under NREGA. Arrangements are being worked out with the Ministry of Rural Development to extend this facility to other States. Further, 2,000 self-help groups in five districts of Tamil Nadu have been credit linked to the post offices on behalf of NABARD. Disbursements of benefits under the old-age pension scheme is also being done through post offices in Bihar and Jharkhand. It is proposed to utilize Postal Savings Bank facility for disbursing national old-age pension payments also.

### **Railway reservations**

9.108 Booking of rail tickets through post offices is yet another effort by the India Post to extend the benefits of IT induction to people residing away from the railway reservation centres. The scheme, initially proposed to be launched at 30 locations, will be extended to rural areas also. Further tie-ups with the railways with regard to parcels, sale of unreserved tickets, etc., is also being planned.

### **Online acceptance of RTI applications**

9.109 The Government of India has entrusted sub post masters at tehsil level to act as the Central Assistant Public Information Officer (CAPIO) to accept RTI requests and appeals from

all Central Government Departments. About 629 post offices at the district level and 3,043 at the tehsil level have been equipped with the necessary facilities to accept online RTI requests and appeals on behalf of the Central Government Departments/ organizations/PSUs.

### **Instant Money Order (iMO)**

9.110 Instant Money Order (iMO) service, which is available at 560 post offices, has revolutionized money transfer in the country. It is a web-based online domestic money transfer service. The service is instant and the payment can be received within minutes of the transaction being done. This service can be availed for remittance of an amount exceeding Rs. 1,000 and below Rs. 50,000. Payment is made in cash to the payee on production of a valid identity card and a confidential 16-digit number.

### **Thrust on Global business**

9.111 Keeping pace with the growth in the Indian economy and the export market, India Post has conceptualized a strategy for capitalizing on the emerging communication requirements the world over. To develop a focused approach and manage the potential of global communication business requirements in the postal and logistics sector, a new Global Business Division has been set up in the Postal Directorate. This division has started interacting with the world leaders in postal administrations and service providers to explore various business opportunities for the India Post. An MoU has been signed between India Post and Deutsche Post for cooperation to create synergies between the two postal administrations.

### **Electronic Payment System**

9.112 More than 5,500 post offices across the country are providing an IT-based bill/ fee/ tax collection facility called e-payment. In this system all bills/fees/taxes collected are consolidated electronically in the central server and a cheque for the total amount due along with the MIS is given to the service provider. E-payment would immensely benefit both rural and urban populations by making it possible for them to deposit bills/ fees/taxes in nearby post offices.

9.113 All these new initiatives have started

impacting the revenue generation of the department. However, the user charges roughly cover about 78 per cent of the cost thereby bringing an element of subsidy in the postal services. It is worth noting that 22 per cent of the expenditure is on account of pension liability. If this amount is excluded then the revenue of the department roughly covers its expenditure. The deficit, which stood at Rs. 1,382 crore in 2004-05, has come down to Rs. 1,250 crore in 2006-07. Redefining

the rationale and the delivery mechanism of the subsidy needs to be addressed urgently, more so in view of the fact that a large number of private couriers are operating in the market without any regulator in place. In order to provide a level-playing field to the department and also to regulate the courier market, the Government is considering appropriate amendments to the Indian Post Office Act, 1898.