



AN IMPERISHABLE TREASURE OF INDIAN POSTAL DEPARTMENT; A SPECIAL STUDY

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ABSTRACT

The Indian postal services with 1,55,333 post offices is most widely distributed post offices system in the world. India post has also positioned itself as a reliable agency for the government of India (implementing its inclusive growth policies) to improve its service quality and operational efficiency. India post has introduced a centralized core banking solution with alternate delivery channels facilitating any time any where banking environment. This core banking environment will enable immediate transfer of funds and easier withdrawals. The alternate delivery channels planned for services delivery are ATMs, Internet, SMS and Mobile banking. This paper explores the History of postal services and its future opportunities in India.

KEYWORDS : Postal services, Post offices schemes, Growth of postal department, Awareness of postal service.

EVOLUTION OF POSTAL DEPARTMENT

POSTAL DEPARTMENT AND THE BRITISH RAJ (1858–1947)

Introduction: The British Raj was instituted in 1858, when the rule of the East India Company was transferred to the Crown. By 1861, there were 889 post offices handling nearly 43 million letters and over 4.5 million newspapers annually. The first superintendent of the post office was appointed in 1870 and based in Allahabad. In 1876, British India became the first non-funding member of the General Postal Union. A number of Acts were passed during the British Raj to expand and regulate Post and Telegraph service.

The Government Savings Bank Act 1873 (5 of 1873), passed by the legislature 28th January 1873, was enacted in 1881. On 1st April 1882, Post Office Saving Banks Account is opened throughout India (except in the Bombay Presidency). In Madras Presidency, it was limited; in the Bengal Presidency, no POSBs were established in Calcutta Howrah. Postal life insurance began on 1st February 1884 as a welfare measure for the employees of the Posts & Telegraphs Department.

Telegraph Act 1885 (Indian Telegraph Act) : The Indian Telegraph Act, 1883 is the enabling legislation in India which governs the use of wired and wireless telegraphy, telephones, teletype, radio communications and digital data communications. It gives the Government of India exclusive jurisdiction and privileges for establishing, maintaining, operating, licensing and oversight of all forms of wired and wireless communications within Indian Territory. The Indian Wireless Telegraphy Act 1933 (17 of 1933) : The world first official airmail flight took place in India on 18th February 1911, a journey of 18 kilo metres (11 minutes and lasting 27 minutes). Henri Pequet, a French pilot, carried about 15 kilograms (33 lb) of mail (approximately 6,000 letters and cards) across the Ganges from Allahabad to Naini; included in the airmail was a letter to King George V of the United Kingdom. Telegraphy and telephony made appearance as part of the postal service before becoming separate departments. The Posts and Telegraphs Departments merged in 1914; dividing on 1st January 1985. Since Indian independence in 1947 the postal service continues to function on a nationwide basis and providing a variety of services. The structure of the organization has the Directorate at its apex; below it are Circle Offices, Regional Offices, the Superintendent's Office of Post Offices, Head Post offices, Sub-Post Offices and Branch Post Offices. In April 1959, the Indian Postal Department adopted the motto "Service before Self", it revised its logo in September 2008. India Post inaugurated a floating post office in August 2011 at Dal Lake in Srinagar, Kashmir.

INTRODUCTION OF POSTAL SYSTEM:

"Postal Service is the world most efficient postal system". The earliest reference to an official postal system in India was made in the 14th century by an Arab traveler and historian Iban Battutah.

The system was brought to its height during the 16th century under the great Mughal emperor Akbar with a network of 2000 miles of post roads. The Indian Postal Service had 1,54,866 post offices, of which 1,39,040 (89.78 percent) were in rural areas and 15,826 (10.22 percent) in urban areas. It had 25,464 departmental Post Offices and 129,402 Extra-Departmental Branch Post Offices. At the time of independence, there were 23,344 post offices, primarily in urban areas. The network has registered a six fold growth since independence, with the expansion focus primarily in rural areas. On average, a post office serves an area of 21.23 square kilo metres (8.20 sq mi) and a population of 7,114; it is the most widely distributed postal system in the world.

