



Genesis and evolution of Indian post office, its services and contributions to the society : a study.

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Abstract

Post Office is a customer service facility forming part of a national portal system. Prior to the advent of Postal and Zip Codes, postal system would route items to specific post office for receipt of delivery. The evolution and genesis of postal system is a very significant and important subject matter of study which dates back to 2400 B.C. The most powerful countries of the world like the United States of America, the Egypt and the United Kingdom were the pioneer in this line. In India too, the genesis of the postal system is a very important and interesting subject matter of study. During the process of development, the Postal system has evolved greatly affected by factors known and unknown. Here in this present study, an effort has been made to visualize the different factors which are responsible for evolution of the postal system around the globe and of course in India both pre and post independence. It is worth mentioning that the Postal system has evolved along with development of modern digital system. The whole postal system has ramified with the latest development of postal banking.

Keywords: Indian Postal System, Philately, ZIP, PIN, PLI, CIS, CPI, IPPB.

1. Introduction

Long before telephones, email and social networking, the letter was the only way people could communicate with each other over distance. The post helped families to keep in touch, merchants and traders to carry out their business and Government to communicate with its representatives throughout the country. Telegraph, banking and telephone services were gradually added to mail services. Now in post offices throughout the country, people can send letters, collect their pensions, pay bills and renew their television license. This study describes how the Post Office has evolved over the years, highlight the services of the Post Office and its staff and demonstrate the important contribution it has made—and still

makes—to the daily lives of people throughout the land.

2. Hypothesis

Present work has been taken in to consideration to highlight the facts and genesis behind the development of Postal system in the world and in turn India.

3. Objectives

- i) to know the genesis and evolution of Indian Postal System.
- ii) to study the service rendered by the Indian Postal System.
- iii) to identify the social contribution (both in urban and rural) made by Indian Postal system.

4. Discussion

Post offices offer mail-related services such as acceptance of letters and parcels; provision of post office boxes; and sale of postage stamps, packaging, and stationery. In addition, many post offices offer additional services: providing and accepting government forms (such as passport applications), processing government services and fees (such as road tax), and banking services (such as savings accounts and money orders). The chief administrator of a post office is called a postmaster. During the nineteenth-century, in the United States, postal system would route items to specific post office for receipt of delivery which in turn often led to smaller communities being renamed after their post offices; particularly after the Post Office Department ceased to permit duplicate station names within a state. There is evidence of corps of royal couriers disseminating the decrees of the Egyptian pharaohs as early as 2,400 BC and the service may greatly precede even that date. Similarly, organized systems of posthouses providing swift mounted courier service seems quite ancient, although sources vary as to precisely who initiated the practice. Certainly, by the time of the Persian Empire, a system of Chapar-Khaneh existed along the Royal Road. The 2nd-Century BC Mauryan and Han dynasties established similar systems in India and China. Suetonius credited Augustus with regularizing the Roman network, the *cursus publicus*. Local officials were obliged to provide couriers who would be responsible for their message's entire course. Locally maintained post houses (Latin: *stationes*) privately owned rest houses (Latin: *mansiones*) were obliged or honored to care for them along their way. Diocletian later established two parallel systems: one providing fresh horses or mules for urgent correspondence and another providing sturdy oxen for bulk shipments. Procopius, though not unbiased, records that this system remained largely intact until it was dismantled in the surviving empire by Justinian in the 6th Century. The Princely House of Thurn and Taxis initiated regular mail service from Brussels in the 16th century, directing the Imperial Post of the Holy Roman Empire. The British Postal Museum claims that the oldest functioning post office in the world is on High Street in Sanquhar, Scotland. This post office has functioned continuously since 1712, an era in which horses and stage coaches were used to carry mail. In parts of Europe, special postal censorship offices existed to intercept and censor mail. In France, such

offices were known as cabinets noirs.

Indian postal systems for efficient military and governmental communications had developed long before the arrival of Europeans. When the Portuguese, Dutch, French, Danish and British displaced The Marathas who had already defeated the Mughals, their postal systems existed alongside those of many somewhat independent states. The British East India Company gradually displaced other powers and brought into existence a British administrative system over most of India, with a need to establish and maintain both official and commercial mail systems. Thus, the first post office in India was established by British East India Company in Bombay in 1764. Pin code system was introduced in India on 15 August 1972.