POSTAL NETWORK IN INDIA: India has the largest postal network in the world the country today has 1,55,015 post office of which 1,39,144 are in rural area. 23,344 in urban areas on an average, post serves an area of 21.21sq.km and a population of 7,175 the postal department has about 2.18 lakh departmental employees and 2.76 lakh Gramin Dak Sevaks. India has been divided into 22 postal staff college India (PSCD) Ghaziabad meets the training and development needs of Indian postal services officers and other Gazetted officers.

PHILATELIC BUREAU: Postage stamps perform multifarious roles of being the paper ambassadors representing their country of origin, to being brand images of their postal administrations, promoters of the image of a nation, and, as collectibles. The universality and history associated with the postage stamps attaches to them an aura, which is far beyond their physical form. The purpose of this website is to enable every visitor here to trace the rich historical and cultural wealth of our magnificent country, through the vast and wonderful world of stamps.

My Stamp is the brand name for personalized sheets of Postage Stamps of India Post. The personalization is achieved by printing a thumb nail photograph of the customer images and logos of institutions, or images of artwork, heritage buildings, famous tourist places, historical cities, wildlife, other animals and birds etc.,

OBJECTIVES OF THE STUDY:

- To study the history and growth of postal department services in India.
- List out the new initiatives of the postal department in financial services.
- To analyze and forecast the opportunities and performance of postal services in India.
- To offer the suitable suggestions and measures for improvement of the performance of postal services.

REVIEW OF LITERATURE : Ahmed Khator (2013) in his paper

highlights the working way of traditional Post Office services in growth with modern corporate entities in Kenya. 96 offices of private courier and mail services are in registered in Kenya. To find out tough competition faced by postal office from these private companies and to analyse the strategies adopted by them to reduce risk and uncertainties. **Mohammad Rafee (2015)** The researcher highlights the changing face and role of post offices in Indian services sector. India has the largest postal network in the world. It plays a very crucial role in socio-economic development. It also focused on the various suggestions for India post to provide better services to citizen. Thus, a transformation role is needed to the India Post.

Research Methodology: The data required for the study is primary data is collected from consumers of using services of post offices from Kinathukadavu area in Coimbatore district. The survey is based on the structured questionnaire designed for the same. The secondary data will be based on annual reports, newspapers, journals, published, research papers and other sources.

Area of Study : The present study is confined to consumer of post office from Kinathukadavu area in Coimbatore district.

Sample Design : For the purpose of study, 125 accountholders were selected from Kinathukadavu area in Coimbatore district. Convenient sampling has been selected for this purpose.

Framework of Analysis : For analyzing the data the simple percentage method and identify the awareness level of savings scheme offered by the post office by using Rank analysis.

Percentage Analysis : An overview of the demographic profile of the sample accountholders considered for the study is presented in Table 1. For the present study, researcher has collected data through structured questionnaire filled by 125 accountholders from Kinathukadavu in Coimbatore district. Accountholders sample was chosen by deliberately convenient sampling technique.

Table No.1 indicates detailed profile of the out of 125 accountholders; the many of the accountholders are male. Majority(34) of accountholders coming under belong to 40 to 50 years age group, with respect to educational level that majority of 46 accountholders were graduate. It reveals that most of the 97 accountholders are married. The income –wise classification of the 55 sample accountholders higher in the income group of Rs.10000 to Rs. 20000, that Private employees are constituted the larger percentage of the total accountholders, many of the accountholders also expressed that they are well aware of post office services.

TABLE No 1: DEMOGRAPHIC PROFILE

Variable	Particulars	Fre.	%	Variable	Particulars	Fre.	%
Gender	Male	65	52.2	Age	Below 30 years	24	19
	Female	60	47.8		30 to 40 years	32	25
Educational	Professional	5	3.8		40 to 50 years	34	28
	Post Graduate	19	14.6		50 to 60 years	20	16
	Graduate	46	37.4		Above 60 years	15	12
	HSC	20	16	Marital Status	Married	97	77.4
SSLC	25	20	Unmarried		18	14.5	
Illiterate	10	8.2	Widower/Se parated		10	8.1	
Monthly Income	Up to Rs. 10000	42	33.9	Occupation	Govt. Employee	18	14.5
	Rs.10000 to 20000	55	43.5		Private Employee	64	51.1

	Rs. 20000 to 30000	20	16.1		Business /Profession	36	28.5
	Above Rs. 30000	8	6.5		Retired	7	5.9
Aware	Yes	85	68	Period of savings	Below one year	15	11.8
	No	40	32		1 to 3 Years	44	35.5
Influence Media	Newspaper	30	24		3 to 5 Years	39	31.2
	Radio	23	18		Above 5 years	27	21.5
	Magazine	15	13	Savings (per month)	Up to Rs. 5000	54	43.5
	Friends	20	16		Rs.5000 to Rs 10000	38	30.6
	Agents	32	25		Rs. 10000 to Rs 15000	15	12.4
	Others	5	4		Rs. 15000 to Rs. 20000	13	10.8
Source : Date Collected through questionnaire					Above Rs.20000	5	2.7

RANK ANALYSIS:

TABLE 2: Ranking of post office saving schemes based on Level of Awareness

POST OFFICE SAVING SCHEMES	AWARENESS			RANK
	Highly Aware (%)	Low Aware (%)	Not Aware (%)	
Post Office Savings Account (POSA)	104 (83)	21 (17)	0 (0.0)	1
Post Office Recurring Deposit (PORD)	98 (85)	27 (14.6)	0 (0.0)	2
Monthly Income Scheme (POMIS)	79 (63.2)	46 (39.2)	0 (0.0)	3
Sukanya Samridhhi Accounts (SSA)	78 (62.4)	42 (33.6)	5 (4)	4
Post Office Time Deposit (POTD)	67(53.6)	56 (44.8)	2 (1.6)	5
Kisan Vikas Patra (KVP)	65(52)	56 (44.8)	4 (3.2)	6
Senior Citizen Savings Scheme (SCSS)	60 (48)	57 (45.6)	8 (6.4)	7
National Savings Certificate (NSC)	59(47.2)	54 (43.2)	12 (9.6)	8
Public Provident Fund (PPF)	55(44)	45 (36)	25 (20)	9
Ponmagan Podhu Vaippu Nidhi	10(40.8)	40 (32)	34 (27.2)	10

Source : Date Collected through questionnaire

Finally, based on these three levels of awareness, the various post office saving Schemes are ranked in the descending order of awareness level, i.e., from high to low, Table 2 presents the information pertaining to the ranking of various post office savings schemes based on the awareness of the sample accountholders.

From the above observations, it is clear that post office savings schemes like Post office Savings Account 104 customers are preferred (Ranked one), 98 accountholders were Post Office Mo Recurring Deposit Scheme(Ranked two),79 customers are preferred from Monthly Income Scheme (Ranked Three), 78 school girls are prefer to Sukanya Samridhhi Accounts (SSA) (Ranked Four), 67 accountholders were Post Office Time Deposit is very popular among the customers (Ranked Five) and they are quite aware of these avenues while making deposits. It is also significant to note that very few are little aware of Kisan Vikas Patra 65 accountholders are preferred (Ranked six), 60 accountholders are Senior Citizen Savings Scheme (Ranked Seven) and 59 accountholders were

National Savings Certificate (NSC) (Ranked eight). It is unaware of latest schemes of 55 accountholders are Public Provident Fund (PPF) (Ranked Nine) and 51 Accountholders are aware Ponmagan Podhu Vaippu Nidhi (Ranked Tenth).

SAVING SCHEMES OFFERED BY THE POST OFFICE: The Post Office Saving Bank (POSB) Operates Out Of More Than 1.54 Lakh Post Office Spread Across the Country. The Schemes Include Saving Account Scheme, Recurring Deposit Scheme, Time Deposits Scheme (1,2,3,&5 Years), Monthly Income Schemes, Public Fund Scheme, Kisan Vikas Patra Schemes, National Saving Certificates And Senior Citizens Saving Scheme. Sukanya Samridhhi Accounts and Ponmagan Podhuvaippu Nidhi.