The Department of Posts, operating as India Post, is a government-operated postal system, simply referred to within India as "the post office". With its far-flung reach and its presence in remote areas, the Indian postal service provides many services such as small savings banking and financial services. As of 31 March 2011, the Indian Postal Service has 154,866 post offices, of which 139,040 (89.78%) are in rural areas and 15,826 (10.22%) are in urban areas. It has 25,464 departmental POs and 129,402 ED BPOs. At the time of independence, there were 23,344 post offices, which were primarily in urban areas. Thus, the network has registered a sevenfold growth since Independence, with the expansion primarily in rural areas. On an average, a post office serves an area of 21.23 sq.km and a population of 7,114 people. India is believed to have the most widely distributed system in the world (China has 57,000, Russia 41,000 and the United States 38,000 offices). This proliferation of offices results from India's history of having many disparate postal systems, eventually unified in the Indian Union after Independence.

India has been divided into 23 postal circles, each circle headed by a Chief Postmaster General. Each Circle is further divided into Regions comprising field units, called Divisions, headed by a Postmaster General, and further divided into units headed by SSPOs & SPOs and Sub Divisions headed by ASPs and IPS. Other functional units like Circle Stamp Depots, Postal Stores Depots and Mail Motor Service exist in various Circles and Regions. Besides the 23 circles, there is a special Base Circle to provide the postal services for the Armed Forces of India. The Base Circle is headed by an Additional Director General, Army Postal Service holding the rank of a Major General.

The services of post office are :

4.1 Mail services

The primary function of post offices in India is collection, processing, transmission and delivery of mail. The word mail includes Letters, Postcards, Inland Letter Cards, Packets, and Ordinary, Registered, Insured, Value Payable articles and Speed Post. The mails are classified in to two types' i.e. first class mails and second class mails. First class mail gets free air transmission within India; whereas second class mail gets air lift only if prepaid with air surcharge. The mail is collected from 579595 letter boxes by 154979 post offices in the country. This is processed by a network of 389 mail offices and 89 national speed post hub and conveyed by road, rail and airlines all over the country. Traditionally mails were handled on a regular line or path and their concepts were based upon fundamental rules laid down for its operations causing more disadvantages and dissatisfaction to the customer. To overcome these drawbacks India Post has embarked upon a massive exercise to review and restructure the mail operations starting from booking to delivery of mails. Project arrow launched in 2008 aims to improve the core operations of a post office which includes the improvement of delivery efficiency for all kinds of articles. About 15000+ post offices have been covered under project arrow. Traditionally, booking of registered articles, insured and Value payable articles, speed post were being provided at manually operated counters. Considering the vital need for providing the benefit of technology to the customers, the mail operations are now computerized to improve efficiency of operations. Track and Trace facility is available for speed post and registered post articles. This will definitely boost the reliability of the customers.

4.2 Philately

The first philatelic Society in India was founded in Calcutta on 6 March 1897 to service postage-stamp collections. Function include design, printing and distribution of special or commemorative postage stamps, definitive postage stamps and items of postal stationery, promotion of philately, conduct of philatelic examinations at the national level, participation in international exhibitions and monitoring exhibitions at the state, regional and district levels and maintenance of the National Philatelic Museum. Philatelic bureaus were established in head post offices located at circle headquarters and at district-capital head post offices (as necessary). There are 68 philately bureaus and

1111 philatelic counters, including all head post offices in the country as of 31 March 2011. A domestic philatelic deposit-account system was introduced on 1 August 1965 at all philatelic bureaus. Customers are given priority in purchasing commemorative or special-issue stamps, first-day covers and information sheets soon after their issue by opening a deposit account at any philatelic bureau. The number of philately deposit-account holders grew from 23,905 in 1999–2000 to 168,282 in 2006–2007 and 183,202 in 2008–2009. Four philatelic Bureaus—the Bombay, Madras, Calcutta and Parliament Street, New Delhi GPOs are authorized to sell United Nations stamps. A quarterly philatelic magazine, *Philapost*, was launched in 2008.

The Department of Post has also developed software for philatelic inventory management, known as “Philsim”. It is used for all activities relating to philately, including forecasting, indenting, invoicing, monitoring supply and demand and recording sales and revenue for commemorative stamps and other philatelic products at philately bureaus and counters (and definitive stamps and stationery at circle stamp depots and head post offices).