Post office savings account in a post office will continue to earn 4% annual interest and interest amount up to Rs. 10,000 will be tax exempt under section 80TTA. **Sukanya Samridhhi Scheme** was officially launched on 22nd January, 2015. The department, which already has a facility for savings bank accounts for children, has started this Sukanya Samridhhi Yojana scheme exclusively for girls below 10 years of age, Parents or guardians can deposit up to Rs. 1.5 lakh a year in this scheme, which provides an interest rate of 9.2 per cent. Sukanya Samridhhi Yojana accounts will carry 8.50% for the current financial year, Senior citizens will also feel happy about the changes announced by the Government as the interest rate on **Senior Citizen Savings Scheme** has also been increased by 9.2%

We can double money in 100 months, which makes its effective annual return to be 8.67% if held till maturity. Investment certificates in this scheme bear no name and can easily be transferred from one person to another. Interest rates on **Recurring deposits** and term deposits have also been kept changed at 7.30% for all tenures, except term deposit 5-year term deposit with a lock-in clause will provide you tax deduction under section 80C. **Ponmagan Podhu Vaippu Nidhi (boy-oriented savings scheme)** any individual above 10 years can open account on their own. Minor account can be opened through guardian on behalf of individuals below 10 years. Minimum of Rs. 500/- in a financial year and maximum Rs. 1,50,000/- the interest for the current year is 8.7 per cent Deposits can be made in lump-sum or in 12 installments.

FINANCIAL SERVICES : Electronic fund transfer (EFT) was launched in April 2001. This service leverage the VSAT Network of the postal department to facilitate end-to-end fund transfer by bank on behalf of the corporate sectors as well as the capital markets. **Instant money order** is an online domestic money transmission services which enables the customer receive money in minutes from any of the post office providing IMO services. **A money order** is an order issued by the post offices for the payment of a sum of money through the agency of the post office. This service is available more than 1.54 lakh post office covering every nook and corner the country.

International money transfer service service which is operated in association with a multi-national company, western union financial services. It provides the facility of receiving instantaneous remittances from 205 countries on real times basis to the customers.

INSURANCE SCHEMES : Post life insurance was introduced in 1884 as a welfare measure for postal employees over the years. It was extended to the employees of central and state government public sectors undertaking.

Postal Life Insurance (PLI) for Government employees This insurance is eligible for those who below 50 years of age, where it gives insurance of their life on payment of a fixed premium for a particular period. On the death of the insured person or on the expiry of a specified period, this insurance is liable to pay the certain sum of money. **Rural Postal Life Insurance (RPLI)** provides insurance coverage to the people living in rural areas and the weaker section of the society. In this insurance a very low premium

has to be paid for the insurance coverage under this policy. RPLI is all set to succeed as it has a strong network if post offices in both rural and urban areas.

BANKING SERVICES: Core Banking Solution (CBS) will enable customers to operate their accounts and avail account related services from any post office in the country. 'Anywhere Anytime Banking', The **Post Office ATM** will facilitate the customers to withdraw money anytime. The ATM at Indraprastha Head Post Office and Delhi GPO will be replicated in 1000 locations across the country in the next few months. This will be scaled up to 3200 ATMs. India Post has decided to introduce **SMS alert** to deliver the promptly. However, we will need mobile numbers of both the sender and receiver. The postman would send an SMS to the addressee an hour before delivering the mail.

India Post Payments Bank, we believe that a nation can only grow when every citizen gets an opportunity to prosper, regardless of their way of life. With simple, diverse and growth oriented offerings, IPPB aims to give every Indian access to efficient banking services.

Incorporated as a Public Sector Bank under the Department of Posts with 100% GOI equity, IPPB has launched on January 30th, 2017 in Ranchi and Raipur with the objective of being present in all corners of India by the end of the year.