The National Philatelic Museum of India was inaugurated on 6 July 1968 in New Delhi. It had its beginnings at a meeting of the Philatelic Advisory Committee on 18 September 1962. Besides a large collection of India Postage stamps designed, printed and issued, it has a large collection of Indian states (confederate and feudatory), early essays, proofs and colour trials, a collection of Indian stamps used abroad, early Indian postcards, postal stationery and thematic collections. The museum was renovated in 2009 with more exhibits, a philatelic bureau and postal objects (such as Victorian post boxes). The Department of Posts inaugurated the National Philatelic Museum on 11 July 2011. It exhibits rare postage stamps from around the world and provides a venue for philatelists to exhibit their collections.

4.3 Army postal service

The Army Postal Service (APS), functions as a government-operated military mail system in India. A primary feature of Army Postal Service systems is that normally they are subsidized to ensure that military mail posted between duty stations abroad and the home country (or vice versa) does not cost the sender any more than normal domestic mail traffic. In some cases, Indian military personnel in a combat zone may post letters and/or packages to the home country for free, while in others, senders located in a specific overseas

area may send military mail to another military recipient, also located in the same overseas area, without charge.

4.4 Electronic Indian postal order

The Electronic Indian Postal Order (e-IPO) was introduced on 22 March 2013, initially only for citizens living abroad. The postal orders can be used for online payment of fees for access to information under the RTI Act of 2005. The service was expanded to include all Indian citizens on 14 February 2014.

4.5 Postal life insurance

Postal Life Insurance (PLI) was introduced on 1 February 1884 with the express approval of the Secretary of State (for India) to Her Majesty, the Queen Empress of India. It was essentially a welfare scheme for the benefit of Postal employees in 1884 and later extended to the employees of Telegraph Department in 1888. In 1894, PLI extended insurance cover to female employees of P & T Department at a time when no other insurance company covered female lives. It is the oldest life insurer in this country. There was over 6.4 million policies active as on 31 March 2015 with a sum assured of 130,745 crore (US\$18 billion). Premium income of PLI for the year 2014-15 was 6,053.2 crore (US\$840 million). It covers employees of Central and State Governments, Central and State Public Sector Undertakings, Universities, Government aided Educational Institutions, Nationalized Banks, Local bodies, autonomous bodies, joint ventures having a minimum of 10% Govt./PSU stake, credit co-operative societies etc. and staff of the Defence services and Para-Military forces. Apart from single insurance policies, Postal Life Insurance also manages a Group Insurance scheme for the Extra Departmental Employees (Gramin Dak Sevak) of the Department of Posts. It was extended to all rural residents on 24 March 1995. Policies for government employees include Santhosh (endowment assurance), Suraksha (whole-life assurance), Suvidha (convertible whole-life assurance), Sumangal (anticipated endowment policy) and Yugal Suraksha (joint life endowment assurance). India Post started Rural Postal Life Insurance (RPLI) for rural public in 1995. RPLI include *Gram Santosh* (endowment assurance), *Gram Suraksha* (whole-life assurance), *Gram Suvidha* (convertible whole-life assurance), *Gram Sumangal* (anticipated endowment assurance) and *Gram Priya*. Recently, Postal life insurance has

been extended to the professionals also employees of NSE and BSE registered companies are also included in this new extension process.

4.6 Postal savings

The post office offers a number of savings plans, including Recurring Deposit Account, Sukanya Samriddhi Account (SSA), National Savings Certificates (NSC), Kisan Vikas Patra (KVP), the Public Provident Fund, savings-bank accounts, monthly-income plans, senior-citizens' savings plans and time-deposit accounts.

As on 31 March 2015, Post Office savings bank had a customer base of 330.3 million. Its vast network has been used to disburse payments under National Rural Employment Guarantee Act (MGNREGA).

4.7 Banking

In 2013 it was revealed that the Indian postal service had formulated plans to enter the banking industry after RBI guidelines for the issuance of new banking licenses were released. Eventually they are planning to open a Post Bank of India, an independent banking service.

In August 2015, the Reserve Bank of India had granted in-principle approval to 11 applicants to set up payments banks, including India Post. As of 29 February 2016, 18,231 post offices are utilizing Core Banking Solutions (CBS) in 9583 Post Offices. ATMs are installed at 576 Post office locations and Debit Cards issued to Post Office Savings Bank customers. Core Insurance Solution (CIS) for Postal Life Insurance (PLI) is rolled out in 808 Head Post Offices and corresponding 24000+Sub Post Offices. In September 2017, it was announced that by 2018 all of the 1.55 lakh post offices and every postman and Grameen Dak Sevak will be equipped with a device which will provide full range of payment options that the India Post Payments Bank (IPPB) plans to provide. On 1st September, 2018 the India Post Payments Bank was inaugurated by Prime Minister Narendra Modi.