NEW OPPORTUNITIES: The department has already carried out a feasibility study for setting up the post bank in India and has invited on interest from consultancy firms and domestic or foreign to finalize the plan for the bank. The DOP, "Intends to obtain approval from the Cabinet and license from RBI Reserve Bank of India for creation of a full-fledged bank (PBI) Post Bank of India." Currently, DOP operates seven small savings schemes through a network of 1.54 lakh post offices and collect huge amount for both state and central governments. Net-banking, RTGS, NEFT shall be available for the Post office customer. The objective of CBS is to provide faster and easier banking services through internet, mobile devices and ATMs. The Post Office will facilitate the customer to withdraw money anytime. It has over 250 million account holders. In addition to deposit schemes, "A total of 600 Post offices in India will be migrated by 23,207 Post Offices in India.

RECENT ACHIEVEMENT: PAYMENT BANKING: The Reserve Bank of India (RBI) has chosen just 11 out of 41 applicants to set up payments banks in the country. Payments banks are institutions that will offer most of the banking services except loans and credit card products to retail customers. Customers can deposit money up to Rs 1 lakhs in these banks, transfer money, make payments and buy financial products such as insurance and mutual funds.

The 11 names include India's postal department, two telecom players (Airtel and Vodafone), three large corporate houses (Reliance Industries Ltd (RIL), Aditya Birla Nuvo and Tech Mahindra), two financial services firms (Fino Paytech and Cholamandalam), two individual entrepreneurs (Dilip Sahnghvi and Vijay Sharma) and National Securities Depository Ltd a surprise winner.

The reason why the RBI chose not to admit majority of these firms in the list could be the regulator's apprehensions on their past record, financial strength and apprehensions on the security of transactions once these entities are allowed to become banks and begin collecting deposits from public. Similarly, the exclusion of large hypermarket chain like Big Bazaar indicates that the RBI isn't yet comfortable with permitting retail chains to do banking.

IPPB is offering Savings account upto a balance of Rs 1 Lakh, along with digitally enabled payments and remittance services of all kinds between individuals. In due course, IPPB will also provide current accounts and access to third party financial services like insurance, mutual funds, pension, credit products, forex, and more.

Three features central to IPPB's

- **Convenience to fingertips:** We promise to make banking a simple, affordable and convenient experience for Indians across the nation. That's why we make sure that citizens across the nation get seamless access to government benefits directly from their respective IPPB bank accounts and make the most of the financial opportunities available to them.
- **Pioneer in inclusive banking:** At IPPB, we encourage smart saving and investment habits with our easily accessible banking services. Our vision is to extend banking facilities to the remotest corner of the nation. Our services transcend geographical borders. That's how we aim to simplify banking and bring prosperity to every doorstep.
- **Efficiency of banking network:** IPPB provides the most effective, accessible and readily available banking network across the nation. IPPB will soon offer banking services through digital channels like mobile, UPI, debit cards which can be used at ATMs, PoS and mobile-PoS. This facilitates all-round connectivity with the bank and helps to access the account details instantly.

FUTURE PROSPECTS: E-Commerce currently facilitates of cost pick up of items from customer if the wants to return it due to some fault or any other discrepancy in the product. India post is also considering tapping this opportunity as well as talking about banking project, India post director for postal services in Delhi the department of post has planned to install 1,000 ATMs across country in this financial year.

SUGGESTIONS: The suggestion may help to Indian postal services department. In the further growth: An attractive infrastructure attracts the customers, Customer friendly environment should be there in every counter. In today's inflationary market, banking sectors is providing higher rate of interest on deposits. Hence the interest rates may be increased. The postal services department should adopt an adequate promotional policy; Employees should be motivated for providing incentives and Effective working culture that helps to be more productive.

CONCLUSION:

"India posts a socially committed, technology derived, professionally managed and forward looking organization".

Indian postal department is systematically improved the efficiency of the operations and also improving the customer experience, productivity and face the competitiveness by taking advantage of new technology. The growth of e-commerce provides to new growth and new opportunities in postal service department.

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