The postal department is focused on riding the e-commerce boom across the country from creating dedicated corridors for delivery to training postmen to handle big volumes. There is a concerted effort to become more connected digitally.

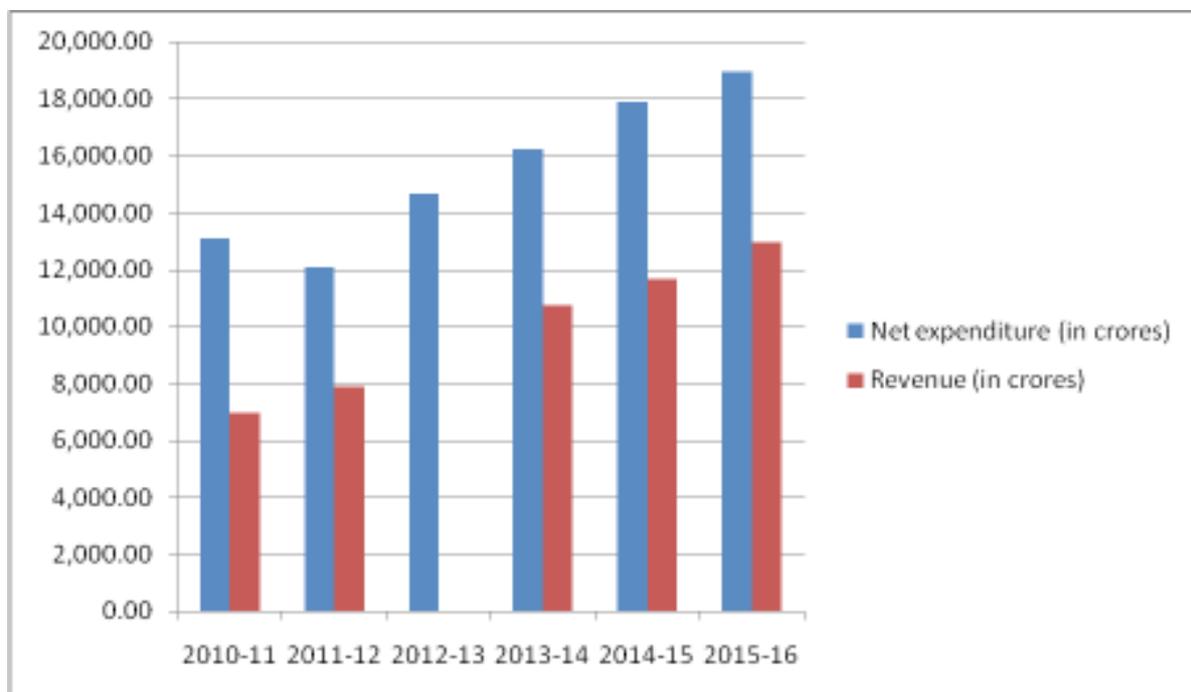
4.8 Data collection

Collaboration between the Ministry of Statistics and Programme Implementation (MoSPI) and the Department of Posts has enabled the computation of

Table 1: The amount of expenditure incurred and revenue earned (in crores).

Year	Net expenditure (in crores)	Revenue (in crores)
2010-11	13,075.0	6,962.3
2011-12	12,075.3	7,899.4
2012-13	14,676.4	
2013-14	16203.52	10730.42
2014-15	17894.58	11635.98
2015-16	18946.97	12939.79

{Source: https://en.wikipedia.org/wiki/India_Post}

**Fig 1 :** Graphic representation of the Net expenditure and Revenue of Department of Post from 2010 to 2016.

consumer-price indices for rural areas. These statistics were previously unobtainable, due to problems of remoteness and scale. The agreement authorizes the postal service to collect data on prices paid for selected consumer goods. In February 2011, MoSPI published its first Consumer Price Index (CPI) and All-India Consumer Price Index. The information has since been published monthly, based on data available from 1,181 villages across the country.

4.9 E-Commerce delivery

The boom in e-commerce and the surging number of cash-on-delivery consignments has led India Post to partner with major e-commerce portals

for delivering pre-paid as well as Cash On Delivery (COD) parcels. The deliveries are primarily directed at tier-II towns, and parts of the rural heartland, where India Post has unparalleled reach. It has also set up 57 delivery centers to handle the e-commerce traffic. The postal department's revenues by ways of COD consignments from e-commerce majors have more than doubled in the first nine months of fiscal year 2015-16 at 10 billion (US\$140 million), up from 5 billion (US\$70 million) during the whole of 2014-15, and just 1 billion (US\$14 million) in 2013-14. According to the then Minister for Communications and Information Technology, Ravi Shankar Prasad, revenue of India

Post from such deliveries would go up to 15 billion (US\$210 million) in the year 2015-16.

4.10 Other services

Other services include:

- Post boxes and post bags for mail receipt
- Identity cards for proof of residence
- ATM
- RMS (Railway Mail Service)

The following table shows income generated by the postal department.

In February of 2010, the Urban Institute completed a study entitled “A Framework for Considering the Social Value of Postal Services” that had been commissioned by the Postal Regulatory Commission.” The report is found relevant to the scenario of India also and outcomes can be discussed in respect to Indian Postal system. This report discusses how the “massive infrastructure” of the Postal Service “is a unique federal asset that can be called upon during a major disaster or terrorist attack when power and phone lines are useless.” As an illustration, the study reviews what happened after Katrina hit the Gulf states in 2005: “The Postal Service moved quickly to reestablish communications, to reopen lines of commerce, and to deliver government information, relief checks, and medicine to hurricane victims living in makeshift shelters. Its extensive address database enabled it to locate hundreds of thousands of displaced persons so that they could be reunited with their families.” The report observes that “It is unlikely that any other entity could have provided the same level and scope of services as the Postal Service did.” In light of the immense need for additional service in this area, the report goes on to discuss several areas where “the Postal Service could dramatically increase the social benefit it provides (and its revenue streams) by expanding its money transfer services to the unbanked.” The report comes to the following observations:

“The benefits of Postal Services include the following:

- Lower cost of delivery to residents and businesses in the rural areas than practical (if the deliveries were made by the private parcel competitors.
- Increased market share for the Postal Service for last mile rural deliveries due to pricing that generates increased volume tendered by work share partners.
- Increasingly lower unit costs for such rural deliveries to the Postal Service as (higher

volumes are spread across a fixed cost network.

- Improved operational synergies and related cost efficiencies through the (collection of outgoing mail and parcels while delivering. This network advantage of the Postal Service for collection of return packages from residential parcel shippers is recognized even by UPS and FedEx since within last year, both have partnered with the Postal Service to handle the first mile pickup service for such return packages.
- Solidified market dominance for delivery to rural areas due to Postal Service being the only carrier with the most extensive network and the most practical solution for such last mile deliveries to all private sector competitors.
- The delivery network also benefits the population in urban areas. Without parcel delivery and pickup in rural areas, some businesses might not establish offices in certain rural areas. That could result in people from rural areas migrating to urban areas, which would increase population density in urban areas. A reduction in population density in rural areas could in turn discourage other businesses from opening stores to rural areas, leading to a snowball effect of further migration from rural to urban areas. The uniform delivery charter of the Postal Service (supported by its lower delivery cost to rural areas compared to private carriers) serves the purpose of supporting development of rural economy.
- Many prefer to go to a local post office rather than a bank because they consider it conveniently located, familiar, comfortable, and trustworthy. The Postal Service also sets fees at affordable rates. The Postal Service thus benefits society through its provision of safe, convenient, and affordable transaction services to the unbanked. “Post offices are conveniently located in every neighborhood across the nation,” concludes the report, “and it is likely that many unbanked persons already frequent their post offices for international remittances or other postal services. The Postal Service is also the most trusted federal agency, charges affordable fees, and provides reliable, universal mail service, making it a familiar, non-threatening place for the unbanked to conduct financial transactions.”

5. Conclusion

Thus, from the above discussion it can be well understood that Postal service is the cheapest mode of communication. India post have been growing over

the years. Considering the rapid changes in information and communication technology, the Department of Posts has given a new thrust to its programme of modernisation for providing new value added services to customers. Rapid introduction of information technology has not only changed the way post offices

do business the world over, but also the business they do. As such, it can be expected that in near future India Post will grow more with the introduction of new technology which in turn will lead to more contribution to the service sector and have a positive growth effect in the Indian GDP.

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